Azadi Ka Amrit Mahotsav

Annual Report 2020-21

BHEL



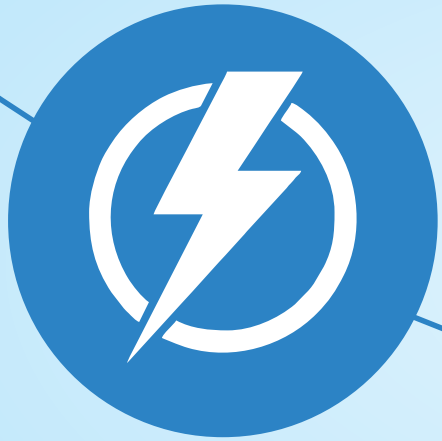
Contributing to
Create an
Aatmanirbhar Bharat

BHEL



Credentials

- India's largest engineering & manufacturing enterprise of its kind
- The second largest employer in the Indian Capital Goods industry
- The largest contributor to country's total installed conventional generation capacity with 53% share
- Present pan India: 16 manufacturing units; 8 service centres



Offerings

- Power- thermal, hydro, gas, nuclear, and solar PV
- Transportation
- Transmission
- Defence & Aerospace
- Oil & Gas
- Energy Storage
- Water

Making the Nation **Aatmanirbhar** in Power & Industry



Presence

Executed 457 coal, 422 Hydro, 103 Gas, 12 Nuclear & 54 MW scale Grid-connected Solar PV plants **across all states and 6 union territories of the country**

References in 86 countries in **all 6 inhabited continents**

India's flagship engineering and manufacturing company

Single source of sustainable solutions for energy, industry and infrastructure segments

Undisputed leader amongst Indian power plant equipment manufacturers, backed by a talented and skilled workforce

Serving strategic sectors of the country

World class technology and assets

Consistent investment on R&D and innovation

Supplementing Nation's self-sufficiency *in Oxygen!*

With the second wave of the Covid-19 pandemic developing into an unprecedented crisis for the nation, BHEL rose to the occasion and worked on a war footing to supply medical oxygen and enabled the Nation to grapple with a grave situation.



BHEL's units located at Bhopal and Haridwar supplied over 5,75,000 cubic meters (i.e. over 80,000 cylinders) of medical oxygen to hospitals across adjoining states. BHEL Haridwar ramped up its cylinder filling capacity from 300 to over 3,000 cylinders per day in a record time of just one week. A 40-year-old oxygen plant at HPEP Hyderabad, shut down for more than 10 years was also revived for supplying oxygen across Telangana. BHEL also developed many innovative disinfectation solutions enabling mass sanitisation of towns and cities.



Supplementing Nation's efforts to steer clear of any such crisis in future, BHEL is now manufacturing and supplying medical oxygen plants of upto to 1000 LPM. Additionally, oxygen production plants are being installed in those manufacturing units which do not have such facilities.

Taking care of its employees and their families, BHEL made concerted efforts to upgrade its medical infrastructure and provide all facilities to its employees and their families across all manufacturing locations. An assistance scheme was introduced for extending support to employees who unfortunately succumbed to the pandemic.

BHEL is well on its way to ensure 100% vaccination of its employees, their families and all persons working in the company's premises across all locations.













CONTENTS

ANNUAL REVIEW 4

- Letter to Shareholders 4
- Leadership at BHEL 8
- Year at a Glance 14

CORPORATE PROFILE 16

- About BHEL 16
- Pan India Presence 20
- World of BHEL 22
- Recognition of Excellence 24

BOARD'S REPORT 28

- Management Discussion & Analysis 36
  - Profile and Performance of Business Segments 41
  - Analysis of Financial Performance 64
- Corporate Governance 81
- Sustainable Development 107
- Business Responsibility Report 134
- R&D and Technological Advancements 142

FINANCIAL STATEMENTS 165

- Standalone Financial Statements 166
- Consolidated Financial Statements 236

ADDITIONAL INFORMATION 319

- Financial Performance Trend 320
- Year-wise Capital Expenditure 323
- Value Added Statement 323
- Product Profile 324
- Glossary 331

NOTICE 335

Letter to Shareholders



Dr. Nalin Shinghal
Chairman & Managing Director

> "BHEL is on its journey to transform itself into a vibrant and growing Global Engineering Organization"

Dear Shareholders,

The past year has indeed been a year of great challenge with the COVID-19 pandemic affecting economies across the globe, including the Indian economy. The pandemic also seriously affected your company's performance. However, your company has shown resilience in dealing with the situation and supplemented the national efforts while at the same time worked towards strengthening its own foundations for long term growth.

From the initial days of the pandemic itself, your company has been at the forefront in ensuring safety and well-being of its employees, their families and supporting the society at large. This continued in the second wave as well, with the company supplying over 5,75,000 Cu Mtrs, i.e., over 80,000 cylinders of medical oxygen. BHEL was, in fact, the major source of emergency medical oxygen for Uttarakhand, Western UP, city of Bhopal, etc., which resulted in saving many lives. We have futher developed and supplied medical oxygen plants for hospitals, in collaboration with CSIR-IIP, in record time. Your company also developed and manufactured disinfection equipment for mass sanitization of towns and cities, and upgraded company's hospitals and dispensaries. In keeping with its ethos as a caring company, BHEL introduced an assistance scheme for taking care of families of employees who unfortunately succumbed to the pandemic.

While the second wave of COVID has hit the country and your company hard, BHEL has taken steps for ensuring rapid recovery of operations and made efforts for mitigating effects of any further waves by taking steps to make workplaces COVID compliant as well as an extensive vaccination campaign at its units as well as project sites. The company is making efforts to ensure vaccination of not just employees and their families, but also of all persons working in these premises. To avoid any stoppage of work due to non-availability of oxygen (as happened in the second wave) as well as to support the community at large, in case of any future eventuality, we are additionally installing oxygen generation plants in those units which do not have oxygen production facilities at the moment.

Key performance highlights

Disruptions caused by the first wave of COVID had serious repercussions on the company's operations, both in the manufacturing units as well as at project sites. While all

efforts were made to subsequently resume activities at normal levels, the impact is visible in the annual results.

- Your company secured orders worth ₹13,472 Cr despite the sluggishness in ordering by customers on account of COVID related uncertainties. Your company has booked its highest ever orders in hydro power segment and was also successful in retaining its leadership in engineering and manufacturing of equipment for nuclear power and emission control business.
- Your company has won its first order for Sulphur Recovery Unit (525 TPD) from IOCL Paradip, and its successful completion will establish BHEL as an LSTK player for process packages in upcoming opportunities in the Downstream Oil & Gas sector.
- The company recorded a turnover of ₹16,296 Cr with a net loss of ₹2,717 Cr in 2020-21. The loss includes an additional merit based provisioning of about ₹1,800 Cr. made after detailed review of receivables, on an exceptional basis, which was taken up by the company as a measure of utmost financial prudence, so as to strengthen receivables management process and improve quality of assets in the balance sheet. Further, the loss has been exacerbated due to non-productive expenses during the COVID period (salaries/ expenses for which there was no production)
- Your company has taken a major initiative for change of strategy from Revenue Centric to Project Centric operations, which have impacted the revenues in the short term but will lead to timely completion of projects and improvement in customer satisfaction, as well as significantly improve long term business prospects.
- Concerted efforts for cash collection resulted in liquidation of 82% of the current year billing, which is the best in the last 10 years and the company achieved a cash surplus of ₹383 Cr. in FY 2020-21 as against a deficit of ₹3,587 Cr. in previous year.

Improved execution coupled with concerted efforts for cash collection resulted in the company being cash surplus in FY 2020-21 as against a deficit of ₹3,587 Cr. in previous year

Economic & business environment

After the pandemic induced contraction, domestic economic activity is normalizing with the ebbing of the second wave of the virus and the phased reopening of the economy. Several high-frequency indicators, viz., registration of automobiles, electricity consumption, non-oil non-gold imports, consumer durable sales and hiring of urban workers suggest that the consumption, investment and external demand are regaining traction.

Investment demand still remains weak. However, improving capacity utilization, rising steel consumption, congenial monetary and fiscal policies and the economic packages & other measures announced by the Government are expected to kick-start a long-awaited revival.

Although ordering for new coal-based power generation equipment remains weak, demand for emission control business is strong and growing. Growth in urban mobility in rail transportation sector, thrust on indigenization in defence & aerospace sectors, and expected expansion in oil & gas sector will continue to present new opportunities. The AatmaNirbhar Bharat Initiative of the government is also creating multiple opportunities for the company.

Future perspective

While the challenges continue, the situation is also throwing up a number of opportunities. The company believes that timely & high quality delivery of products & projects, aggressive efforts in emerging technologies, collaborative working with government, PSUs, private industry, R&D institutions and academia will be the foundations for building a strong future. In this situation, the company has set out to reinvigorate itself by following a two pronged strategy:

a. in the short run, complete & close projects expeditiously which will also result in release of cash to meet its operations; expand existing conventional business through enhanced efforts in pollution control systems, spares & services; strengthening of IT and technology base; rebuilding a Quality First culture across the organization; and vigorous cost cutting for achieving business growth in a competitive environment and

b. in the long run focus on regaining technology leadership and strengthening diversification initiatives.

The past year has been a year of consolidation for the company, wherein a number of initiatives taken up in the previous year have come to bear fruit and are playing a vital role in efforts towards building a BHEL of the future. The company has focused on revamping project execution through successful implementation of the IPMS (Integrated Project Management System) supplemented with the ongoing Site Data Digitization project, ensuring sequential dispatches, closure of punch points, and switching over from Revenue Centric to Project Centric philosophy.

The company has worked aggressively towards realizing its pending dues through taking up issues at multiple levels with the state and central governments and taking required

measures for limiting exposure in projects where payments are not being received. This has resulted in stabilizing of the cash situation, with the company becoming cash surplus in 2020-21 despite a net loss of ₹2,717 Cr.

Your company has embarked on a journey for making BHEL a digitally enabled organization for improving the overall efficiency of the organization manifold as well as to utilize IT for revenue growth. We have achieved full switch over to e-office, a major step towards a paperless office, and introduced secure Work From Home facility to ensure seamless work during lockdowns. Multiple initiatives for introducing IT solutions on the shop floor and work places, for project execution, quality checks, etc., are under various stages of implementation.

Ensuring quality of products and services is a critical success factor in today's business environment. Towards this end, a companywide 'Quality First' initiative was launched in the previous year with focus on inculcating a quality mindset in all spheres of company's activities. Though the true impact of any major quality initiative is usually visible only in the long term, initial successes include Platinum recognition in CII EXIM Bank Awards for Business Excellence 2020 for BHEL's Haridwar unit - received after a gap of 14 years and the 'Golden Peacock National Quality Award' for the year 2020.

In line with its efforts for achieving profitable growth, the company has also created a Cost Optimization Group to identify scope for cost cutting in every aspect of its operations. The slew of cost reduction efforts by the company cover design, procurement, overheads, inventory control, logistics , budgetary controls among others.

Your company is cognizant of the ongoing energy transition and subdued economic growth in its current areas of operations. Accordingly, definitive steps are being taken both for maintaining growth in the existing portfolios as well as targeting opportunities in the new, non-coal based businesses. As a result, the company retained its dominant position in the nuclear, hydro and thermal emission control businesses, booking highest-ever orders of more than ₹3,000 Cr. in hydro sector, maintaining market leadership as the sole Indian supplier of nuclear steam turbines in the nuclear sector as well as retaining highest market share in the FGD and SCR segment. Company's efforts towards increasing contribution of non-coal business are also bearing fruit with the receipt of first order in the downstream oil and gas segment. Further, concerted efforts are also being made for developing a range of new products, systems and solutions for railways, urban mobility, defence, aerospace, among others.

In the long term, the company is targeting to regain its technology lead by investing in technologies of the future including various elements of the Hydrogen economy (generation, storage, utilization), for which a separate business vertical has been created. This business group is tasked with the objective of identifying opportunities for BHEL, in the Hydrogen economy, and to take up technology, manufacturing as well as business development efforts for the same, on fast-track basis. We believe that, going forward, Additive Manufacturing is going to disrupt all areas of manufacturing for which another team has been set up to identify early opportunities in this area. Other areas where dedicated teams have been deployed are Industry 4.0 solutions for process industries (remote monitoring & diagnostics, spares & services business, IIoT for internal operations), Coal to Methanol, Upstream Solar Value Chain, and Battery Energy Systems.

From a long term organisational & national perspective, BHEL is working on futuristic technologies such as Hydrogen economy, Additive Manufacturing, Industry 4.0 solutions, Coal to Methanol, Upstream Solar Value Chain, and Battery Energy Systems

However, existence of vast coal reserves in the country and imperatives to keep imports under control, coupled with the need to retire old generating sets which have lower efficiency, higher pollution and are at end of life stage, are expected to lead to opportunities in the thermal sector in the medium to long term, with focus on environment friendly clean coal technologies including gasification/ Coal to Methanol, Carbon Capture, etc., which your company is poised to capitalize upon. The successful completion of more efficient and greener Advanced Ultra Supercritical (AUSC) technology is a step in this direction and will further reinforce our technological prowess in the thermal business.

Keeping with our philosophy that employees are the biggest assets of our company, a number of initiatives for re-skilling of the workforce, leadership development, strengthening of internal communication and knowledge sharing, simplifying policies and various digital-enabled workplace solutions are being implemented for better productivity and engagement of employees.

These efforts will support your company in its journey to transform itself into a **vibrant Global Engineering Organization.**

Capitalizing opportunities under the AatmaNirbhar Bharat initiative

The present geopolitical situation and the AatmaNirbhar Bharat initiative give us an opportunity to again take the lead in manufacturing in the country – albeit in different products & technologies – which would be more relevant to the India of the future.

A number of steps have been taken in this direction through formation of Make In India Business Development Group which is targeting to indigenize 50% of our manufactured imports (excluding those under technology collaboration agreements) in the near term, partnering with other PSUs for indigenous development of items imported by them, as well as in-house development and manufacture of major items in the country's engineering imports basket. Through these efforts BHEL is already getting developmental orders from various customers, providing twin benefit of increasing capacity utilization of the company as well as help reduce imports in the country. In addition, your company is also working closely with local industries / suppliers to develop their capabilities and thus replace imports.

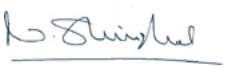
BHEL is focusing on capitalizing opportunities under the AatmaNirbhar Bharat initiative providing twin benefits of increasing capacity utilization as well as helping reduce imports in the country

Acknowledgement

The company is steadily moving forward on its various initiatives despite the numerous challenges it faces which would not be possible without the support of various stakeholders. I would like to express sincere thanks and gratitude to our valued customers as well as other business partners for their continued confidence, our employees for their engagement, passion and perseverance, members of the Board for their guidance, and you, our esteemed shareholders for your support and trust in the company. I would like to thank various Ministries of Government of India, particularly the Ministry of Heavy Industries for their valuable guidance and support in all our endeavours.

I am confident that multiple initiatives currently under implementation will help us to overcome the immediate challenges and build a strong base for long-term sustained and profitable growth of your company.

With best wishes,



(Dr. Nalin Shinghal)
Chairman & Managing Director

New Delhi
August 27, 2021

Leadership at BHEL

Board of Directors as on 25.08.2021



Dr. Nalin Shinghal
Chairman & Managing Director

Functional Directors



Shri Subodh Gupta
Director (Finance)



Shri Anil Kapoor
Director
(Human Resources)
Addl. Charge of Director (Power) w.e.f. 01.02.2021



Ms. Renuka Gera
Director
(Industrial Systems & Products)
Addl. Charge of Director (Engineering, R&D) w.e.f. 01.08.2021

Government Directors/ Part-time Official Directors



Shri Shashank Priya
Additional Secretary & Financial Adviser
Ministry of Commerce & Industry



Shri Jeetendra Singh
Joint Secretary
Ministry of Heavy Industries

Independent Directors



Shri Rajesh Sharma
Independent Director



Shri Raj Kamal Bindal
Independent Director



Shri Manish Kapoor
Independent Director

Leadership at BHEL

Management Team

as on 25.08.2021



Dr. Nalin Shinghal
Chairman & Managing Director



Subodh Gupta
Director (Finance)



Anil Kapoor
Director (Human Resources)
Addl. Charge of
Director (Power) w.e.f 01.02.2021



Renuka Gera
Director (Industrial Systems & Products)
Addl. Charge of Director (Engineering, R&D) w.e.f. 01.08.2021



Sanjay Gulati
ED (HEEP & CFFP), Haridwar



C Ananda
ED (HEP), Bhopal



P Jagadiswara Reddy
ED (HPEP), Hyderabad



Jai Prakash Singh
ED (MII-BDG), Noida
Addl. Charge-CFP & PPPU & PC



A K Jain
ED (EDN), Bengaluru



Shakil Kumar Manocha
ED (PS-Mktg.-T&G),
New Delhi



Anil Joshi
ED (COC), New Delhi



Rajiv Sharma
ED (ROD), New Delhi



Ratnanav Acharya
ED (Corporate R&D),
Hyderabad



Koushik Acharya
ED (PS-NR), Noida



Pulak Mukhopadhyay
ED (PS-TS), Noida



Dr. Balvir Talwar
ED (HR&CC), New Delhi



Alka Tuteja
ED (PS-PEM), Noida



Rajiv Bhatnagar
ED (CSM), Secretary-MC
Addl. Charge-IO, New Delhi



S K Grover
ED (ESSG & New Business Area), New Delhi



G Murali
ED (PS-SR), Chennai



Upinder Singh Matharu
ED (PS-ER), Kolkata



Pankaj Gupta
ED (SBD), Bengaluru



Pravin Chandra Jha
ED (SSBG), Noida



S B Naithani
ED (CDT & CTM), New Delhi



Jai Prakash Srivastava
ED (DABG), New Delhi
Addl. Charge – CPPP & PMG



Santosh Nair
GM I/c (PS-WR), Nagpur



Manoj Kumar Sinha
GM I/c (HBG), Noida



Milind Girish Koppikar
GM I/c (ISG), Bengaluru



S V Srinivasan
GM I/c (HPBP), Tiruchy



P Sudhir Babu
GM I/c (PE & SD), Hyderabad



T S Murali
GM I/c (CQ & BE), New Delhi



Rajeev Singh
GM I/c (BAP), Ranipet



Pankaj Jain
GM I/c (Corporate Finance),
New Delhi



Meena Kesri
GM I/c (TBG), Noida



Pushpendra Kumar Saxena
GM I/c (PS-HQ & PS-PMG), New Delhi



A B Gupta
GM & Head (TP), Jhansi



Amit Kerketta
GM & Head (CAPEX & SS&P),
New Delhi
Addl. Charge – FSIP, Jagdishpur



Sanjeev Kumar Kak
GM & Head (PCSG), Noida



B Balasubramanian
GM & Head (NBG), Noida



K S Murthy
GM & Head (COM), New Delhi



Sushil Kumar Baveja
GM (CLD & PSG), Noida



Rajeev Kumar Gupta
GM (TBSG), New Delhi



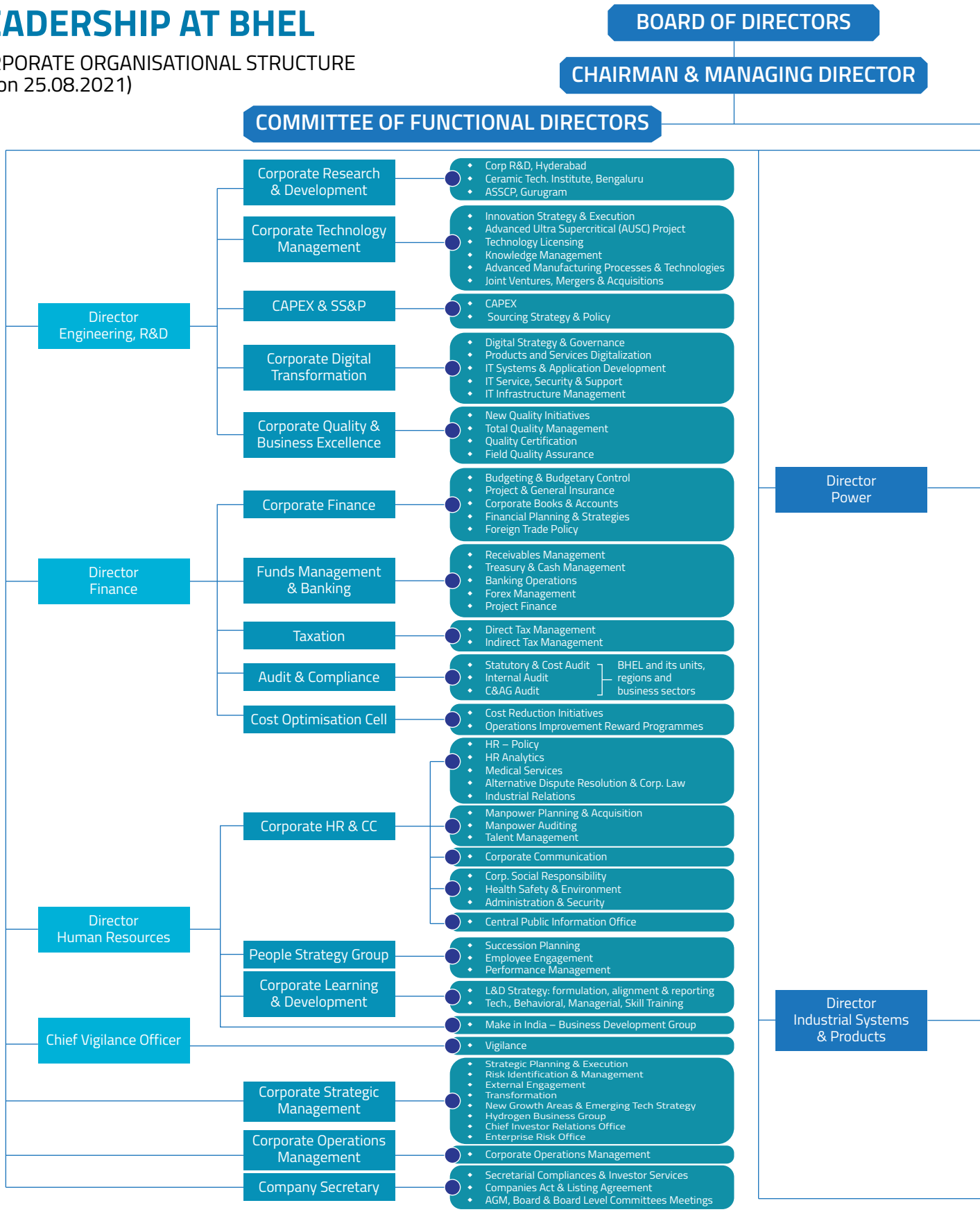
T Anantha Sayanam
GM (Corporate Internal
Audit), New Delhi

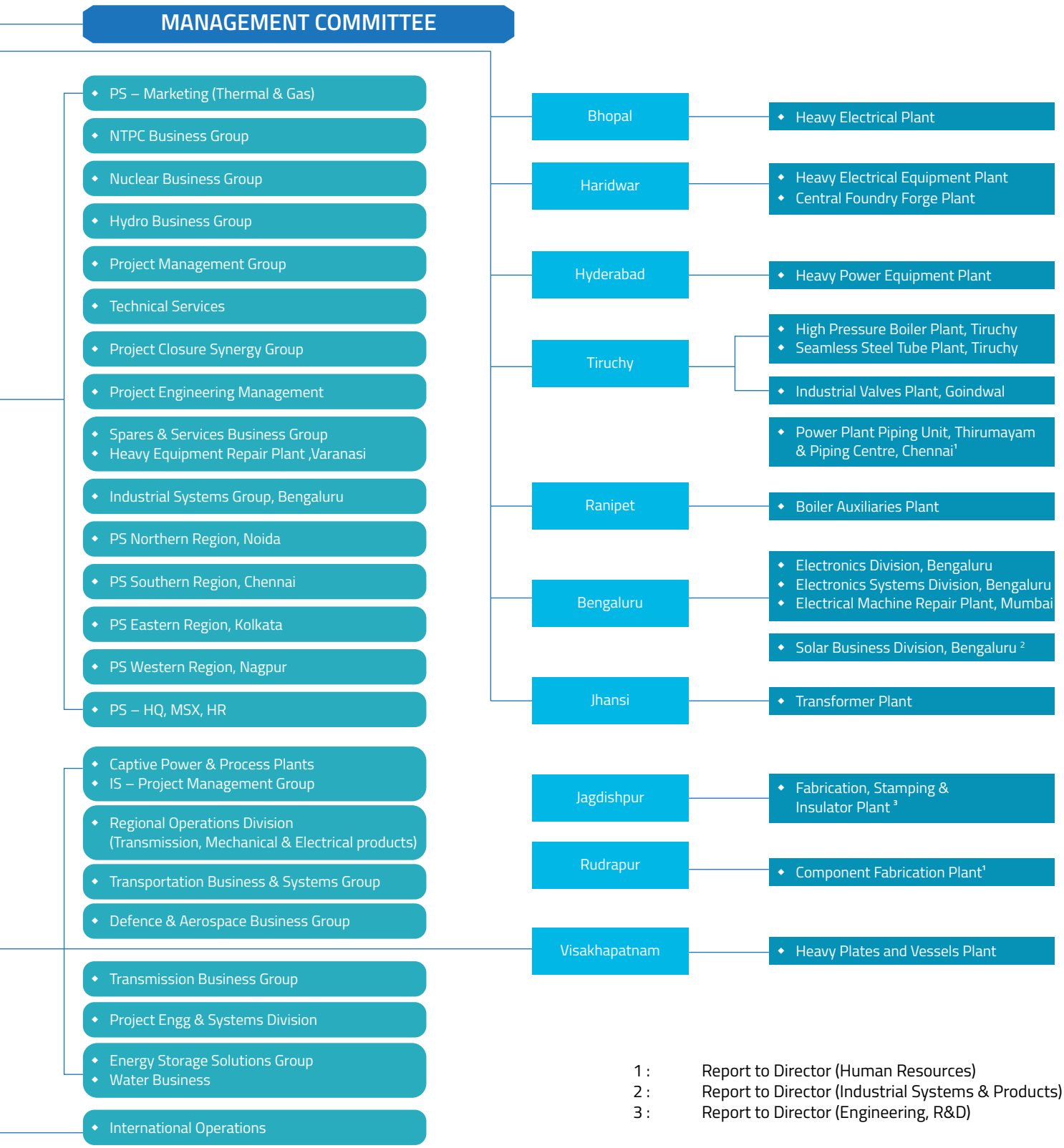


Rajeev Kalra
Company Secretary

LEADERSHIP AT BHEL

CORPORATE ORGANISATIONAL STRUCTURE
(As on 25.08.2021)



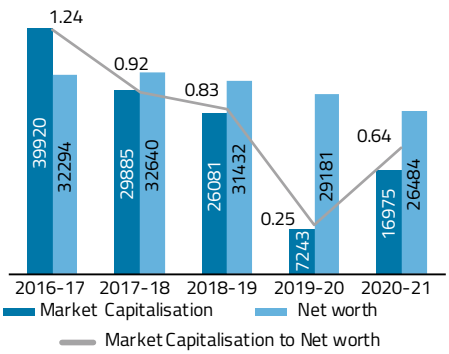


1 : Report to Director (Human Resources)
2 : Report to Director (Industrial Systems & Products)
3 : Report to Director (Engineering, R&D)

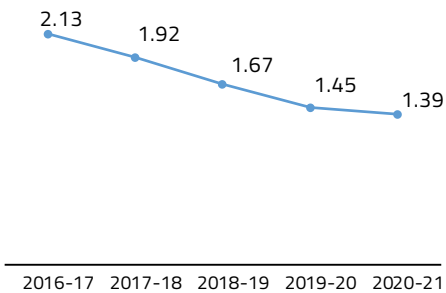
YEAR AT A GLANCE 2020-21

(Figures are in ₹ crore unless otherwise stated)

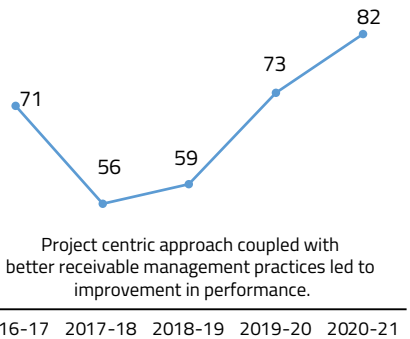
Market Capitalisation to Net Worth



Current Ratio

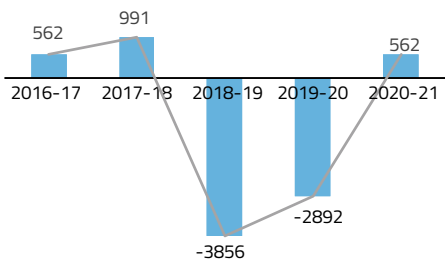


Liquidation out of current year net billing %

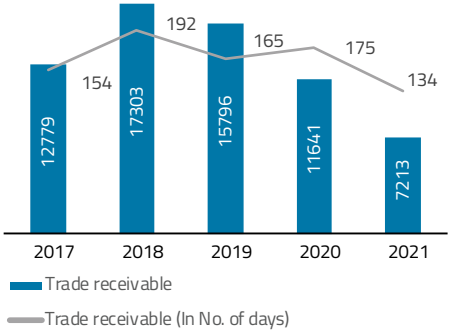


Project centric approach coupled with better receivable management practices led to improvement in performance.

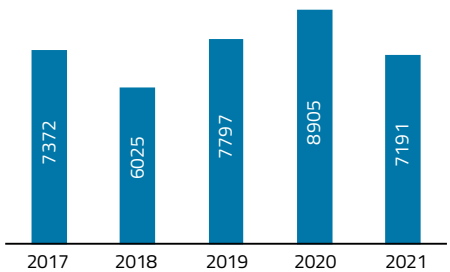
Cash flow from operating activities



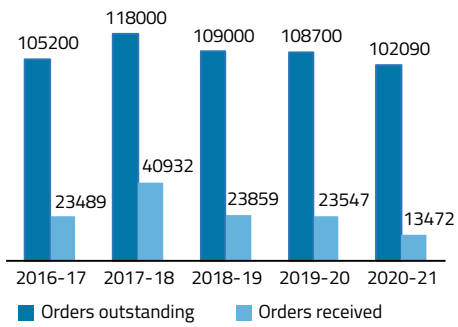
Trade Receivables and no. of days



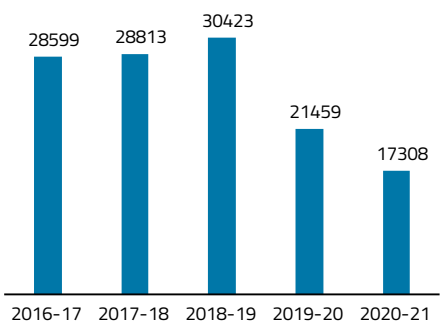
Inventory position



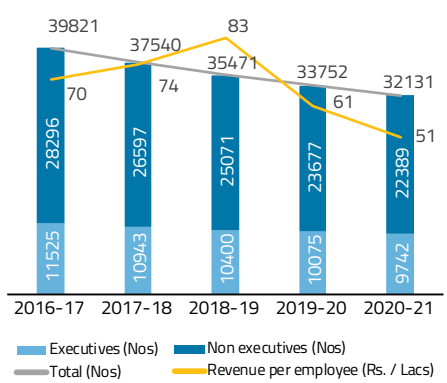
Order outstanding and received

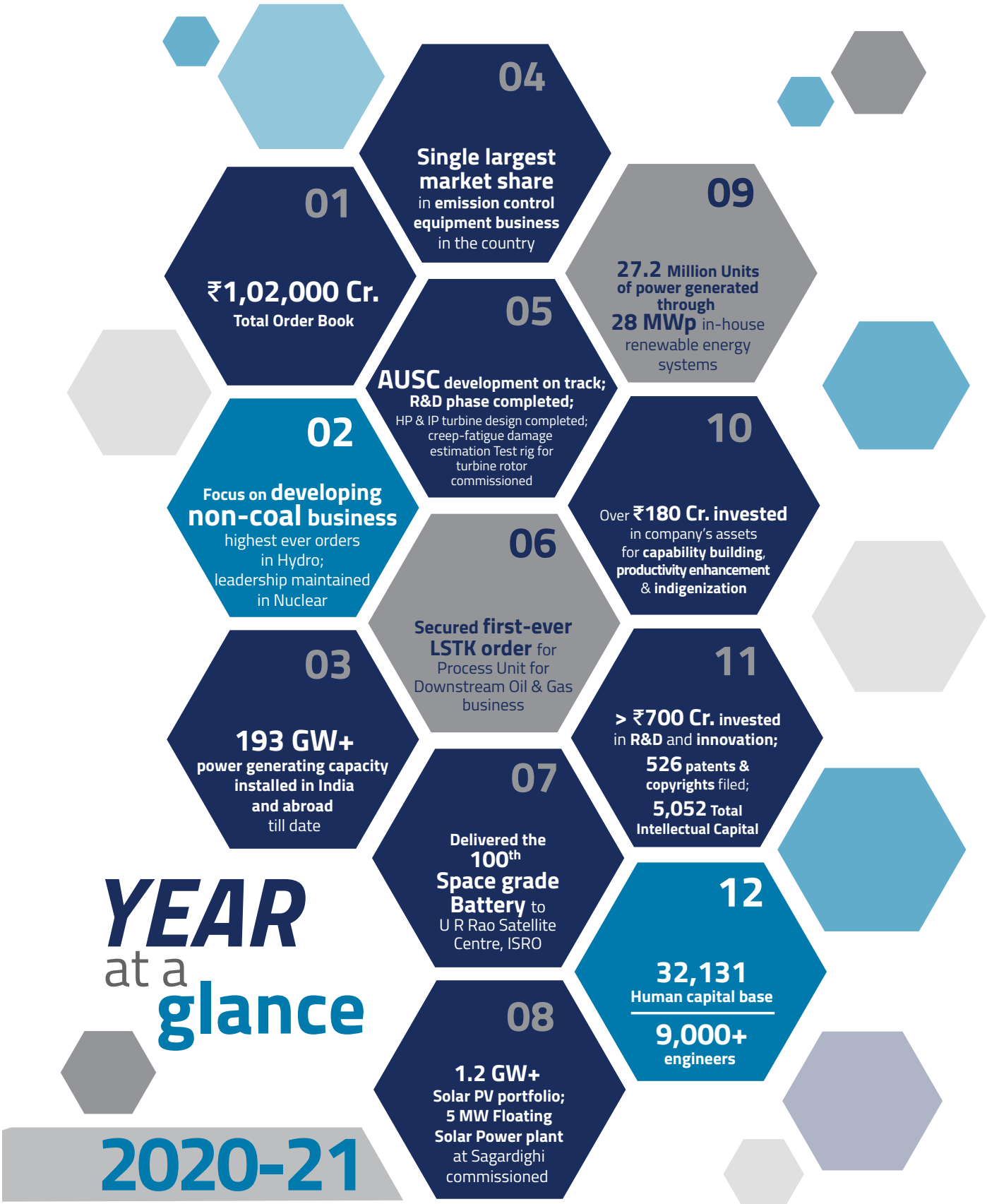


Revenue from Operations



Manpower (nos) and Revenue per employee (₹ Lacs)




01
₹1,02,000 Cr.
Total Order Book
02
Focus on developing non-coal business
highest ever orders in Hydro; leadership maintained in Nuclear
03
193 GW+
power generating capacity installed in India and abroad
till date
04
Single largest market share
in emission control equipment business
in the country
05
AUSC development on track; R&D phase completed;
HP & IP turbine design completed; creep-fatigue damage estimation Test rig for turbine rotor commissioned
06
Secured first-ever LSTK order for
Process Unit for Downstream Oil & Gas business
07
Delivered the 100th
Space grade Battery to
U R Rao Satellite Centre, ISRO
08
1.2 GW+
Solar PV portfolio;
5 MW Floating Solar Power plant
at Sagardighi commissioned
09
27.2 Million Units of power generated through
28 MWp in-house renewable energy systems
10
Over ₹180 Cr. invested
in company's assets
for capability building, productivity enhancement & indigenization
11
> ₹700 Cr. invested
in R&D and innovation;
526 patents & copyrights filed;
5,052 Total Intellectual Capital
12
32,131
Human capital base
9,000+
engineers
YEAR
at a
glance
2020-21

About BHEL

BHEL is India's largest engineering and manufacturing enterprise in the energy and infrastructure sectors. Established in 1964, we are a leading power equipment manufacturer globally and one of the earliest and leading contributors towards building an Aatmanirbhar Bharat. We serve our customers with a comprehensive portfolio of products, systems and services to its customers in the areas of power-thermal, hydro, gas, nuclear & solar PV, transmission, transportation, defence & aerospace, oil & gas, and water.

Right from developing country's power generation capacity to creating multiple capabilities in country's core industrial & strategic sectors, BHEL is deeply aligned to the vision of a self-reliant India. Consistent expenditure of more than 2.5% of its revenue on R&D and innovation; establishment of world-class assets, development and absorption of new technologies; and creating sustainable business solutions and contribution to the society at large through initiatives in skilling youth, health & hygiene, education, cleanliness and environment protection, stand a testimony to our commitment.

A resilient workforce, more than 32,000 strong is the driving force behind our journey over the years.



Solar module manufacturing facility at EDN, Bengaluru



Aerial view of HEEP, Haridwar

Power Sector

BHEL is one of the few companies in the world having the capability to manufacture the entire range of power plant equipment, with proven capabilities for executing thermal, gas, hydro and nuclear power projects. Offerings include:

- Steam turbines, generators, boilers and matching auxiliaries for fossil-fuel applications upto 1000 MW unit size
- Emission control equipment including Flue Gas Desulphurisation systems for SOx emission control, high efficiency Electrostatic Precipitators for particulate emission control, and Boiler modification and Selective Catalytic Reduction systems for NOx emission control
- Gas turbines and generators upto 299 MW unit size
- Hydro turbines and generators up to 400 MW unit size
- 220/235/540/700MWe nuclear turbine generator sets
- Plant performance improvement through renovation, modernization, uprating, residual life assessment, health diagnostics and life extension of plants

Company's pan-India presence includes a network of 16 manufacturing facilities, 2 repair units, 4 regional offices, 8 service centres, 1 subsidiary, 3 active joint ventures, 15 regional marketing centres, 3 overseas offices and current project execution at more than 150 project sites across India and abroad.

BHEL manufactures a wide range of high quality & reliable products adhering to national and international standards.

The worldwide installed base of power generating equipment supplied by BHEL exceeds 193 GW, making it the undisputed leader amongst Indian power plant equipment manufacturers. Having installed more than 1000 thermal, hydro, nuclear, gas and solar PV based power generating sets in the country, company is now building strong foundations for cleaner and greener energy usage in future with development of critical technologies such as AUSC and coal to methanol.

BHEL is also a name to reckon with in various sectors of the industry. This is evident from supply of more than half of the traction equipment in locomotives & EMUs of Indian Railways; commissioning of 200+ electric substations and 5 major HVDC projects in the country; being the largest manufacturer and supplier of power transformers and electrical AC machines in the country, and 1.2GW+ solar portfolio spread across the country including ground mounted, rooftop, canal top and floating PV plants, among others.

BHEL plays a crucial role in the strategic sectors of the nation, being the sole Indian supplier for many technology intensive products and systems. BHEL is the only manufacturer of nuclear steam turbines in the country; the only company associated with all three stages of India's Nuclear Power programme; a major supplier of critical equipment and services in defence & aerospace sector for over three decades; and a trusted supplier of naval guns to Indian navy for their warships.

BHEL has a widespread footprint in all the inhabited continents of the world with references in 86 countries including the neighbouring countries of Bangladesh, Afghanistan, Bhutan, and Nepal, Indonesia, Oman, Iraq, Sudan, Afghanistan, United States and New Zealand. Till date, around 11 GW power generating capacity has been installed in overseas markets. An additional 6 GW is under execution, including the 2x660 MW Maitree Super thermal power project in Bangladesh and 4x225 MW Arun-3 Hydroelectric project in Nepal.



3x660 MW North Karanpura Thermal Power Station under commissioning by BHEL in Jharkhand

Industry Sector

BHEL's major offerings for Energy, Industry and Infrastructure sectors include:

- **Transportation:** IGBT based propulsion equipment (traction converter/auxiliary converter/Vehicle Control Unit), traction transformers for electric Locos and ACEMUs/ MEMUs, EMU coaches, electric locomotives upto 9000 HP and diesel electric locos upto 3000 HP
- **Renewables:** EPC solutions from concept to commissioning for grid connected and standalone solar PV applications
- **Defence & Aerospace:** Strategic equipment for Indian defence forces including Super Rapid Gun Mount & Integrated Platform Management System for naval ships, compact heat exchangers, space grade Lithium ion cells, space grade solar panels and space grade batteries, Hot forming of spacecraft propellant tank, Forming of Titanium Shell/Domes, welding & machining of Titanium sheet and tubes
- **Energy storage solutions & other business areas:** EPC solutions for Electric vehicle charging station including Solar Based EV Charging stations, battery energy storage systems; EPC solutions for railway track electrification; complete water management solutions for power plants, industries and municipal applications; medical oxygen plants
- **Captive Power & process plants:** standalone STGs, BTG package, GTG, Refinery CPP on EPC basis, UB package, Downstream oil and Gas packages.
- **Transmission:** EHV substations ranging upto 765 KV, UHV substations and HVDC converter stations up to ±800KV, power transformers, shunt reactors, vacuum switchgear, gas insulated switchgears, ceramic insulators, Flexible AC Transmission system devices etc.
- **Industrial products:** Oil rigs, wellheads & Xmas tree valves, mechanical packages, fabricated equipment & boiler feed pumps, compressors & AC machines

BHEL is leveraging on its technology capabilities and committed workforce to transform itself. Asserting leadership in core business, diversifying the business mix, cost optimisation, efficiency optimisation & innovative technological solutions are the major enablers driving company's competitiveness in its businesses. BHEL is reimagining its future with focus on turning around the immediate challenges and building a strong base for sustainable growth in the near future.



Utility boiler and STGs commissioned by BHEL at IOCL Paradip, Odisha

Rapid Strides *in* MODERN *Transportation !*

BHEL has been a long standing and reliable partner of Indian Railways offering a wide range of products and propulsion systems for all types of rolling stock.

Indian Railway's first 9000 HP freight locomotive equipped with propulsion system indigenously developed and supplied by BHEL including Traction Converter, Vehicle Control Unit (VCU) and high power Traction Motors has been commissioned during the year. This loco will be used in Western and Eastern Dedicated Freight Corridors, substantially improving the efficiency of Indian Railway's freight operations.

BHEL also supplied and commissioned 6000HP WAG9H locomotives to Indian Railways during the year, ahead of the schedule.

With its engineering and product development capabilities, BHEL is fully geared-up to provide innovative solutions to address the upcoming requirements of rail transportation.



PAN INDIA PRESENCE



Manufacturing Plants/ Unit Locations

BHEL Manufacturing Units	Bengaluru	1. Electronics Division (EDN)
		2. Electronics Systems Division (ESD)
		3. Solar Business Division (SBD)
	Bhopal	4. Heavy Electrical Plant (HEP)
	Goindwal	5. Industrial Values Plant (IVP)
	Haridwar	6. Heavy Electrical Equipment Plant (HEEP)
		7. Central Foundry Forge Plant (CFFP)
	Hyderabad	8. Heavy Power Equipment Plant (HPEP)
	Jagdishpur	9. Fabrication Stamping & Insulator Plant (FSIP)
	Jhansi	10. Transformer Plant (TP)
	Rudrapur	11. Component Fabrication Plant (CFP)
	Ranipet	12. Boiler Auxliaries Plant (BAP)
	Tiruchirappalli	13. High Pressure Boiler Plant (HPBP)
		14. Seamless Steel Tube Plant (SSTP)
	Thirumayam	15. Power Plant Piping Unit (PPPU)
	Visakhapatnam	16. Heavy Plates & Vessels Plant (HPVP)
BHEL Repair Units	Mumbai	1. Electrical Machine Repair Plant (EMRP)
	Varanasi	2. Heavy Equipment Repair Plant (HERP)
BHEL Subsidiary	Kasaragod	1. BHEL Electrical Machines Ltd. (BHEL-EML)


CORPORATE OFFICE
CORPORATE R&D
MANUFACTURING UNITS
SERVICE CENTRES
REGIONAL MARKETING CENTRES
REGIONAL OFFICES (Power Sector)
Goindwal
Chandigarh
Haridwar
Rudrapur
New Delhi
Noida
Jaipur
Lucknow
Varanasi
Jagdishpur
Patna
Guwahati
Jhansi
Vadodara
Bhopal
Jabalpur
Ranchi
Kolkata
Nagpur
Raipur
Bhubaneswar
Mumbai
Visakhapatnam
Secunderabad
Hyderabad
Bengaluru
Ranipet
Chennai
Tiruchirappalli
Thirumayam

World of BHEL



Vision

A global engineering enterprise providing solutions for a better tomorrow

Mission

Providing sustainable business solutions in the fields of Energy, Industry & Infrastructure

A National Institution

- One of the largest engineering & manufacturing companies in India serving core sectors of the economy
- Pan India presence with 16 Manufacturing Units and 150+ project sites globally









Energizing India

- 193+ GW power generating equipment installed in India and abroad
- 18,250+ MW Captive Power Plants commissioned
- 1.2+ GW total solar portfolio
- BHEL manufactured equipment constitutes 55% of thermal power generation capacity, 47% of nuclear power generation capacity (secondary side) and 45% of hydro power generation capacity in the country

Unparalleled contribution in core sectors

- 6,90,000+ MVA transmission equipment supplied
- 32,550+ AC machines supplied
- 760+ Locos supplied to Indian Railways and Industries
- 410+ Compressors supplied and 90 Oil drilling Rigs-Supplied
- 13000+ Well Heads & Christmas Tree valves supplied
- 40+ Super Rapid Gun Mount supplied for Indian Navy ships

Global Footprints

- Footprints in 86 countries
- 11 GW power generation capacity built outside India; 6 GW under execution
- Two overseas Solar PV projects contracted

Valuing people

- Committed workforce, more than 32,000 strong
- ~1900 Female employees
- 9000+ Engineers
- Participative management culture since 1973



Did you know?

- BHEL developed HP Turbine with composite welded Inner casing of two dissimilar metals for AUSC application for the first time in the country.
- BHEL has indigenously developed Passivated Emitter and Rear Cell (PERC) technology for high efficiency c-Si solar cells
- BHEL commissioned first-of-its-kind 1.7 MW SPV plant supplying power directly to traction grid of Indian Railways at Bina, Madhya Pradesh
- BHEL supplied the first indigenously developed 500 kW Main Motor Generator for strategic application of Indian Defence forces
- BHEL has successfully developed and supplied 3-phase AC Induction Motors and Traction Alternators for 3000 HP cape gauge locomotive applications for Mozambique Railways






Technology for a sustainable future

- In house development of Advanced Ultra Supercritical (AUSC) and Coal to Methanol technologies progressing
- Spearheading the development, installation and indigenisation of emission control equipment for coal based power plants in India
- Carbon footprint avoidance of nearly 26,118 MT MT of CO_2-equivalent through in-house 28MWp solar power installations
- Developed efficient EHV Transmission systems and products (including ±800KV HVDC)
- 12 townships of BHEL units declared as 'Single Use Plastic Free'

Growing with society

- Supplied over 5,75,000 cubic meters of medical oxygen to the country during second COVID wave
- Committed to Principles of UN Global Compact
- Signatory to Integrity Pact of Transparency International
- 35,500+ saplings planted across BHEL during 2020-21 to enhance green cover
- BHEL Trichy is creating one-of-its-kind BHEL Vann, to preserve native trees and planting half a million trees by 2022

Innovation

- R&D Expenditure consistently >2.5% of revenue
- Collaborative R&D with leading academic institutions & research organizations
- Five research institutes; 14 Centres of Excellence
- In-house R&D Centres of 12 Manufacturing units & Divisions recognized by DSIR

Recognition of Excellence

Continuing the tradition of securing prestigious national and international recognitions, BHEL and its employees have won several awards during the year. Notable among these include:



Governance Now 8th PSU Award under **Maharatna Category** for: -

- **HR Excellence** in demonstrating excellence in overall HR initiatives.
- **Digital Transformation** in demonstrating excellence and innovation in securing its information and digital infrastructure.
- **Research & Innovation**

Golden Peacock National Quality Award 2020 in Power Equipment Sector.

Golden Peacock Environment Management Award 2020 in Power Equipment Sector.

Clarivate South and South East Asia Innovation Award 2020, putting BHEL among top 28 innovators in South East Asia based on Volume of patents, Grant success rate, Extent of globalization, Influence of innovation.

Largest Participating Corporate Trophy at Airtel Delhi Half Marathon 2020.





Institute of Chartered Accountants of India honoured BHEL with the prestigious Plaque for **Excellence in Financial Reporting 2019-20** in the category of Infrastructure and Construction Sector. This award was conferred by Shri Arjun Ram Meghwal, then Hon'ble Union Minister of State for Parliamentary Affairs and Heavy Industries & Public Enterprises in the presence of Dr. Anil Agrawal, Hon'ble Member of Parliament, CA Atul Kumar Gupta, President ICAI and other dignitaries in recognition of excellence in preparation and presentation of qualitative Financial Information.

Director (Finance) was conferred the honour of **'BEST CFO PSU'** in a virtual ceremony at the **CFO & Financial Strategy Summit & Awards 2021**, organised by BW CFO World in association with BW Businessworld.

Certificate of appreciation by Central Board of Indirect Taxes and Customs, Ministry of Finance (in respect of multiple states) for substantial contribution, prompt filing of return and timely payment of Goods and Services Tax to Government, thereby substantially contributing in building a strong and resilient nation.

Gold Award under **APEX India Occupational Health & Safety Award-2020** for outstanding achievement in Occupational Health & Safety (OH&S) Management in Engineering Sector.

Special Commendation for the **National Award for Innovative Training Practices** by Indian Society for Training & Development.

Ranked among top 10 in **Times Ascent Dream Companies to Work For** by World HRD Congress. Received the award in the category of Organization with Innovative HR Practices.

Times Ascent HR Super Achievers Award to **Sh. Anil Kapoor**, Director (HR) by World HRD Congress.

Platinum Award under **APEX India HR Excellence Award- 2020** for excellence in HR practices in Engineering Sector.

SKOCH Gold Award for Cyber Security resilience during Covid-19 pandemic.

Scope Meritorious Award for R&D 2016-17 for Technology Development and Innovation.

SKOCH Order of Merit Award for Inspirational or Transformational Performance during Covid for various projects.

SKOCH Order of Merit Award for Digitalisation of HRM Processes.

First prize of Kaushalacharya Award 2019-20, recognising the mentorship spirit of the organisation towards the Engagement of apprentices in its establishments.

Platinum recognition under **CII EXIM Bank award for Business Excellence 2020** as per EFQM 2020 model to HEEP Haridwar.













Unleashing *the* *Nuclear Power !*

BHEL has been leading from the front for over four decades in the development of Nation's Nuclear power segment, with it being the only Indian company to be associated with all the three stages of the Nuclear Power Programme.

BHEL is the only company in India having design and engineering capabilities in TG sets for nuclear applications. 12 Pressurised Heavy Water Reactors (PHWR) out of the total 18 PHWRs operating in the Nation, accounting for 74% of the Nuclear Power capacity are equipped with BHEL supplied Steam Turbine Generator sets (10 units of 220 MWe each and two units of 540 MWe), showcasing BHEL's contribution in helping attain maturity for the first stage of the Nation's indigenous Nuclear Power Programme.

BHEL is fully geared up to address the 700 MWe 'TG Island' business on 'EPC' basis for the upcoming PHWRs which are being procured by NPCIL under Fleet Mode. Emerging as the lowest bidder for the same, BHEL has reaffirmed its leadership in engineering & manufacturing of Nuclear Steam Turbines.





Board's Report



Report of the Board of Directors 29

Annexure-I 36
Management Discussion & Analysis

Annexure-II 81
Corporate Governance

Annexure-III 105
CEO and CFO Certificate

Annexure-IV 107
Sustainable Development

Annexure-V 134
Business Responsibility Report

Annexure-VI 142
R&D and Technological Achievements

Annexure-VII 146
Conservation of energy, technology absorption and foreign exchange earnings and outgoings

Annexure-VII A 147

Annexure-VIII 150
Form AOC-I & AOC-2

Annexure-IX 153
Independent Auditor's Report and C&AG Comment



Report of the Board of Directors

Dear Members,

The Board of Directors have pleasure in presenting the 57th Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended March 31, 2021.

Financial Results

(₹ Crore)

	For the year ended	
	March 31, 2021	March 31, 2020
Revenue	**16296**	20491
Revenue from operations	**17308**	21459
Profit/(loss) after tax	**(2717)**	(1473)
Total comprehensive income /(loss)	**(2697)**	(1747)
EPS (in ₹)	**(7.80)**	(4.23)

Note: Figures in () represent negative values.

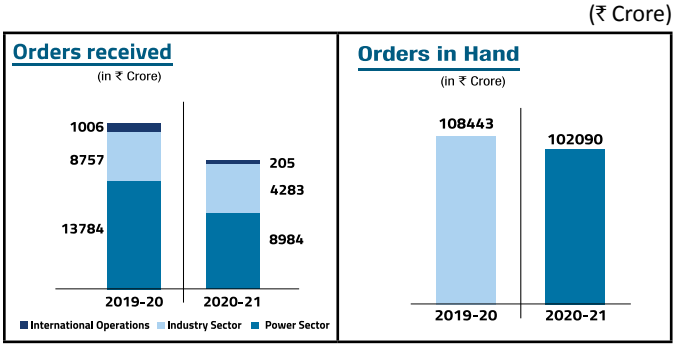
State of Company Affairs

The nationwide lockdown, consequent to spread of Covid 19 pandemic globally caused disturbance & slowdown of the economic activity. This impacted the Company's operations during the FY 2020-21, which then recouped progressively. Also, the issues arising out of the geo political situation across the globe severely disrupted the supply chains which further impacted operations. The production and supplies from units were also regulated in line with site progress status to maintain sequential supply and optimisation of working capital.

For FY 2020-21, the company has incurred a loss of ₹2717 Crore as against a loss of ₹1473 Crore in FY 2019-20, mainly due to lower revenue, higher material cost and additional merit based provisioning of about ₹1800 Crore. Based on comprehensive review, the provisioning was done as a matter of utmost financial prudence so as to strengthen receivables management process and improve quality of assets in the balance sheet. However, stringent budgetary control measures and reduction in operating expenses resulted in restricting the loss.

The Company secured orders worth ₹13472 Crore in FY 2020-21. This comprises orders worth ₹8984 Crore in the Power segment, ₹4283 Crore in the Industry segment and ₹205 Crore in International operations. The order book outstanding at the end of March 31, 2021 was around ₹102090 Crore against ₹108443 Crore as on March 31, 2020. The order book figures are inclusive of applicable taxes.

(₹ Crore)



Covid 19 not only impacted the topline of the company but also led to delay in tendering/ finalization of orders by customers. There is a significant decline in the new project proposals during FY 2020-21 which also impacted the company's order book. It is worthwhile to mention that there is a significant correlation between new project proposals (as per CMIE) and the company's order booking.

Transfer to Reserve

Due to the loss in the current financial year , the company has not transferred any amount to the Reserves.

Dividend

In line with the Dividend distribution policy of the company and the losses in the current financial year, the Board has not recommended any dividend for the year 2020-21 in its meeting held on June 11, 2021.

The Company has a dividend distribution policy in place in pursuance to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). Dividend distribution policy is available on the Company's website at https://www.bhel.com/dividend-distribution-policy-bhel-0

Deposits

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 during FY 2020-21.

Capital & Finance

During FY 2020-21, the company has met its CAPEX and operating fund requirements through internal accruals. As a treasury function, the company invests surplus funds in available investment opportunities maximising the interest income to the company. To meet any intermittent operational fund requirement, various short term borrowing options used by the company include commercial papers, PCFC, buyers credit etc. PCFC borrowings also provide a natural forex hedge to the company. Effective treasury management led to the closing cash & bank balance rising by 26% in the current financial year as compared to the previous period.

The commercial papers of the company are listed on NSE and BSE. The details of the commercial papers are available at Note [24] of the Standalone financial statements.

Loans and Investments

Details of loans and investments covered under the provisions of Section 186 of the Companies Act, 2013 form part of financial statement. Loan of ₹3 Crore towards working capital was given during 2015-16 to M/s BHEL EML, BHEL's subsidiary company, and has been already provided for impairment. The disclosure on loans and advances to subsidiary form part of note No [54] of the financial statements. There are no instances of investments by the loanee in the company or its subsidiary.

Credit Rating

The credit ratings of your Company are as follows:

Rating Agency	Date of Rating	Long Term Rating	Outlook	Short Term Rating
CRISIL	24-07-2020	CRISIL AA	Negative	CRISIL A1+
	18-06-2021	CRISIL AA-	Negative	CRISIL A1+
INDIA RATINGS & RESEARCH	06-07-2020	Ind AA	Negative	Ind A1+
	01-07-2021	Ind AA-	Negative	Ind A1+
CARE	27-06-2020	CARE AA	Stable	CARE A1+
	24-06-2021	CARE AA-	Stable	CARE A1+

The company's long term credit rating during the financial year was changed to "AA-" from "AA". The revision in ratings is primarily due to lower execution and losses, caused mainly due to Covid-19 pandemic. The company has taken stern measures to cut down its controllable costs to the extent possible. The efforts on the cash front have also borne fruit with cash & bank balances (net of short term borrowings) in the current financial year rising by about 26% and trade receivables reducing by about 38%. The funds released from working capital amount to ₹2620 Crore in FY 20-21, as against blockage of funds in the earlier years. The company is resolutely working to improve its execution levels and consequently achieve positive EBIDTA and improve profitability accordingly.

The company's short term rating stands affirmed at A1+ (Highest safety).

Material Changes and Commitments Affecting the Financial Position

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report of FY 2020-21. There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

Suspension of Trading

The Equity Shares of the company are listed on NSE & BSE. None of the securities of the company have been suspended from trading during the FY 2020-21.

Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors confirms that:

a) In the preparation of the Annual Accounts, the applicable Accounting Standards (Ind AS) have been followed along with proper explanations relating to material departures;

b) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;

c) The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors have prepared the Annual Accounts on a going concern basis;

e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Management Discussion & Analysis

This report conveys the Management's perspective on the external environment, as well as company's strategy for the future, operating and financial performance, risks and concerns, and initiatives taken in various areas such as revamping Project Execution, Cost optimization, Digitalisation, Quality, Development of Futuristic technologies, etc., during the financial year 2020-21.

The year gone by has been challenging for economies across the globe. Your company has taken these challenges as an opportunity to strengthen the core with focus on improving internal systems and processes. It has also been a year of consolidation wherein many of the initiatives started in the previous year have started maturing. For further details, please refer **Annexure-I to the Board's report.**

AatmaNirbhar Bharat

To capitalize on the opportunities arising out of our Hon'ble Prime Minister's vision of an AatmaNirbhar Bharat, BHEL has taken the lead for "Make In India" and has formed a new and dedicated business group—the "Make in India Business Development Group" with the following objective:

- In-house development and manufacture of items currently being imported by the company
- In-house development and manufacture of major items in the country's engineering imports basket.
- Working with global OEM's for manufacturing items for India as well as for exports, i.e., 'Make in India, Make for the World'
- Collaborative working with PSUs for addressing their imports

The company believes in successful development of partners/ vendors, especially MSME's, which also forms an integral part of its growth strategy giving the twin benefit of lowering cost as well as speeding up the development process. Accordingly, your company is working towards supplier/ partner development (especially MSMEs), and has organized a workshop- SAMVAAD under the aegis of Department of Heavy Industry, for promoting collaborations between PSUs, private industry as well as R&D institutions & academia. BHEL identified items worth more than ₹3,000 Crore for import substitution through development of local suppliers and hosted an EOI on its website for the same. BHEL has conducted more than ten online workshops- during December 2020 to February 2021, with the support of Ministry of Heavy Industries (M/o HI), Department for Promotion of Industry and Internal Trade (DPIIT) and Ministry of MSME.

COVID Response

BHEL launched a speedy and comprehensive response to the COVID crisis on multiple fronts, including strict implementation of Government guidelines, support to employees and their families as well as the society at large and worked with local administration to ensure continuity of work across various manufacturing units and project sites. Your company also rose to the occasion to support the national efforts through monetary contributions as well as through development of multiple products for use by various govt. departments/ municipalities.

During the first phase of COVID-19, the company:

- Ensured strict implementation of Standard Operating Procedure (SOP) duly incorporating Government directives on social distancing, compulsory wearing of face cover in public places, hygiene, sanitization, etc.
- Conducted regular fumigation, sanitization, etc., at factories, offices, townships and nearby areas including ensuring distribution of essential supplies such as food, medicines, milk etc.
- Facilitated Work from Home through policy intervention as well as remote access through IT network for seamlessly carrying out office activities and conducting meetings through VC
- Quick implementation of eOffice to ensure continuity of work as well as speeding up the decision making process
- Swiftly transformed the training process and adopted online training methods including introduction of eModules to ensure continual learning of employees.
- Developed atomized liquid sanitizing equipment called BHEL MISTER. More than 150 Nos. of BHEL MISTERs have been delivered to various parts of the country.
- Developed Electrostatic Disinfection Machines (EDMs), also called Covid-Spray, based on CSIR technology, for sanitizing office spaces and hospitals. Apart from various other places, the EDM machines have also been deployed at MHI, NDLS Railway station, among others.

During the second wave of COVID-19, apart from the numerous activities as continued since the first wave, the company additionally supplemented the national efforts by:

- Supplying over 5,75,000 cubic meters (over 80,000 cylinders) of medical oxygen from its Bhopal and Haridwar manufacturing plants by enhancing capacities as well as logistics for filling oxygen cylinders from 200/300 cylinders per day to reach a maximum of 3,860 cylinders per day
- Developed prototype for oxygen generating plant of 500LPM (based on design by CSIR-IIP, Dehradun) in a record time of 40 days from signing of Transfer of Technology and delivered the first order within 35 days from receipt of the order
- Assistance Scheme has been introduced for extending support (financial, medical, housing) to families of employees who succumbed to COVID 19 Pandemic.

Corporate Governance

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a report on Corporate Governance (including Board/Committee meeting details) together with the following, is given at Annexure-II to the Board Report.

(i) Certificate of Non-Disqualification of Directors under Schedule V of the Listing Regulations.

(ii) Auditors certificate on Corporate Governance under Listing Regulations & DPE guidelines on Corporate Governance.

(iii) Secretarial Audit Report under Section 204(1) of the Companies Act, 2013.

Department of Public Enterprises has graded BHEL as "Excellent" on the basis of their compliance with Guidelines on Corporate Governance of CPSEs for the Year 2019-20.

Declaration of independence

Declaration under Section 149(6) of the Companies Act, 2013 pertaining to criteria of Independence has been given by the Independent Directors to the Board of Directors. All the Independent Directors, who are qualified Chartered Accountants, have registered themselves in the online database of Indian Institute of Corporate Affairs (IICA). Shri Manish Kapoor has qualified the online proficiency self-assessment test conducted by IICA (notified under Section 150). In the opinion of the Board, the Independent Directors possess integrity and necessary expertise & experience.

Compliances

In addition to focus on many other areas, the company has also relooked into its compliance of systems and processes and wherever, there was an opportunity for improvement, company further strengthened its finance and non-finance compliance process & systems for the better satisfaction of stakeholders. As regards preparation of financial statements, the company ensures that preparation and presentation are compliant with the Indian Accounting Standards (Ind AS), Guidance Notes and other authoritative literature issued by the ICAI, Companies Act 2013, CSR regulations and other applicable statutes. The Company discloses full information and fulfils its compliance obligations under applicable Taxation Laws. Being a listed company, Compliances with the SEBI Listing Obligations and Disclosure Requirement Regulations are also being ensured. There is no adverse comment from SEBI for the FY 2020-21 on any compliance related matter. The Company endeavours to transcend beyond the regulatory requirements of corporate governance and considers sound Corporate Governance as one of its core values and is committed to maintaining high degree of transparency in disclosures.

The company has endeavoured to constantly improve its disclosures and transparency standards and the statutory auditors have also commended the compliances and the quality of disclosures in the Financial Statements.

Contribution to the Exchequer

The Company, over the years, has been making a significant contribution to the Exchequer. During the current year, the Company contributed close to ₹2948 Crore The Company has adopted guiding tax principle to maintain high standards of integrity with respect to tax compliances and reporting.

The company has been discharging all its GST and other dues on time and even before the due date [out of the GST liability for the month of March 2021 , ₹119 Crore. has been deposited on March 31, 2021 itself].

The Company participated in Direct Tax Vivad Se Vishwas Scheme (VsVs), 2020 promulgated by the GOI and exercised the option

by settling eight Income Tax appeals under VsVs, which ended ambiguity around the likely outcome of disputes, bringing an expeditious end to protracted litigation and helped in resolving legacy issues.

Audit Committee

The Company has in place a Board Level Audit Committee in terms of the requirements of the Companies Act, 2013 read with rules made thereunder and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the details in respect of which are given in the Corporate Governance Report. For the first time all the three independent directors being chairman/ members of BLAC, are also members of Institute of Chartered Accountants of India having diverse experience. All the issues are fairly and transparently deliberated in the meetings which are held at regular intervals. The views and suggestions of BLAC members are positively taken into account and imbibed into the company's processes. Further, there has been no instance where the Board of Directors have not accepted the recommendations of the Audit Committee.

Compliance with Secretarial Standards

The Company has complied with applicable Secretarial Standards.

Details of changes in Directors & Key Managerial Personnel

Appointment

Shri Amit Mehta, Joint Secretary, Ministry of Heavy Industries was appointed as Part-time Official Director w.e.f. September 2, 2020. In line with Section 161 of the Companies Act, 2013 and Article 67(iv) of the Articles of Association of the Company, Shri Amit Mehta was appointed as additional director to hold directorship upto the ensuing Annual General Meeting. He was subsequently appointed as Director in the 56th Annual General Meeting of the Company.

Ms. Renuka Gera has been appointed as Whole Time (Functional) Director w.e.f. December 1, 2020 to take charge of the office of Director (Industrial Systems & Products).

Shri Jeetendra Singh, Joint Secretary, Ministry of Heavy Industries was appointed as Part-time Official Director w.e.f. June 18, 2021.

In accordance with Section 161 of the Companies Act, 2013 and Article 67(iv) of the Articles of Association of the Company, Ms. Renuka Gera and Shri Jeetendra Singh having been appointed as additional directors, shall hold directorship upto the 57th Annual General Meeting of the Company and are eligible for appointment as Directors at the Meeting.

Cessation

Shri Amit Varadan, Joint Secretary, Ministry of Heavy Industries, who was appointed as Part-time Official Director on March 27, 2019, ceased to be Part-time Official Director on September 2, 2020.

Shri Desh Deepak Goel and Shri Ranjit Rae, who were appointed as Part-time Non-official (Independent) Directors on September 23, 2017, ceased to be Directors of the Company on completion of their tenure on September 11, 2020.

Shri S. Balakrishnan, who was appointed as Director (Industrial Systems & Products) on June 1, 2018, ceased to be a Director of the Company on attaining the age of superannuation on November 30, 2020.

Shri Manoj Kumar Varma, who was appointed as Director (Power) on December 19, 2018, ceased to be a Director of the Company on attaining the age of superannuation on January 31, 2021.

Shri Amit Mehta, Joint Secretary, Ministry of Heavy Industries, who was appointed as Part-time Official Director on September 2, 2020, ceased to be Part-time Official Director on June 18, 2021.

Shri Kamalesh Das, who was appointed as Director (E,R&D) on March 1, 2019, ceased to be a Director of the Company on attaining the age of superannuation on July 31, 2021.

The Board of Directors place on record their deep appreciation for the valuable services rendered as well as advice and guidance provided by S/ shri Amit Varadan, Desh Deepak Goel, Ranjit Rae, S. Balakrishnan, Manoj Kumar Varma, Amit Mehta and Kamalesh Das during their tenure.

Further, pursuant to Section 152 of the Companies Act, 2013 and Article 67(i) of the Articles of Association of the Company, Shri Subodh Gupta and Shri Shashank Priya will retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-appointment.

In compliance with Regulation 36(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, brief resume of the Directors proposed for appointment and re-appointment along with the nature of their expertise in specific functional areas and names of companies in which the person also holds directorship along with the membership of the Committees of the Board are given in the explanatory statement/ annexure to the Notice.

CEO/CFO Certificate

CEO/CFO certificate as per Regulation 17(8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is placed at **Annexure- III to the Board's Report.**

Consolidated Financial Statements

The brief on consolidated financial statements prepared pursuant to section 129 (3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015, is given in para 1.5.4 under Management Discussion & Analysis.

Sustainable Development

Sustainable Development tenets are ingrained in the business processes of BHEL and our mission statement – "Providing Sustainable business solutions in the fields of Energy, Industry & Infrastructure"bears the testimonial of the same.

Sustainability is a continuous journey which helps us in reaching newer summits of corporate excellence through implementing sound corporate governance framework, enhancing stakeholder value, reducing environmental footprint of our products & services as well as internal processes, promoting inclusive growth in the society, and enhancing brand equity.

The brief of these activities conducted during 2020-21 (including CSR policy - also available at https:// www.bhel.com/csr) are given in **Annexure – IV** to the Board's report.

Business Responsibility Report

In line with the requirement of the listing regulations, Business Responsibility Report describing the initiatives taken by the company from environmental, social and governance perspectives as per the suggested format is enclosed at **Annexure V to the Board's Report.**

Achievements of R & D and Technological Development

BHEL has a robust innovation and R&D framework in place to address the technology challenges emanating from business requirements. The R&D expenditure of the company for 2020-21 was ₹726 Crore, approx. 4.45% of the revenue. The company filed 526 patent and copyright applications during the year, enhancing the company's intellectual capital to more than 5000. More than 24% of the company's revenue has been achieved from its in-house developed products.

Additionally, the company has also created a technology innovation platform (Sanrachna) for finding innovative solutions by involvement of students, academia, experts, etc., a step towards self-reliance in technology.

Further details are available in **Annexure-VI to the Board's Report.**

Implementation of Official Language

Official Language Implementation Committees are constituted in all units / divisions of BHEL and regular quarterly meetings were held in all units / divisions including corporate office. To speed up the pace of implementation of Official Language in the company, more than 30 nos. of Rajbhasha Chakra were formed across the Company. Various activities/ programmes on Rajbhasha implementation were held during the year. Company was awarded with many Rajbhasha awards for excellent efforts towards Rajbhasha implementation. Further details have been provided in **Annexure-VIIA** to the Board's Report.

Vigil Mechanism

Transparency, fairness and objectivity form the basis for all decision making processes for the company.

The Company has in place a full-fledged Vigil Mechanism consisting of Vigilance Department, Internal Audit, Whistle-blower Policy mechanism, Independent External Monitor(s), as well as Board Level Audit Committee.

The Vigilance function of BHEL is headed by Chief Vigilance Officer who acts as an extended arm of Central Vigilance Commission (CVC) in the Company. All units & divisions of BHEL have a Vigilance set-up headed by a Senior Officer reporting to the CVO.

Preventive Vigilance has been the focus area of BHEL as proactive vigilance is better than the re-active one and it reduces the chances of corruption. The main objective is to progressively reduce ambiguity and discretion in the process by plugging the loopholes in the system, thereby making decision making process more and more objective & transparent and also reducing the scope for engaging in malpractices. The audit reports (internal, statutory and CAG reports) relating to BHEL are regularly scrutinized so as to determine whether there is any vigilance angle involved in respect of the irregularities brought out in such reports.

A panel of two Independent External Monitors (IEMs) has been appointed to oversee implementation of Integrity Pact and address any concerns related to the same.

The company encourages reporting of unfair and unethical practices and has a Whistle-blower Policy mechanism which provides adequate safeguard against victimisation to the complainant.

The Board Level Audit Committee reviews the functioning of the Whistle Blower/ Vigil mechanism.

Further details have been provided in **Annexure-VIIA** to the Board's Report.

Health, Safety & Environment (HSE)

BHEL is committed to providing a safe and healthy working environment and achieving an injury and illness-free work place. BHEL conducts all its activities in a manner that is protective for the environment, and in ensuring the health and safety of its employees, contractors, visitors, and the community around which it operates.

In recognition of this, BHEL has been awarded the ISO 14001 Environmental Management Systems Certification and OHSAS 18001 / ISO 45001 Occupational Health & Safety Management Systems Certification.

It is our firm belief that safe and healthy workplace not only boosts people's morale but is also a precondition for greater productivity at workplace. BHEL has taken all possible preventive measures to ensure health of their employees in this pandemic situation i.e. guidelines were issued, SOPs were prepared, DO's and DON'Ts were circulated, regular hygiene audits were conducted etc. Also, BHEL has taken initiatives which helped not only its employees and their families but also proved boon for the society. Further details have been provided in **Annexure-VIIA** to the Board's Report.

Data and Cyber Security

BHEL deploys multi-layered protection for its IT assets and data, with state-of-the-art security features such as firewalls at Internet gateways, secured email gateways integrated with on premise sandboxing solution and end-point protection. All Internet traffic going in and coming out of BHEL is monitored through a Cyber Security Operations Centre (C-SOC), integrated with Global Threat Intelligence. User awareness and sensitization is continuously ensured through interventions like phishing simulation exercises, training programmes, communications etc. across the company. Compliance to security advisories from agencies like Indian Computer Emergency Response Team (CERT-In) and National Critical Information Infrastructure Protection Centre (NCIIPC) is ensured.

The overarching initiative in the field of information security in BHEL is the implementation of the Information Security Management System (ISMS) since 2005 to ensure the Confidentiality, Integrity and Availability of its information systems. Auditors from the Standardization, Testing and Quality Certification (STQC) Directorate, an organization under the Ministry of Electronics and Information Technology, Government of India, audit the information security infrastructure of the organization and certify it against ISO27001:2013 periodically in addition to internal audits. Integration of pan-India BHEL ISMS achieved in February, 2021 is a manifestation of the maturity of this initiative. All BHEL units are now certified against a common policy framework which will result in improved compliance & cyber security, enforcement of common policies, procedures & formats.

The Covid-19 pandemic and the resultant lockdown which required employees to Work From Home added a new dimension to the cyber threat landscape. Despite no prior experience of Work from Home culture and managing geographically spread IT operations on a huge scale, BHEL adapted quickly to the changed scenario and ensured security of the entire gamut of IT operations.

Other disclosures

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given at **Annexure-VII to the Board's Report.**

As per provisions of section 197 of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose the details of the remuneration of the Directors etc. in the Board's report. However as per Notification No. GSR 463(E) dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with provisions of section 197 of the Companies Act, 2013. BHEL being a Government Company, such particulars are not included as part of Board's Report.

Statement pursuant to Section 129 of the Companies Act, 2013 (Form AOC-1) relating to subsidiary companies & joint ventures and Form AOC-2 pursuant to section 134(3)(h) of the Companies Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is given at **Annexure-VIII to the Board's Report.**

Auditors

The Statutory Auditors of your Company are appointed by the Comptroller and Auditor General of India. Three firms of statutory auditors were appointed as joint statutory auditors and four firms were appointed as branch auditors. The names of audit firms appointed for FY 2020-21 are given separately in the Annual Report.

Auditors' Report on the Accounts

The Auditors' Report on Standalone and Consolidated Financial Statements for FY 2020-21 of the Company are given at **Annexure- IX** to the Board's Report. There is no qualification in the Auditors report on the Financial Statements of the Company. During FY 2020-21, there has not been any fraud reported by the Auditors of the company. The Supplementary Audit report under section 143(6) read with section 129(4) of the Companies Act,2013 issued by the Comptroller & Auditor General of India also forms part of Annexure IX.

Secretarial Audit

In terms of Section 204(1) of the Companies Act, 2013, the Company engaged M/s P.P. Agarwal & Co., Company Secretaries in whole-time practice, as Secretarial Auditors for conducting Secretarial Audit for FY 2020-21 and their report is forming part of Corporate Governance section.

Secretarial Auditor in his Audit report has observed regarding the non-compliance in composition of the Board of Directors as per Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of the DPE Guidelines on Corporate Governance as the Company did not have requisite number of independent directors including at least one independent woman director on its Board.

The Management noted the observation and explained that BHEL, being a Government Company, the independent directors are selected by Govt of India and the Company is in constant communication for the appointment of requisite number of independent directors including at least one independent woman director on its Board.

Cost Auditors

In terms of provisions of Section 148 of the Companies Act, 2013 and as per the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Board, on the recommendation of the Audit Committee, approved the appointment of seven firms of Cost Accountants as Cost Auditors for auditing the cost accounts of your Company for FY 2020-21. Cost accounts and records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 have been properly maintained and complied with.

The detail of cost auditors appointed for FY 2020-21 are given separately in the Annual Report. The Cost Audit Report for FY 2019-20 has been filed under XBRL mode on September 24, 2020, well within the due date of filing and there was no qualification in the cost audit report.



Solar EV Charging Station at Karna Lake Resort, Karnal, set up by BHEL under FAME-I scheme, inaugurated by Hon'ble Union Minister of Heavy Industries, Dr. Mahendra Nath Pandey

Appreciation and Acknowledgement

Your Directors gratefully acknowledge all the support and guidance extended by Ministry of Heavy Industries and all other departments and agencies of the Government of India in the Company's operations and developmental plans. The Directors also express their gratitude to the Comptroller and Auditor General of India, Chairman and Members of Audit Board, Professional bodies, Statutory Auditors, Branch Auditors, Secretarial Auditor and Cost Auditors for constructive suggestions and continuous cooperation.

The Directors place on record their sincere appreciation towards the Company's valued customers in India and abroad and esteemed shareholders for the support and confidence reposed by them in the management of the Company and look forward to the continuance of this mutually supportive relationship in future.

The Directors also wish to place on record their appreciation for the continued cooperation received from all the technology collaborators, suppliers, contractors and for the support provided by the financial institutions, bankers and stock exchanges.

Your Directors also wish to place on record their sincere appreciation for the diligent efforts, hard work and commitment put in by all BHEL employees.

For and on behalf of the Board of Directors of

BHARAT HEAVY ELECTRICALS LTD.



Dr. Nalin Shinghal

Chairman & Managing Director

Place: New Delhi

Dated: 27.08.2021

Annexure-I to the Board's Report
Management Discussion and Analysis

1.1 Economic & Business Overview

Global economy is estimated to have contracted by 3.3% in year 2020 as supply chains, production, trade and consumption suffered severely during the year on account of COVID-19. Future developments will largely depend on– extent and intensity of future waves of COVID-19, susceptibility of the new COVID-19 strains to vaccines, and the effectiveness of policy actions to limit persistent economic damage.

Domestic economic activity continued to shrink in first half of 2020-21 due to the lockdowns and restrictions. Industrial production activity also contracted by 8.7% in 2020-21 and overall, the country recorded contraction in GDP of 7.3% during the year. However, the pent-up demand during the lockdown also helped the economy expand in second half of the year once lockdowns and restrictions were eased. Going forward, the pace of growth may be uneven considering the uncertain impact of future waves of COVID-19.

The business activity in domestic power sector market remained mixed. Nuclear, Hydro and Solar PV were active with new orders while demand for coal based plants remained weak. Demand for emission control equipment is also expected to moderate as deadline for implementation has been extended for the power utilities. There is a continuous push for reform in distribution and retail side of the electricity value chain. Amendments in Electricity Act and distribution side modernization program hold the key.

Indian Railways is moving forward with initiatives to decarbonize its operation, upgrade & modernize infrastructure, and enhance quality of service. The Mumbai-Ahmedabad high-speed rail corridor - country's first bullet train project, witnessed several significant developments with signing of two big contracts for civil works.

In Defence, the new procurement policy – 'Defence Acquisition Procedure 2020' proposes to give impetus to domestic manufacturing including taking up projects of National importance such as aero engines, etc.

In Industrial business segment, customers are treading cautiously with their capacity expansion plans. Several state-owned and private refiners in Oil & Gas sector are in expansion mode with new refining and petro-chemical capacities being built or in pipeline.

In order to turn the pandemic threat to economy into an opportunity, GoI has announced 'AatmaNirbhar Bharat Abhiyan' to bolster economic growth and a special comprehensive economic package of ₹20 lakh Crore was announced. Further, to give a special thrust to capital expenditure, budget 2021-22 has also provided ₹5.54 lakh Crore as capital expenditure, which is 26% higher than revised budget of 2020-21. The majority of outlay is sanctioned for defence, railways, roads & highways, urban transportation, nuclear power. Moreover, to enhance the country's domestic manufacturing capacity, Production Linked Incentive (PLI) scheme was announced for 13 key sectors including Advanced Chemistry Cell Battery, Electronic/ Technology Products, Automobile & Auto Components, Pharmaceutical drugs, Telecom & Networking Products, Textile Products, Food products, High efficiency Solar PV modules, White goods (AC & LED) and Speciality Steel. Govt of India's thrust for capital expenditure, especially in the infrastructure sector, will be further boosted by investments in these PLI schemes.

1.2 Opportunities & Threats

BHEL is a leading capital goods manufacturing PSU, with a proven track record of more than five decades, and vast asset base in the form of 16 technology intensive manufacturing establishments and a 32,000 strong pool of skilled and committed manpower, which includes over 9,000 engineers. The company has an unparalleled experience in the power equipment segment, where it has an installed base of 193,000 MW+ in India and abroad. Leveraging on its strong technical expertise, BHEL is also playing an active role in engineering and supply of critical equipment for the strategic sectors of Nuclear, Defence, Space and Transportation. The company has in place a pan India sales and service network to support its customers.

With a resolute focus on engineering excellence, BHEL has demonstrated its leadership by way of integration and development of advanced technologies, building system design capabilities and by being one of the consistently highest spenders on R&D in the engineering sector in India. When required, it has partnered with global technology providers, and has a long history of successful partnerships, and assimilation and indigenization of advanced technologies.

With nearly 150 project sites spread across the country as well as the world, BHEL also has a rich experience in project execution including EPC projects.

The above capabilities place BHEL in a unique position to capitalise on opportunities in the infrastructure sector as well as in the new emerging technology arenas.

Though the COVID 19 pandemic, and consequent disruptions, severely impacted Indian economy in FY21, the vaccination drive, along with the growth stimulating fiscal and monetary policy are expected to put the economy back on track. While the fiscal stimulus is expected to revive the demand, the monetary policy is expected to ease the liquidity problem on the supply side. The 'more than expected' recovery of the economy in Q4FY21 demonstrated the resilience of Indian economy, and has assured and enthused investors about its robustness.

Government of India's focus on infrastructure development through National Infrastructure Pipeline (NIP), with planned outlay of more than ₹14 Lakh Crore in power sector (from 2020-2025), structural reforms in distribution sector, and recovery-led prospect growth in electricity demand indicate towards positive developments in the currently beleaguered power sector.

Furthermore, as a silver lining the pandemic caused crisis has highlighted the importance of self-reliance, and consequently, GoI has put thrust behind the schemes like Make in India, AatmaNirbhar Bharat, PLI scheme etc. to make the country self-reliant in core sectors. Significant opportunities will pan out due to modernisation plan of Indian railways, and indigenisation of Indian defence procurements.

In the medium to long run, fundamental shift of electricity generation from fossil fuel based systems to renewable & green forms like solar, wind and hydrogen based systems presents a challenge to company's core business of equipment manufacturing of coal & gas based thermal power plants. In addition, timely project execution, inadequate diversification, increase in cost, declining margins and liquidity are the major areas of concern for the organisation. Cognisant to this fact, your company has embarked upon several initiatives to address each of these issues, as detailed later in the sections.

Resurgence of the pandemic in form of another wave/s, and emergence of more malignant mutations of the virus are some of the major threats to the recovery of the economy. Moreover, fiscal space with the government for rolling out the economic stimulus packages, and robustness of financial institutions for infusing credit in the economy shall also be critical factors determining the extent of economic recovery. The pace and scale of economic recovery is expected to have direct impact on our performance.

To overcome the threat of future waves of COVID-19, BHEL has also undertaken a massive vaccination drive for its regular employees and their families as well as contractual workers at its manufacturing units and project sites.

1.3 Future perspective

The company has taken the challenge of transforming itself to meet the rapid changes in the business & economic environment. This transformation is being attempted in multiple dimensions including, inter alia, business diversification, technology upgradation, manpower upgradation, IT enablement, revamp of project execution, quality first initiative, cost optimisation as well as receivables management.

1.3.1 Business initiatives

Defending the core

Determined to continue to assert its leadership in its core business areas, BHEL is focusing on revamping project execution, enhancing spares & services business, strengthening emission control business and development of environment friendly efficient technologies for power plants.

Building up on its prominence as the largest contributor to the domestic power generation capacity, the company maintained its leadership in domestic emission control business with an existing portfolio of 66 flue gas desulphurisation sets, 11 selective catalytic reduction sets and a significant number of orders where it is favourably placed.

BHEL, amongst the few organizations associated in all the three stages of Indigenous Nuclear Power Programme of the country (Primary as well as Secondary side), and sole Indian supplier of nuclear steam turbines, has geared up to address the 700 MWe 'TG Island' business on 'EPC basis' for the upcoming fleet mode ordering by NPCIL. This is in addition to the current offerings of Steam Generators, Reactor Headers, Turbine Generator Sets, MSRs, Heat Exchangers, Central Control & Instrumentation package etc. As a testament to BHEL's prowess in the sector, the company has already won the first order from NPCIL under its Fleet procurement mode for the supply of Reactor Header Assemblies for 700 MWe Pressurized Heavy Water Reactors (PHWRs), to be set up at four locations in the country.

The Company having a portfolio of ~21,000 MW in the hydro segment further retained its dominant position in this businesses area, booking highest-ever orders of more than ₹3000 Crore during the year.

Going forward, Spares & Services will be a major focus area with revamp of the business model which would be more responsive to customer requirements as well as cater to BHEL and non-BHEL sets. Efforts are underway to expand the range of IT enabled/ IOT based services offered by the company in this segment in times ahead. Flexible operation of power plants is another major focus area keeping in mind increased integration/ share of renewables in the energy mix in coming years.

Diversification

The company is transforming itself from being a primarily Thermal Power Equipment/ Project Company to an "Engineering Company" covering a wide spectrum of products & services for various sectors of the economy. It is exploring a range of opportunities in Oil & Gas sector as well as for expansion of its role and presence in Railways, Defence & Space sectors. The company is strategically working on opportunities arising out of the Govt of India's initiatives of AatmaNirbhar Bharat Abhiyan as well as Make in India.

A range of new products, systems and solutions including urban mobility, LSTK opportunities in oil & gas business, defence programs, ISRO related opportunities, energy storage solutions, among others are being developed to build new drivers of growth.

Under the 'AatmaNirbhar Bharat Abhiyan', the company is working on various opportunities including collaboration with a global OEM for leveraging opportunities in urban rail transportation; signing of a working protocol with Zorya Ukraine, and Indian Navy for localization of manufacturing of marine gas turbine aggregates in India; exploring setting up of GW scale upstream solar manufacturing, and leveraging Production-linked incentive (PLI) schemes.

Maiden successes have already been achieved in some areas. With the execution of the order for Sulphur Recovery Unit (525 TPD) from IOCL Paradip, BHEL will establish itself as an LSTK player for Process packages in the Downstream Oil & Gas sector. Company is also developing propulsion electrics, including 1200 KW 3-phase traction motors for 9000 HP WAG-9HH locomotives of Indian Railways.

1.3.2 Revamping Project Execution

BHEL has taken a major initiative for change of strategy from Revenue Centric to Project Centric execution, to ensure timely completion of projects and improvement in customer satisfaction.

In line with this change in strategy, the company has focused on sequential dispatch of erectable material from the manufacturing units as well as BOI's. This paradigm shift during FY 2020-21 facilitated expediting the deliveries in line with the Project schedule, besides leading to other concomitant benefits such as enhancement in realization from customers which is evident from highest liquidation of current year billing (82%) in preceding 10 years. This has also resulted in savings due to reduction in damages & rework for material/equipment lying at sites for long periods and also improving quality of material/equipment available for Erection & Commissioning.

This initiative is backed up by the successful launch of Integrated

Project Management System (IPMS) for real time monitoring of projects and Site Data Digitization initiative for direct capture of data from sites. Further, major initiatives including integrated project engineering, amendment in General Conditions of the Contract, empanelment of EPC civil agencies for pre-bid tie ups, etc., are underway to facilitate expeditious execution of Projects.

To overcome liquidity constraints at sites and to enable uninterrupted project execution, sufficient liquidity was channelized to vendors/ sub-contractors, which also resulted in improved execution.

1.3.3 Quality First initiative

The Quality First initiative launched in the previous year has started yielding results with focus on inculcating quality mind-set in all spheres of company activities. Initiatives have also been taken for enhancing Quality system maturity as per "Quality 360" model, reviving Business Excellence journey as per EFQM2020, revitalising Quality Health through "QHI (Quality Health Index)", digitization of Quality systems, best practices sharing and rigorous pre-installation inspections. As a result, the company has won the "Golden Peacock National Quality Award" for the year 2020 and HEEP Haridwar unit has been recognized in the Platinum category of CII EXIM Bank Award for Business Excellence 2020 after a gap of 14 years. Further details have been included in Section 1.7.

1.3.4 Cost Optimization

Keeping in mind the need to control rapidly rising costs and at the same time to meet market requirements, a new "Cost Optimization Cell" has been formed to pilot initiatives in this area, which inter alia include, review & optimization of design for various products, improving procurement efficiencies, ensuring utilisation of surplus material at sites, clearance of non-moving/ old inventory, timely disposal of scrap, among others.

While enhanced thrust on cost reduction has resulted in achieving sustainable savings in various areas of operations, stringent enforcement of budgetary control has also led to cost curtailment in different elements of operating costs. Constant monitoring, course corrections and management advisories on different cost aspects of the operations have been resorted to drive sustainable cost reduction and improve cost-effectiveness in operations.

The adoption of strategic cost reduction methodologies has led to registering overall reduction of ₹694 Crore in other miscellaneous expenses during the year which has positively contributed to the financial performance, otherwise impacted and subdued by COVID 19. There has also been a saving of ₹134 Crore in the finance cost by driving efficiency in treasury and working capital management. The cost savings have contributed in minimizing the losses and conserving liquidity for the company.

1.3.5 Digital Transformation

BHEL has embarked on a journey to become an IT enabled organization to improve operational efficiencies and provide state-of-the-art customer centric solutions to enhance customer satisfaction.

Major digital initiatives for improving project execution include implementation of Integrated Project Management System (IPMS) for real time monitoring of projects, Site Data Digitisation (SDD) for direct capture of data from sites, Site Contract Management System, RFID system for tracking materials at site, etc.

For manufacturing units, audit of existing ERP systems has been taken up, and centralized data centres as well as data warehousing solutions are being implemented across the Company. Further, for increasing shop floor efficiency, the company is in the process of implementing Industrial IT solutions for quality processes and material utilization, digital kiosks for making available drawings and process sheets on the shop floor, etc.

To enhance the employee experience, various additional work place solutions are also being created.

The company has leveraged COVID imposed constraints for ensuring full implementation of eOffice across the organization. This initiative has given the twin benefit of being environment friendly which is a step towards paperless office and dramatic reduction in file processing time, thus speeding up decision making.

1.3.6 Receivables Management

Maintaining liquidity in operations by inculcating a culture of cash consciousness and accelerating cash realisation from every element of debtors against ongoing as well as commissioned projects has continued to remain a high priority and key result area of the company.

Constant review by creating structural frameworks for monitoring of receivables resulted in cash collection of 123% of revenue. Expediting completion of projects by paradigm shift to project centric approach, sequential supplies and disciplined billing enabled 82% liquidation of current year billing against 73% in FY 20 which is highest in preceding 10 years. Efficient receivables management resulted in operating cash surplus in FY 2020-21 and reduction of Trade Receivables by 38% over previous year.

Total Receivables also reduced by 12% (₹4143 Crore) i.e. ₹31292 Crore in Mar'21 as against ₹35435 Crore in Mar'20. The above mentioned levels of Receivables are lowest in preceding 10 years. Company has also taken strenuous actions against defaulting customers in line with the Board approved Trade Receivables policy and initiated Arbitration/ NCLT/ AMRCD proceedings for expediting liquidation of receivables.

Renewed focus on the closure of punch points of all the technical/ commercial issues of commissioned projects will help realize cash stuck up in these projects since many years. High level empowered cross functional teams are dedicatedly working on the same.

1.3.7 Employee Development & Engagement

Policy and structural changes are key focus areas for employee development. The Performance Management System has been comprehensively reviewed and revamped to link individual performance with the performance of the Company/ Unit. Other initiatives include focus on manpower development for re-skilling the workforce in this dynamic business environment, leadership development, strengthening of internal communication, development of e-Modules for continual online training, strengthening processes for knowledge sharing, simplifying policies for making them employee centric, etc.

1.3.8 Technology development

Technology development in core areas and new businesses remains a key priority. BHEL has completed development of Advanced Ultra Supercritical (AUSC) Technology, and is working towards development of critical technologies in the areas of Coal to

methanol, propulsion for locomotives, electrolyser technology for hydrogen production, and PERC cells, among others. Indigenization initiatives are also being implemented for critical components like propulsion equipment, Flue Gas Desulphurization plant components like oxidation blower along with its auxiliary system, wet ball mills etc., and other high-value bought out items.

BHEL is also building capabilities and making efforts to realize business potential from emerging technology areas like Additive manufacturing, hydrogen economy, Industry 4.0, upstream solar PV value chain (Mg-Si – polysilicon – ingot/wafer), Carbon capture and coal to methanol. Dedicated Emerging Technology Strategy desk and incubation teams have been constituted to explore these new areas, design suitable business models, develop technology, build partnerships and provide research support to government for effective policy making in these relatively nascent areas.

Multiple initiatives currently in progress as well as the ones envisaged, will make a strong foundation for company's growth in the years to come.

Profile and Performance of Business Segments

POWER SECTOR



1.4 Profile and Performance of Business Segments

The company has two business segments i.e. Power & Industry. These segments are driven by the three business sectors i.e. Power Sector, Industry sector, International Operations.

The Power segment comprises thermal, gas, hydro and nuclear power plant businesses apart from new businesses of emission control equipment and spares for Non-BHEL sets. BHEL has been in this business for more than five decades, having commissioned its first coal-based set in 1969.

The Industry segment caters to major equipment supplies for a number of industries including transportation, transmission, defence & aerospace, Renewables, downstream oil & gas, Energy storage, and electric mobility, among others. and petrochemicals etc.

The company is moving towards greener non-coal businesses which is also reflected in its changing business mix. (**In the last couple of years, the company's share of industry segment business has moved to about 30% from about 20%**).

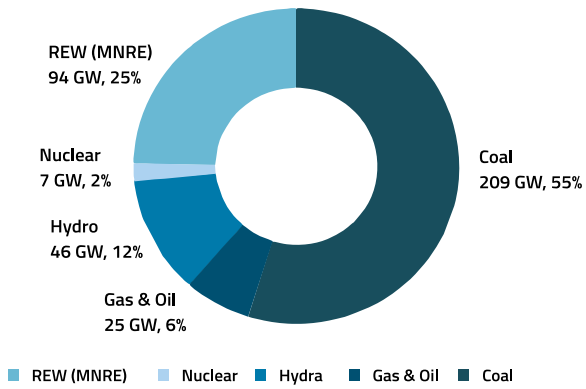
The detailed profile of these business sectors follows ahead.

1.4.1 Power Sector

Overview

High growth trajectory of the nation's economy requires large scale infrastructure development. The nation's economic growth continues to remain strongly correlated with the growth in the energy sector. Accordingly, availability of reliable and quality energy for all at affordable rates, becomes vital for sustained economic growth. India currently possesses an installed capacity base of ~382 GW and has an annual electricity generation of ~1,382 Billion Units (as on 31st March 2021). The nation witnessed a capacity addition of approximately ~5.4 GW from conventional sources in the year, most of which was from thermal power plants (TPPs). On the other hand, the capacity addition from Renewable Energy Sources (RES) was ~7.4 GW in the year, with solar power capacity addition contributing ~5.5 GW to it.

Installed Capacity : ~382 GW



As on March 31, 2021 Source: Central Electricity Authority (CEA), Ministry of Power

Current Business Environment

The nation's economic growth, and in turn, the demand for power have been severely impacted during FY21. Due to the nation-wide lockdown, electricity generation declined significantly in the first half of FY21. However, with the initiation of the unlocking process, the electricity generation posted a sharp recovery after August, 2020 and as a result, for the fiscal as a whole, the electricity generation growth rate was at par with previous year. Notably, while the generation from conventional sources declined by ~1.4% in the year, that from Renewable energy sources increased by ~6.4 % in the year.

The government has taken various initiatives to kick-start the growth cycle of the infrastructure sector in general and the Power Sector in particular. To achieve the goal of GDP of $5 trillion by 2024-25, the government has announced the National Infrastructure Pipeline (NIP) for FY 20 - FY 25, with Energy Sector (i.e. Power, RES, Atomic Energy and Petroleum & Natural Gas) comprising 24% of the total investment plan.

Over the past few years, the Power Sector has been dealing with various issues like fuel supply, delays in clearances and issues



2x660 MW Super critical power plant under commissioning by BHEL at Suratgarh, Rajasthan



Unit 1 of 4x270 MW Bhadradri Thermal Power Station commissioned by BHEL in Telangana

related to land acquisition, tying up of funds, and securing Power Purchase Agreements (PPAs) with the Distribution Companies (DISCOMs). The distribution segment, in particular, has been a major bottleneck in the power sector value chain and has acted as a constraint for the revival of the sector in the recent years. The government has launched various schemes for the revival of the power and infrastructure sector. In 2015, the UDAY scheme was launched to improve the financial health and the operational efficiencies of the DISCOMs. The Union Budget 2021-22 states that the government shall allocate ₹3.05 lakh crore for the power distribution, to be released over five years. Funds will be released based on financial performance and viability demonstration by the DISCOMs.

With a stable policy environment focused on infrastructure development and with an improvement in manufacturing industry outlook, the demand for power is expected to improve in the near to medium term, which makes capacity addition in power systems imperative. The Optimal Generation Mix report of CEA projects a likely gross generation in 2030 of ~2,500 BUs. Further, it envisages an installed capacity of ~267 GW from coal-based projects by 2030 (from current levels of ~209 GW) and a generation from thermal projects at ~1,393 BU by 2030 (from current levels of ~1,032 BU). This underlines the need for substantial augmentation of power generation, transmission and distribution capabilities from the current levels.

The Ministry of Environment, Forest and Climate Change (MoEF&CC) notified the revised emission norms for existing and upcoming thermal power plants in 2015, with an aim of making thermal generation more environment-friendly. This necessitated setting up of emission control equipment in thermal power plants. On 31st March, 2021, the MoEF&CC notified the revised timelines for establishment of Flue Gas Desulphurization Systems (FGDs) for thermal power plants, with different timelines put in place for plants in different locations. As a result of the Government's focus on lower emissions from power plants, significant opportunities are expected to arise in Renovation & Modernization (R&M) business, as new environmental norms for utilities are enforced in the country for Suspended Particulate Matter (SPM), NOx & SOx in coming years. Ordering for emission control equipment by various utilities has gained further steam in 2020-21, and many tenders are in pipeline, both for central and state sector projects, for retrofitting of emission control equipment in existing power plants. Recent thermal power plant tenders have included emission control equipment as part of scope along with main plant equipment, a trend which is expected to continue in upcoming projects.

Recent Government policies have displayed a marked shift towards Renewable Energy Sources (RES) based power. In the past few years, RES based capacity addition has far outpaced the capacity addition from conventional sources of power. The government has given an ambitious target of 175 GW RES based installed capacity by 2022. However, the RES power segment has witnessed a slowdown in growth rate recently, due to factors like price escalation for solar modules, disruption of supply chains due to COVID-19, issues in land acquisition, re-negotiation and cancellation of Power Purchase Agreements (PPAs) between RES developers and DISCOMs, slower growth in demand for power in recent years, etc. On the other hand, coal based power plants are expected to remain the mainstay of India's power generating capacity in the coming years, in view of their suitability for continuous, round-the-year operation and the large domestic reserves of coal in our country. Also, significant improvements in efficiency and emission levels through technology advancements are enabling coal based power plants to generate cleaner and greener power. Capacity addition of RES based power generating systems also calls for significant enhancement of battery storage solutions, hydro-electric capacity, from conventional (both Large Hydro Plants & Small Hydro Plants) as well as pump storage generating stations, and gas based power plants, to meet the grid balancing and stabilization requirements necessitated by the inherent variability of RES based power systems.

Around 36% of India's huge hydropower potential of 145 GW has so far been harnessed, with future potential of approx. 93 GW yet to be utilized. Hydro Policy approved by Cabinet in March'2019 is likely to give impetus in medium term to hydropower development in India. Further, more than 30% of India's hydropower plants have

completed 30-35 years, thus providing potential for Renovation & Modernization (R&M) for life extension and performance & efficiency upgrades.

Nuclear power continues to remain an integral part of India's self-reliance mission for long term sustainability. Being a viable source for clean base load power, nuclear power continues to form an essential and integral part of country's overall power mix and is poised to grow substantially in the future. In addition to the 2x700 MWe Project at Gorakhpur Haryana Anu Vidyut Pariyojna (GHAVP 1&2), the Indian government, in 2017, sanctioned 10x700 MWe Nuclear Power Projects to be installed under the "Fleet Mode" implementation. The finalization of the above orders is underway and shall fructify into substantial business opportunities.

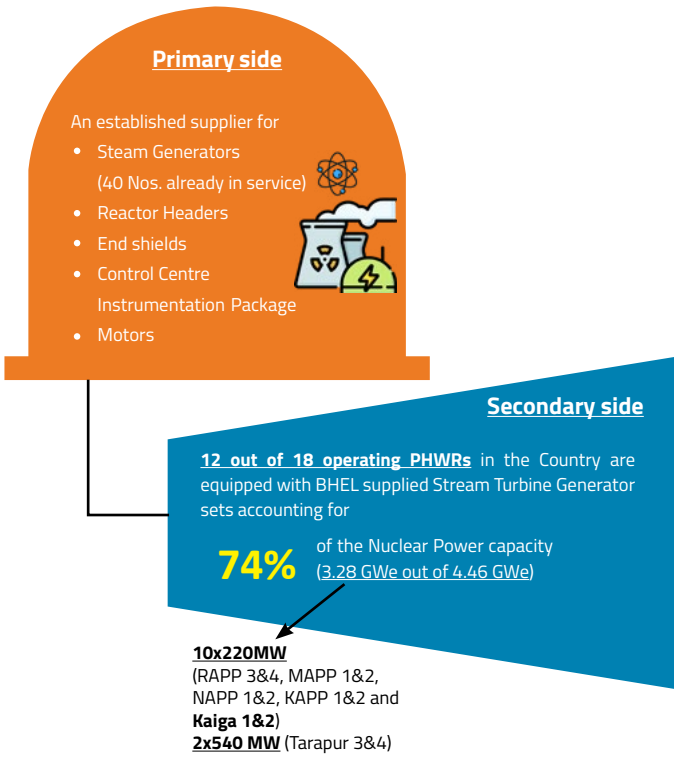
Offerings

BHEL is one of the few companies in the world manufacturing the entire range of power plant equipment, with proven capabilities for executing thermal, gas, hydro and nuclear power projects.

BHEL has the capability from concept to commissioning of thermal power plants, encompassing steam turbines, generators, boilers and matching auxiliaries up to 1000 MW ratings. The Company has the experience of executing numerous prestigious projects with supercritical thermal sets of 660/700/800 MW ratings on EPC basis.

BHEL also supplies and executes Circulating Fluidized Bed Combustion (CFBC) boilers for thermal plants, suitable for wide range of low-calorific fuels like pet-coke, lignite, etc. BHEL offers gas turbines and matching generators upto 299 MW (ISO) rating, tailored to meet specific needs, for both open and combined cycle operation.

In nuclear power sector, BHEL is amongst the few organizations which are associated in all the three stages of Indigenous Nuclear Power Programme of the country both on Primary and Secondary Side. Out of the 18 Pressurized Heavy Water Reactors (PHWRs) forming the base of Indigenous Indian nuclear power Programme, 12 PHWRs are equipped with BHEL supplied steam turbine generator sets (10x220 MWe and 2x540 MWe).





State-of-the-art control centres for power plant operations have been set up at all its commissioned units by BHEL



BHEL dispatched its 40th Nuclear Steam Generator to NPCIL for installation at Rawatbhata Atomic Power Project

For the country's first and highest rated 700 MWe Pressurized Heavy Water Reactor based Nuclear Power Project being set up by NPCIL at Kakrapar (Gujarat), BHEL's offerings include equipment in the primary as well as secondary sides of nuclear power plant, such as Steam Generators, Reactor Headers, Turbine Generator Sets, Motors, MSRs, Heat Exchangers, Central Control & Instrumentation package, etc.

BHEL has the capability for engineering and manufacturing of custom-made conventional hydro turbines of Kaplan types upto 100 MW, Francis and Pelton types upto 400 MW, Bulb turbine upto 10 MW, Pump turbines upto 250 MW, high capacity pumps for Lift Irrigation Schemes upto 150 MW and Turbines for Small hydro power plants.

BHEL has capability for engineering, manufacturing, installation and commissioning of custom-made salient pole vertical synchronous hydro generator upto 400 MW, LIS (Lift Irrigation Scheme) motor upto 150 MW, Bulb generator upto 10 MW and horizontal generator upto 20 MW along with matching static excitation system/ Brushless excitation system.

In the emission control equipment business, BHEL offers customized equipment for controlling emissions from thermal power plants. BHEL has the capability to provide retrofit solutions of ESP, FGD, NOx control equipment and furnace modification solutions. BHEL has supplied Electro-Static Precipitators for control of particulate matter not only for BHEL boilers, but also for boilers of other manufacturers.

The company has proven expertise in plant performance improvement through renovation, modernization and uprating of a variety of power plant equipment, besides specialized know-how of residual life assessment, health diagnostics and life extension of plants. Retrofit packages for ESP and C&I with state-of-the-art technologies are also being offered by BHEL.

Achievements during the Year

Order Booking

The fiscal 2020-21 has been one in which BHEL has had to face various issues, in the form of intense competition in a limited market and also, and delays in finalization of orders where BHEL is favorably placed. The organization has been able to secure an order inflow of ~₹9,000 Crore in Power Sector.

Significant utility orders received in the year are:

Thermal

- **FGD Pkgs:** NTPL / Tuticorin and TANGEDCO / North Chennai Stg III
- **Boiler Modification Pkg:** TANGEDCO / Udangudi

Hydro

- **E&M Works:** 12 Units of Polavaram HEP
- **Pump-Motor works:** 8 Units of Palamuru Rangareddy LIS Stg-1 (Pkg.1), 5 Units of Palamuru Rangareddy LIS Stg-4 (Pkg.16), 5 Units of Kaleshwaram LIS link II (Pkg. 1), 4 Units of Kaleshwaram LIS link II (Pkg. 2), 6 Units of Kaleshwaram LIS link IV (Pkg. 2) and 4 Units of Kaleshwaram LIS Link IV (Pkg. 4)

Nuclear

- Supply of Reactor Headers: 32 nos. from NPCIL (Fleet Mode Procurement)

Spares and Services

- UPRVUNL Anpara-D (Complete set of Generator Stator, Generator Rotor & Exciter, LP Rotor, HPT Module and various turbine spares)
- Jindal Power Limited (ESP Restoration)
- DVC Mejia (Combustion Modification Package)

In the thermal sector, building on its noteworthy accomplishments in the emission control equipment business in previous year, BHEL has garnered orders of FGDs for 3 sets during 2020-21, totaling to ~1.8 GW. With this, BHEL has secured domestic orders of FGDs for 64 sets and SCRs for 11 sets and has maintained its status as the manufacturer with the single largest market share in this domain.

Till date, for Main plant packages of Thermal Projects, BHEL has secured orders for 56 sets of Supercritical Steam Generators (SGs) and 51 sets of Supercritical Turbine Generators (TGs) in the country, the highest by any single power plant equipment supplier in the country. Out of these, 25 Supercritical SGs and 20 Supercritical TGs have been commissioned till March 31, 2021.

BHEL has won the order from NPCIL under its Fleet procurement mode for the supply of Reactor Header Assemblies for 700 MWe Pressurized Heavy Water Reactors (PHWRs), to be set up at four locations in the country. Significantly, this is the first equipment order placed by NPCIL under the Fleet Mode Procurement program.

In the Spares and Services business, BHEL entered into a Long Term Spares Supply Agreements (LTSSAs) with one major private sector customer and has undertaken extension of 5 nos. LTSSAs with one major central sector utility.

In the Hydro business, 'Hold' on project execution was lifted for 5 machines each for Palamuru Rangareddy LIS Stage 2 and 3.

Project Execution

Since its inception in 1964, BHEL has added 457 coal based sets, 422 hydro utility sets, 103 gas based utility sets and 12 nuclear based utility sets in India upto 2020-21. Installed capacity of BHEL supplied utility sets in India stands at ~163 GW, including ~130 GW coal based and ~21 GW hydro based equipment.

In order to give thrust to project execution, BHEL's approach has witnessed a shift towards a 'project centric approach', with focus on sequential equipment supply to project sites which matches the site requirements and helps avoid/ defer dispatches of material which are required at a later stage. Focus is being given to carry out detailed engineering and initial procurement activities at pre-award stage itself. As a result of such efforts, BHEL was able to commence project activities at Sagardighi project from zero date itself. Integrated Project Management System (IPMS) coupled with Site Data Digitization has been implemented in major projects, so as to have better visibility of project progress and timely information about the constraints likely to affect the project schedule. Though the change in approach has adversely impacted the topline for current year, BHEL expects to reap long-term benefits from this approach in the years to come.

The ongoing pandemic has been a major dampener for project execution, with mass exodus of labourers and hesitancy to resume execution. BHEL motivated contractors and labourers to continue at site, so as to minimize the impact of the pandemic on project execution. Through its concerted efforts, BHEL achieved a capacity addition of ~2,400 MW in the power sector in 2020-21. In addition, synchronization of ~1,400 MW was achieved during the year. Deliberations and discussions regarding projects continued with the customers, consultants and vendors including inspection and approval of equipment, both physically as well as through virtual platforms, even during these Covid times. Notably, even during the initial national lockdown period, work continued at critical sites with the support of local authorities, which resulted in recommissioning of 1x800 MW Kothagudem thermal project, commissioning of Bhadradri Unit-1, one unit of 106 MW and 3 units of 134.41 MW of Kaleshwaram Lift Irrigation Scheme in Telangana.

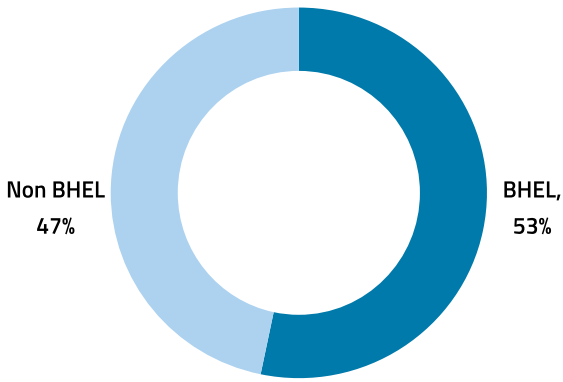
Your company has completed the Steam blowing of North Karanpura STPP- 1 in a record time of 13.5 days in an effort to reduce the commissioning time period which has also been well appreciated by the customer.

BHEL also focussed on closure of pending punch points for projects commissioned earlier which resulted in completion of Performance Guarantee (PG) Tests of total 54 packages during Financial year 2020-21 helping vacation of pending Bank Guarantees and realisation of dues.

With this, BHEL maintained its lion's share of 53% in the country's total installed capacity of Utility* power projects:

Installed Capacity - Utility*

3,07,109 MW (March 31, 2021)



*Includes Coal, Gas & CCPP, Diesel, Nuclear & Hydro; Excludes Renewables

Based on capacity at the time of installation

In addition to above, BHEL has achieved capacity addition/ synchronization of following projects having limited BHEL scope (SG/ESP/PCP aggregating to 4,240 MW and Lift Irrigation Scheme aggregating to 644 MW):

- Utility power projects capacity addition (where BHEL scope is SG/ESP) has been achieved for 1 Unit each of NPGCL / Nabinagar (SG & ESP Pkg), NTPC / Tanda (ESP Pkg) and NTPC / Lara (ESP Pkg).
- Utility Power Projects Synchronisation (where BHEL scope is SG/ESP/PCP) has been achieved for 1 Unit each of NTPC/ Darlipali (SG & ESP Pkg), NPGCL / Nabinagar (SG & ESP Pkg) and NTPC / Barh (PCP Pkg).
- Commissioning of Lift Irrigation Schemes(LIS) of 1 Unit of I&CAD, Telangana / Kaleshwaram (Pranahita Chevella) LIS Pkg-10 and 4 Units of I&CAD, Telangana / Kaleshwaram (Pranahita Chevella) LIS Pkg-11 has been achieved.

Some of the major project execution milestones for the year are:

- Kakrapar Atomic Power Project Unit-3 was synchronized in Jan '21. Kakrapar is India's first-of-its-kind, highest rated, 700 MWe Nuclear Power Plant with Pressurized Heavy Water Reactor (PHWR).



1x800 MW Kothagudem Thermal Power Plant

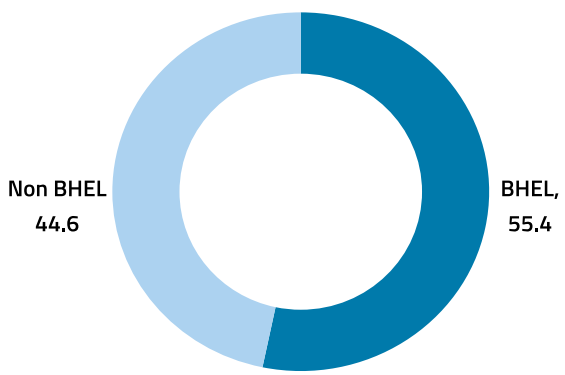
- With the capacity addition of Kameng HEP Units 3 & 4 during 2020-21, all the 4 units of the project have been commissioned. The 4x150 MW project has the largest unit rating (150 MW) for any hydro power project in the state of Arunachal Pradesh. The Francis turbine commissioned in the project is designed to operate at rated head of 501 meters, which is the highest head Francis type hydro turbine in the country.

Performance of Equipment

55.4% of the country's total generation of 981.443 BUs from thermal utility sets (coal & lignite based) contributed by BHEL supplied sets, a testimony to superior performance of BHEL sets.

Generation - Utility (Coal & Lignite)

981.443 BU (2020-21)



Among BHEL supplied supercritical sets, Kothagudem-12 (800 MW) achieved highest PLF of 87.2% and OA of 93.6%. Further, BHEL's first supercritical unit Barh-4 (660 MW) has clocked around 50,158 hours of operation since its first synchronization, with uninterrupted operation for 154 days in 2020-21 with Operational Availability (OA) of 98.2%. This demonstrates the remarkable performance of BHEL supplied supercritical sets.

As a testament to the performance & longevity of BHEL supplied sets, the 39 years old BHEL supplied subcritical unit for Singrauli-1 (200 MW) has clocked around 3,05,539 hours of operation, achieving a PLF of 100.5% and OA of 99.8%, which is the highest PLF achieved during the year by any coal based unit over ten years old in the country. Further, 3 BHEL supplied sets which were more than 37 years old, achieved PLF of more than 98% (Singrauli-1: 100.5%, Korba STPS-2: 100.1% & Singrauli-4: 98.9%).

In Nuclear Segment, BHEL supplied Nuclear Power Equipment continue to exhibit excellent performance. Nuclear sets registered OA of 82.4%, with 7 sets registering OA of 90% and above.

Notably, NPCIL's Narora Unit 2 where BHEL has supplied turbines in both units of 220 MWe (Unit 1&2), clocked uninterrupted operation for more than 852 days. It is the second highest among nuclear sets in India after the world record of uninterrupted operation of Kaiga-1 (962 Days), which has also been supplied by BHEL.

Focused approach and coordination have paid rich dividends to BHEL in completion of Performance Guarantee (PG) Tests of total 54 packages during Financial year 2020-21 (Power Sector - 45, Industry Sector - 9). Additionally, PG Tests were completed for 7 Units of R&M projects.

Major achievements in conducting PG test during year 2020-21:

- PG Test has been completed for all main plant packages (Turbine, Boiler, ESP & Mills as applicable) in 21 Units.
- First TG-PG test of 800 MW supercritical set completed at Wanakbori-8 and subsequently at Kothagudem-12.
- In a unique feat, PG test of Air Pre-Heater (APH) of Ropar-6, R&M was conducted remotely.

Power plants with BHEL supplied equipment continue to exhibit above par performance in respect of Operating Availability (OA), and Plant Load Factor (PLF). Major performance achievements of BHEL sets include:

- Thermal sets (above 250 MW) have consistently achieved significantly higher PLF than the national average.

- Super critical sets (660 / 700 / 800 MW) registered OA of 86.1%.
- Sub critical sets (195 - 600 MW) registered OA of 88.2%.
- 92 thermal sets achieved PLF above 70% out of which 18 thermal sets achieved PLF above 90% and 35 thermal sets achieved PLF between 80% and 90%.
- 3 Thermal sets clocked uninterrupted operation between 300 and 365 days and 18 thermal sets clocked uninterrupted operation between 200 and 300 days.
- 4 Nuclear sets clocked uninterrupted operation between 300 and 365 days and 3 Nuclear sets clocked uninterrupted operation between 200 and 300 days.

Renovation & Modernization (R&M)

During the year, BHEL completed Renovation & Modernization milestones of various projects for Boiler Turbine-Generator (BTG), ESPs, Hydro Sets, De-NOx System (Combustion Modification), Air preheater and C&I Pkg.

Acknowledgements & Recognition of Excellence

BHEL's efforts for providing higher value to customers through timely project completion, improvement in equipment performance and Service After Sales (SAS) support have been appreciated by various customers:

- NTPC appreciated BHEL for Completion of Steam Blowing of North Karanpura STPP- 1 in record time of 13.5 days.
- Jindal Power appreciated BHEL for Restoration of generator in record time of 67 days.
- TANGEDCO appreciated BHEL for Successful completion of retrofitting of 210 MW LMW surface condensers for the "First Time" in Tuticorin project.
- NPCIL appreciated BHEL for Successful completion of TG stator replacement for the "First Time" in Kudankulam Nuclear power plant.
- APGENCO appreciated BHEL for resolving long pending issue of high conductivity and high Dissolved Oxygen (DO) in primary water system at Vijaywada Unit-7.
- NTPC appreciated BHEL for best performance in the field of Safety and contribution leading to zero accident at Singrauli R&M site.
- CSPGCL, NTPC, DPL and IOCL appreciated BHEL for various Rectification works.
- NTPC, KBUNL, NPGCL and BRBCL appreciated BHEL for various Overhauling works. Some of the overhauling works have been carried out during Covid period.

Future perspective

Utilizing its vast and varied experience, BHEL has been at the forefront of the development of power sector equipment manufacturing industry of the nation. The organization has not only been indigenizing technology from world leaders in various domains, but also been building up state-of-the-art in-house manufacturing infrastructure and capabilities. BHEL has the capabilities to maintain its techno-commercial leadership and successfully address the opportunities and challenges created by the evolving dynamics of Power Sector.

Substantial activities have been initiated in the emission control equipment business, with the developers aiming to meet the revised timelines issued by MoEF&CC for meeting the emission norms. BHEL possesses the capabilities to offer customized emission control solutions for new projects as well as for sets which are already in operation. Through continuous improvements in its processes and technologies, BHEL is poised to extend its market leadership in the FGD domain to the entire spectrum of emission control equipment business.

CEA's National Electricity Plan (CEA), released in 2018, envisaged a retirement of older thermal power plants to the tune of ~48 GW from 2017-2027. While the government's focus on providing greener and cleaner energy has resulted in retirement of some of these older and inefficient power plants, a potential for retirement of ~40 GW still exists, which will entail their replacement with new supercritical capacity having higher efficiencies and lower emissions. BHEL is providing optimum techno-economic solutions to developers to meet such requirements from concept to commissioning for replacing such power plants with supercritical technology, including dismantling of old power plants.

Further, a requirement for lower rating supercritical projects may also come up in future projects, given the space constraints in upcoming expansion projects, need for replacement of older & inefficient subcritical sets and need for flexible operation of projects. In addition, with the large scale influx of RES based power systems in the grid, a need for grid balancing solutions is expected to come up for conventional power systems. Hence, flexibilization solutions for thermal power plants may be needed, which may have to work in consonance with the gas and hydro based projects. BHEL has developed solutions to meet these requirements and is working towards further optimization of such solutions to provide more value to the customers.

BHEL is already at the forefront of the indigenous development of nation's first Advanced Ultra Supercritical Technology based plant, which is a pioneer R&D project undertaken jointly with NTPC and Indira Gandhi Centre for Atomic Research (IGCAR). The design phase of project has been completed and BHEL has already signed an MoU with NTPC for installation of the Technology Demonstration Plant for the same. Development of this technology shall not only help in achieving a quantum jump in efficiencies, but also reduce the coal consumption and Carbon Dioxide emission levels.

Leveraging its huge installed base of over 1,93,000 MW+ globally, BHEL is focussing on growing its Spares and Services business through a comprehensive revamp of its business model. This strategy includes expansion of its offerings for BHEL as well as non-BHEL generation sets, performance improvement services and customized solutions through a range of IT enabled/ IOT based services. Capability building measures include additive manufacturing for suitable components, advanced manufacturing actions for speedy deliveries, resource augmentation, and greater customer outreach.

Drawing on its rich experience of over five decades, BHEL is also offering customized solutions for Renovation & Modernization and Life Extension for existing plants under operation to developers for improving their performance.

Other fuel sources, like Hydro and Gas, shall also play crucial role in maintaining the grid stability in the future, given their faster start-up and ramping capabilities. In hydropower segment, the organization has enhanced its capabilities to manufacture up to 400 MW hydro

sets. Development of efficient runner profiles and reduction of hydro turbine weights have been instrumental in BHEL's recent successes in the segment. BHEL has also emerged as a leading player in large size Pump-Motors required in Lift Irrigation Scheme projects. Further, BHEL is developing the requisite capabilities to cater to the upcoming demand for Pumped Storage Projects, that is expected to increase with the larger share of Variable RES in the energy mix.

In the nuclear Segment, BHEL is fully geared up to address the 700 MWe 'TG Island' business on 'EPC basis' for the upcoming PHWRs which are being procured by NPCIL under Fleet Mode and has emerged as the lowest bidder for the 6x700 MW Turbine Island Package Projects. For Primary Side Equipment, BHEL with its unmatched Engineering and Technical Strength has fully supported NPCIL and has already started further consolidation of its manufacturing capabilities at its flagship manufacturing plant at Trichy for ensuring timely implementation of Fleet Mode installation of the 700 MWe plants. BHEL is also geared to supply 12 Steam Generators ordered (Q1 FY 21-22) under the fleet procurement mode by NPCIL. BHEL is also expanding its offerings in nuclear projects being set up under Russian co-operation at Kudankulam 2x1000 MW Units 3&4.

The Indian economy & the Power Sector is in a state of transition, which is creating challenges as well as opportunities for the major players in the sector. BHEL is tirelessly striving to ensure its preparedness on all fronts, so as to provide higher value propositions to its customers.

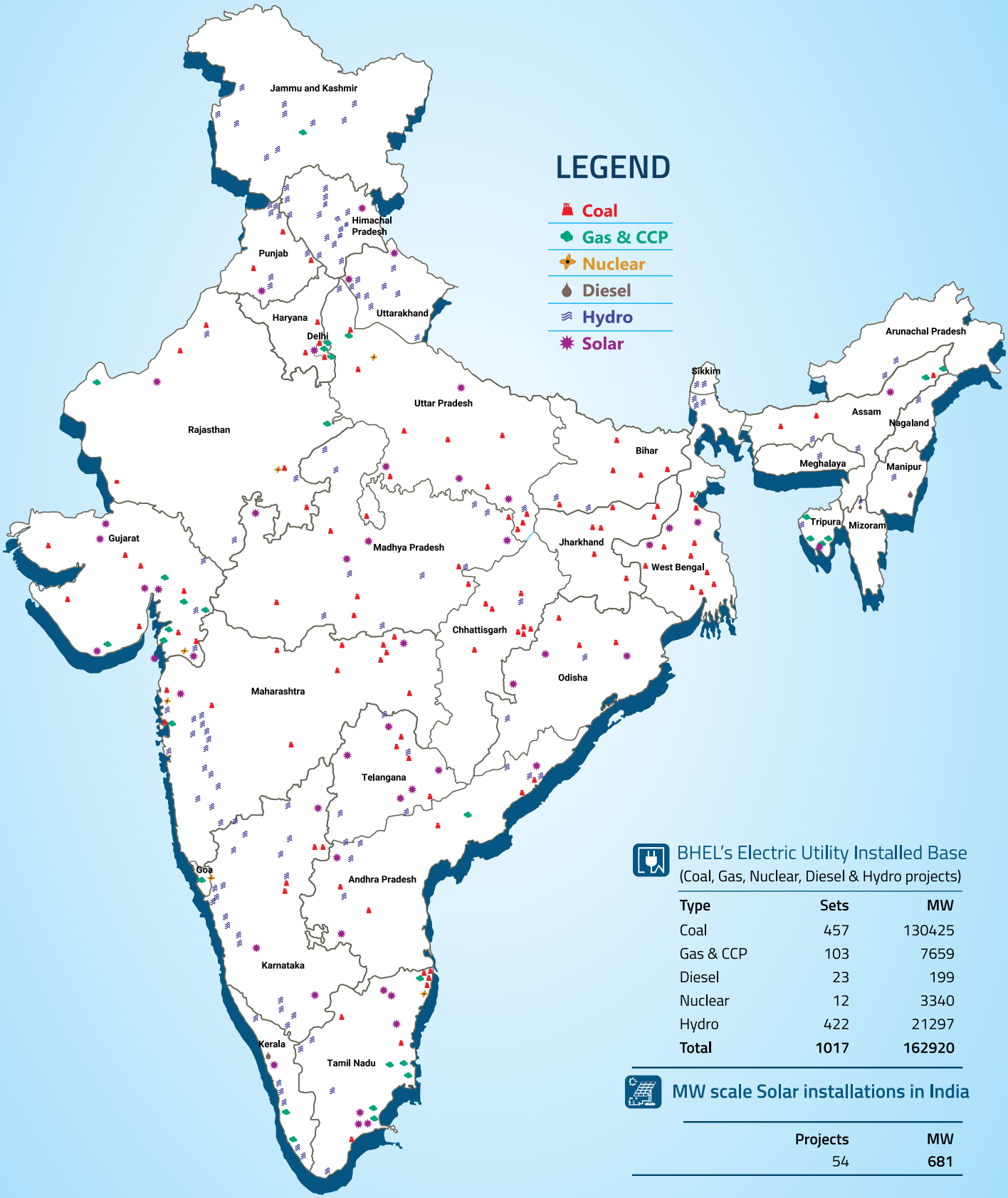


BHEL has commissioned the pumping units for Kaleshwaram Lift Irrigation Scheme, Telangana - world's largest LIS project

BHEL

Make Electric Utility Installations

Commissioned as on 31.03.2021



BHEL's Electric Utility Installed Base

(Coal, Gas, Nuclear, Diesel & Hydro projects)

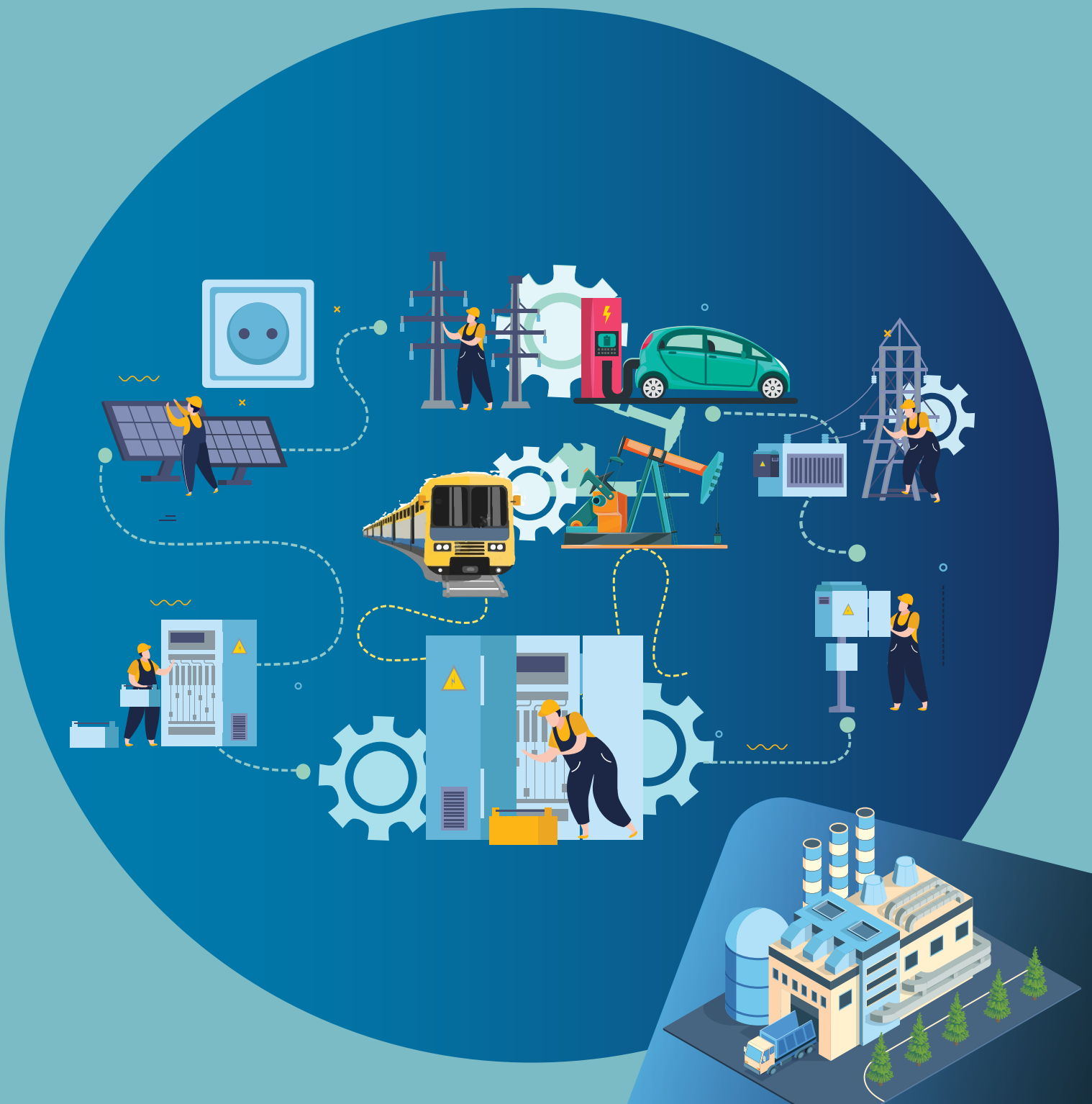
Type	Sets	MW
Coal	457	130425
Gas & CCP	103	7659
Diesel	23	199
Nuclear	12	3340
Hydro	422	21297
Total	**1017**	**162920**

MW scale Solar installations in India

Projects	MW
54	**681**

Profile and Performance of Business Segments

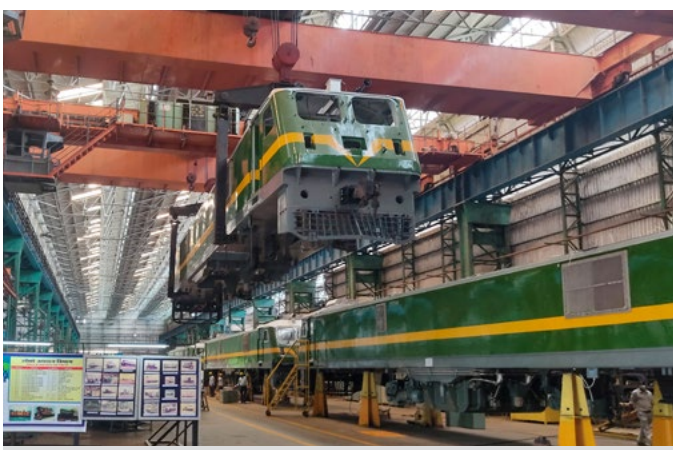
INDUSTRY SECTOR





1.4.2 Industry Sector

Industry Sector offers a broad range of industrial systems and products for the major sectors of the Indian economy. With focus on growth of non-coal based business of the company, Industry Sector comprising of market-focused groups, offers comprehensive solutions for transportation, transmission, renewables, defence & aerospace, energy storage, process industries, e-Mobility, oil & gas and medical oxygen plant and water management. During 2020-21, Industry Sector secured orders worth **₹4,283 Crore** in a challenging business environment.



WAG 9H locomotives under manufacture for Indian Railways at TP, Jhansi

1.4.2.1 Transportation

BHEL has been working with Indian Railways for the last six decades to meet their requirements and has been providing world class solutions in the field of electric propulsion equipment for rolling stock and mainline electric locomotives.

Govt of India envisages modernization of Indian Railways and the transportation sector, which is creating opportunities for the major players in the sector.

Domestic transportation sector is embracing faster, safer and more reliable technologies. With the Indian Railways upgrading its systems, growth in the capital investment outlay of the Indian Railways has provided a thrust towards electrification, upgradation of tracks, signalling, station development, etc. There is also visible increasing trend towards privatization of train operations, station development and dedicated freight corridors. With state authorities pursuing mass rapid transit projects in cities having a population of over two million and light rail/ monorail being explored in small cities, the urban transportation segment is also poised to grow. Metro projects have already been announced in more than 50 cities and an average requirement of 500-600 metro coaches every year is expected.

Offerings

- **Rolling Stock**
  - » Electric locomotives up to 9000 HP
  - » Diesel-Electric locomotives up to 3000 HP
  - » Diesel Electric Tower Cars (DETCs)
- **Traction Machines**
  - » Traction Motors and Alternators
- **Traction Drive System & Controls**
  - » Insulated-Gate Bipolar Transistor (IGBT) based propulsion system for rolling stock comprising of traction & auxiliary converter
  - » Train control management system & vehicle control unit
  - » Hotel load converter and composite converter

» Control gear equipment for conventional rolling stock

» Regenerative braking system for conventional rolling stock

- **Traction Transformers for Electric Locos and ACEMUs/ MEMUs**
- **Conventional Traction Electrics for Rolling Stock**

Achievements during the year:

- Order for 75 sets of Propulsion & Electrics for AC MEMUs from RCF, Kapurthala and 87 sets of IGBT based Traction & Auxiliary Converters from CLW, Chittaranjan.
- Largest order for 6531 KVA Traction Transformers from BLW, Varanasi and CLW, Chittaranjan
- 9000 HP Electric Locomotive having propulsion system developed by BHEL for the first time, rolled out from CLW Chittaranjan.
- First ever order for 700 HP Diesel Electric Locomotive from ArcelorMittal Nippon Steel India
- First time manufactured and supplied Traction Alternators type TA9906AZ and Traction Motors type TM4504AZ for 3000 HP Cape Gauge Locomotives, exported to Mozambique against order from RITES.

Future perspective

BHEL has launched a multi-dimensional transformation strategy in transportation sector focussing on converting challenges of rapidly changing business environment into opportunities. This will ensure technology self-sufficiency and strengthen in-house capability for designing & manufacturing all types of rolling stocks.

In line with the Indian Railways' latest National Rail Plan (NRP), "Railways plans to increase the share in freight transportation from 30% to 45% by year 2030". BHEL with latest technological advancements and a greater thrust on Research and Development (R&D), is fully geared up to cater to the growing needs of Indian Railways including providing high powered locomotives for Dedicated Freight Corridors.

Your company is at the forefront of indigenous development of IGBT based propulsion equipment for locomotives and electric multiple units (EMUs). The company has already developed composite converter and Head on Generation (HOG) for 3-phase electric locomotives and developing under-slung equipment for EMUs. A state-of-the-art Centre of Excellence for R&D in transportation technology has also been established.

BHEL is focussing on new business opportunities like Metro, Monorail, Metrolite, Maglev, Fuel Cell locomotive, Battery powered locomotive and High Speed Rail (HSR). Company has established collaboration with various global technology leaders for leveraging opportunities in urban transportation and is committed to bring world class urban transportation technology to India.

Further strengthening the vision of "Make in India" and "Aatma Nirbhar Bharat", BHEL with Kawasaki Heavy Industries Limited (KHI), is gearing up for indigenous manufacture of Mumbai-Ahmedabad HSR trains. Additionally, BHEL is also exploring collaboration with a Global OEM for leveraging opportunities in Urban Rail transportation.

1.4.2.2 Transmission

An efficient and reliable Power Transmission system is key to the ever increasing demand of a growing nation like India. Today, India is the third largest power producer and second largest power consumer in the world. The Power Transmission sector in India has grown significantly over the past few years spurred by the growing load demand and need for connectivity to generation projects. India in July 21, has crossed a major milestone of 200 GW of peak demand.

The pace of expansion of the transmission network is expected to continue to match with the enhanced Renewable Energy capacity addition targets of 450 GW of power by 2030 at national level. There is a need for up-gradation of the existing transmission networks and addition of new Extra High Voltage (EHV) systems & associated lines to cater to the evacuation and transmission of Power to the



Aerial view and HVDC hall of Raigarh substation of the ± 800 kV, 6000 MW Raigarh-Pugalur HVDC link commissioned by BHEL

load centres. There is an increasing and continued trend of demand for transmission projects (substations, transmission lines) under the TBCB (Tariff Based Competitive Bidding) route. Gas Insulated Substation (GIS) projects are likely to continue witnessing robust demand due to optimized land requirements and reduced O&M expenditures.

Under the National Green Energy Corridor projects, advance technology-based systems are planned for implementation to maintain Grid Stability. Multiple HVDC projects are in various stages of planning for power evacuation from far flung generation centers, mainly RE based.

In recent years, a sharp increase in the CAPEX related to Transmission projects (Substations and Transmission Lines) has been witnessed. The power transmission segment is having an estimated planned capital expenditure of about ₹3,040 billion between 2020-2025.

A robust transmission infrastructure is the need of the hour and BHEL has a strong presence in the Indian Power Transmission space.

Offerings

- **Turnkey transmission Solutions** including Extra High Voltage Substations (both Air Insulated Substation (AIS) & Gas Insulated Substation (GIS) types) upto 765 kV and High Voltage Direct Current (HVDC) converter stations upto +/-800kV on EPC basis.
- **Power Transformers upto 1200kV & Shunt reactors** upto 765 kV, Capacitive Voltage Transformers (CVT) upto 1200 kV Instrument transformers (CT, PT) upto 400kV, traction power transformers, dry type transformers, vacuum switchgear, capacitor banks, control & protection equipment, HVDC Converter Transformers upto 800kV, thyristor valves, etc.
- **Gas Insulated Switchgear (GIS)** upto 420 kV.
- **Ceramic and Composite Insulators.** BHEL has a range of disc insulators for EHV and UHV AC/ DC applications upto 1200 kV AC, ±800 kV DC, solid core insulators upto 400 kV and hollow porcelain insulators upto 765 kV AC.
- **Flexible AC Transmission System [FACTS] Solution:** Fixed Series Compensation for 400 kV lines, Controlled Shunt Reactor (CSR) and Phase Shifting Transformer (PST) for controlling and balancing power flow upto 765 kV applications.

Achievements during the year

- Largest single order of Cast resin Dry Type Transformers for replacement of Polychlorinated Biphenyl (PCB) Transformers from Bhilai Steel Plant, Bhilai.
- First ever standalone orders for MV Switchgear from BGR Energy for Switchyard extension works at NPCIL Tarapur ; and Electrical Balance of Plant (eBoP) from NHPC

Future perspective

Power systems of the future will promote Digitalization, thus paving the way from a conventional to a digital substation environment. Digitalization at all levels of power flow - Generation, Transmission and Distribution are underway with the sole aim of transforming the conventional Power Grid into a Smart Grid. The technology adoption for grid modernisation like Digital Substation Solutions, Phase Shifting Transformers (PST), and Dynamically Controlled Shunt Reactors (CSR) will play crucial role in this direction.

The company has also made considerable efforts in the development of key products and systems in the digital Substation domain. BHEL has successfully commissioned, a Digital Substation as a collaborative project with POWERGRID wherein indigenously developed products, including Fibre Optic Current Transformer (FOCT), Merging Unit (MU), Switchgear Control Unit (SGCU) & Bay Control Unit(BCU) have been deployed.

BHEL has successfully developed a wide range of EHV & UHV class transmission equipment including Power Transformers upto 1200kV class and reactors upto 765kV. BHEL-make 400kV Controlled Shunt Reactor (CSR) and Phase Shifting Transformer (PST) operating successfully at POWERGRID's Itarsi substation and TSGENCO's Kothagudem switchyard are first of its kind technology solutions in India.

BHEL has also remained the first Company in India having successfully supplied innovative technology solutions like PST, CSR for improving quality of Power Transmission. These have been developed though in-house R&D as fully indigenous technologies.

With an emphasis on sustainable development, inter-changeability, etc., the technologies and specifications of key electrical assets in transmission lines and substations, have undergone major revisions. With the advancement of technologies and advent of Industry 4.0 solutions, Transmission and Distribution(T&D) space would also witness enablement for remote condition monitoring, health assessment and management of transmission field assets. Accordingly, company has made enhanced efforts to keep its Transmission segment product and system offerings updated to meet the market requirements.

1.4.2.3 Renewable Energy

Out of the 100 GW capacity of Solar Photovoltaic Power Plants planned till 2022, over 40 GW capacity has already been installed in the country as on March 31, 2021. Despite Government of India's impetus on boosting domestic manufacturing through various schemes, imports still continue to be cheaper compared to indigenously manufactured solar PV value chain components. Supply chain disruptions due to the pandemic and unprecedented price rise in commodities leading to all solar value-chain components showing upward trend have visibly impacted the pace of solar project execution in the country.

Offerings

- EPC solutions from concept to commissioning of Solar PV Power Plants with or without BESS (Battery Energy Storage System).
- Ground mounted, Roof Top, Canal top and Floating solar power plants.
- Solar-based irrigation and drinking water pumps
- Solar Inverters for utility as well as traction applications
- Loose Solar PV Cells and Modules meeting Domestic Content Requirement (DCR) of MNRE

Achievements during the year

- Repeat order from M/s REIL for Supply of 5 MWp SPV modules.
- Received the prestigious order for EPC of a 5 MW Ground mounted solar power plant at Nalanda University, Bihar. Notably this project has been sanctioned though Viability Gap Funding by MNRE under the CPSU Scheme- Phase II.
- Over 170 MW solar PV plants commissioned during FY



5MW AC Grid Connected Floating Solar PV project at Sagardighi Thermal Power Plant commissioned by BHEL

20-21 including, 50 MW SPV plant for GSECL at Dhuvaran, Gujarat; 39MW & 30MW SPV plants for SCCL at Yellandu and Ramagundam, Telangana; and 5 MW Floating SPV for WBPDCL at Sagardighi, among others.

Future perspective

Targeting agility in project execution and optimum utilisation of resources, company has Consolidated all the solar business operations, viz., Marketing, Engineering, Manufacturing, Project Management & Execution, and Project Closure under one umbrella with the formation of Solar Business Division at Bengaluru. As an established EPC player in solar energy market in the country with a portfolio of 1.2 GW, BHEL is poised to contribute actively in achieving the national targets of 100 GW by 2022 and 280 GW by 2030. BHEL is contributing in realizing GoI's AatmaNirbhar mission of self-reliance by manufacturing in-house, major components of solar power plants, viz., Solar Cells, Modules, PCUs (Power Conditioning Unit), Transformers, HT Panels, SCADA ,etc.

BHEL has a dedicated industrial R & D centre for PV where in-house research is being carried out in close coordination with various Govt. agencies and research institutes. This is aimed to indigenize the technology of high-efficiency solar cells in line with best standards. Focussed R&D efforts are underway for development of increased efficiency Mono– Passivated Emitter and Rear Cell (PERC), higher rating modules using larger size cells ,and higher rating 2.5 MW PCU. BHEL is also exploring new business opportunities in developer mode through strategic tie-ups with SJVNL and GAIL in various proposed solar power parks.

Ever increasing pressure on land in the country has resulted in exploring usage of water bodies viz. Reservoirs of thermal/hydro power plant, lakes, irrigation ponds etc. for development of floating and canal top power plants. BHEL is strongly placed to cater to this emerging requirement with rich experience of 220 MWp in canal top and floating solar projects.

Government is giving increased thrust on the indigenization of manufacturing of solar cells and modules by stimulating demand through various tenders which require deployment of DCR (Domestic Content Requirement) cells and modules viz. CPSU Scheme (12 GW), KUSUM Scheme (around 25 GW), various Indian Railways tenders (around 1.1 GW). BHEL, being one of the few manufacturers in the country which has both, a fully automated solar cell (105 MW/annum) and module (226 MW/annum) manufacturing facility has been targeting the requirements.

1.4.2.4 Defence & Aerospace

India plans to spend 130 billion on military modernization in the next 7-8 years to strengthen its security apparatus To encourage self-reliance, the government in August 2020 created a "negative list" that restricts the import of 101 weapons and military systems in a phased manner. Changes made in the Defence Acquisition Procedure (DAP) 2020 focuses on hastening the procurement process, revision of existing procurement categories, prioritization for Indian solution & Reservation in categories for SME, enhancement of Indigenous Content under various categories, and new concepts of defence procurement e.g. leasing of Equipment are intended to promote Make in India.

Offerings

- Super Rapid Gun Mounts (SRGM), the main gun for warships of Indian Navy, and its entire range of product support including Major Overhaul, health audit and training.
- IPMS (Integrated Platform Management System) for naval ships
- Compact Heat Exchangers for defence & aerospace applications
- Proven capability for indigenous manufacture of complicated and advanced defence equipment/ systems based on Transfer of Technology from OEMs.
- Hot forming of spacecraft propellant tank, Forming of Titanium Shell/Domes, welding & machining of Titanium sheet and tubes.
- State-of-the-art facility for assembly and testing of Space Grade Solar Panels & Batteries
- Space grade Lithium ion cells

Achievements during the year

- Order for Two SRGM's and additional items from Indian Navy
- Completion of manufacturing & supply of Propellant Tank Pressure Vessel parts to Liquid Propulsion Systems Centre (LPSC) for Chandrayaan-3 Project much ahead of schedule.
- Successful Proof firing of 01 Nos. 76/62 mm Super Rapid Gun Mount (SRGM) and dispatch to Indian Navy well before schedule.
- Successful development, manufacture, timely completion of Endurance Trials (2500hrs) and dispatch of First Indigenous Reserve Propulsion Motor and Main Motor Generator developed in the country.
- Delivery of 100th Space Battery to U R Rao Satellite Centre (URSC)-ISRO
- Recommendation received from IN for BHEL to undertake Long Term Repair/Maintenance of Russian origin equipment (Boilers, Steam Auxiliaries and Arrestor Gear) fitted on-board INS Vikramaditya Aircraft Carrier with ToT from M/s Sevmash.

Future perspective

BHEL is resolutely focusing on strengthening its Defence and Aerospace portfolio. The company is extensively working on strategic equipment required by Indian Defence Forces to achieve self-reliance.



First 'Made in India' aircraft carrier warship, INS Vikrant, equipped with BHEL-GE Avio supplied IPMS (Integrated Platform Management Systems), has successfully completed its maiden sea-trials

BHEL has also been a trusted partner of Indian Navy and is working on critical areas like indigenous manufacturing of Marine Gas Turbines for propulsion and utility applications, indigenous design & development of Li Ion Battery System for Defence & Aerospace sector including for Submarine Application. BHEL offers its experience in Renovation & Modernization and Life Extension to Indian Navy by introducing the Upgraded version of SRGM, Service Life extension cum Overhauling of existing SRGMs, etc.

Government under AatmaNirbhar Bharat Mission focuses on making India a global manufacturing hub in Defence Sector via policy support initiatives. Defence spending and investment are expected to increase as India fast-tracks its military modernization. BHEL is poised to provide customized solutions in this new landscape.

BHEL is one of the select few firms in the world having the capability to design and manufacture compact heat exchangers for military aircraft and is currently developing variety of compact heat exchangers for Indian military aircraft and helicopters.

Efforts are being made to enhance business through engagement with ISRO and its centres for business enhancement in aerospace sector. Company is focusing on several opportunities in development of aero structures for various applications. Collaboration with global OEMs is being actively pursued to address the opportunities in this sector. BHEL is also exploring manufacture of precision parts and other components through additive manufacturing.

1.4.2.5 Captive Power & Process Plant

Expansion in various sectors of economy is expected to push the demand for captive power and steam. Refinery Sector capacity is likely to undergo expansion from existing 250 MTPA to 440 MTPA by 2030 including expansion at IOCL Barauni, Numaligarh & IOCL Koyali, among others. Aluminum Sector is also likely to see expansion of upto 7 MTPA in next 5 years. NALCO is planning to invest ₹30,000 Crore by 2027 for expansion of alumina refinery at Angul. Similarly cement sector expansion from existing 540 MTPA to 800 MTPA is also likely to happen. STG demand will continue to grow in this sector. Though these sectors do present new opportunities, delays due to ongoing pandemic might affect the timelines.

Offerings

- Standalone Steam Turbine Generator (STG) sets
- Boiler Turbine Generator (BTG) package Pulverized Fuel (PF), Circulating Fluidized Bed Combustion(CFBC), Atmospheric Fluidized Bed Combustion(AFBC), Utility Boiler(UB) /gas fired boilers
- Gas Turbine based Open, Cogeneration and Combined Cycle Captive Power Plants
- Process packages of Downstream Oil and Gas sector

Achievements during the year

- BHEL made entry into LSTK Business of Process package in Downstream Oil & Gas Refinery segment by bagging the



BHEL has made an entry into the downstream oil & gas process package business by securing an order for setting up 525 TPD Sulphur Recovery Unit at IOCL's Paradip Refinery in Odisha

  milestone order for setting up a 525 TPD Sulphur Recovery Unit (SRU) at IOCL's Paradip Refinery.
- Supply and E&C of 18.5 MW STG,300 TPH PF Boiler, Flue Gas Desulfurization (FGD) and Selective Catalytic Reduction (SCR) from NALCO Damanjodi amid stiff competition.
  - » First Order of Industry Sector with FGD and SCR in scope.
  - » With this order, CPPP not only maintained its track record of supplying all of NALCO's power plants, for both their smelter plant (10x120 MW) at Angul and alumina refinery plant (5x18.5 MW) at Damanjodi, but will also be contributing to 'Make in India' initiative.

Future perspective

Downstream Oil and Gas segment (DSOG) in India offers tremendous business opportunities in next 8-10 yrs. BHEL has had significant presence in refinery sector in form of CPPs and equipment like compressors, columns, heat exchangers etc. However, now the company aspires to leverage its EPC capabilities to execute complete turnkey projects for refineries and petrochemical projects, and establish itself as a leading contractor with both manufacturing and erection & commissioning capabilities. Industry specialists have already been on boarded as enablers for addressing this business. A remarkable start has already been made in form of maiden order from IOCL for SRU Paradip.

1.4.2.6 Industrial Products (including Oil & Gas and Electrical Machines)

Oil & Gas Sector is poised to grow in upcoming years through various planned capacity expansions in Oil drilling, Refinery and Petrochemical plants. This provides enhanced business opportunities for BHEL to manufacture Centrifugal Compressors, Motors and static equipment such as Fired Heaters, Columns & pressure vessels.

Additionally demand for HT motors is also expected from lift irrigation schemes, FGD plants, cement, steel and process industries. NPCIL had floated tender for Primary Coolant Pump (PCP) motor packages, which is likely to be finalised in current FY.

Offerings

- **Oil Rigs** - A variety of on-shore drilling rigs with AC-VFD (Variable Frequency Drive) and AC-SCR (Selective Catalytic Reduction) technology for drilling upto depths of 9,000 meters, work-over rigs for servicing up to depths of 6,100 meters, mobile rigs for drilling up to depths of 3,000 meters. Draw works, mast & substructure, AC & DC Power Control Room (PCR), motors. Refurbishment and up gradation of oil rigs.
- **Well heads and X-mas Trees** - Upto 10,000 psi, Mud Line Suspension System, Choke and Kill manifold, coalbed methane (CBM) Wellheads, DSPM H- Manifold Assembly, Mud valves, Hangers for Electric Submersible Pump, Block type X-mas Trees and Landing Bases for Casing Heads
- **Compressors** - Multi-stage Centrifugal Compressors as per API 617 Chapter-2 for application in Fertilizers, Refineries, Petro-chemicals, Pipelines, Gas processing, Steel industries etc.
- **Mechanical Packages** - Equipment like Cryogenic Air separation units, Fired Heaters, Columns, Reactors, Pressure Vessels, Heat Exchangers and Purge Gas Recovery Unit.
- **Electrical Machines**- AC squirrel cage, slip ring, synchronous motors for safe and hazardous area applications, variable speed motors, industrial alternators, special purpose machines and LT VFD.
- **COVID 19 products:** High volume sanitizer spray (BHELMISTER) and electrostatic disinfectant machine (EDM)

Achievements during the year

- Secured milestone order for single largest Fractionator Column (9.5 m Dia, 60 m long and 650 MT weight) from HRRL, Barmer. Execution of this order shall help BHEL to meet Qualification requirement for future Crude Distillation Unit (CDU)/ Vacuum Distillation Unit (VDU) Columns tenders
- First ever order from Wuhan Engineering Corporation Limited for Compressors for Coal Gasification Plant at TFL, Talcher
- Motor orders of various makes from L&T Howden, HRRL, Xylem Water Solutions, L&T MHI Power Boilers Pvt. Ltd, Flowserve Control India Pvt. Ltd
- Repeat orders for 10 nos. GTs totalling to 587.5MVA from NEEPCO

Future perspective

Pursuing Government of India's AatmaNirbhar Abhiyan, BHEL has made substantial efforts to indigenise the 15000 psi Well Head & Xmas Trees Valves for oil drilling operations and Axial blowers for blast furnace application in steel plants and equipment for oil drilling rigs.



Net Gas compressor package of BPCL Kochi MS block project commissioned by BHEL

BHEL has strong presence in Electrical Machines segment in the country and is fully geared up to meet the requirement of Industries, be it Petroleum, Cement, Steel, Irrigation, Nuclear, etc. To facilitate faster technical clearances in Oil and Gas sector projects, an MOU with leading engineering consultant has been executed for standardized HV motor specifications for both Induction and Synchronous Motors.

BHEL is exploring to enhance its offering for Compressors in petrochemical sector and for Subsea Well Heads & X-Mas trees for oil & gas exploration through suitable technology collaborations.

1.4.2.7 Electric Mobility, Energy Storage, Railway Electrification, Water Business

To tap the upcoming opportunities in the areas of energy storage and e-mobility by building capabilities through in house developments and strategic tie-ups, multiple opportunities in electric mobility and battery energy storage systems (BESS) are being addressed. Railway track electrification and oxygen medical plants are also being focused upon as new business areas.

National Electric Mobility Mission Plan (NEMMP) 2020 was launched in 2013 by Government of India with an ambitious target to achieve sales of 6-7 million hybrid and electric vehicles in the country year on year from 2020 onwards. Under the FAME-1 scheme launched by Ministry of Heavy Industries under NEMMP, some State Transport Undertakings procured and deployed around 400 Nos electric buses with supporting chargers. EV charging stations with DC001 (15KW) & AC001 (10KW) chargers were also setup by various nodal agencies under the scheme. FAME-2 scheme was notified in April 2019 for 3 years with an outlay of ₹10,000 Crore to incentivize EVs and develop charging infrastructure. The FAME-2 scheme has now been extended to 31st March 2024. So far, MHI has sanctioned 2877 EV Charging Stations in 69 cities. Another 1544 charging stations are planned for sanction by MHI for development of EV Charging Stations along Expressways / Highways. MHI has sanctioned 6265 E-Buses for deployment in various cities through respective state transport undertakings.

With increase in the share of renewable energy in the electric grid, energy storage is set to become an integral part of the power system to ensure grid stability and power quality. As per CEA Report



The Delhi-Chandigarh Highway has become the first e-vehicle friendly highway in the country, with a network of Solar-based Electric Vehicle Charging stations (SEVCs) set up by BHEL under the FAME-1 scheme of the Ministry of Heavy Industries

on optimal generation capacity mix, the expected market for BESS is likely to be 108 GWh by 2030. With various other developments, GoI has also announced the Production Linked Incentive (PLI) Scheme 'National Programme on Advanced Chemistry Cell (ACC) Battery Storage' for achieving manufacturing capacity of Fifty (50) Giga Watt Hour (GWh) of ACC and 5 GWh of "Niche" ACC with an outlay of ₹18,100 Crore. This is a major step towards indigenous development and will pave the way for domestic industry set up.

Electric Mobility

Offerings

- EV Charging Stations
- E-Buses
- EV Components – Power train

Achievements during the year

- Entered in a MoU with IOCL for co-operation in setting up EV Charging stations at IOCL retail outlets across India. Under this MoU BHEL has set-up EV charging stations at 6 IOCL retails outlets along Delhi Chandigarh Highway.
- Delhi-Chandigarh highway is the 1st highway in the country which has been made e-vehicle friendly with successful commissioning of Solar Based EV Chargers by BHEL.
- In-house developed 122KW EV charger has been tested and certified at ARAI.

Battery Energy Storage System (BESS)

Offerings

- Power Conditioning System: in-house developed PCS of rating-630 KW and 1250 KW.
- Energy Management System
- Complete EPC solutions for BESS

BHEL is executing its maiden BESS project of TERI having a cumulative rating of 410kWh , located at three different sites in the NCT of Delhi. This will be one of its kind project in India as it caters



BHEL is executing its maiden order of setting up of a cumulative 410 kWh Battery Energy Storage Systems (BESS) for TERI

to multiple applications including Energy time shifting, power backup, DT overload management, Peak shifting, Energy Arbitrage. The batteries under this BESS project are also equipped to test the

high discharge rates. The knowledge and experience gained will strengthen the BESS design and engineering at BHEL.

Future perspective

With its commitment to the nation's e-Mobility mission, BHEL has taken up several in-house developments and also entered into strategic partnerships with renowned companies.

An outlay of ₹1000 Crore is earmarked under the FAME-2 scheme for development of EV charging infrastructure in the country. With successful development and certification of 122 kW charger, BHEL is geared up to address the requirements by offering EPC solutions in the segment. Also, initiatives to develop higher rating 150 kW charger have been undertaken to cater future requirements.

Railway Electrification

BHEL offers complete EPC solution for Railway Electrification.

BHEL is presently executing Birla Nagar - Etawah Project (440 TKM) section. The Commission of Railway Safety (CRS) inspection for Gr 240 (130 TKM) from Etawah to Bhandai (Udi to Bhandai and part of Etawah to Udi sections), was successfully carried out in March 2021. Commercial operation started on this line on 28th March 2021, within 10 days of CRS.BHEL is now actively participating in new tenders of M/s CORE and M/s IRCON totalling to 8000 TKM.

Medical Oxygen Plants

Amidst the oxygen crisis faced by the country during the second wave of the pandemic, BHEL worked on a war footing to address the oxygen demand through its various manufacturing facilities across the country. Additionally, keeping in view the prevailing situation and on account of the anticipated third wave, BHEL has now acquired technology for manufacturing of Pressure Vacuum Swing adsorption (PVSA) oxygen plants from CSIR-IIP Dehradun. BHEL has started offering PVSA based Oxygen Concentrators (500 LPM & 1000 LPM) and the first order for the same has been delivered in June 2021. Subsequently, an order for 10 nos. PVSA plants of 1000 LPM capacity has also been received from State Disaster Management Authority, Government of Maharashtra.



BHEL has set up a 7 MLD capacity Sewage Treatment Plant (STP) based on Sequential Batch Reactor technology, for its factory premises and suburb at Haridwar

Water Business

Offerings

Complete water management solutions for power plants, industries and municipal applications with comprehensive solutions for

- Pre Treatment Plants (PT)
- Sea Water Reverse Osmosis (SWRO) and Demineralization (DM) Plants
- Effluent Treatment Plants (ETP)
- Sewage Treatment Plant (STP); Tertiary Treatment Plants (TTP)
- Zero Liquid Discharge (ZLD) Systems
- Eco Friendly solutions for water bodies purification

Efforts are being made to address Municipal Water business comprehensively through strategic partnerships. BHEL is exploring business opportunities in large scale sewage treatment plants, water treatment plants, desalination plants and Industrial (Power, Petrochemical & Refinery, Fertilizers etc.) water treatment systems.



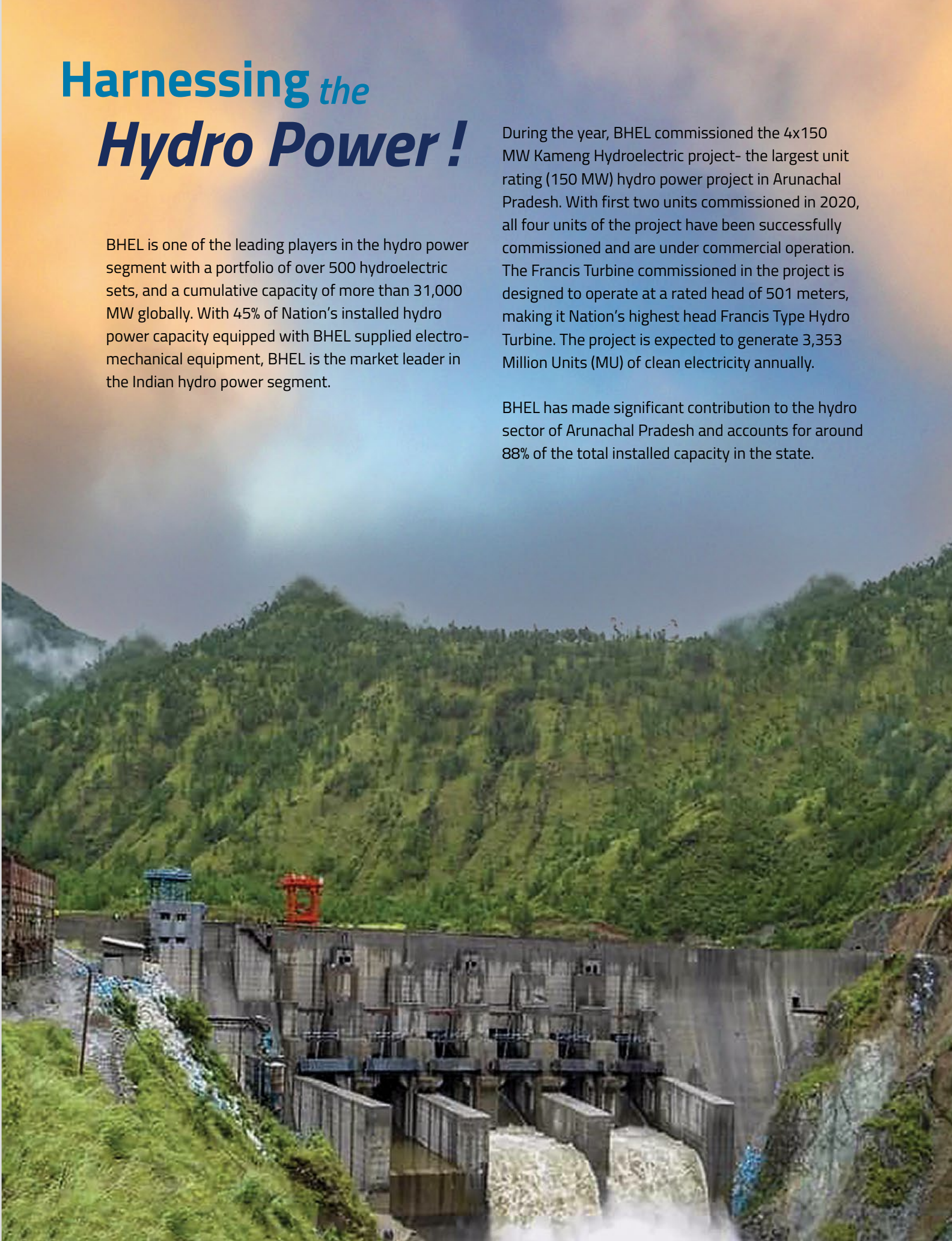
BHEL's first Medical Oxygen plant developed and manufactured using CSIR-IIP technology, in a record time of less than 35 days from receipt of order, was flagged off by CMD, BHEL

Harnessing *the* *Hydro Power !*

BHEL is one of the leading players in the hydro power segment with a portfolio of over 500 hydroelectric sets, and a cumulative capacity of more than 31,000 MW globally. With 45% of Nation's installed hydro power capacity equipped with BHEL supplied electro-mechanical equipment, BHEL is the market leader in the Indian hydro power segment.

During the year, BHEL commissioned the 4x150 MW Kameng Hydroelectric project- the largest unit rating (150 MW) hydro power project in Arunachal Pradesh. With first two units commissioned in 2020, all four units of the project have been successfully commissioned and are under commercial operation. The Francis Turbine commissioned in the project is designed to operate at a rated head of 501 meters, making it Nation's highest head Francis Type Hydro Turbine. The project is expected to generate 3,353 Million Units (MU) of clean electricity annually.

BHEL has made significant contribution to the hydro sector of Arunachal Pradesh and accounts for around 88% of the total installed capacity in the state.



Profile and Performance of Business Segments

INTERNATIONAL OPERATIONS



1.4.3 International Operations

Overview

Starting its journey with the first ever export in the early seventies, the company has covered a long distance, reaching out to 86 countries in all 6 inhabited continents. Today, BHEL's international references encompass almost the entire range of BHEL's products and services, covering thermal, hydro and gas-based turnkey power projects, solar PV based projects, substation projects, R&M projects, besides a wide variety of products like transformers, compressors, motors, valves, oil field equipment, electrostatic precipitators, photovoltaic equipment, insulators, heat exchangers, switchgears, castings and forgings, etc.

The cumulative portfolio of BHEL's overseas projects stands at 17 GW out of which over 11 GW has already been commissioned. Currently, the company is executing several major projects, including 2x660 MW Maitree thermal power project in Bangladesh, 6x200 MW Punatsangchhu-I and 6x170 MW Punatsangchhu-II hydro projects in Bhutan, 2 x 200 MW Tishreen Thermal in Syria, 26 MW Calabar Gas based power project and 1.3 MW Kaduna Solar Mini grid projects in Nigeria ,4x225 MW Arun-3 hydro project and 40 MW Rahughat hydro project in Nepal. The company has also been providing after sales support to its international customers in the form of spares and services.

During the past year, a greater part of the world was under lockdown for a significant time and recovery started during the latter part of the year. All sectors including the energy sector have been affected. With the US joining the world powers for fighting climate change, no funding will be available for coal projects from next year onwards. There is a clear intent for overwhelmingly decarbonized electricity sector by the end of this decade.

COVID-19 has severely impacted BHEL's ongoing overseas projects. Project sites were forced to demobilize and the entire demobilization-remobilization, coupled with interrupted logistics channels, have led to delays in project schedules. Also, finalization of projects already under consideration has been delayed in various focus markets. Even those projects where the contract has been signed (viz. 8 MW Mauritius Solar and 32 MW Chad solar) have not taken off.

In spite of these challenging circumstances in the past year, BHEL has able to expand its global footprints by making an entry in Liberia and Bahrain.

Order Booking

- Secured maiden orders for motors from two new markets- Bahrain and Liberia
- First ever order of 2 nos. of 560 kW Flameproof motors from France
- Order for 8 MW solar PV based power plant in Mauritius
- Orders for spares, services & other products from various countries including Algeria, Bahrain, Bhutan, Ethiopia, France, Indonesia, Italy, Liberia, Malawi, New Caledonia, Oman, Sri Lanka, UAE, Uganda & Vietnam.

Project Execution

Despite the constraints due to COVID-19 and various lockdowns in India and abroad, BHEL has been diligently delivering at project sites by coordinating with customers, consultants, vendors and



2x660 MW Maitree Supercritical Power Project being executed by BHEL in Bangladesh

also Government agencies. For BHEL's biggest overseas project, i.e., 2x660 MW Maitree Thermal Power Project at Rampal, Bangladesh, regular meetings have been held with the Ministry of Power (MoP), Govt of Bangladesh as well as Ministry of External Affairs (MEA), for ensuring continuity at site, clearance of material/ equipment at border and movement of material/ equipment within Bangladesh, etc. This enabled BHEL to complete the Boiler Hydro test of Unit #1 at site. BHEL has also solicited support from Ministry of Health and Family Welfare, MEA, MoP GoB and others for making vaccines available for site personnel.

Strenuous efforts by BHEL enabled restoration, synchronization to grid and operationalisation of Generating Unit 1 (84 MW) of the 336 MW Chhukha Hydropower Plant, which was also appreciated by DGPC.

Site support was extended virtually for the Gas Turbine project in Nigeria for lowering of Gas Turbine on foundation and test witnessing was also conducted for the solar mini grid, Nigeria.

Future perspective

Exports has been a corner-stone of BHEL's growth strategy and several steps are being taken to revitalize BHEL's overseas business. The company has been aggressively pursuing opportunities in focus markets (viz. Neighbouring countries, Africa and South-East Asia), concentrating on conventional sectors of coal, hydro & gas based power plants, besides renewables.

In the renewables space, BHEL is an established EPC player in the solar PV based power plants in India and has several references of supply of PV modules and cells overseas. The company is now working to establish reference of EPC solar PV projects in the international market, and is targeting projects in Africa region in the initial phase.



BHEL aided restoration, synchronisation to grid and operationalisation of Generating Unit 1 of the 336 MW Chhukha Hydropower Plant, Bhutan

BHEL has a dominant position in the hydropower sector in the Neighbouring countries region and is executing several large size projects in Bhutan and Nepal. Systemic improvements are being undertaken to further improve our competitiveness in this segment. Your company is also looking towards the small hydro market and intends to offer a turnkey solution for these in future.

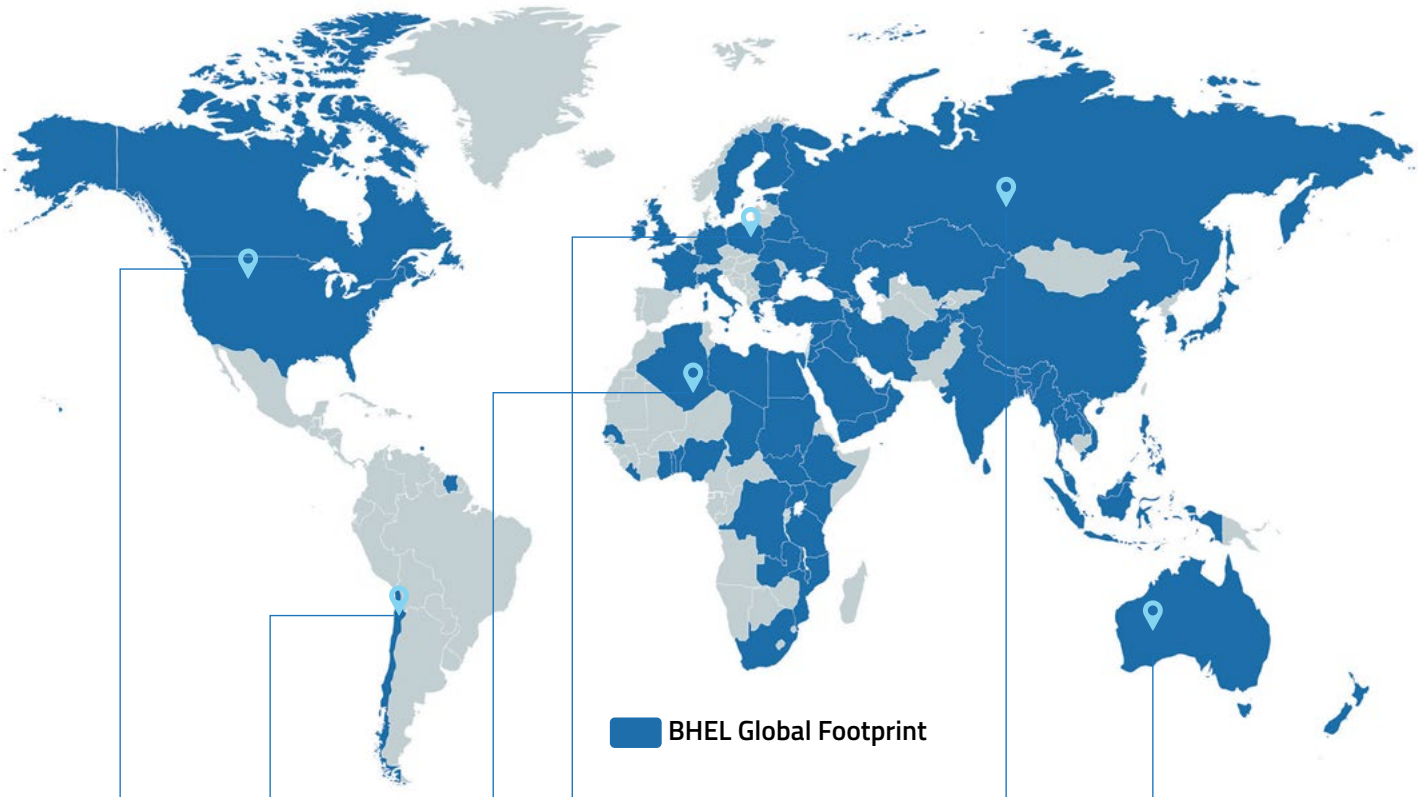
Requirement of Export Credit Agency (ECA) funding is fast emerging as a mandatory requirement in international tenders and the company is in touch with various domestic and international financing institutions to meet the requirement of bundled financing. BHEL is also exploring the option of barter trade in countries from where goods can be imported in India.

Power project opportunities in focus markets are moving from the state-developed model to IPP/PPP model. Continuous engagement with IPP developers (especially Indian promoters attempting to develop overseas projects) has led to success in recent past.

BHEL products such as motors, transformers, compressors, and valves have a huge demand in the international market and over years' orders in this segment have grown. A dedicated Product desk has been created to increase outreach in the target markets in a focused manner to strive for quantum jump in product exports.

Efforts have been initiated to enter the consultancy services domain of power plant improvement studies, providing technical domain knowledge for the existing power plants in various target countries encouraged by few good successes in the recent past.

BHEL Global Footprints



North America
Canada
United States of America

South America
Chile
Suriname
Trinidad & Tobago

Europe
Belarus
Belgium
Bulgaria
Cyprus
Estonia
Finland
France
Georgia
Germany
Greece
Iceland
Italy
Malta
Poland
Romania
Russia
Sweden
Switzerland
Turkey
Ukraine
United Kingdom

Africa
Algeria
Benin
Chad
Comoros
DR Congo
Egypt
Eswatini
Ethiopia
Ghana
Kenya
Libya
Liberia
Malawi
Mauriius
Mozamique
Nigeria
Rwanda
Senegal
South Africa
Sudan
Tanzania
Togo
Uganda
Zambia
Zimbabwe

Asia
Afghanistan
Azerbaijan
Bangladesh
Bahrain
Bhutan
China
Hong Kong
Indonesia
Iran
Iraq
Japan
Jordan
Kazakhstan
Kuwait
Laos
Malaysia
Myanmar
Nepal
Oman
Philippines
Saudi Arabia
Singapore
South Korea
Sri Lanka
Syria
Taiwan
Tajikistan
Thailand
U.A.E
Vietnam
Yemen

Oceania
Australia
New Caledonia
New Zealand
Samoa

with presence in

86 countries

in all six inhabited continents

1.5 Comprehensive Analysis of Financial Performance

(Based on Financial Statements prepared in compliance with Ind AS, Guidance Notes, Companies Act 2013 and other applicable statutes.)

1.5.1 BHEL Standalone

A. Financial Results

1. Total Income

(₹ Crore)

Particulars	2020-21	2019-20
Revenue from Goods & Services	**16296**	20491
Other Operational Income	**1013**	969
Other Income	**370**	581
Total Income	**17679**	22041

Total income in FY 2020-21 has declined by about 20% as compared to previous financial year. The Item wise explanation for each element of total income is given below:

1.1 Revenue from Goods and services

(₹ Crore)

Particulars	2020-21	2019-20
Revenue from Goods	**13011**	15057
Revenue from Services	**3285**	5434
Total Revenue from Goods and services (as per Ind AS 115)	**16296**	20491

The Nationwide lockdown, consequent to spread of Covid 19 pandemic resulted in global disruptions & triggered slowing down of the economic activities. Such consequences impacted the Company's operations during H1 of FY 2020-21, which could be recouped in a gradual and progressive manner. Also, the issues arising out of the geo political situation across the globe severely disrupted the supply chains which further impacted operations.

Company's paradigm shift in its operating philosophy from Revenue Centric to Project Centric execution also impacted revenues. This philosophy however helped in improving customer satisfaction, reducing trade receivables to lowest levels (as evidenced by highest cash collection to net billing ratio in last ten years), and savings through reduction in damages & rework for material lying at site for extended periods and ensured optimum working capital management. Though the change in approach has adversely impacted the topline for current year, BHEL expects to reap long-term benefits from this approach for years to come.

1.2 Other operational income

(₹ Crore)

Particulars	2020-21	2019-20
Other operational income	**1013**	969

The Company's efforts in a structured and focused manner, has led to increase in other operational income by about 5% w.r.t last year which resulted in containing the losses despite dip in sales.

1.3 Other income

(₹ Crore)

Particulars	2020-21	2019-20
Interest income	**321**	509
Dividend on investment in joint venture - BGGTS	**21**	16
Profit on sale of units of Mutual Fund / items of PPE, Govt. grants & others	**28**	56
Total	**370**	581

The decline in interest income is mainly due to lower rate of interest on Fixed Deposits caused by general decline in the interest rates in the economy as well as the lower Cash & Bank balance available for investment during the year as compared to previous year.

2. Expenses

2.1 Material consumption, erection and engineering expenses

(₹ Crore)

Particulars	2020-21	2019-20
Consumption of raw material & components	**8159**	11780
Civil, erection & engineering expenses	**2912**	2947
Sub total	**11071**	14727
Changes in inventories of finished goods and work in progress	**511**	(1042)
Total	**11582**	13685
Material cost % of revenue	**71**	67

The material cost % has increased from 67% to 71% during the year. There has been significant increase in global metal price index (Source : IMF) as well as domestic indices (Source: Ministry of Commerce & Industry). The cost of civil construction, structural fabrication and erection activities have also witnessed an upswing. The impact on the company's financials is more accentuated as part of the current orders under execution are on firm price basis, i.e. without any PVC clause to absorb such unprecedented increase.

2.2 Employee benefits expenses

(₹ Crore)

Particulars	2020-21	2019-20
Employee benefits expenses	**5372**	5427
No. of Employees	**32131**	33752

Employee benefits expenses are at the lowest levels in last five years due to reduction made in variable elements of employee benefit expenses as well as retirements. The company has contributed ₹280 Crore in respect of pension scheme (Defined Contribution Plan) for the FY 2020-21. Company has also modified Pre-mature retirement scheme allowing employees above the age of 50 years to opt for such scheme. However the benefit due to

above measures has been offset to a large extent by increase in annual increments/DA and its impact on other employee benefits.

2.3 Other expenses

(₹ Crore)

Particulars	2020-21	2019-20
Other Expenses	**1799**	2429

The Company has identified reduction in other expenses [particularly non production related expenses] as a major initiative for sustenance of its operations efficiently. Though reduction in volume has been one of the reason for lower expenses, however stringent budgetary control in each & every line item of expenditure has been a major contributor which has resulted in reduction of expenditure to the tune of ₹630 Crore in FY 2020-21 w.r.to FY 2019-20. The new lower benchmarks set will enable the Company in making the operations sustainable and profitable.

2.4 Provisions (Net)

(₹ Crore)

Particulars	2020-21	2019-20
Doubtful debts, liquidated damages, loans, advances & deposits and others	**2146**	822
Bad debts, LD & losses written off	**273**	224
Provision for expected credit loss (Time value)	**(691)**	(676)
Contractual obligations	**(261)**	(137)
Total	**1467**	233

Consistently rising receivables and quantum of Trade receivables in terms of no. of days of revenue had been a matter of concern for institutional investors, DPE, bankers and other stakeholders. In order to address the above apprehensions , the company, carried out detailed review of each and every major contract with the objective of improving the realization. Wherever realization was not probable in the near future, appropriate action was taken based on merits of the case i.e. provisioning, disclosure as contingent liability or maintaining status quo. Based on the above management assessment, in line with the applicable Ind AS, additional provision against such receivables amounting to about ₹1800 Crore, based on comprehensive review, has been created during the year.

The Company recognizes provision for expected credit loss (time value of money) in line with the requirements of Ind AS 109.

3. Finance costs

(₹ Crore)

Particulars	2020-21	2019-20
Discount & other expenses on commercial papers	**164**	206
Interest expense	**67**	105
Un- winding of provisions	**142**	196
Total	**373**	507

The company managed its treasury operations effectively, minimised the interest outgo and earned higher returns on intermittent cash surpluses. PCFC loan also provided natural hedging benefit to the company. Lower volume of operations was also one of the reasons for lower finance costs.

4. Depreciation & amortisation expenses

(₹ Crore)

Particulars	2020-21	2019-20
Depreciation & amortisation expenses	**473**	503

There is a reduction of about 6% in the depreciation cost as compared to the previous financial year.

5. Tax expenses

(₹ Crore)

Particulars	2020-21	2019-20
Current tax - current year	**33**	63
-Earlier years	**(17)**	(62)
Deferred tax -current year	**(908)**	(162)
-Earlier years	**(2)**	971
Total	**(894)**	811

The Company has a taxable loss of ₹3689 Crore in the current financial year resulting in creation of deferred tax asset amounting to ₹908 Crore, which shall be available for set off against future taxable profits.

Tax for earlier years mainly represents net refund w.r.t earlier assessment years. Further, deferred tax assets for earlier years represents change on account of final tax computation with reference to the preceding financial year.

6. Profitability

For FY 2020-21, the company has incurred a loss after tax of ₹2717 Crore as against a loss of ₹1473 Crore in FY 2019-20, mainly due to lower volume of operations, higher material cost and additional merit based provisioning [about ₹1800 Crore, based on comprehensive review]. However, cost reduction initiatives and stringent budgetary control measures have helped minimize the loss to some extent. The element wise explanation of the items in profit and loss account have already been given above under the respective heads.

7. Other comprehensive income

(₹ Crore)

Particulars	2020-21	2019-20
Re-measurement of defined employee benefits gain/(loss)	**27**	(342)
Less: Income tax related to above item	**7**	(68)
Total	**20**	(274)

Other Comprehensive income represents re-measurement gain/ (loss) on defined benefit plans such as gratuity, PF, Post-Retirement Medical Benefit (PRMB), etc.

B. Financial position

8. Property, plant and equipment (PPE), intangible assets and capital WIP

(₹ Crore)

Particulars	As at March 31,2021			As at March 31, 2020		
	PPE	Intangible	Total	PPE	Intangible	Total
Gross carrying value	6172	291	**6463**	6051	280	6331
Less: Accumulated depreciation / amortisation	3746	229	**3975**	3316	201	3517
Net carrying value (net block) *	**2426**	**62**	**2488**	2735	79	2814
CWIP & intangible assets under development	403	17	**420**	307	7	314
Total			**2908**			**3128**

*Net carrying value of PPE includes Right-of-use Assets of ₹165 Crore (PY ₹198 Crore)

The company has not carried out any major addition in PPE in its existing business portfolio due to subdued demand in thermal power segment. However, company is diversifying in new non-coal areas which is likely to entail capital investment in future. In line with applicable Ind AS, the company annually assesses and modifies the useful life of PPE and depreciation is worked out accordingly. In case of any change in useful life, the financial impact of the same is disclosed as part of notes to accounts.

9. Equity investments

(₹ Crore)

Particulars	As at March 31,2021			As at March 31, 2020		
	Investment	Impairment	Net	Investment	Impairment	Net
Investment in joint ventures	**718**	**(52)**	**666**	723	(57)	666
Investment in subsidiary Company	**5**	**(5)**	**-**	5	(5)	-
Investment in other equity instruments	**6**	**(2)**	**4**	6	(3)	3
Total	**729**	**(59)**	**670**	**734**	**(65)**	**669**

Investment in joint ventures (JVs) and subsidiary company were accounted at cost after considering impairment loss, if any, in line with Ind AS. Investment in other equity are accounted at fair value through profit and loss account and changes in carrying value have been made based on fair value on the reporting date.

During the year, Dada Dhuniwale Khandwa Power Limited (DDKPL) stands dissolved vide NCLT order dated 2nd November, 2020. Against the investment of ₹22.50 Crore, ₹17.57 Crore was received in earlier years and balance ₹4.93 Crore has been written off during the year and corresponding provision has also been withdrawn.

Investment in other equity instruments includes investment in Neelanchal Ispat Nigam Limited(NINL). The Board has given its approval for strategic disinvestment of the same and the approval from the concerned ministry is awaited.

10. Trade receivables (Net)

(₹ Crore)

Particulars	As at March 31,2021			As at March 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Gross Receivables	**16134**	**4911**	**21045**	16738	8546	25284
Less: Allowances for Bad & doubtful debts	**12955**	**877**	**13832**	12204	1438	13642
Trade receivables (net)	**3179**	**4034**	**7213**	4534	7108	11642

Consistently rising receivables, both in absolute value and number of days of Revenue, had been a concern of institutional investors, DPE, bankers and other stakeholders. Trade receivables has always remained a major concern particularly with Power sector customers not only with our company but with the peer group companies also. Timely realization of dues is a major challenge particularly from state GENCOS [which constitutes approx. 41% of total trade receivables].

Nevertheless, the company, took it as a challenge and carried out a detailed review of each and every major contract with the objective of improving the realization and taking appropriate actions in line with Board approved Trade receivable policy.

The company has taken a host of measures viz. project centric approach, sequential supplies as per contractual requirements, taking strong position against slow/non-paying customers, ensuring LC before dispatch to private customers strictly as per contract terms etc. There has been a decline of 38% in net trade receivables in the current Financial year and also in no. of days from 175 days to 134 days of revenue from operations. Further, Trade receivables (net) includes ₹1773 Crore for FY 2020-21 [PY ₹1712 Crore] in respect of projects under various stages of litigation or arbitration .The Company has taken steps to strengthen the receivable management process and ensured qualitative reflection of the receivables in the Balance Sheet.

11. Cash & cash equivalents and bank balances

(₹ Crore)

Particulars	As at March 31,2021	As at March 31,2020
Cash & cash equivalents	**1527**	1403
Deposits having maturity more than 3 months but not more than 12 months	**5160**	5000
Earmarked bank balances & FD against margin money	**14**	16
Total	**6701**	6419

Amidst Covid-19 pandemic, cash conservation was identified as a critical success factor for the year 2020-21. Accordingly, the company registered an increase in its Cash and Bank Balances from ₹6419 Crore to ₹6701 Crore, i.e. an increase of ₹282 Crore [4%] despite Trade Payables going down by ~ ₹1400 Crore. This was primarily due to adoption of effective and best practices in treasury management.

Keeping "Cash" as the corner stone of its operations, systemic improvement in the top line operations have led to customer collections as a % age of revenue reaching a peak of 123% in FY 2020-21. Further, the improved customer collection is also reflected from the liquidation of 82% of the billing in the current year itself. This has also helped the company in channelizing sufficient liquidity to its vendors/sub-contractors, thereby improving operations.

12. Deferred tax assets (net)

(₹ Crore)

Particulars	As at March 31,2021	As at March 31,2020
Deferred tax assets (net)	**3660**	2756

Deferred tax asset is created mainly on account of items for which benefit is not available in the current year's taxable income but shall be adjustable against future taxable income on meeting certain conditions in line with the provisions of the Income Tax Act. Such items include carry forward losses, provision for doubtful debts, dues allowable on payment basis etc. The increase in deferred tax assets is mainly on account of taxable loss in the current year. Such deferred tax assets shall be available for set off against taxable income in future years as per the provisions of the Income Tax Act.

13. Other assets

(₹ Crore)

Particulars	As at March 31,2021			As at March 31,2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Contract assets (Net)	**16585**	**7494**	**24079**	16124	7670	23794
Input tax credit receivable	**-**	**1040**	**1040**	-	927	927
Claim recoverable	**65**	**722**	**787**	79	688	767
Deposit with tax authorities & others	**119**	**577**	**696**	135	460	595
Advances & others	**136**	**159**	**295**	91	233	324
Less: Provision	**53**	**216**	**269**	67	194	261
Total	**16852**	**9776**	**26628**	16362	9784	26146

Contract assets (constituting about 90% of the other assets) represent unbilled revenue not yet due for payment as per contract terms. This includes event based milestone related payments, payments due on obtaining material receipt certificates, project related finished goods ready for dispatch etc. Accrual of such contract assets is mainly on account of stringent and skewed payment terms for many projects currently under execution (orders obtained under stiff competitive bidding with zero deviation) where higher proportion is linked to milestone achievement / final completion. These include ₹1664 Crore for FY 2020-21 [PY ₹1572 Crore] in respect of projects under various stages of litigation or arbitration.

Despite the above challenges, focused monitoring of every element has resulted in containing the contract assets at almost same levels vis-a-vis previous financial year.

14. Inventories

(₹ Crore)

Particulars	As at March 31,2021	As at March 31,2020
Raw material & components	**3010**	3967
WIP	**3778**	4120
FG	**692**	892
Stores & spare parts	**220**	254
Other inventory	**210**	215
Sub total	**7910**	9448
Less: Provision for non-moving inventory	**719**	543
Total	**7191**	8905

During the year, strenuous efforts were made to further streamline the procurement process, interalia, strengthening the internal controls for usage of available inventory, synchronising delivery of procured items with site requirements & manufacturing lead time and ensuring alternate usage of available inventory to the extent feasible. This has resulted in reduction in inventory levels by more than 19%.

Such measures contributed in efficient working capital management and also helped in avoiding obsolescence and wastage of materials.

15. Current tax assets /(liabilities) - Net

(₹ Crore)

Particulars	As at March 31,2021	As at March 31,2020
Current tax assets / (liabilities) -net of provisions	**404**	229

The amount represents mainly prepaid taxes (i.e. TDS and advance tax) net of provision for tax (mostly pertaining to FY 2019-20 & FY 2020-21) which is due for refund in near future.

16. Share Capital

(₹ Crore)

Particulars	As at March 31,2021	As at March 31,2020
Authorised share capital	**2000**	2000
Issued, subscribed & paid up share capital	**696**	696

There has been no change in the share capital during the current financial year. The shareholding of promoter [GOI] stands unchanged at 63.17%.

17. Other equity

(₹ Crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Opening balance	**28485**	30704
Add: Reinstatement due to change in policies	**-**	32
Total comprehensive income/(loss) for the year	**(2697)**	(1747)
Less : Dividend paid during the year	**-**	418
Less : Corporate Dividend Tax	**-**	86
Closing balance	**25788**	28485

The other equity includes capital reserve of ₹35 Crore (PY ₹35 Crore) and capital redemption reserve of ₹38 Crore (PY ₹38 Crore)

The reduction in net worth is due to post tax losses incurred during the year. In line with the dividend distribution policy of the company and the losses in the current financial year, the Board has not recommended any dividend for the year 2020-21.

18. Borrowings & Lease Liabilities

(₹ Crore)

Particulars	As at March 31,2021			As at March 31,2020		
	Non-Current	Current	Total	Non-Current	Current	Total
Borrowings	**-**	**4834**	**4834**	-	4933	4933
Lease Liabilities	**53**	**48**	**101**	75	57	132
Total	**53**	**4882**	**4935**	75	4990	5065

The company resorted to intermittent short term borrowings to bridge the temporary gaps in cash inflows/outflows. Short term borrowings in the form of PCFC loan, buyer's credit, and commercial paper were availed at optimal interest rates. Despite pandemic induced liquidity challenges across sectors, the company remained zero debt and has no long term borrowings.

The company had positive net cash & bank balance (after reducing short term borrowings) of ₹1868 Crore as at March 31,2021 as against ₹1485 Crore as at March 31,2020, an increase of 26% in the current financial year.

The company has always ensured repayment of its borrowings on or before the due date. There was not a single instance of any delay or default in this regard.

19. Financial liabilities

(₹ Crore)

Particulars	As at March 31,2021			As at March 31,2020		
	Non-current	current	Total	Non-current	current	Total
Trade payables	**1881**	**6678**	**8559**	1076	8824	9900
Other financial liabilities	**217**	**917**	**1134**	159	1426	1585
Total	**2098**	**7595**	**9693**	1235	10250	11485

In our endeavour to smoothen the operating processes and project executions, the company pro- actively engaged with the vendors/ sub-contractors and released timely payments to them. A large part of the above trade payables pertains to retention money (not due as per contractual terms) or the cases under litigation /arbitral settlement.

20. Provisions

(₹ Crore)

Particulars	As at March 31,2021			As at March 31,2020		
	Non-current	current	Total	Non-current	current	Total
Provision for contractual obligation	**2506**	**1486**	**3992**	2755	1564	4319
Provision for employee benefits	**1093**	**827**	**1920**	1170	1121	2291
Other provisions	**312**	**832**	**1144**	278	390	668
Provision for CSR	**2**	**19**	**21**	9	7	16
Total	**3913**	**3164**	**7077**	4212	3082	7294

The provision for employee benefits is based on actuarial valuation of leave, medical and gratuity benefits. The increase in other provisions is mainly on account of provision for loss making onerous contracts which has been provided in line with the requirements of Ind AS 37 . The CSR provision of ₹21 Crore represents unspent amount on ongoing projects and has been transferred to a separate bank account as per Companies [CSR policy] Amendment Rules 2021.

21. Other liabilities

(₹ Crore)

Particulars	As at March 31,2021			As at March 31,2020		
	Non-current	Current	Total	Non-current	Current	Total
Contract liabilities-(Advances received from customers incl. excess of billing over revenue)	**2807**	**4057**	**6864**	2921	3797	6718
Statutory dues	**-**	**617**	**617**	-	454	454
Govt. grants	**25**	**6**	**31**	32	6	38
Total	**2832**	**4680**	**7512**	2953	4257	7210

While advances from customer gets adjusted progressively during execution of the projects, net increase is on account of higher receipt in the current financial year vis-à-vis the previous financial year. This, coupled with lower volume of operations in the current financial year and consequently lower adjustment of advance led to net increase in the advances.

Statutory dues are primarily GST liability, to be discharged on due dates after adjustment of input tax credit disclosed under "other assets" (Refer point 13 above). The company has been discharging all its GST and other dues on time and even before the due date [out of the GST liability for the month of March 2021 , ₹119 Crore has been deposited on March 31, 2021 itself].

C. Fund Position

22. Fund flow position and liquidity

(₹ Crore)

Particulars	2020-21	2019-20
Cash generated from Operations before working capital changes	**(1870)**	50
Net cash inflow / (outflow) from working capital changes	**2623**	(2620)
Net cash inflow / (outflow) from operating activities	**562**	(2892)
Net cash inflow / (outflow) from investing activities	**(43)**	1877
Net cash inflow / (outflow) from financing activities	**(395)**	1622

The Company has achieved an Operating Cash Surplus of ₹562 Crore in FY 2020-21 as against a deficit of ₹2892 Crore The main contributor for the turnaround in the cash flows were the effective management of working capital, strenuous efforts given on receivables and inventory management. The Trade receivables are at their lowest levels in the last 10 years and inventory is at the lowest levels in the last 3 years. At the same time, Company has also ensured timely flow of liquidity to its vendors/sub - contractors for effective management of supply chains.

D. Key Financial Ratios

In compliance with the requirement of listing regulations, the key financial ratios have been provided hereunder. There is no change of more than 25% in any of the ratios other than profitability ratios which are explained hereunder:

PROFITABILITY RATIOS	2020-21	2019-20
Operating Profit/(loss) Margin (%)	**(23.01)**	(5.79)
Net Profit /(loss) Margin (%)	**(15.70)**	(6.86)
Return on Net Worth	**(9.62)**	(4.82)

With regard to operating profit margin and Net profit margin ratio, the same are affected due to lower revenues (primarily due to the nationwide lockdown, consequent to spread of Covid 19 pandemic.), higher material cost and additional merit based provisioning. The production and supplies from units were also regulated in view of site progress status to maintain sequential supply and optimisation of working capital.

With regard to return on net worth, primarily the impact is due to profit position as explained in the above para. However, the company has taken steps to improve the quality of its net worth especially w.r.t creating merit based provisioning. The qualitative net worth is also now better aligned to the market capitalisation of the company.

Further, stringent budgetary control measures and reduction in operating expenses have resulted in restricting the loss.

OTHER KEY RATIOS	2020-21	2019-20
Debtors Turnover (Trade receivable as no. of days of Revenue from operations incl. GST)	**134**	175
Inventory Turnover (no. of days)	**161**	159
Interest Coverage Ratio	NA	
Debt Equity Ratio	[Zero Debt company]	
Cash Collection as % of Revenue*	**123%**	120%
Liquidation % out of current year Net Billing*	**82%**	73%
Current Ratio*	**1.39**	1.45

* Best performance in Last 10 years

With regard to other Key ratios placed above, the company has performed exceedingly well in all spheres of working capital management. Constant review by creating structural frameworks for monitoring of receivables resulted in cash collection of 123% of revenue. Expediting completion of projects by paradigm shift to project centric approach, sequential supplies and disciplined billing enabled 82% liquidation of current year billing against 73% in FY 20 which is highest in preceding 10 years. Efficient receivables management resulted in operating cash surplus in FY 2020-21 and reduction of Trade Receivables by 38% over previous year.

In the area of Inventory management, during the year, strenuous efforts were made to further streamline the procurement process, interalia, strengthening the internal controls for usage of available inventory, synchronising delivery of procured items with site requirements & manufacturing lead time and ensuring alternate usage of available inventory to the extent feasible. This has resulted in reduction in inventory levels by more than 19%. Such measures contributed in efficient working capital management and also helped in avoiding obsolescence and wastage of materials.

The current ratio at 1.39 is the lowest in the last ten years which is also a reflection of effective working capital management.

E. Segment performance

The Company has two operating segments - power and industry. The performance of segments is given below:

(₹ Crore)

Particulars	2020-21		2019-20	
	Power	Industry	Power	Industry
Segment revenue	**11386**	**4910**	14960	5530
Segment results	**(1246)**	**(850)**	804	(206)
Segment capital employed	**16733**	**3973**	20279	4681
Segment results as % of segment revenue	**(11%)**	**(17%)**	5%	(4%)

The Covid-19 pandemic has impacted both the segments, however, the impact has been more severe in power segment due to its nature of activities which are more dependent on site executions and labour availability. Over the last few years, as a part of its strategic initiatives, the company is also focussing on increasing its share of non- coal business which is also reflected in higher share of industry segment revenue which was 30% in FY 2020-2021, and 27% in FY 2019-2020 as compared to previous average of about 20%.

The losses in both the segments are primarily due to lower volume of operations as mentioned above and also due to high material cost.

1.5.2 Financial Review of Subsidiary Company

BHEL Electrical Machines Ltd.

A subsidiary company was incorporated on 19th January 2011 as "BHEL Electrical Machines Ltd", with BHEL holding the majority stake of 51% with an equity investment of ₹5.36 Crore and Govt. of Kerala retaining 49% stake. The company does not have any subsidiary or associate company. The brief financials of BHEL –EML are tabulated below:

(₹ Crore)

Particulars	2020-21*	2019-20*
BHEL Share (%)	**51%**	51%
BHEL's Investment in Equity	**5.36**	5.36
Revenue from Operations	**0.25**	3.97
Profit/ (Loss) for the year	**(5.28)**	(4.78)

* based on provisional unaudited figures

Ministry of Heavy Industries on May 11, 2021 informed BHEL about the approval of competent authority for transfer of BHEL's 51% share held in BHEL EML to Government of Kerala (GoK). BHEL is pursuing with GoK for signing of Agreement of Sale and completion of stake transfer to GoK.

1.5.3 Financial Review of Joint Venture Companies

a. BHEL-GE Gas Turbine Services Private Limited (BGGTS):

BHEL-GE Gas Turbine Services Private Limited (BGGTS) is a Joint Venture Company of BHEL and GE, USA formed to take up repair & servicing of GE designed gas turbines. The financials in brief are as below:

(₹ Crore)

Particulars	2020-21	2019-20
BHEL share (%)	**One share less than 50%**	One share less than 50%
BHEL's investment in equity	**2.38**	2.38
Revenue from operations	**791.76**	685.84
Profit/(loss) after tax	**88.29**	58.14
Net worth	**362.99**	317.40

For FY 2020-21, BGGTS paid highest ever dividend of 1100% (interim dividend of 700% and final dividend of 400%) on the equity share capital of ₹4.76 Crore.

b. NTPC BHEL Power Projects Private Limited (NBPPL):

NTPC BHEL Power Projects Private Limited (NBPPL) is a Joint Venture Company of BHEL and NTPC Limited promoted to execute EPC contracts for Power Plants and manufacture power plant equipment. The JVC has a manufacturing facility for Balance of Plant (BoP) equipment at Mannavaram in Andhra Pradesh. The brief financials are tabulated below:

(₹ Crore)

Particulars	2020-21*	2019-20
BHEL share (%)	**50%**	50%
BHEL's investment in equity	**50.00**	50.00
Revenue from operations	**49.17**	75.65
Profit/(Loss) for the year	**(24.51)**	(51.34)

* based on provisional unaudited figures

In-principle approval for pursuing winding up of NBPPL has been accorded by the Board of Directors in its meeting held on February 8, 2018. Ministry of Power, Government of India vide letter dated 23.08.2019 advised NTPC Ltd. to consider buying out the stake of BHEL and thereafter decide either to continue it as an in-house EPC arm or close it after completion of present work.

c. Raichur Power Corporation Limited (RPCL):

Raichur Power Corporation Limited (RPCL) is a Joint Venture Company of BHEL and Karnataka Power Corporation Limited (KPCL) promoted for setting up of 2x800 MW supercritical thermal power plant at Yeramarus, Raichur, Karnataka and 1x800 MW supercritical thermal power plant at Edlapur, Raichur, Karnataka on build, own and operate basis. The paid-up equity capital as on March 31, 2020 was ₹2373.76 Crore with contribution of ₹1709.72 Crore from KPCL and ₹664.04 Crore from BHEL. The financial highlights of the Company are as under:

(₹ Crore)

Particulars	2020-21*	2019-20
BHEL share (%)	**27.97%**	27.97%
BHEL's investment in equity	**664.04**	664.04
Revenue from operations	**2224.22**	256.32
Profit/(Loss) for the year	**(543.44)**	(2084.95)

* based on provisional unaudited figures

In FY 2020-21 , consequent to improved plant operations the company could generate higher level of revenues which helped the company in significantly reducing its losses by about 74%. Going ahead, the company is expected to further improve its performance.

d. Dada Dhuniwale Khandwa Power Limited (DDKPL):

Dada Dhuniwale Khandwa Power Limited (DDKPL) was a Joint Venture Company of BHEL and Madhya Pradesh Power Generating Company Limited (MPPGCL) promoted for setting up of 2x800 MW supercritical thermal power plant at Khandwa, Madhya Pradesh on build, own and operate basis.

Due to non-availability of coal linkage and problems being faced in land acquisition, both the promoters approved for voluntary winding up of the JVC. As per National Company Law Tribunal (NCLT) order dated 02.11.2020, DDKPL stands dissolved with effect from date of the order.

Against the investment of ₹22.50 Crore, the company could realise ₹17.57 Crore on dissolution of this JV, resulting in net loss of ₹4.93 Crore (provided in earlier years).

e. Power plant Performance Improvement Private Limited (PPIL):

Power plant Performance Improvement Private Limited (PPIL) is a Joint Venture Company of BHEL and Siemens AG, Germany promoted for performance improvement of old fossil fuel power plants.

Since sufficient business to ensure viability of the Company was not forthcoming, the promoter partners mutually agreed to gradually wind up the Company. All the pending contracts of the JVC were closed and the process of winding up was initiated during FY 2018-19. The JVC is under liquidation.

Investment in PPIL is ₹2 Crore which has been fully provided for.

1.5.4 Consolidated Financial Statement (CFS)

Consolidated Financial Statements have been prepared in accordance with Ind AS -110 on "Consolidated Financial Statements" and Ind AS 28 "Investments in Associates and Joint Ventures".

The financial statements of subsidiary Company is combined on a line by line basis after fully eliminating the intra group balances and intra-group transactions and for joint ventures, Equity method is adopted in line with Ind AS. M/s PPPIL was not considered for CFS as it is under liquidation. DDKPL was under liquidation and finally dissolved during the year.

A summary of the results on financial performance, in line with the afore-mentioned Ind AS are as under:

Financial performance

(₹ Crore)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Revenue from operations	**17309**	21463
Profit /(loss) before tax	**(3596)**	(659)
Profit /(loss) after tax	**(2700)**	(1468)
Other comprehensive income/ (loss)	**20**	(274)
Total comprehensive income / (loss)	**(2680)**	(1742)

The share of profit in respect of joint ventures was ₹44.14 Crore in FY 2020-21 as against profit of ₹25.72 Crore in FY 2019-20. The joint venture companies (NBPPL and RPCL) have incurred losses in 2020-21 and the group has already recognised accumulated losses equal to the cost of investment in these two JV's, in consolidated financial statements FY 2018-19.

Financial position

(₹ Crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Assets		
Property, plant and equipment, intangible assets and CWIP (net carrying value)	**2911**	3131
Investment accounted for using equity method	**182**	159
Non-current financial assets	**3281**	4620
Deferred tax assets (net)	**3671**	2766
Non-current other assets	**16852**	16362
Current assets	**28343**	32711
Total	**55240**	59749
Equity and Liabilities		
Equity share capital	**696**	696
Other equity	**25287**	27964
Non-controlling interest	**(12)**	(9)
Non-current liabilities	**8909**	8489
Current liabilities	**20360**	22609
Total	**55240**	59749

1. 6 Capital Investment

BHEL has been focussing on enhancing its capabilities in the strategic sectors of Nuclear, Defence and Aerospace, besides addressing requirements for ongoing businesses.. The company has undertaken capital expenditure for upgrading manufacturing capacities for Steam Generators & Heat Exchangers for nuclear application , Transformers , Emission Control equipment, Valves for Oil & Gas sector, etc.

Further your company has also conceptualized concrete plans for manufacturing strategic equipment for India's space program as well as expansion for existing facilities for the Defence sector.

1.7 Quality Performance

BHEL pioneered the development of quality management systems in India as early as the 1970s, with the adoption of the then prevalent state-of-the-art technology and quality processes and systems. Since then the company has worked towards continual improvement in the quality of its products, services and internal systems . It has been at the forefront of the quality movement in the country and is known for introducing the concept of Quality Circles in India, launching its Quality maturity model called Quality Management Effectiveness Review (QMER—a copyright of BHEL), adopting Total Quality Management and other major quality initiatives.

In light of the current demand for stringent quality requirements and as part of its efforts to transform the company into a Future-Ready Global Engineering Organisation, BHEL has launched a companywide 'Quality First' initiative in FY 2019-20, to put in place state-of-the-art processes, for making quality a hallmark of the

company's products and services. The success of the initiative is visible with the company winning the "Golden Peacock National Quality Award" for the year 2020 and its HEEP Haridwar unit being recognized in the Platinum category of CII EXIM Bank Award for Business Excellence 2020 after a gap of 14 years.

Mission 'Quality First' focuses on four objectives — Empower, Educate, Engage and Encourage employees and putting in place the latest quality processes and systems to further strengthen the quality mind-set within the company.

To strengthen the existing quality systems in Manufacturing Units, Engineering Centres and Power Sector project sites, periodic Quality Audits, **Quality Management Effectiveness Review (as per Quality360 model), and Total Quality Management (TQM)** assessment are being conducted internally. During 2020-21, twenty-three BHEL divisions were subjected to Quality360 review and TQM assessment as per EFQM 2020 model.

Integrated Quality Health Index (QHI) implemented across the Organization covering 23 divisions considering Quality Performance Indicators, Quality Management System maturity & overall Business Excellence and Quality Image. HPEP Hyderabad, HEEP Haridwar and HPBP Trichy are the top three units based on QHI score 2020-21 with an overall increase across the organization of over 10% (Y-o-Y).

BHEL was the first organization in India to introduce the concept of **Quality Circle (QC)** movement in 1981, which is being driven, by workers & supervisors across the country. The movement over the past few decades has grown to 1152 Quality Circles in BHEL. Every year an inter-unit annual QC summit is held in BHEL where Quality Circles showcase their case studies. 30th such event was organized jointly by HPEP - Hyderabad and Corporate Quality & Business Excellence - New Delhi through video conferencing during 5-9th Oct'20. Total 48 QC teams from 14 Manufacturing Units participated in the event under various categories viz. Manufacturing, Support Services, New Circle and 5S.

Conversation on Quality **"Qonverse"** deliberation/ workshop with all Quality Heads of MUs, Regions & Engineering Centres has been initiated in order to assess the level of compliance of Quality Roadmap, new initiatives of unit and any specific issue that needs support / intervention of other units so that necessary actions can be initiated in advance to pre-empt major future concerns. The platform is used to encourage units to adapt best & unique practices followed in other BHEL units.

Major focus is given to training by Corporate Quality & Business Excellence group wherein **Quality Management training programs** are conducted at different centres of BHEL in addition to trainings conducted by Human Resource Development (HRD) Centres of units for capability building of employees in the field of Quality.



Steam turbine rotor shaft under inspection at HEEP, Haridwar



Quality Month 2020 was observed in BHEL in November 2020

To cater to the requirement of inspection in the Covid pandemic situation, **guideline for carrying out remote inspection** at BHEL Manufacturing Units were also prepared.

During the Quality Month (Nov'20), twelve special Quality Improvement Projects (QIPs) were taken up which include identification & adoption of best practices emerged from 'Qonverse' initiative (Conversation of best practices); Process Capability enhancement of Critical Machines; launching dashboard for Quality Vital Indicators - QUAVID; Guidelines for prevention of Boiler Tube Leakage; Efficacy study of PAUT vis-a-vis RT, Quality through Measurement (QTM) concept for transformer, etc., and same have been implemented in the organization.

The company is also leveraging the power of digitalisation to further enhance Quality efficacy. It has introduced an Online System for management of Field Quality Plans and protocols/ log-sheets at sites which has been implemented at six Project Sites. A Quality Vital Indicators (QUAVID) dashboard has been developed, with an objective to get an insight of Quality Health of the organization through real time monitoring of status of Quality Vital Indicators (process level & system level) at Company as well as Unit level. Additionally, for ensuring continuous systemic improvement, Welding Performance Monitoring System (WPMS) has been digitally up-graded for capturing boiler tube leakage (BTL) information and incorporation of weld defect details.

The impact of these initiatives will be visible on the supplies as well as deliveries in the years to come.

1. 8 Internal Financial Control System

The Internal Financial Control (IFC) of BHEL is designed in the form of well documented policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of assets, the prevention & detection of frauds and errors, the accuracy & completeness of the accounting records, and the timely preparation of reliable financial information.

The source of implementation and maintenance of IFC are Manuals, Guidelines, Delegation of Powers, IT system & controls and are effected through well-defined organizational structure i.e. people operating in various departments within the Company at different levels at each stage of the processes.

BHEL has an in-house Internal Audit Department commensurate with its size of operations and nature of its business. Apart from Corporate Internal Audit, 12 Internal Audit Cells are set up across BHEL to cover internal audit activities at all locations of BHEL. With a view to assess the adequacy and effectiveness of IFC, Internal Audit carries out continuous audit of risk focussed areas and critical appraisal of the functioning of the processes and systems designed at respective locations. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthening the controls.

Audit assignments are conducted as per Annual Audit Programme approved by Board Level Audit Committee (BLAC). Highlights of Internal Audit activities are presented to senior executives at various forums and shared with all Units and Regions. BLAC also reviews major Internal Audit observations and CAG audit findings and issues directions, wherever required, to strengthen the IFC, keeping in view the dynamic environment in which the Company is operating. Also, the Audit Committee at frequent intervals has independent sessions with the statutory auditors and the Management to discuss the adequacy and effectiveness of internal financial controls.

Internal Financial Controls in BHEL has been evaluated at all locations by the Internal Audit during the year by applying test of controls and the controls tested have been found in place and operating effectively within the company.

Independent Auditors Report on the Internal Financial controls of the company in terms of Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 is forming part of the Statutory Auditors report at **Annexure- IX.**

1.9 Human Resource

People are the greatest asset for an Engineering organization and your organization has taken up a number of initiatives for developing a dedicated and motivated workforce. The company's Performance Management System has been revamped with a focus on closely linking company's reward system to individual as well as company performance. Other initiatives include focus on manpower development through training/retraining of the workforce in this dynamic business environment, development of eModules for ensuring continual training of workforce, leadership development, strengthening of internal communication, simplifying policies for making them employee centric, etc.

A key role was played by the HR function in the Company during the Covid-19 pandemic to ensure safety and security of all its employees and their families. Multiple initiatives were undertaken to tackle the dynamic situation pertaining to the pandemic and adequate support and medical help was provided to all concerned employees.

A result of all these initiatives resulted in BHEL being ranked 7 in the 'Times Ascent Dream Companies to Work For' survey by 'World HRD Congress', and winning the Platinum Award under 'APEX India HR Excellence Award- 2020' for excellence in HR practices in Engineering Sector, among others.

1.9.1 Learning and Development

To counter the challenges created by COVID-19 pandemic during the year 2020-21, L&D function swiftly transformed its training processes and adopted online training methods to impart

continuous training to the employees. Training has been aligned to business requirements by revamping the training need identification process with the strategic goals of the organisation i.e. Revamping Project Execution, Quality First, Defending Core Business, Digital Enablement, Cost Optimisation, Cash Management, New Growth Areas and Employee Focus. Also, to improve two-way communication across the company, 3C (Connect, Collaborate and Create) initiative was launched with an aim to share about the organisation's journey and present challenges, take suggestions from employees and thereby encourage them to make extra effort in developing a stronger BHEL.

In order to make learning more cost effective and knowledge enriched, number of in-house developed e-Modules on topics like 7 Quality Control Tools, Site Management, Water Systems, Project Management, Power Cycle System Engineering, Women Leadership, Stability of structures, Turbo generator, Emotional Intelligence, 6 Modules on Safety, CFD, Understanding Financial Statements, etc. were released on UNNAYAN (BHEL's Learning Management System) and more than 7000 employees completed these modules. 835 employees have participated in e-learning courses offered by Great Learning Academy in domains like Artificial Intelligence, Cloud computing, Big data, Machine learning etc.

A special initiative has been started to capture and disseminate site experiences with all the concerned internal stakeholders on monthly basis. Learning from our own experiences truly deepens explicit and tacit knowledge, thus directly supporting in better Project Execution.

In its endeavour to accelerate the growth of high performers, TRAILBLAZER programme has been introduced to groom them for taking challenging roles in future. The programme also offers mentoring conversation post programme, so that they continue excelling in their journey. 104 executives have been already covered out of 550 identified. As per MoU signed with MSDE, 846 and 116 apprentices under NAPS and NATS respectively, have been provided training in 2020-21.

Extensive programmes were conducted on Health Management and lecture series organized by reputed professionals for employees to cope with the pandemic and keep their morale high.

Human Resource Development Centres at Units organised virtual programmes for esteemed customers like ONGC, IOCL, GAIL etc.



Learning Week observed in BHEL in September 2020

The 5th BHEL Learning Week (BLW) - 2020 was organized from 05-11 September 2020 with the theme "Opportunity in the face of adversity".

All these collective efforts helped in achieving 4.54 Training Man Days (TMD) per employee in BHEL during 2020-21 as against 3.70 TMD in the previous year.

1.9.2 Performance Management and Career Development

Performance Management: The Performance Management System has been comprehensively revamped to link Individual employee performance and rewards with the Company's as well as Unit performance. Succession policy and special programs in collaboration with leading management institutes are being implemented for developing leadership at all levels. Mentor-mentee program with 3600 feedback has been strengthened to develop technical and behavioural skills in sync with the organization needs/ ethos. The benefit is clearly visible with the organization having one of the lowest attrition rates in the industry.

People Capability Maturity Model (PCMM): The company has prepared a roadmap towards attainment of PCMM Level 3, and various activities were completed during the year according to timelines approved by the company's Board. A process area wise Task Force trained in PCMM Level 3 was constituted to conduct the Internal Assessment against the pre-defined Process definitions developed through an external consultant. This was followed by Gap Analysis and action planning to plug the gaps for all the seven Process Areas.

PEACE: BHEL's Employee Support Initiative PEACE (Positive Emotional Alignment through Counselling Experience) was launched during the year for facilitating our employees to seek help and advice on issues impacting their well-being, performance and behaviour at the workplace, family and society at large by providing confidential counselling services. The facility was made available during the pandemic to enable employees and their dependent family members to cope up with any anxiety or stress due to uncertainty caused by the pandemic and rollout of Unlock 2.0.

Online Development Centre: Towards development of the desired Leadership/ Behavioural Competencies, employees were invited to participate in Online Development Centre exercise, where they were exposed to a series of internationally validated exercises based upon competency framework of BHEL. It was followed by comprehensive feedback report highlighting areas of strength and suggested areas of development, through Individual Development Plans , based upon individual's preferred learning style. Around 950 executives at AGM/ GM level were covered during this exercise.

Centralized Competency Assessment System: During the year 2020-21, Job Descriptions and Competency Profile of more than 1800 key positions were created and updated in 'Job Description Analysis System' (JDAS) in SAP HR module which will help in the long term succession planning of the company.

With the organization maturing to higher levels in HR processes viz career development, succession planning, training & development etc., it becomes imperative to not only rationalize roles/ competencies of key positions in the company but also to have an online database as a central pool for better decision making in manpower positioning. For this purpose a new system

namely, 'Centralised Competency Assessment System' (CCAS) was developed in SAP-HR module in 2020-21 for assessment of competencies of key positions holders.

Disclosure under section 134 (3)(p) of the Companies Act

As per Section 134 (3) (p) of the Companies Act 2013, the Board's Report of a Listed Company shall include a statement indicating the manner of formal annual evaluation of Board, individual directors etc. Ministry of Corporate Affairs has, vide its notification dated 5th June, 2015, notified the exemptions to Government Companies from the provisions of the Companies Act, 2013 which inter-alia provides that Sec. 134(3)(p) regarding statement on formal annual evaluation shall not apply to Government Companies in case the directors are evaluated by the Ministry which is administratively in-charge of the company as per its own evaluation methodology. Further, in line with above exemptions, Sub-Sections (2), (3) & (4) of Sec. 178 regarding appointment, performance evaluation and remuneration shall not apply to Directors of Government Companies.

In a CPSE, the MoU signed between the Company and the Govt. of India details out the parameters and initiatives that the Company is required to undertake during that financial year. This MoU is evaluated at the end of the year by the Govt. and a performance rating is assigned to BHEL based on its performance on the spelt out parameters. Further, there is a well laid down procedure for performance evaluation of CMD and Functional Directors. Department of Public Enterprises (DPE) has designed a format and laid down a procedure for evaluation of the Functional Director's performance. The tenure of Functional Directors as spelt out in their Terms and Conditions of Appointment is five years or the date of their superannuation, whichever is earlier.

The terms of reference of Board Level Committees are approved by the Board. The minutes of Board Level Committees are placed before the Board for its perusal.

In respect of Independent Directors, their appointment and tenure (normally a period of three years) is decided by the Government of India. DPE, through BHEL's Administrative Ministry (MHI), has been doing the exercise of performance evaluation/ assessment of non-official (Independent) Directors on the Board of the Company.

1.9.3 Industrial Relations

'All round Development through Participation of All', ensured by way of BHEL's policy of open and continuous communication with all sections of employees, has been the driving mantra of our Industrial Relations journey. The impetus given to participatory culture by the Management in close collaboration with various employee groups has been instrumental in maintaining and building up a congenial harmonious Industrial Relations climate within the organization.

Industrial Relations in various manufacturing units, divisions and offices of the Company remained harmonious and peaceful during FY 2020-21. Owing to the participatory ecosystem prevalent in the Company, 'NIL' man days were lost during the year on account of strike against Company policies, which bears testimony to the concerted efforts undertaken by the Management as well as the employee groups to work jointly towards the organisation's goals..

One meeting of the apex level bipartite forum, namely "Joint Committee" was held during the year. There were 26 meetings of the Plant Councils and 213 meetings of the Shop Councils held at various manufacturing units. In addition, meetings were also held with the representatives of executives and supervisors on business prospects & challenges, company level issues, etc.

The focus of discussions in the various bipartite fora centred on improvement in the overall performance of the Company by way of increase in productivity, improvement in quality, safety and delivery in order to meet customer commitments and adopting various cost reduction measures for betterment of the financial health of the Company eventually benefitting different stakeholders including employees.

1.9.4 Manpower Strength

The Manpower Strength of BHEL as on 31.03.2021 is a total of **32,131** Nos.

1.9.5 Status on Presidential Directives

1.9.5.1 Directives on Reservation Policy for Reserved Category Persons

Presidential Directives on reservation policy issued by Central Government from time to time provide for certain percentages of reservation in direct recruitment as well as promotion in specified posts and for specified reserved category of candidates, i.e. SCs, STs, OBCs and Persons with Disabilities(PwD). Besides, the Directives also contain provision for certain concessions and relaxations for specified category of employees in direct recruitment and promotion. The Presidential Directives on the subject are being strictly complied with and reservation percentages are ensured through maintenance of Post Based Roster system as prescribed by Govt. However, there is no direct impact of these guidelines on the financial position of the company.

Other relevant information on the subject is furnished below:

i. Representation of SC/ST/OBC/EWS employees

The overall representation of SC/ST/OBC employees in total manpower as on 31/12/2020 was 20.69%, 7.41% and 35.10% for SCs, STs and OBCs respectively. During the year 2020, no recruitment took place. One candidate recruited in 2019 joined in 2020.

In the year 2019, 10% reservation was introduced for Economically Weaker Sections (EWS) who are not covered under existing reservation for Scheduled Castes, Scheduled Tribes and the Socially and Educationally Backward Classes.

The Annual Statement in the prescribed format showing the representation of SCs, STs, OBCs and EWS as on 31/12/2020 and number of appointments made during the preceding calendar year, as furnished to the Government, is given at **Annexure - A.**

ii. Manpower strength of PwD employees as on December 31,2020

Total number of PwD employees as on 31/12/2020 was 865. Though no recruitment took place in 2020, but 1 candidate who was recruited in the year 2019, joined in January 2020 under PwD Category. The group wise manpower strength of PwD employees in the Company as on 31/12/2020 is given at **Annexure - B**.

1.9.5.2 Safeguard of Women at Workplace

An Act to provide protection against sexual harassment of women at workplace and for the prevention and redressals of complaints of sexual harassment and for matters connected therewith or incidental thereto called "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressals) Act, 2013", has come into force from 9th December 2013 with notification of rules by Government of India, Ministry of Women and Child Development called "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressals) Rules, 2013".

The provisions of the Act and the rules thereon are being strictly complied with. In accordance with the Act, Internal Complaints Committee has been constituted in all units of BHEL and their constitution and contact details have been hosted on the unit's website. Posters highlighting the key provisions of the Act, Duties of the Employer, Complaints Redressals Mechanism, Action for Malicious Complaints & various misconceptions about Sexual Harassment have been displayed at conspicuous places in all units in Hindi, English and Regional languages. 2 workshops were conducted by Corporate Office for ICC members across units through Video Conferencing. At unit level, 15 Workshops / awareness programmes were conducted on Sexual Harassment Act, Gender Sensitization, Crime against women and cyber-crime.

The Annual Report showing details on number of complaints of sexual harassment received during the year 2020-21 and status thereof as on 31.03.2021 is given at **Annexure - C.**



International Women's Day celebrated at Corporate Office, New Delhi

Annexure 'A'

Groups	Representation of SCs/STs/OBCs/EWS (As on December 31,2020)					No. of appointments made during the calendar year 2020											
						By Direct Recruitment					By Promotion*			By Deputation/ Absorption			
	Total No. of Employees	SCs	STs	OBCs	EWS	Total	SCs	STs	OBCs	EWS	Total	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Group A	10270	1838	864	2602	11	1	0	0	0	0	N/A			0	0	0	0
Group B	7060	1385	669	1809	0	0	0	0	0	0				0	0	0	0
Group C	14846	3406	869	6884	0	0	0	0	0	0				0	0	0	0
Group D (Excl. SW)	264	59	4	104	0	0	0	0	0	0				0	0	0	0
Group D (SW)	33	31	1	0	0	0	0	0	0	0				0	0	0	0
Total	**32473**	**6719**	**2407**	**11399**	**11**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

* In BHEL, no appointments are made at induction level by promotion

Annexure 'B'

Statement showing number of persons with disabilities appointed during the calendar year 2020

Group	Number Of Employees				Direct Recruitment							Promotion*						
	Total number of employees	VH	HH	OH	No. of vacancies reserved			Total	No. of appointments made			No. of Vacancies reserved			Total	No. of appointments made		
					VH	HH	OH		VH	HH	OH	VH	OH	HH		VH	HH	OH
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Group A	10270	6	17	236	0	0	1	0	0	0	1	----------NA----------						
Group B	7060	1	12	187	0	0	0	0	0	0	0							
Group C	14846	15	25	357	0	0	0	0	0	0	0							
Group D	297	1	5	3	0	0	0	0	0	0	0							
Total	**32473**	**23**	**59**	**783**	**0**	**0**	**1**	**0**	**0**	**0**	**1**							

Note:

(i) VH stands for Visually Handicapped (persons suffering from blindness or low version)
(ii) HH stands for Hearing Handicapped (persons suffering from hearing impairment)
(iii) OH stands for Orthopaedically Handicapped (persons suffering from locomotor disability or cerebral palsy)

* As per RPwD Act 2016, there is no reservation in Promotion for PwD employees

Annexure- C

Annual Report on Safeguard of Women at Workplace

1	No. of complaints received during the year 2020-21 (incl. complaints C/F from previous year)	1
2	Number of complaints disposed off during the year 2020-21 (incl. complaints C/F from previous year)	0
3	Number of complaints pending as on 31.03.2021	1*
4	Number of cases pending for more than ninety days	0
5	Number of workshops or awareness programme against sexual harassment carried out	17
6	**Nature of action taken by the employer on recommendation of ICC**	
	*Complaint received on 30.03.2021 Since the complaint was received by ICC on 30.03.2021, no action could be taken upto 31.03.2021 (As on date, same has been closed)	

1.10 Right to Information Act, 2005

In consonance with the provisions of the Right to Information Act, 2005 (the Act) BHEL works towards promoting transparency and accountability. A Central Public Information Officer (CPIO) at Corporate Office, along with **24** other CPIOs at each of the major administrative units are functioning in the Company. **25** First Appellate Authorities are also functioning in the Company to dispose off first appeals filed under the Act.

As a measure to facilitate citizens in filing their RTI applications and first appeals online, BHEL has adopted the Online RTI web portal (https:// rtionline.gov.in) launched by Department of Personnel & Training. Consequently, RTI applications and RTI first appeals filed on this online RTI portal are being replied through the online mode. Section 4 (1) (b) disclosures have been made available on BHEL's website. In addition, certain guidelines & proforma(s) indicating procedure for obtaining information and for filing RTI first appeals under the Act have been placed on BHEL's website.

The CPIOs and other internal stakeholders involved are sensitised about their obligations under the Act through training and workshops.

BHEL being a member of Steering Committee on RTI constituted by Standing Conference of Public Enterprise (SCOPE) actively participates in its meetings and discussions related to RTI matters organised by SCOPE. Quarterly RTI Returns for all the four (4) quarters have been submitted to the Central Information Commission. During 2020-21, 840 applications and 169 appeals were received, and 746 applications and 151 appeals were disposed off.

1.11 Risks and Concerns

BHEL operates businesses which involve exposure to various types of Risks such as dynamic customer requirements, technology considerations, long duration of contracts, timely on-site product support requirements in adverse conditions, etc.

Considering the pervasiveness of Industry Risks, diversity of our business portfolio and geographical locations of our operations, we have devised a robust Risk Management Policy. Our process for risk identification is consciously guided by the Company's objectives, external environment, Industry reports as well as internal and external stakeholders, among others. This process ensures that the Company is adequately positioned for Risk identification and management. Our risk management approach lends impetus to ensure compliance with relevant legislations.

In order to address this, BHEL has in place a Board approved Risk Management Charter & Policy to implement a structured and comprehensive enterprise risk management system. This charter is intended to establish a common understanding, language and methodology for identifying, assessing, responding, monitoring and reporting risks and to provide assurance to the management that key risks are being properly identified and effectively managed in the company.

The Risk Management framework of BHEL has three tier Structure, with the Board of Directors(BoD) (represented by Board Level Risk Management Committee (BLRMC)) at the Apex Level and the Risk Management Steering Committee(RMSC) at Corporate Level and Unit Risk Management Committees (URMCs) at the Regions/Units/ R&D Centres.

The 'Board level Risk Management Committee' (BLRMC) is assigned the responsibility of reviewing the company's Risk Governance structure, Risk Assessment & Risk Management framework, Guidelines, Policies and Processes. The Board / BLRMC regularly reviews top risk areas.

Key risks faced by the company are analysed in detail by the Risk Management Steering Committee, which is responsible for adopting & implementing the risk management framework and leading the risk management initiative across the company.

Chief Risk Officer (CRO), the convener of BLRMC & RMSC is responsible for periodic reporting on risk management to Board/ BLRMC.

Risk management committees at unit level analyse the risks concerned to their respective areas, prepare mitigation plans, ensure their implementation and also inform the top management, if required.

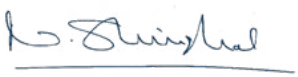
Some of the key risks the company faces and corresponding strategies for mitigation are mentioned in the table below:

Risk Statement	Mitigation Strategies
Excess domestic manufacturing capacities, changes in business mix due to policy changes and increasing competition leading to lower Order Book	▪ Cater to opportunities arising out of 'AatmaNirbhar Bharat' and 'Make in India' missions. ▪ Increasing non-coal based and spares business. ▪ Thrust on Strategic tie ups for venturing into new areas.
Delayed delivery of projects leading to LDs, penalties, customer dissatisfaction and impacting company image	▪ Implementation of 'Integrated Project Management Software (IPMS)' for real-time project monitoring & for taking proactive actions to arrest delays. ▪ Implementation of PEDM system (project engineering documentation manager) to expedite drawing/ document submission & approval. ▪ Formation of dedicated business groups to exclusively focus on projects of major customers. ▪ Policy enablement to improve contractor manpower availability and encourage contractor performance at project sites. ▪ Monitoring framework for sequential supplies for seamless execution ▪ Activities like engg etc., to commence at pre award stage

Rising debtors	▪ Constitution of Cross Functional Teams for improved efficacy of Cash realisation from every element of debtors against Ongoing as well as Commissioned projects. ▪ Action against defaulting customers in line with the Trade Receivables policy of the company including Arbitration/ NCLT/ AMRCD proceedings.
Rising direct material cost affecting profitability	▪ Formation of Cost Optimization Cell (COC), headed by Executive Director level official, to provide focused & sustained approach on cost reduction efforts in the company. ▪ Focused approach for cost reduction in the direction of design optimisation, engineering excellence and judicious procurement right from customer ordering till execution stage.
Technology readiness to meet current/ future market requirements	▪ Formation of Emerging Technology Strategy Desk headed by Executive Director level official, for exploring opportunities in emerging technology areas. ▪ Since the focus of the company is to increase the share of non-coal business, technology development projects as well as tie-ups/ collaboration agreements with world class global OEM's are underway currently. ▪ Steered by DHI, the AUSC R&D phase of technology development has been completed in Dec'2020. BHEL is now geared to set up 800 MW Technology Demonstration Plant. ▪ Development and upgradation of technologies through in-house efforts
Online data & information security breach leading to loss and critical information infrastructure breakdown	▪ All Internet traffic is monitored 24X7 through the Cyber SOC (Security Operations Center) integrated with the Global Threat Intelligence (GTI) database. ▪ Integration of all the internet routers of BHEL with "Cyber Swachhta Kendra" (Botnet Cleaning and Malware Analysis Centre of CERT-In, MeitY). ▪ Integration of Information Security Management System (ISMS) across all the ISO 27001 certified BHEL units.

For and on behalf of the Board of Directors of

BHARAT HEAVY ELECTRICALS LTD.



Dr. Nalin Shinghal

Chairman & Managing Director

Place: New Delhi

Dated: 27.08.2021

Annexure-II to the Board's Report

Corporate Governance

2.1 Our Philosophy on Corporate Governance

BHEL functions within a sound Corporate Governance framework, which underlines its commitment to quality of governance, transparency in disclosures, consistent enhancement of stakeholders' value and corporate social responsibility. BHEL endeavours to transcend beyond the basic and regulatory requirements of corporate governance, focusing consistently on building confidence of its shareholders, customers, employees, suppliers and the society at large. BHEL's corporate governance framework rests upon the cornerstones of transparency, full disclosure, independent monitoring, and fairness to all, especially minority shareholders.

The following factors strengthen Corporate Governance in BHEL:

i. Independence and versatility of the Board
ii. Integrity and ethical behavior of all employees
iii. Recognition of obligations towards all stakeholders – shareholders, customers, employees, suppliers and the society
iv. High degree of disclosure and transparency levels
v. Full legal and regulatory compliance in all areas in which the Company operates
vi. Achievement of goals with compassion for people and environment

The Company believes in conducting its business complying with Corporate Governance procedures and Code of Conduct, exemplifies each of the core values, which positions BHEL to deliver long-term returns to the shareholders, favourable outcomes to the customers, attractive opportunities to the employees, opportunity to the suppliers to partner the Company in progress, and enrichment of society.

2.2 Board of Directors

i. Composition & Category of Directors

Pursuant to Section 2(45) of the Companies Act, 2013, BHEL is a 'Government Company' as 63.17% of the total paid-up share capital of the Company is held by the Central Government through the President of India.

The composition of Board of Directors of BHEL has an appropriate mix of Executive Directors represented by Functional Directors including CMD and Non-Executive Directors represented by Government Nominees & Independent Directors, to maintain the independence of the Board and to separate the Board functions of management and control.

The composition of the Board of Directors as on March 31,2021 is as follows:

Category of Directors	Board Structure	Actual Strength as on March 31, 2021
Chairman & Managing Director	1	1
Whole-time Executive (Functional) Directors	5	4
Part-time Official Directors (Government Nominees) representing the Ministry of Heavy Industries & Public Enterprises, Government of India	2	2
Part-time Non-official (Independent) Directors	8	3
TOTAL	**16**	**10**

As on March 31, 2021, there exist five vacancies of Part-time Non-official (Independent) Directors (including atleast one Independent Woman Director) and vacancy of Director (Power) on the Board of BHEL. The matter of filling up of these vacancies is under consideration of Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, Government of India.

ii. Attendance of each Director at the Board Meetings held during 2020-21 and the last AGM

Director's Name S/ Shri	No. of Board Meetings		Last AGM (held on 28.09.2020)
	Held	Attended	
Executive Directors			
Dr. Nalin Shinghal, Chairman & Managing Director	8	8	Yes
Subodh Gupta, Director (Finance)	8	8	Yes
S. Balakrishnan, Director (IS&P) (upto November 30, 2020)	6	6	Yes
Manoj Kumar Varma, Director (Power) (upto January 31, 2021)	7	7	Yes
Kamalesh Das, Director (E, R&D)	8	8	Yes
Anil Kapoor, Director (HR) #	8	8	Yes
Ms. Renuka Gera, Director (IS&P) (w.e.f. December 1, 2020)	2	2	*

Part-Time Official Directors – Govt. Nominees			
Shashank Priya, Additional Secretary & Financial Adviser, Ministry of Commerce & Industry	8	8	Yes
Amit Varadan, Joint Secretary (JS), Department of Heavy Industry (DHI), Ministry of Heavy Industries & Public Enterprises (upto September 2, 2020)	4	4	*
Amit Mehta, JS,DHI, Ministry of Heavy Industries & Public Enterprises (w.e.f. September 2, 2020)	4	4	Yes
Part-Time Non-Official (Independent) Directors			
Desh Deepak Goel (upto September 11, 2020)	5	5	*
Ranjit Rae (upto September 11, 2020)	5	5	*
Rajesh Sharma	8	7	Yes
Raj Kamal Bindal	8	8	Yes
Manish Kapoor	8	8	Yes

Held additional charge of Director (Power) w.e.f. February 1, 2021.

* denotes the respective person was not a Director of BHEL as on last AGM date.

iii. A. Details of Directorships, Committee Memberships and Committee Chairmanship in other companies as on March 31, 2021#

Director's name S/ Shri	Details of Directorships in other Companies	Details of Committee Memberships and Committee Chairmanship in other Companies*
Dr. Nalin Shinghal, Chairman & Managing Director	Heavy Engineering Corporation Ltd.	-NIL-
Subodh Gupta, Director (Finance)	Raichur Power Corporation Ltd.	-NIL-
Kamalesh Das, Director (E,R&D)	1. BHEL-GE Gas Turbine Services Pvt. Ltd. 2. BHEL Electrical Machines Ltd.	-NIL-
Anil Kapoor, Director (HR)	Raichur Power Corporation Ltd.	-NIL-
Ms. Renuka Gera, Director (IS&P)	-NIL-	-NIL-
Shashank Priya, Part-time Official Director	1. The State Trading Corporation of India Ltd. 2. MMTC Ltd. 3. India International Convention & Exhibition Centre Ltd. 4. India Trade Promotion Organization 5. Invest India 6. HMT Ltd. 7. National Jute Manufactures Corporation Ltd. 8. Rashtriya Ispat Nigam Ltd. 9. NMDC Ltd. 10. KIOCL Ltd. 11. Steel Authority of India Ltd. 12. MECON Ltd.	**Audit Committee:** 1. The State Trading Corporation of India Ltd. (Chairperson) 2. MMTC Ltd. (Member) 3. India Trade Promotion Organization (Member) 4. Rashtriya Ispat Nigam Ltd. (Member) **Stakeholders' Relationship Committee:** The State Trading Corporation of India Ltd. (Chairperson)
Amit Mehta, Part-time Official Director	1. Andrew Yule & Co. Ltd. 2. Tide Water Oil Co. India Ltd.	-NIL-
Rajesh Sharma, Independent Director	Burnpur Cement Ltd.	**Audit Committee:** Burnpur Cement Ltd. (Chairperson) **Stakeholders' Relationship Committee:** Burnpur Cement Ltd. (Member)
Raj Kamal Bindal Independent Director	1. Avika Consulting Pvt. Ltd. 2. Namah Shivay Ventures Pvt. Ltd. 3. Raj Kamal Bindal Foundation	-NIL-
Manish Kapoor Independent Director	Genext Lifecare Pvt. Ltd.	-NIL-

**Only Chairmanship/ Membership of the Audit Committee and Stakeholders' Relationship Committee has been considered.*

 # The Directorships/ Committee Memberships in other companies are based on the latest disclosure received from respective Directors on the Board.

No Director of the Company holds office at the same time as Director in more than twenty (20) companies. No Director of the Company is a member in more than ten (10) Committees or acts as Chairperson of more than five (5) Committees across all companies in which he is a Director.

Disclosure of relationship between Directors inter-se: NIL

B. Details of Directorships in Listed Entities & Category of Directorship

As on March 31, 2021, the following Directors held Directorship in listed entities, as under:

Director's name S/Shri	Name of Listed Entity	Category of Directorship
Shashank Priya, Part-time Official Director	1. The State Trading Corporation of India Ltd. 2. MMTC Ltd. 3. HMT Ltd. 4. NMDC Ltd. 5. KIOCL Ltd. 6. Steel Authority of India Ltd.	Government Nominee Director
Amit Mehta, Part-time Official Director	1. Andrew Yule & Co. Ltd. 2. Tide Water Oil Co. India Ltd.	Government Nominee Director
Rajesh Sharma, Independent Director	Burnpur Cement Ltd.	Independent Director

iv. No. of Board Meetings held, dates on which held

The meetings of the Board are normally held at the Company's Registered Office in New Delhi and are scheduled well in advance. The Company Secretary, in consultation with the Chairman & Managing Director, sends a written notice of each Board meeting to each Director.

The members of the Board have access to all information of the Company and are free to recommend inclusion of any matter for discussion in agenda which is usually sent in advance. In case of need, the senior management is invited to attend the Board Meetings to provide additional inputs relating to the items being discussed and/ or to give presentation to the Board. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary.

During the year under review, the Board met eight times on the following dates:

(i) April 9, 2020	(ii) June 13, 2020	(iii) June 24, 2020
(iv) August 28, 2020	(v) September 11, 2020	(vi) November 6, 2020
(vii) December 24, 2020	(viii) February 6, 2021	

The Board minutes are prepared promptly after every Board meeting and circulated to all Directors for their comments, if any, and approved by the Chairman thereafter. The approved minutes are then circulated to the departments/groups concerned for initiating appropriate action and implementation.

v. List of core skills /expertise/competence

As BHEL is a Government Company, all Directors on its Board viz., Functional Directors, Government Nominee Directors and Independent directors are selected and appointed by the Government as per a well laid down process for each category of directors. The requirements of core skills, expertise and competence required for the Board to function effectively, in context of business segment BHEL operates in, forms an integral part of the government's process of selection of these directors. Therefore, the Board of BHEL by itself does not identify any such core skills or competence required for the job as well as identification of directors for particular skill/ expertise/ competence.

vi. Board's Responsibilities

The Board's mandate is to oversee the Company's strategic direction, review and monitor corporate performance, ensure regulatory compliance and safeguard the interests of the stakeholders.

vii. Independent Directors

The Independent Directors play an important role in deliberations at the Board and Committee meetings and bring to the Company their expertise in the fields of engineering, finance, management, law, public policy etc.

The Independent Directors are part of important Committees constituted by the Board such as the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and CSR Committee. In terms of Companies Act, 2013 and Listing Regulations, the Audit Committee and the Nomination & Remuneration Committee are chaired by an Independent Director and function within their respective defined terms of references.

Further, in line with DPE OM dated December 28, 2012 on Model Role & Responsibilities of Non-Official Directors for CPSEs, the Board had constituted a Committee of Independent Directors. The said Committee is in compliance with the requirements of Listing Regulations and the Code of Independent Directors under Companies Act, 2013.

Details regarding familiarization programme of Independent Directors are available on the website of the Company www.bhel.com at web link https://www.bhel.com/familiarization-programme-directors under the heading 'Familiarization Programme for Directors'.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management.

viii. Information placed before the Board of Directors

The agenda placed before the Board *interalia* includes the following:-

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.

- Significant Capital Investment proposals.
- Short term investment of surplus funds.
- Sale of investments, subsidiaries and assets which are material in nature and not in normal course of business.
- Changes in significant accounting policies & practices and reasons for the same.
- Quarterly results for the Company and its operating divisions or business segments.
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the issues of adverse exchange rate movement, if material.
- Quarterly report on compliance of various laws.
- Status of Arbitration cases and major legal disputes.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Minutes of Board Meetings of unlisted subsidiary companies.
- Statement of all significant transactions and arrangements entered into by unlisted subsidiary companies.
- The information on recruitment of senior officers just below the Board level.
- Details of any Joint Venture or R&D project or technical collaboration agreement requiring approval of Board of Directors.
- Significant labour problems and their proposed solutions.
- Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- Action Taken Report on matters desired by the Board.
- Any contract(s) in which Director(s) are deemed to be interested.
- Disclosure of Interest by Directors about directorships and Committee positions occupied by them in other companies.
- Any other matters required to be presented to the Board either for information or approval under Listing Regulations, DPE guidelines and Secretarial Standard-1 on meeting of Board of Directors etc.

The Board has constituted various Committees to facilitate the smooth and efficient flow of decision making process. The minutes of all Board level committees are circulated and discussed in the Board meetings. There was no instance where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, during the year under review.

ix. Selection of New Directors

As per Articles of Association of BHEL, the President of India through Department of Heavy Industry, Ministry of Heavy Industries & Public Enterprises, appoints the Chairman & Managing Director and Functional Directors on the Board of BHEL. Two Part-time Official Directors are nominated by the Administrative Ministry on the Board of BHEL. The President of India also appoints Part-time Non-official (Independent) Directors on the Board of BHEL.

The Independent Directors are selected by the Department of Heavy Industry in consultation with the Search Committee of the Department of Public Enterprises which maintains a panel of eminent personalities having wide experience in the field of Management, Finance, Engineering, Administration, Industry etc.

x. Membership term & Retirement policy

The appointment of Chairman & Managing Director and Functional Directors is made for a period of five years from the date of their assumption of charge of the post, or till the date of their superannuation or until further orders, whichever is the earliest. The Part-time Official Directors continue to be on the Board of BHEL at the discretion of the Government of India. The tenure of Part-time Non-official (Independent) Directors is decided by the Administrative Ministry. Normally, an Independent Director is appointed for a period of three years.

xi. Code of Conduct

As part of BHEL's persisting endeavour to set a high standard of conduct for its employees, BHEL Board in 2005 laid down a 'Code of Business Conduct and Ethics for Board Members and Senior Management Personnel' in line with clause 49 of the erstwhile Listing Agreement. The Code was subsequently revised from time to time in line with changes in the regulatory framework including changes in the Listing Agreement & changing business dynamics and to incorporate other relevant provisions to strengthen the Code. The extant Code is also in compliance with the Listing Regulations, as amended.

The Code encompasses:

- General Moral Imperatives;
- Specific Professional Responsibilities; and
- Specific Additional Provisions for Board Members and Senior Management Personnel.

A copy of the Code has been placed on the Company's website www.bhel.com.

xii. Charter of the Board of Directors

For the purpose of clearly defining the roles and responsibilities of the Board and individual Directors, the Board has laid down a Charter of the Board of Directors. The Charter also articulates BHEL corporate governance objectives and approach.

In line with the DPE guidelines, listing agreement and with the objective of providing the Directors a) insight into guidelines and procedures for successful discharge of their statutory duties, b) better understanding of the business environment to envision the future and develop strategies and c) need based training to meet the specific requirements of the board members, BHEL Board has approved a policy for Training of Directors. It covers both general and specific trainings more tuned towards Company specific areas.

xiii. Certificate by Company Secretary in Practice

The Company has received a certificate from a company secretary in practice that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI/ Ministry of Corporate Affairs or any such statutory authority. The same is enclosed.

xiv. CEO/ CFO certification

CEO / CFO certification pursuant to Listing Regulations is enclosed at **Annexure-III** of the Board's Report.

2.3 Board Level Audit Committee

i. Terms of Reference

The terms of reference of the Board Level Audit Committee specified by the Board are in conformity with the requirements of Section 177 of the Companies Act, 2013 as well as Listing Regulations and are as under:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    ii. Changes, if any, in accounting policies and practices and reasons for the same;
    iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    iv. Significant adjustments made in the financial statements arising out of audit findings;
    v. Compliance with listing and other legal requirements relating to financial statements;
    vi. Disclosure of any related party transactions;
    vii. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements and auditor's report thereon before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower/ Vigil mechanism;
20. To review the Audit paras referred to BLAC by the Internal Audit / Board and / or Govt. of India and to provide its suggestions / guidance / comments on the issues referred to it;
21. Discussion with Statutory Auditors/ Internal Auditors periodically about internal control systems;
22. To seek professional advice from external sources in appropriate cases, wherever required;
23. The Audit Committee shall also review the following information:
    i. Management discussion and analysis of financial condition and results of operations;
    ii. Statement of significant related party transactions;
    iii. Management letters / letters of internal control weaknesses issued by the statutory auditors; and
    iv. Internal audit reports relating to internal control weaknesses;
24. Carrying out any other function related to the terms of reference of the Audit Committee as prescribed under the Companies Act, SEBI Regulations and other statutory regulations.

ii. Composition of Committee, name of Members & Chairperson

The composition of the Audit Committee is in compliance with Listing Regulations and Companies Act, 2013. The Audit Committee is chaired by an Independent Director. The member Directors comprise of professionals of repute and standing with background in commerce, finance, administration and governance.

The Audit Committee was last reconstituted w.e.f. February 6, 2021. The composition of the Audit Committee during the year comprises of the following Directors:

Name of the Director S/ Shri	Position	No. of meetings	
		Held during their tenure	Attended
Desh Deepak Goel, Independent Director (upto September 11, 2020)	Chairperson	3	3
Rajesh Sharma, Independent Director	Chairperson (w.e.f. September 12, 2020)	2	2
	Member (upto September 11, 2020)	3	3*
Shashank Priya, AS & FA, M/o Commerce & Industry, Part-time Official Director	Member (w.e.f. February 6, 2021)	0	0
Amit Varadan, JS, DHI, Part-time Official Director (upto September 2, 2020)	Member	2	2
Amit Mehta, JS, DHI, Part-time Official Director	Member (w.e.f. September 2, 2020 upto February 5, 2021)	3	3
Ranjit Rae, Independent Director (upto September 11, 2020)	Member	3	3
Raj Kamal Bindal Independent Director	Member (w.e.f. February 6, 2021)	0	0
Manish Kapoor Independent Director	Member (w.e.f. May 29, 2020)	5	5

* Shri Rajesh Sharma was granted leave of absence for the adjourned meeting held on August 20, 2020.

Director (Finance) is permanent invitee. Company Secretary acts as Secretary to the Committee.

Head of Internal Audit and a representative of the Statutory Auditor may be present as invitees for the meetings of the Audit Committee. The Auditors of the Company and the Key Managerial Personnel shall have a right to be heard in the meetings of the Audit Committee when it considers the Auditor's Report but shall not have the right to vote.

iii. Meetings and Attendance

The Audit Committee met five times on June 13, 2020, August 19-20, 2020, September 11, 2020, November 5-6, 2020 and February 6, 2021 during the year under review. The details of attendance of each member is given in the above table.

2.4 Nomination and Remuneration Committee

i. Remuneration policy

BHEL being a Public Sector Undertaking, the appointment and remuneration of Chairman & Managing Director/ Functional Directors are decided by the Government of India. The terms of appointment of Chairman & Managing Director/ Directors, as approved by the President of India, provide for fixation of certain perks and benefits like leased accommodation, payment of HRA, furnished accommodation, productivity linked incentive etc., as per rules of BHEL. The part-time non-executive directors are not paid any remuneration except sitting fees to Independent Directors for attending meetings of the Board or Committee thereof.

ii. Terms of Reference

In line with the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the erstwhile Listing Agreement (now Listing Regulations), the Board constituted the Nomination & Remuneration Committee (NRC) w.e.f. March 30, 2015. In line with the amendment to the terms of reference of NRC, the terms of reference of the Committee are as under:

1. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board for their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
2. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees in compliance with the provisions of Act/ Listing Regulations/ DPE guidelines;
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. To recommend to the Board, nomination of BHEL officials in the Boards of its subsidiaries and other government organizations which are required to be approved by the Board of BHEL before further submission to DHI;
6. Oversight of the company's policy on specific remuneration packages, perquisites for Whole-time Directors including pension rights and any compensation payment, which are not fixed by the President of India;

7. Approve certain perquisites for Whole-time Directors which are within the powers of Board. Review of the elements of remuneration package of individual directors summarized under major groups, such as incentives/ benefits, bonus, stock options, pension etc;
8. Finalization of policies on perks and benefits and other related matters which are not fixed by the President of India but within the powers of Board;
9. Approval of fixed component and performance linked incentives based on the performance criteria;
10. Finalization of the criteria of making payments to Non-Executive Directors;
11. Recommendation of fees/ compensation/ stock options, if any, to be paid/ granted, to non-executive directors, including independent directors, to the Board of Directors/ Shareholders;
12. Recommendation to the board, all remuneration, in whatever form, payable to senior management;
13. To decide the bonus/ variable pay pool and policy for its distribution across the executives and non-unionised supervisors;
14. Carrying out any other function related to the terms of reference of the NRC as prescribed under the Companies Act, SEBI Regulations and other statutory regulations.

MCA vide Notification dated June 5, 2015 provided that Section 178 (2), (3) & (4) of the Companies Act, 2013 with regard to performance evaluation of Directors shall not apply to Government Company.

iii. Composition of Committee, name of Members & Chairperson

The Nomination & Remuneration Committee was last reconstituted w.e.f. February 6, 2021. The composition of the Committee during the year comprises of the following Directors:

Name of the Director S/Shri	Position	No. of meetings	
		Held during their tenure	Attended
Rajesh Sharma, Independent Director	Chairperson*	2	2
Shashank Priya, AS & FA, M/o Commerce & Industry, Part-time Official Director	Member (upto February 5, 2021)	2	2
Amit Varadan, JS, DHI, Part-time Official Director (upto September 2, 2020)	Member	0	0
Amit Mehta, JS, DHI, Part-time Official Director	Member (w.e.f. September 2, 2020)	2	2
Ranjit Rae, Independent Director (upto September 11, 2020)	Member	0	0
Manish Kapoor Independent Director	Member* (w.e.f. May 29, 2020)	2	2

* Shri Manish Kapoor was elected as Chairperson of the Meeting held on January 13, 2021 in place of Shri Rajesh Sharma in view of his late joining in the meeting due to some technical issues.

Director (HR) is permanent invitee. Company Secretary acts as Secretary to the Committee.

iv. Meetings and Attendance

The Nomination & Remuneration Committee met two times on October 6, 2020 and January 13, 2021 during the year under review. The details of attendance of each member is given in the above table.

v. Details of remuneration of Functional Directors during the year 2020-21 are given below:

(in ₹)

Sl. No.	Name of the Director S/ Shri	Salary	Benefits	Other Benefits	Performance Linked Incentives	Total	Service Contract/ Notice Period Severance Fee
1.	Dr. Nalin Shinghal	51,64,430	8,00,047	39,600	-	60,04,077	----
2.	Subodh Gupta	41,78,054	7,37,526	3,37,609	3,76,613	56,29,803	Liable to retire by rotation
3.	S. Balakrishnan (upto November 30, 2020)	54,33,724	4,89,311	8,02,839	3,48,992	70,74,865	----
4.	Manoj Kumar Varma (upto January 31, 2021)	53,93,457	6,18,154	5,13,372	2,99,053	68,24,036	----
5.	Kamalesh Das	40,77,360	7,19,388	3,21,800	2,58,274	53,76,822	Liable to retire by rotation
6.	Anil Kapoor	39,75,593	7,48,793	3,14,483	2,66,832	53,05,701	Liable to retire by rotation
7.	Ms. Renuka Gera (w.e.f. December 1, 2020)	14,28,029	2,53,414	1,82,997	-	18,64,440	Liable to retire by rotation

vi. Details of payments made to Independent Directors during the year 2020-21 are given below: -

(in ₹)

Name of the Independent Directors	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Shri Desh Deepak Goel	1,50,000/-	1,80,000/-	3,30,000/-
Shri Ranjit Rae	1,50,000/-	2,00,000/-	3,50,000/-
Shri Rajesh Sharma	2,10,000/-	3,00,000/-	5,10,000/-
Shri Raj Kamal Bindal	2,40,000/-	2,20,000/-	4,60,000/-
Shri Manish Kapoor	2,40,000/-	2,40,000/-	4,80,000/-

During FY 2020-21 Independent Directors were entitled for sitting fee @ ₹30,000/- per Board Meeting and ₹20,000/- per Board Level Committee Meeting attended by them.

Independent Directors are not entitled to Stock Option.

vii. Equity Shares held by Directors

Except as stated hereunder, none of the Directors hold any Equity Shares in BHEL (as on March 31, 2021):

Name of the Director	No. of shares held
Dr. Nalin Shinghal (jointly with spouse)	100

The Company has not issued any stock options during the year 2020-21.

2.5 Shareholders Committees

2.5.1 Stakeholders Relationship Committee

i. Terms of Reference

The Board of Directors on May 12, 2014 reconstituted the Shareholders'/ Investors' Grievance Committee as the Stakeholders Relationship Committee (SRC), in line with the requirements of Companies Act, 2013 and erstwhile Listing Agreement (now Listing Regulations). The Committee looked into the redressal of grievances of shareholders including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. In line with the amendment to the terms of reference of SRC in the Listing Regulations, the terms of reference of the Committee are as under:

1. Resolution of the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
2. Reviewing measures taken for effective exercise of voting rights by shareholders;
3. Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the company;
5. To look into various aspects of interest of shareholders, debenture holders and other security holders;
6. Carrying out any other function related to the terms of reference of the Committee as prescribed under the Companies Act, SEBI Regulations and other statutory regulations.

ii. Composition of Committee, name of Members & Chairperson

The Stakeholders Relationship Committee was last reconstituted w.e.f. February 6, 2021. The composition of the Committee during the year comprises of the following Directors:

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Ranjit Rae, Independent Director (upto September 11, 2020)	Chairperson	2	2
Manish Kapoor Independent Director	Chairperson (w.e.f. September 12, 2020)	1	1
Shashank Priya, AS & FA, M/o Commerce & Industry, Part-time Official Director	Member (w.e.f. February 6, 2021)	0	0
Amit Varadan, JS, DHI, Part-time Official Director (upto September 2, 2020)	Member	2	1
Amit Mehta, JS, DHI, Part-time Official Director	Member (w.e.f. September 2, 2020 upto February 5, 2021)	1	0
Director (Finance)	Member	3	3
Director (HR)	Member	3	3

Chief Investor Relationship Officer (CIRO) is permanent invitee. Company Secretary acts as Secretary to the Committee.

Shri Rajeev Kalra, Company Secretary is the Compliance Officer in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

iii. Meetings and Attendance

The Committee met three times on June 12, 2020, July 30, 2020 and November 5, 2020 during the year under review. The details of

attendance of each member is given in the above table.

Detail of shareholders' complaints

As reported to SEBI by KFin Technologies Private Limited (RTA of the Company upto December 31, 2020) and Alankit Assignments Limited (RTA of the Company w.e.f. January 1, 2021), 265 complaints were received from the shareholders during the year under review and all complaints were redressed up to March 31, 2021. No complaint was pending at the end of the period under report.

2.5.2 Share Transfer Committee

The Board constituted a Share Transfer Committee on March 25, 1992. The Board of Directors revised the terms of reference of the Committee w.e.f. August 1, 2014. The Share Transfer Committee considers and approves share related issues pertaining to transposition, sub-division, consolidation, issue of duplicate share certificate etc. in physical mode. The Share Transfer Committee was last reconstituted on February 6, 2021 with Director (Finance) as Chairperson alongwith Director (E, R&D) and Director (IS&P) as Members.

Meetings during 2020-21

The Share Transfer Committee met two times during the year. The minutes of the Share Transfer Committee meetings are periodically placed before the Board of Directors.

2.6 Board Level Committee for Corporate Social Responsibility

i. Terms of Reference

Pursuant to the DPE Guidelines on Corporate Social Responsibility for CPSEs, the Board constituted the Board Level Apex Committee for CSR on November 25, 2010 for proper & periodic monitoring of CSR activities. The Committee is presently christened as the Board Level Committee for Corporate Social Responsibility. In line with Section 135 of the Companies Act, 2013, as amended (pertaining to CSR Committee), the terms of reference of the Committee are as under:

1. Formulation and recommendation to the Board the Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII to the Companies Act, 2013;
2. Recommendation of the Projects, Programs and amount of expenditure to be incurred on the activities referred to in clause (1);
3. Monitoring the Corporate Social Responsibility activities of the Company from time to time;
4. Ensuring compliance with guidelines on Corporate Social Responsibility and Sustainable Development issued by the Government of India from time to time.

ii. Composition of Committee, name of Members & Chairperson

The Committee was last reconstituted w.e.f. February 6, 2021. The composition of the Committee during the year comprises of the following Directors:

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Ranjit Rae, Independent Director (upto September 11, 2020)	Chairperson	2	2
Manish Kapoor Independent Director	Chairperson (w.e.f. September 12, 2020)	1	1
	Member (w.e.f. May 29, 2020 upto September 11, 2020)	2	2
Amit Varadan, JS, DHI, Part-time Official Director (upto September 2, 2020)	Member	2	2
Amit Mehta, JS, DHI, Part-time Official Director	Member (w.e.f. September 2, 2020 upto February 5, 2021)	1	1
Rajesh Sharma, Independent Director	Member	3	3
Director (Finance)	Member	3	3
Director (HR)	Member	3	3

Head (CSR), Corporate Office is Permanent Invitee. Company Secretary acts as Secretary to the Committee.

iii. Meetings and Attendance

The Committee met three times on June 12, 2020, July 30, 2020 and November 5, 2020 during the year under review. The details of attendance of each member is given in the above table.

2.7 HR Committee

i. Terms of Reference

The Board constituted the HR Committee on May 31, 2006 specifically to look into the following matters:

a. Review of present policies with respect to promotion and reward/ incentive to the Executives.

b. Suggest both short term and long term changes in the policies to prepare BHEL for the changed/ emerging business environment.

ii. Composition of Committee, name of Members & Chairperson

The Committee was last reconstituted w.e.f. February 6, 2021. The composition of the Committee during the year comprises of the following Directors:

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Desh Deepak Goel, Independent Director (upto September 11, 2020)	Chairperson	0	0
Raj Kamal Bindal Independent Director	Chairperson (w.e.f. February 6, 2021)	0	0
	Member (w.e.f. May 29, 2020)	1	1
Ranjit Rae, Independent Director (upto September 11, 2020)	Member	0	0
Director (Finance)	Member* (upto February 5, 2021)	1	1
Director (HR)	Member	1	1
Director (IS&P)	Member (w.e.f. February 6, 2021)	0	0

* Director (Finance) was elected as Chairperson of the Meeting held on December 22, 2020.

Head (HR), Corporate Office is permanent invitee. Company Secretary acts as Secretary to the Committee.

iii. Meetings and Attendance

The Committee met one time on December 22, 2020 during the year under review. The details of attendance of each member is given in the above table.

2.8 Committee of Independent Directors

i. Terms of Reference

The Board, in line with DPE OM dated December 28, 2012 on Model Role & Responsibilities of Non-Official Directors for CPSEs, constituted a Committee of Independent Directors, which is also in compliance with the requirements of Schedule IV of the Companies Act, 2013 and Listing Regulations.

ii. Composition of Committee, name of Members & Chairperson

The composition of the Committee during the year comprises of the following Directors:

Name of the Director S/Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Desh Deepak Goel (upto September 11, 2020)	Chairperson & Lead Independent Director	1	1
Rajesh Sharma	Chairperson & Lead Independent Director (w.e.f. September 12, 2020)	0	0
	Member (upto September 11, 2020)	1	1
Ranjit Rae (upto September 11, 2020)	Member	1	1
Raj Kamal Bindal	Member	1	1
Manish Kapoor	Member	1	1

iii. Meetings and Attendance

The Committee met one time on September 11, 2020 during the year under review. The details of attendance of each member is given in the above table.

2.9 Board Level Risk Management Committee

i. Terms of Reference

In line with erstwhile Listing Agreement (now Listing Regulations), the Board of Directors on November 14, 2014 constituted the Board Level Risk Management Committee. The terms of reference of the Board Level Risk Management Committee in line with Listing Regulations, as amended, are as under:

1. Reviewing the Company's risk governance structure, risk assessment and risk management frame work, guidelines, policies and processes for risk assessment and risk management;
2. Reviewing the Company's risk mitigation strategies relating to identified key risks as well as the processes for monitoring and mitigating such risks;
3. Reviewing risk pertaining to Cyber Security and its mitigation;
4. Report to the Board on the Committee's activities for information and recommend proposed changes, if any, to the Board for approval.
5. Carrying out any other function related to the terms of reference of the Committee as prescribed under the Companies Act, SEBI Regulations and other statutory regulations.

ii. Composition of Committee, name of Members & Chairperson

The Committee was last reconstituted on May 29, 2020. The composition of the Committee during the year comprises of the following members:

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Shashank Priya, AS & FA, M/o Commerce & Industry, Part-time Official Director	Chairperson	3	3
Desh Deepak Goel, Independent Director (upto September 11, 2020)	Member	1	1
Raj Kamal Bindal Independent Director	Member (w.e.f. May 29, 2020)	3	3
Director (Finance)	Member	3	3
Director (IS&P)	Member	3	3
Director (Power)	Member	3	3
Chairman, Risk Management Steering Committee	Member	3	3
Chief Risk Officer	Member & Convener	3	3

iii. Meetings and Attendance

The Committee met three times on June 12, 2020, October 8, 2020 and January 13, 2021 during the year under review. The details of attendance of each member is given in the above table.

2.10 Committee on Arbitration & Major Legal Disputes

i. Terms of Reference

The Board of Directors in its meeting held on May 26, 2015 constituted the Committee on Arbitration & Major Legal Disputes for detailed review of arbitration cases as well as major legal disputes and thereafter apprising the Board accordingly.

ii. Composition of Committee, name of Members & Chairperson

The Board of Directors in its meeting held on February 6, 2021 approved the merger of the "Board Level Committee on Alternative Dispute Resolution" with the "Committee on Arbitration & Major Legal Disputes" and renamed the "Committee on Arbitration & Major Legal Disputes" as "Committee on Arbitration & Major Legal Disputes and Alternative Dispute Resolution". Prior to its merger the Committee on Arbitration & Major Legal Disputes comprised the following Directors:

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Desh Deepak Goel, Independent Director (upto September 11, 2020)	Chairperson	2	2
Amit Varadan, JS, DHI, Part-time Official Director (upto September 2, 2020	Member	2	2
Amit Mehta, JS, DHI, Part-time Official Director	Member (w.e.f. September 2, 2020)	2	0
Rajesh Sharma, Independent Director	Member	4	4
Raj Kamal Bindal# Independent Director	Member (w.e.f. May 29, 2020)	4	4
Director (Power)#	Member	4	4*
Director (HR)	Member	4	4*

* Shri Anil Kapoor, Director (HR) is having additional charge of Director (Power) w.e.f. February 1, 2021.

Director (Power) and Shri Raj Kamal Bindal, Independent Director were elected as Chairperson of the Meetings held on November 5, 2020 and February 6, 2021 respectively.

Head-Law is convenor of the Committee and furnishes the required information for review by the Committee.

iii. Meetings and Attendance

Till its merger, the Committee on Arbitration & Major Legal Disputes met four times during the year on June 12, 2020, July 30, 2020, November 5, 2020 and February 6, 2021. The details of attendance of each member is given in the above table.

2.11 Board Level Committee on Alternative Dispute Resolution

i. Terms of Reference

The Board of Directors in its Meeting held on May 29, 2018 constituted the Board Level Committee on Alternative Dispute Resolution to act as the Competent Authority for accepting/ rejecting the draft settlement agreement under the BHEL Conciliation Scheme, 2018.

ii. Composition of Committee, name of Members & Chairperson

The Board of Directors in its meeting held on February 6, 2021 approved the merger of the "Board Level Committee on Alternative Dispute Resolution" with the "Committee on Arbitration & Major Legal Disputes" and renamed the "Committee on Arbitration & Major Legal Disputes" as "Committee on Arbitration & Major Legal Disputes and Alternative Dispute Resolution". Prior to its merger the Board Level Committee on Alternative Dispute Resolution comprised the following Directors:

Name of the Director S/ Shri	Position
Rajesh Sharma, Independent Director	Chairperson
Manish Kapoor Independent Director	Member (w.e.f. May 29, 2020)
Director (Finance)	Member
Director (E, R&D)	Member
Director (HR)	Member

The Committee, shall Co-opt the concerned Functional Director as an additional member, whenever required.

iii. Meetings and Attendance

Till its merger, no Meeting of the Board Level Committee on Alternative Dispute Resolution took place during the year under review.

2.12 Buy back Committee

i. Terms of Reference, Composition of Committee, Name of Members & Chairperson

The Board of Directors in its Meeting held on October 25, 2018 constituted the Buyback Committee and delegated the powers of the Board in respect of Buyback of shares to the Committee. The Committee was also authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the shareholders for the implementation of the Buyback. The Board of Directors in its meeting held on February 6, 2021 approved the dissolution of the Buyback Committee. The Committee comprised the following Directors prior to its dissolution:

Name of the Director S/ Shri	Position
Director (HR)	Chairperson
Director (Finance)	Member
Director (E,R&D)	Member

Company Secretary/Dy. Company Secretary acts as the Secretary to the Buyback committee.

ii. Meetings and Attendance

No Meeting of the Buyback Committee took place during the year till its dissolution.

2.13 Board Level Project Review Committee

i. Terms of Reference

The Board of Directors in its meeting held on August 9, 2019 approved the revival of the Board Level Project Review Committee with the following revised terms of reference:

(i) The Committee shall review the status of all projects with contract value of ₹500 Crore and above;

(ii) The Committee shall review the periodical status of the debtors;

(iii) The quorum for the meetings shall be three Members;

(iv) The Committee shall meet at least four times a year;

(v) The Committee may invite such executives, as it considers appropriate to be present at the meetings of the Committee.

ii. Composition of Committee, name of Members & Chairperson

The Committee was last reconstituted on February 6, 2021. The composition of the Committee during the year comprises of the following Directors:

Name of the Director S/ shri	Position	No. of Meetings	
		Held during their tenure	Attended
Ranjit Rae, Independent Director (upto September 11, 2020)	Chairperson	2	2
Amit Mehta, JS, DHI, Part-time Official Director	Chairperson (w.e.f. February 6, 2021)	0	0
	Member (w.e.f. September 2, 2020 upto February 5, 2021)	0	0
Amit Varadan, JS, DHI, Part-time Official Director (upto September 2, 2020)	Member	2	1
Desh Deepak Goel, Independent Director (upto September 11, 2020)	Member	2	2
Raj Kamal Bindal, Independent Director	Member (w.e.f. May 29, 2020)	2	2
Director (Finance)	Member	2	2
Director (IS&P)	Member	2	2
Director (Power)	Member	2	2

Head (PS-PMG) & GM (Receivable Management) are Convener of the Committee for the respective agenda and furnish the required information for review by the Committee. Heads of respective

Business Sectors shall be invited as and when required. Company Secretary shall act as Secretary to the Committee.

iii. Meetings and Attendance

The Committee met two times on June 11, 2020 and July 30, 2020 during the year under review. The details of attendance of each member is given in the above table.

2.14 Committee on Arbitration & Major Legal Disputes and Alternative Dispute Resolution

i. Terms of Reference, Composition of Committee, Name of Members & Chairperson

The Board of Directors in its meeting held on February 6, 2021 approved the merger of the "Board Level Committee on Alternative Dispute Resolution" with the "Committee on Arbitration & Major Legal Disputes" and renamed the "Committee on Arbitration & Major Legal Disputes" as "Committee on Arbitration & Major Legal Disputes and Alternative Dispute Resolution". The Committee comprises of the following Directors:

Name of the Director S/ Shri	Position
Raj Kamal Bindal Independent Director	Chairperson
Amit Mehta, JS, DHI, Part-time Official Director	Member
Rajesh Sharma, Independent Director	Member
Director (Power)	Member
Director (E,R&D)	Member
Director (HR)	Member

Head-Law is convener of the Committee and furnishes the required information for review by the Committee.

ii. Meetings and Attendance

No Meeting of the Committee on Arbitration & Major Legal Disputes and Alternative Dispute Resolution took place during the year.

2.15 General Meetings

i. Location and time of last three AGMs:

Year	Location	Date	Time
FY 2017-18 (54th AGM)	Manekshaw Centre, Parade Road, Khyber Lines, Delhi Cantt., Delhi-110010	September 19, 2018	10.00 a.m.
FY 2018-19 (55th AGM)	Manekshaw Centre, Parade Road, Khyber Lines, Delhi Cantt., Delhi-110010	September 19, 2019	10.00 a.m.
FY 2019-20 (56th AGM)	Meeting was held through video-conferencing. Deemed venue was Registered Office of the Company	September 28, 2020	10.00 a.m.

ii. Details of Special resolutions passed in previous three AGMs

In line with the provisions of Section 14 of the Companies Act, 2013, a Special Resolution was passed in the 54th Annual General Meeting held on September 19, 2018, for amendment in the Articles of Association by insertion of Article 5A regarding Buy-Back of shares. Further, in line with the provisions of Section 149 of the Companies Act, 2013, a Special Resolution was passed in the 55th Annual General Meeting held on September 19, 2019, for reappointment of Shri R. Swaminathan as an Independent Director for a second term.

iii. Postal Ballot

No special resolutions were passed through postal ballot in the previous year. No such resolution is proposed to be conducted through postal ballot.

2.16 Disclosures

i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large

The Company has not entered into any materially significant related party transactions (RPTs) that may have potential conflict with the interests of the Company at large. Nonetheless, transactions with related parties have been disclosed in Notes to the financial statements 2020-21 in the Annual Report.

The company's policy determining Material Subsidiaries and Policy Dealing with Related Party Transactions is available at https://www.bhel.com/policy-regard-related-party-transactions-0

ii. Non-compliances/ penalties & strictures imposed on the Company related to capital markets during the last three years

There were no cases of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties/ strictures were enforced on the Company by Stock Exchanges/ SEBI or any other statutory authority on any matter related to capital market.

However, the Company received notices from NSE as well as BSE regarding non-compliance with the provision of Regulation 17 (1) of the SEBI Listing Regulations and imposition of fine for not having 50% Independent Directors (including at least one Independent Woman Director) on its Board. In response to the notices, the Company clarified to the Exchanges that the shortfall in Independent Directors was not due to any negligence/ default of the Company, as the appointment is not within its control. In view thereof, the Company has requested the Exchanges to waive-off the fine under their carve-out policies. The matter of appointment of Independent Directors (including at least one Independent Woman Director) is under process with administrative ministry.

iii. Whistle Blower Policy

In pursuance of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and Clause 49 of the Listing Agreement between listed Companies & the Stock Exchanges and Section 177 of the Companies Act, 2013, a detailed Whistle Blower Policy was drafted by the Company and it was duly approved by the Board of Directors in its 464th meeting held on August 12, 2014. The policy is also in line with Listing Regulations. Subsequent to this, a Circular notifying the Whistle Blower Policy and informing the contact details of the Competent Authority and of Chairman,

Audit Committee was issued for the notice of all employees.

A copy of the Whistle Blower Policy has also been placed on the website of the Company www.bhel.com for wide publicity. Changes in address, contact number(s) and email address of the Competent Authority and Chairman, Audit Committee are being notified from time to time.

The complaints received under the Policy are being processed as per the guidelines in this regard and no employee has been denied access to the Audit Committee.

iv. Details of compliance with the requirements of DPE Guidelines on Corporate Governance, compliance with mandatory requirements and adoption of the non-mandatory Corporate Governance requirements of Listing Regulations

All mandatory requirements of the DPE Guidelines on Corporate Governance for CPSEs and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been duly complied with by the company except those relating to composition of the Board of Directors. With regard to non-mandatory requirements under the Listing Regulations, BHEL is already in the regime of financial statements with unmodified audit opinion.

No expenditure has been debited in books of accounts which is not for the purpose of business and no expenses incurred and accounted which are personal in nature and incurred for the Board of Directors and Top Management. The other expenses (including administrative, and other miscellaneous expenses) as a % age of total expenses have been curtailed to 8.45% of the total expenses in FY 2020-21 as against 10.70% in FY 2019-20. The same has been made possible by various cost reduction measures and stringent budgetary controls.

v. Presidential Directives

No Presidential Directive was received during the last three years i.e. 2018-19, 2019-20 and 2020-21.

vi. Risk Management

Complying with SEBI Regulations, 2015 and DPE guidelines on Corporate Governance for CPSEs, BHEL has in place a Board approved Risk Management Charter & Policy, laying down procedures to inform Board members about the risk assessment, minimization and mitigation. An important purpose of the Charter is to implement a structured and comprehensive risk management system across the company which ensures that the risks are being properly identified and effectively managed. The risk management process includes risk identification, risk assessment, risk evaluation, risk mitigation and regular review & monitoring. A Board Level Risk Management Committee (BLRMC) is in place with the assigned responsibility of reviewing the company's risk governance structure, risk assessment & risk management framework, guidelines, and policies and processes at Board level.

The Risk Management Steering Committee (RMSC) leads the risk management initiative across the company. The RMSC, comprising of Functional Heads from Corporate Functions and Business Sectors are responsible for adopting & implementing the risk management framework. Risk Management Committees (RMCs) at Business Sectors/ Regions/ Units level are responsible for review of risk profiles & risk mitigation plans and their implementation for the respective Units/ Regions.

vii. Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The information on disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 is part of Board's Report and is available as **Annexure C to Para 1.9.5.2** "Safeguard of Women at Workplace".

viii. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)

Nil

ix. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part

Total fees for all services paid to the statutory auditors and branch auditors are disclosed in Notes to the financial statements 2020-21. The auditors of subsidiary company and joint venture companies were appointed separately by them and were not same auditors who have conducted audit of financial statements of BHEL.

x. Compliance Certificate on Corporate Governance

Compliance Certificate on Corporate Governance is enclosed.

2.17 Means of Communication

As required under the Listing Regulations, the Company issues a notice in advance, to the Stock Exchanges, of the Board Meetings in which the unaudited/ audited financial results are due for consideration. Further, the said results are intimated immediately after they are taken on record/ approved, to the Stock Exchanges. These approved financial results are published within 48 hours of conclusion of the Board meeting in at least one English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated and also uploaded on the Company's website (www.bhel.com). Other information pertaining to shareholders viz. changes in directorship, details of unpaid dividend, Annual Reports etc., are also displayed on the Company's website. Official news releases including important events like receipt of major orders, major projects commissioned, important collaborations, other material events etc. are posted on the website of the Company and simultaneously sent to the Stock Exchanges. During 2019-20, while BHEL has not made any presentation on financial results to analysts or investors, conference calls were held quarterly post financial result declaration, with prior intimation to the stock exchanges and posting the same on their websites. For Q2&Q3 FY21, wherein the conference calls could not be held, detailed result documents were uploaded on the stock exchange websites as well as on Company's website. BHEL has also participated in various investor conferences/ meetings in addition to regular face-to-face interactions.

In compliance with Regulation 46 of the Listing Regulations, the Company disseminates on its website information which inter-alia contains, details regarding composition of various committees of Board of Directors, code of conduct, policy dealing with RPTs, contact information of the designated officials of the Company responsible for assisting and handling investor grievances etc.

In pursuance of the ''Green Initiatives'' of the Ministry of Corporate Affairs, Government of India, the Company sends the Annual Report and the Notice convening the Annual General Meeting

through email to those shareholders who have registered their email ids with the Depository Participants/RTA and have not opted for a physical copy of the Annual Report. For continued success of this initiative, shareholders are requested to register their email ids with their Depository Participants/RTA.

2.18 General Shareholder Information

	AGM Date	Time	Venue
i	September 23, 2021	10:00 AM	The Company is conducting meeting through VC pursuant to the MCA Circular dated January 13, 2021 read with MCA circular dated May 5, 2020 and as such deemed venue for the AGM shall be the registered office of the Company. For details please refer to the Notice of this AGM.
ii	**Financial year**	April 01, 2020 to March 31, 2021	

The annual return is available at-
https://www.bhel.com/agm-related

iii. Dividend History:

The details of dividend paid by BHEL (and not due for transfer to Investor Education Protection Fund) are summarized as under:

Year	Rate of Dividend	Total Amount of Dividend Paid (₹ in Crore)	Date on which Dividend was Declared
2013-2014 (Final)	76%	372.04	19.09.2014
2014-2015 (Interim)	27%	132.17	12.02.2015*
2014-2015 (Final)	31%	151.75	22.09.2015
2015-2016 (Final)	20%	97.90	22.09.2016
2016-2017 (Interim)	40%	195.81	07.02.2017*
2016-2017 (Final)	39%	190.92	22.09.2017
2017-2018 (Interim)	40%	293.72	08.02.2018*
2017-2018 (Final)	51%	374.48	19.09.2018
2018-2019 (Interim)	40%	278.57	05.02.2019*
2018-2019 (Final)	60%	417.85	19.09.2019

* Date of meeting of Board of Directors in which interim dividend was declared.

Note:

(1) During 2017-18, the Company has allotted Bonus Equity Shares to its Shareholders on 03.10.2017 in the ratio of 1:2 i.e. one fully paid up new bonus equity share of ₹2 each for every two fully paid up equity shares. Consequently, the total number of shares have increased from 244.76 Crore to 367.14 Crore.

(2) During 2018-19, the Company has made Buy Back of 18,93,36,645 fully paid up equity shares representing 5.16% of the total issued and paid-up equity share capital of the Company from its shareholders as on the record date (i.e. Tuesday, November 06, 2018), on a proportionate basis, through the "Tender Offer" process at a price of ₹86 (Rupees Eighty-Six Only) per equity share payable in cash for an aggregate consideration of ₹1628.30 Crore Consequently, the total number of shares have decreased from 367.14 Crore to 348.21 Crore.

(3) In case a shareholder has not claimed/received dividend for any of the last seven years and the same has not yet been transferred to the Investor Education & Protection Fund (IEPF), he/she can claim this unpaid dividend by following the procedure uploaded on the Company's website (www.bhel.com). Unclaimed dividend for the year 2012-13 (Final) & 2013-14 (Interim) has already been transferred to IEPF during the year 2020-21. Further, unclaimed dividend for the year 2013-14 (Final) & 2014-15 (Interim) are due for transfer to IEPF on 19.10.2021 & 15.03.2022 respectively.

(4) In respect of dividend/shares which have been transferred to IEPF, shareholders can claim the same from IEPF authority by following the procedure prescribed under IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. These Rules are available on the website of IEPF (www.iepf.gov.in) and company's website (www.bhel.com).

iv. a) Listing on Stock Exchanges and Stock Code

BHEL's Equity shares are listed on the following Stock Exchanges for which listing fees for 2020-21 has been paid:

Name of the Stock Exchange	Stock Code
1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	500103
2. National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, Block - G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	BHEL

In addition, the Commercial Papers issued by the Company are also listed on BSE & NSE.

b) Payment of Annual Custodian Fee to Depositories

The Annual Custodian fee has been paid to NSDL and CDSL for the financial year 2020-21.

v. The High, Low, Close & Volume of BHEL shares and market index during each month in the financial year 2020-21 at BSE & NSE are indicated below:

Market Price Data: High, Low, Close during each month in the financial year 2020-21										
Months	BSE				NSE				Market Index (Close)	
	High	Low	Close	Volume	High	Low	Close	Volume	S&P BSE SENSEX	NSE NIFTY
	(in ₹)			(No. of shares in Crore)	(in ₹)			(No. of shares in Crore)		
Apr-20	23.50	20.40	22.40	2.99	23.35	20.40	22.45	48.85	33717.62	9859.90
May-20	29.30	20.90	27.95	10.76	29.25	20.90	28.00	167.02	32424.10	9580.30
Jun-20	39.80	26.40	35.70	15.04	39.80	26.40	35.70	209.04	34915.80	10302.10
Jul-20	44.35	35.40	35.95	9.97	44.40	35.40	35.95	151.35	37606.89	11073.45
Aug-20	42.35	34.90	38.55	7.67	42.45	34.75	38.55	120.73	38628.29	11387.50
Sep-20	40.35	28.90	29.30	5.04	40.40	28.85	29.25	81.80	38067.93	11247.55
Oct-20	30.40	26.75	28.00	3.35	30.40	26.75	28.00	41.14	39614.07	11642.40
Nov-20	33.45	26.95	32.85	7.34	33.45	26.95	32.85	84.81	44149.72	12968.95
Dec-20	37.60	30.60	35.90	9.89	37.60	30.60	35.90	106.28	47751.33	13981.75
Jan-21	42.25	35.15	36.05	13.81	42.30	35.10	36.05	124.54	46285.77	13634.60
Feb-21	48.80	35.45	47.65	16.89	48.80	35.40	47.60	183.14	49099.99	14529.15
Mar-21	56.50	46.90	48.75	16.83	56.50	46.90	48.75	188.07	49509.15	14690.70

Source: www.bseindia.com / www.nseindia.com

vi. Policy on Insider Trading

BHEL endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. For this purpose and in line with the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company had adopted "Code of Conduct for Prevention of Insider Trading" on August 26, 2002 which was subsequently revised w.e.f. January 29, 2009.

The Board, in its 469th meeting held on April 6, 2015, approved the 'Code of Conduct for Regulating & Reporting Trading by Insiders and for Fair Disclosure, 2015' in line with SEBI (Prohibition of Insider Trading) Regulations, 2015. In pursuance to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board had also approved the revised BHEL Code of Conduct for Regulating & Reporting Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure effective from 01.04.2019. The objective of the Code is to regulate, monitor and report trading by Designated Persons and Immediate Relatives of Designated Persons towards achieving compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The Code also provides for practices and procedures for fair disclosure of Unpublished Price Sensitive Information. Head-Corporate Strategic Management Department is the Chief Investor Relations Officer of the company under this code.

vii. (A) Registrar & Share Transfer Agent for Equity Shares (RTA)

The Company has appointed M/s Alankit Assignments Limited in place of M/s KFin Technologies Private Limited, as its Registrar and Share Transfer Agent (RTA) w.e.f. 01.01.2021 for handling all matters relating to the Equity shares of BHEL (both physical as well as demat mode). All matters relating to the Equity shares of the Company such as transfer, transmission, dematerialization, rematerialisation, dividend, change of address, etc. and related correspondence and queries may be addressed to:-

M/s Alankit Assignments Limited
Unit: Bharat Heavy Electricals Limited
4E/2, Alankit House, Jhandewalan Extension,
New Delhi-110055
Tel No.: 011-42541234
Fax No.: 011-23552001
Email: rta@alankit.com
Website: www.alankit.com

(B) Registrar & Share Transfer Agent for Commercial Papers:

M/s KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad – 500 032
Tel. No. : 040- 67162222
Fax No. : 040- 23001153
E-mail : einward.ris@kfintech.com
Website : www.kfintech.com

RTA's performance in servicing shareholders has been satisfactory. All the investor grievances have been promptly attended to.

viii. Share Transfer System

All share transfer activities under physical segment like receipt/ dispatch of documents and their verification are being carried out by M/s Alankit Assignments Limited. As per SEBI (Listing Obligations and Disclosure Requirements (Fourth Amendment) Regulations, 2018, w.e.f. 01.04.2019, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed unless the securities are held in the dematerialized form. In line with the Listing Regulations, share certificates are being issued within the timeline prescribed for transmission, transposition, sub-division and consolidation.

ix. Distribution of Shareholding

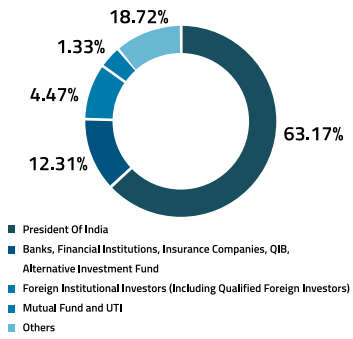
i. Distribution of shares according to size of holding as on March 31, 2021

No. of equity share(s) held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 - 500	826102	81.49	110071938	3.16
501 - 1000	93020	9.18	75649152	2.17
1001 - 2000	48879	4.82	74637450	2.14
2001 - 3000	16454	1.62	42699961	1.23
3001 - 4000	7125	0.70	25821702	0.74
4001 - 5000	6681	0.66	31879251	0.92
5001 - 10000	9088	0.90	68369712	1.96
10001 and above	6410	0.63	3052934189	87.68
Total	**1013759**	**100**	**3482063355**	**100**

ii. Shareholding Pattern as on March 31, 2021

Category	2021		2020	
	Voting strength (%)	No. of Shares held	Voting strength (%)	No. of Shares held
Promoters Holding				
Indian Promoters-				
President of India (POI)	63.17	2199650402	63.17	2199650402
Total Promoter Holding	**63.17**	**2199650402**	**63.17**	**2199650402**
Non-promoters Holding				
Banks, Financial Institutions, Insurance Companies, Qualified Institutional Buyers, Alternative Investment Fund	12.31	428740274	12.28	427674203
Foreign Institutional Investors (including Qualified Foreign Investors)	4.47	155519893	9.36	325989415
Mutual Funds and UTI	1.33	46172073	5.62	195826511
Others				
Individuals	16.65	579818714	8.00	278542017
Bodies Corporate	0.69	23948963	0.80	27825151
NRIs & Foreign National/ Entity	0.72	24980324	0.41	14205495
Trust	0.01	462075	0.11	3680869
Clearing Members	0.64	22402985	0.24	8337813
IEPF	0.01	366052	0.01	331267
Directors & Relatives	0	100	0	212
State Govt.	0	1500	0	0
Total Non-promoter Holding	**36.83**	**1282412953**	**36.83**	**1282412953**
Grand Total	**100.00**	**3482063355**	**100.00**	**3482063355**

Shareholding Pattern as on March 31, 2021



iii. List of shareholders who are holding more than 1% of the shares of the Company as on March 31, 2021

Category & Shareholder's Name	March 31, 2021	
	Voting strength	No. of shares held
Promoters		
President of India	63.17	2199650402
Non-promoters		
Life Insurance Corporation of India	10.07	350647914

x. Dematerialisation of shares and liquidity

In accordance with the directions of the Securities & Exchange Board of India (SEBI), trading in BHEL shares by all categories of investors in demat form has been made compulsory w.e.f. April, 5, 1999. BHEL has executed agreement with both the depositories of the country i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of its securities under demat mode. As on March, 31, 2021, 99.97% (NSDL: 91%, CDSL: 8.97%) of the total equity share capital of BHEL is being held in demat mode by the shareholders. Shares held in physical mode by the shareholders are 0.03%. Shareholding of Hon'ble President of India (being the Promoter of the Company holding 63.17% of the paid-up share capital of the Company) is also held in dematerialized form. The International Securities Identification Number (ISIN) allotted to the Company is INE257A01026.

xi. Outstanding GDRs /ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

Nil

xii. List of Credit Ratings received during the year is disclosed in the main Report of the Board of Directors.

xiii. Foreign Exchange risk or Commodity price risk and hedging activities

Hedging activities/transactions during the financial year 2020-21 has been undertaken by the Company in line with the Board approved Foreign Exchange Risk Management Policy.

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

a) Total exposure of the listed entity to commodities in INR: ₹1438 Crore (approx.)

b) Material exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity (in ₹ Crore) (approx.)	Exposure in Quantity terms towards the particular commodity (in MT) (approx.)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Steel	1040	195723	-				
Copper	350	5095	-				
Aluminium	30	1400	-				
Nickel	15	120	-				
TIN	3	22	-				

c) Major Industrial commodities like Steel, Copper, Aluminum etc. are being procured centrally by one of the identified units by bulking the requirements of various BHEL units, to the extent possible, to derive price advantage. To insulate the Company against price fluctuations, Framework Agreements are finalized periodically.

xiv. Plant locations

BHEL Manufacturing Units	
Bengaluru	1. Electronics Division (EDN)
	2. Electronics Systems Division (ESD)
	3. Solar Business Division (SBD)
Bhopal	4. Heavy Electrical Plant (HEP)
Goindwal	5. Industrial Valves Plant (IVP)
Haridwar	6. Heavy Electrical Equipment Plant (HEEP)
	7. Central Foundry Forge Plant (CFFP)
Hyderabad	8. Heavy Power Equipment Plant (HPEP)
Jagdishpur	9. Fabrication, Stamping & Insulator Plant (FSIP)
Jhansi	10. Transformer Plant (TP)
Rudrapur	11. Component Fabrication Plant (CFP)
Ranipet	12. Boiler Auxiliaries Plant (BAP)
Tiruchirappalli	13. High Pressure Boiler Plant (HPBP)
	14. Seamless Steel Tube Plant (SSTP)
Thirumayam	15. Power Plant Piping Unit (PPPU)
Visakhapatnam	16. Heavy Plates & Vessels Plant (HPVP)
BHEL Repair Units	
Mumbai	1. Electrical Machine Repair Plant (EMRP)
Varanasi	2. Heavy Equipment Repair Plant (HERP)
BHEL Subsidiary	
Kasaragod	1. BHEL Electrical Machines Ltd. (BHEL-EML)

xv. Address for correspondence

Shareholders can send their queries regarding transfer of shares, non-receipt of dividend, revalidation of dividend warrants and any other correspondence relating to the shares of the Company either to:

M/S ALANKIT ASSIGNMENTS LIMITED

UNIT: BHEL

Delhi:
4E/2, Alankit House,
Jhandewalan Extension,
New Delhi – 110055

Phone: 011-42541234
Fax: 011-23552001
Email: rta@alankit.com

OR

Shri Rajeev Kalra
Company Secretary

Phone: 011-26001046
Fax : 011-66337533
Email : shareholderquery@bhel.in

BHEL
Regd. Office: BHEL House,
Siri Fort, New Delhi – 110 049

Note: Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

Declaration: Pursuant to Listing Regulations, it is hereby declared that all the Board members and Senior Management personnel have affirmed compliance with BHEL's "Code of Business Conduct and Ethics" for the financial year 2020-21.

For and on behalf of the Board of Directors of
BHARAT HEAVY ELECTRICALS LTD.



Dr. Nalin Shinghal
Chairman & Managing Director

Place: New Delhi
Dated: 27.08.2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

{pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015}

To
The Members,
Bharat Heavy Electricals Limited
BHEL House, Siri Fort
New Delhi-110049

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Bharat Heavy Electricals Limited having CIN: L74899DL1964GOI004281 and having registered office at BHEL House, Siri Fort, New Delhi-110049 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10 (i) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations/ representations furnished to us by the Company & its Director/ officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities & Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director (as per DIN)	DIN	Date of appointment in Company
1	Nalin Shinghal	01176857	08.07.2019
2	Shashank Priya	08538400	04.10.2019
3	Amit Mehta	08859397	02.09.2020
4	Rajesh Sharma	01586332	20.02.2019
5	Raj Kamal Bindal	07423392	31.01.2020
6	Manish Kapoor	02405818	31.01.2020
7	Subodh Gupta	08113460	18.04.2018
8	Kamalesh Das	08376769	01.03.2019
9	Anil Kapoor	08587329	15.10.2019
10	Renuka Gera	08970501	01.12.2020

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

SPNG & Associates
Practicing Company Secretaries



FRN: P2021DE086300
CS P.N Gupta
C.P. NO. : 6778
FCS NO: 4430
UDIN: F004430C000317699

Place: New Delhi
Date: 15 May, 2021

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

The Members,

Bharat Heavy Electricals Limited

1. I have examined the compliance conditions of Corporate Governance by Bharat Heavy Electricals Limited (CIN:L74899DL1964GOI004281) for the year ending 31st March 2021 as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India in May, 2010.

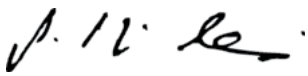
2. The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementations thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In my opinion and to the best of my information and according to the explanations and assurance given to me, I certify that the Company has complied with all applicable conditions of Corporate Governance as stipulated in the Listing Regulations and Guidelines on Corporate Governance for CPSEs issued by DPE, *except Regulation 17(1) (a) and (b) of the Listing Regulations and Clause 3.1.4 of the DPE Guidelines, as the Company did not have requisite number of independent directors on its Board including at-least one independent woman director.*

4. The Company has explained that BHEL, being a Government Company, the appointment of the Independent Directors is made by the Govt. of India. The Company is in constant communication with the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises, Government of India, for the appointment of requisite number of Independent Directors including at least one independent woman director on its Board.

5. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

6. I have conducted on line verification and examination of records, as facilitated by the Company due to Covid 19 for the purpose of issuing the Certificate.



(P.S.R. Murthy)
Practicing Company Secretary
UDIN: A005880C000395874

Place: New Delhi
Date: 31st May 2021

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Bharat Heavy Electricals Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat Heavy Electricals Limited, CIN: L74899DL1964GOI004281 (hereinafter called 'the Company' or 'BHEL'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (Not applicable to the Company during the audit period); and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

vi) We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with all the specific applicable laws to the Company including:

(a) Atomic Energy (Radiation Protection) Rules,2004;

(b) Batteries (Management and Handling) Rules, 2001;

(c) Factories Act, 1948;

(d) The Indian Boilers Act, 1923; and

(e) Manufacturing, Storage and Import of Hazardous Chemical Rules, 1989.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards with regard to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India; and

ii. Corporate Governance Guidelines issued by the Department of Public Enterprises vide their OM No. 18(8)/2005-GM dated 14th May, 2010.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observation:

The composition of the Board of Directors is not in compliance with Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of the DPE Guidelines on Corporate Governance as the Company did not have requisite number of independent directors including atleast one independent woman director on its Board.

The Company has explained that BHEL, being a Government Company, the nomination/ appointment of independent directors is made by the Government of India. The Company has already requested the Department of Heavy Industry in the Ministry of Heavy Industries, Government of India for nomination of requisite number of independent directors including atleast one independent woman director on its Board.

We further report that the changes in the Board of Directors that took place during the period under review were carried out in due compliance with the provisions of the Act.

Generally, adequate notice is given to all Directors to schedule the Board Meetings and agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous in all cases and no dissenting views have been recorded.

We further report that based on the review of compliance mechanism established by the Company and on the basis of the Certificates of Legal Compliance taken on record by the Board of Directors at their meetings, we are of the opinion that there are adequate systems and processes in the Company commensurate with the its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For P. P. AGARWAL & CO.
Company Secretaries



Pramod Prasad Agarwal
Proprietor
M.No. F4955, C.P. No. 10566
P.R.C. No. 1241/2021
UDIN: F004955C000491650

Place: New Delhi
Date: 21.06.2021

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,

The Members,

Bharat Heavy Electricals Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. We have physically checked records during the course of major part of the Audit. However, due to spread of COVID-19 pandemic and consequent lockdown of work places/ offices, we conducted online verification and examination of balance records, as facilitated by the Company in the latter part of the audit.

5. Wherever required, we have obtained the Management representation about the proper compliance of laws, rules, regulations etc.

6. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test check basis.

7. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For P. P. AGARWAL & CO.
Company Secretaries



Pramod Prasad Agarwal
Proprietor
M.No. F4955, C.P. No. 10566
P.R.C. No. 1241/2021
UDIN: F004955C000491650

Place: New Delhi
Date: 21.06.2021

Annexure-III to the Board's Report

CEO and CFO Certification

(in terms of Regulation 17(8) of SEBI (LODR) Regulations 2015)

To,
The Board of Directors
Bharat Heavy Electricals Ltd.,
New Delhi.

(a) We have reviewed Financial Statements and the Cash Flow statement of Bharat Heavy Electricals Limited for the year ended 31st March, 2021 and that to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with the applicable Ind AS, laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2020-21 which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee.

(i) Significant changes, if any, in internal control over financial reporting during the year 2020-21;

(ii) Significant changes, if any, in the accounting policies during the year 2020-21 and the same have been disclosed in the notes to the financial statements; and

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(Subodh Gupta)
Director (Finance)

(Dr. Nalin Shinghal)
Chairman & Managing Director

Place: New Delhi
Date: June 11, 2021

SUSTAINABLE DEVELOPMENT





Annexure-IV to the Board's Report

4.1 Sustainability Performance –Environmental

Commitment to the tenets of Sustainable Development is embeded in our business processes.BHEL manages its environmental impact across the entire manufacturing value chain in a responsible manner. Internally, various initiatives are in place to optimally manage key aspects of materials, water, energy, emissions and biodiversity in the larger interest of society. In addition, we also facilitate our customers in managing their environmental and social impacts throughout the entire operational lifecycle of the power plants by offering them state-of-the-art engineering and technology inputs for reducing greenhouse gas emissions - as well as water consumption, better heat rate, less auxiliary power consumption with less fuel requirement resulting in lesser environmental footprint of our products and services.

In the following sections, glimpses of activities carried out under sustainable development is presented for the year 2020-21

4.1.1 Responsible Material & Natural Resource Consumption

As an organization involved in manufacturing of plethora of products & systems, BHEL is well aware of its responsibility towards sustainable use of natural resources including raw material. Towards resource conservation activities, the principle of reduce-recycle-reuse is extensively used in our planning and operations. Activities like reuse of scrap in our manufacturing unit for instance reuse of 1200 MT of Mild Steel Scrap and 32 MT of copper scrap in the foundry shop of Bhopal, despatch of scrap to CFFP Haridwar by sister units for manufacturing of large castings and forginigs, reuse of packing wood to make cupboard for storage & packaging of products, resue of waste oil and recycling of hydraulic oil optimization of nesting plan for sheet cutting to avoid wastage, recovery of 35 MT of oil from the oil skimmer and coolant treatment plant at HEEP Haridwar, reclamation and reuse of 820 MT of sand in foundary shop of HEP Bhopal are some of the activities reflecting our efforts towards sustainable natural resource consumption in our operations during 2020-21.

4.1.2 Energy Management

Sustainable use of energy across our premises is an important element of business decision making process. We have taken numerous activities in energy conservation / efficiency which has resulted in lot of saving in our energy consumption. Some of our units which have been considered as energy intensive, have undergone through detailed energy audit process and subsequently obtained ISO 50001 certification to harness energy saving opportunities to the extent feasible. Reduction in lighting load through switching to energy efficient lighting fixtures in offices/street lighting is a regular activity in our organization. Activities like reconditioning of refractory bricks of 10 Ton Furnace leading to efficient utilization and reduction in fuel consumption at BAP Ranipet, optimization of capacity of air compressor at EDN Bengaluru and HEEP Haridwar, replacement of 538 Nos. 1& 2 - star ACs with latest 5-star rated ACs and replacement of LPG Cylinder by PNG Gas by laying Natural Gas Line for Canteen no. 3 & 5 at HEEP Haridwar, overhauling and modification in hydraulic circuit of innocenti milling column machine at HEP Bhopal, etc. are some examples of the activities carried out during 2020-21 related to energy conservation / efficiency.

Generation of Renewable Energy for captive use has gained momentum in the recent years in our organization. Now we have nearly 28 MWe installed capacity of solar power plant comprising of ground mounted as well as rooftop solar systems. It has resulted into lesser dependence on DG sets and achieve sustainable energy mix in our operations. During the year 2020-21, a total of 27.2 Million Units of green energy was generated across our company.

4.1.3 Water and Biodiversity Management

Water is a very precious natural resource and managing water & wastewater sustainably and enhancing the green cover across our premises are important elements of our business activities. 12 Sewage Treatment Plants and 12 Effluent Treatment Plants installed across our premises help us in meeting the discharge norms and making most of our units Zero Liquid Discharge (ZLD) entities. Further, to maintain the green belt across our establishments, treated wastewater is reused for horticultural purpose which helps us in reducing the demand for fresh water.

At our units, superannuating employees and visiting dignitaries plant the sapling to mark the occasion. Further World Environment Day is a day of mass tree plantation across our unit. Overall nearly 35,500 saplings were planted across BHEL during 2020-21 to enhance our verdant cover and will act as carbon sink in future.

4.1.4 Carbon Management

Our efforts in energy conservation/efficiency, increasing grenery in our premise, development of cleaner products, use of cleaner fuel in our operations, use of piped gas wherever feasible avoidance carriage of fule thorugh transport – all of them help us in reducing our carbon footprint also. During the year 2020-21, we have



5MW in-house Solar PV installation at BAP, Ranipet for captive power generation

avoided nearly 26,118 Metric Tons of Carbon Dioxide emission due to generation of renewable energy in our premises.

4.1.5 Waste Management

In our process reduction of generation of waste is taken as a very important activity and our nesting plan for cutting of metal sheet is made in such a way to take care of this aspect. However, once the scrap is generated, it is either used in the local foundary shop for making castings/forgings or sent to CFFP Haridwar / authorise recycler for melting into the furncae for avoidance of virgin material consumption.



Inauguration of 7 MLD capacity Sewage Treatment Plant (STP) at HEEP, Haridwar

The hazardous waste generated at units are disposed as per the regulatory requirement and necessary records for scrutiny of authority is duly maintained.

Some of the specific activities related to responsible waste management conducted during 2020-21 included establishment of a 500 Kg/Day bio-gas plant to utilise kitchen waste and generate energy at HEP Bhopal, development of hazardous waste storage area in HEEP Haridwar, wormicomposting of kitchen waste at HERP Varanasi, set up an incinerator which works using the Controlled Oxygen Rotating Technology (CORT) to incinerate the solid wastes generated inside Factory and Township premises at BAP Ranipet etc.

As a special initiative to fight plastic pollution, BHEL has taken tremendous effort to ensure that all our townships are made "Single Use Plastic Free" and got 3rd party certification for the same for these 14 townships.

4.2 Sustainability Performance – Social

For its CSR initiatives, BHEL has identified Seven Thrust Areas. These are elaborated in BHEL's CSR policy. All the activities in these thrust areas are in line with activities and areas mentioned in Schedule VII of the Companies Act,2013. Brief description of some key interventions during the year, in these thrust areas, are given below:

Clean India

- BHEL continued with its program for constructing Bio-digester toilets in Haridwar & Rishikesh. Twenty-Two clusters of these Bio-digester toilets have been completed.
- Construction of toilets block in Christian cemeteries located in Bairagarh & Bhadbhada area of Bhopal.



Inauguration of Bio-digestor toilets constructed by BHEL at Haridwar and Rishikesh

Educated India

- Distribution of scholarship to 44 Widow Ward / Orphan / PH school students in BHEL adopted villages and 15 physically challenged ITI students.
- Financial support for construction of Tin shed at Govt. Hr. Primary School, Lunkaransar, Bikaner (Rajasthan).
- Financial support for construction of Tin shed & Chowki at Govt. Sr. Sec. School, Janglu, Bikaner (Rajasthan)



Bicycles handed over to girl students by BHEL Jhansi



Financial support to ALIMCO for distribution of aids and appliances at aspirational districts of the country

Healthy India

- Providing Anti Hemophilic Factors (AHF) to Persons & Children with Hemophilia (P &Cwh) in various Aspirational Districts across India under our CSR initiative "Heal-A-Soul IV"
- Financial support to "Nav Bharat Jagriti Kendra (NBJK), Hazaribag (Jharkhand)" for free cataract surgery of cataract-blind patients from nearby areas in Bihar and Jharkhand
- Financial support to the Artificial Limbs Manufacturing Corporation of India (ALIMCO) for distribution of Aids and Appliances to Divyangjan at Aspirational Districts Haridwar (Uttarakhand), Khammam (Telangana), Damoh (Madhya Pradesh), Khagaria (Bihar).
- Financial support to the "Cure International India Trust (CIIT), New Delhi" for treating children born with club foot disability using ponseti method at Rishikesh (Uttarakhand), Jhansi (UP), Guwahati (Assam) and Bhubaneshwar (Odisha), covering patients from nearby areas, including aspirational districts".
- Financial support to HelpAge India for providing service of 03 (three) Mobile Healthcare Units, one each at Satpura (MP), Bikaner (Rajasthan) & Noida (UP).
- Financial Support to NGO - "Cankids KidsCan" for Providing Medical Assistance to 200 children aged between 0-19 and Medical Equipment for Hospitals & Palliative Care Centre for the Children suffering from Cancer across India (covering Aspirational Districts).

Responsible India

- Financial support for construction of Bridge and Road across the canal at Makali to Harokyathanahalli, Dasanapura Hubli, Bangalore North Taluk.
- Distribution of wheel chairs to rural poor people, Chennai, Tamil Nadu



BHELMister was used to sanitise ghats during Kumbh Mela 2021





Several health camps organised by BHEL during COVID period





Inclusive India

- Financial support to Municipal Commissioner, Varanasi for Installation of Heritage Street Lighting system in Varanasi.
- Financial support to the "Professional Assistance for Development Action (PRADAN)" for the project: Motivating AgRarian communities of Aspirational District Kandhamal (Odisha) for their Economic Transformation.
- Vocational & Skill Development Training to Differently Abled & Visually Impaired Children, Vizag, Andhra Pradesh.

Disaster Relief

- Distribution of essential grocery items to the affected families of workers during flash flood in Chamoli distt, Uttarakhand.



Skill development training given to women in various trades through BHEL Ladies Club at its major units

4.3 Annual Report for CSR Activities

(as per the requirement of The Companies (CSR Policy) Rules, 2014)

1 Brief outline on CSR Policy of the Company. **(Annexure-A)**

2. Composition of CSR Committee

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee Held during the year	Number of meeting of CSR Committee attended during the year
1	Ranjit Rae, Independent Director (upto September 11, 2020)	Chairperson	2	2
2	Manish Kapoor Independent Director	Chairperson (w.e.f. September 12,2020) Member (w.e.f. May 29,2020 upto September 11, 2020	1 2	1 2
3	Amit Varadan, JS, DHI, Part-time Official Director (upto September 2, 2020)	Member	2	2
4	Amit Mehta, JS, DHI, Part-time Official Director (upto February 5, 2021)	Member (w.e.f. September 2, 2020)	1	1
5	Rajesh Sharma, Independent Director	Member	3	3
6	Subodh Gupta Director (Finance)	Member	3	3
7	Anil Kapoor Director (HR)	Member	3	3

Head (CSR), Corporate Office is Permanent Invitee. Company Secretary acts as Secretary to the Committee.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company

Web-link ---------- https://www.bhel.com/csr

4. Provide the details of Impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

An Impact Assessment of following completed CSR project valuing more than ₹1.00 Crore was got done from external agency. The details of project are as below.

Project	Implementing Agency	Impact Assessment done by
Construction of cemented roads, drains, community halls, boundary wall, etc. in villages of Bhandara District, Maharashtra	PWD, Maharashtra	M/s Surya Envirotech, Nagpur, Maharashtra

Executive summary of Impact assessment report is attached as **Annexure-B**

Detailed Impact Assessment report is available at the web link---- https://www.bhel.com/csr

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

S.No.	Financial Year	Amount available for set-off from preceding Financial Year (in ₹)	Amount required to be set-off for the Financial Year, if any (in ₹)
	Nil	NIL	NIL
	Total		

6. Average net profit of the company as per section 135 (5) ₹1009.00 Crore
7. (a) Two percent of average net profit of the company as per section 135 (5) ₹20.18 Crore
   (b) Surplus arising out of the CSR Projects or Programmes or activities of the previous Financial Years. Nil
   (c) Amount required to be set off for the Financial Year, if any. Nil
   (d) Total CSR obligation for the Financial Year (7a + 7b + 7c) ₹20.18 Crore
8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount (In ₹Lakh)	Date of Transfer	Name of the Fund	Amount	Date of Transfer
1441.99 Lakh	2126.95	30.04.2021	Nil	Nil	N/A

(b) Details of CSR amount spent against ongoing projects for the financial year: **₹466.35 Lakhs Attached Annexure-C**

(c) Details of CSR amount spent against other than ongoing projects for the financial year: **₹903.54 Lakhs**

Attached Annexure-D

(d) Amount spent in Administrative Overheads----------**₹69.92 Lakh**

(e) Amount spent on Impact Assessment, if applicable----**₹2.18 Lakh**

(f) Total amount spent for the Financial Year ----------**₹1441.99 Lakh**

(8b + 8c + 8d + 8e)

(g) Excess amount for set off, if any---------- ----------**Nil**---------

S. No.	Particular	Amount (in ₹lakh)
(i)	Two percent of average net profit of the company as per section 135 (5)	2018.00
(ii)	Total amount spent for the Financial Year	1441.99
(iii)	Excess amount spent for the financial year [(ii) – (i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii) – (iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR A/c under Sec 135 (6) (in ₹ Lakh)	Amount spent in the reporting Financial Year (in ₹ Lakh)	Amount transferred to any fund specified under Sch. VII as per sec. 135 (6), If any			Amount remaining to be spent in succeeding Financial years (in ₹ Lakh)
	2017-18	Nil	3316.08	Nil	Nil	N/A	3113.92
	2018-19	Nil	1601.45	Nil	Nil	N/A	2182.47
	2019-20	Nil	3511.53	Nil	Nil	N/A	1550.94
	2020-21	2126.95	1441.99	Nil	Nil	N/A	2126.95

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Details attached as Annexure-E

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created acquired through CSR spent in the financial year.

(Asset-wise details). As tabulated below

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

S. No.	Date of creation or acquisition of the capital asset(s).	Amount of CSR spent for creation or acquisition of capital asset. (In ₹ Lakh)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
1	20.04.2020	2.00	New Delhi Railway Station	Electrostatic Disinfection Machine(EDM) for sanitization during COVID Address:- New Delhi Railway Station, New Delhi
2	09.05.2020	2.00	Office of Department of Heavy Industry (Govt. of India), New Delhi	Electrostatic Disinfection Machine(EDM) for sanitization during COVID Address:- Office of Heavy Industry, New Delhi
3	09.05.2020	2.00	Om Arogyam Yog mandir, Kankhal, Haridwar, Uttarakhand	Electrostatic Disinfection Machine(EDM) for sanitization during COVID Address:- Om Arogyam Yog mandir, S-8, Sandesh nagar, Kankhal, Haridwar, Uttarakhand
4	09.05.2020	2.00	Public Health Department, Noida Authority, Sec-39, Noida, Gautam Buddha nagar	Electrostatic Disinfection Machine(EDM) for sanitization during COVID Address:- Public Health Department, Noida Authority, Sec-39, Noida, Gautam Buddha nagar
5	01.07.2020	3.00	Noida Authority, Noida, Gautam Buddha nagar	Sanitising spray machine (BHEL Mister) for sanitizing during COVID Address:- Noida Authority, Noida, Gautam Buddha nagar
6	28.05.2020	3.00	District Development Officer, Vikas Bhawan, Kanpur	Sanitising spray machine (BHEL Mister) for sanitizing during COVID Address:- District Development Officer, Vikas Bhawan, Kanpur

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

1) Many projects taken during the year and others continuing from previous years stretch beyond 2020-21. Fund required for completing these projects shall be met from the fund already allocated to them from the CSR budget.

2) Implementation of projects got impleaded due to imposition of lockdowns and other restrictions on movement of manpower due to COVID 19 pandemic.

3) In line with CSR Policy of BHEL, CSR Budget for 2020-21 has been fully committed for CSR Projects , the Unspent committed amount will not lapse and will be used for CSR Projects in future.

12. We, hereby, declare that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Chairman & Managing Director

Chairperson
CSR Commitee

New Delhi
Date: 27.08.2021

Annexure-A

BHEL Corporate Social Responsibility (CSR) Policy Outline

CSR Vision: To be a responsible corporate citizen working towards a better tomorrow.

CSR Mission:

To sincerely & effectively discharge company's responsibility in the identified CSR thrust areas and other areas listed out in the Companies Act, 2013.

Objectives of the Policy:

- To define CSR projects or programs which BHEL plans to undertake and which fall within the purview of the Companies Act 2013, the Companies (CSR Policy) Rules, 2014 and the prevailing DPE Guidelines.
- Modalities of execution of such CSR projects or programs.
- Monitoring process of such CSR projects or programs.
- To make the stakeholders aware about CSR practices in BHEL.
- To work keeping in mind the larger objective of sustainable development in conduct of business and in pursuit of CSR agenda.

Salient Features of the Policy:

- It covers the requirements stated in the Companies Act-2013, the Companies (CSR Policy) Rules-2014 and DPE Guidelines on CSR & Sustainability;
- It defines the thrust areas for CSR activities, which are based on the activities mentioned in Schedule VII of the Companies Act, 2013.
- It specifies that 2% of average net profit during the three immediately preceding financial years will be allocated for CSR activities.
- The company shall give preference to the local areas for spending at least 75% of the amount earmarked for CSR activities.
- A project having total value equal to or more than ₹2 crore will be termed as Mega project and Impact assessment of such projects will be mandatorily got done through an external agency.
- There is a provision to reserve 5% of the annual CSR budget as Emergency Fund to take up relief activities for any disaster/calamity.
- It stipulates that 5% of total CSR expenditure for the year shall be kept as a reserve for capacity building including administrative overheads.
- It provides information about organizational structure for CSR in BHEL.

Web-Link to CSR Policy:

BHEL CSR Policy is hosted on www.bhel.com under CSR section and can be accessed through the link **https://www.bhel.com/csr**

Annexure-B
Executive Summary BHEL

SURYA ENVIROTECH
Ph : +91-712-2742664, Off : 7721968783, Cell : +91-9860352441, 9370522007
E-mail : suryaenvirotech@rediffmail.com, suryaenvirotechmpj@gmail.com
Web Site : www.suryaenviro.com
237, Hanuman Nagar, Nagpur - 440009 (MS)

EXECUTIVE SUMMARY FOR IMAPCT ASSESSMENT OF MEGA CSR PROJECT DISTRICT BHANDARA

1.0 Introduction

BHEL is one of the largest engineering and manufacturing companies of its kind in India engaged in design, engineering, construction, testing, commissioning and servicing of a wide range of products and services with over 180 product offerings to meet the ever-growing needs of the core sectors of economy.

The impact of implementation of Mega Corporate Social Responsibility Project in the village viz. Andhalgaon, Warthi, Karadi, Sihora, and Taluka Pauni and Sakoli is assessed and come to conclusion to find out the quality of life of the study area. The assessment is done on the basis of satisfactory level of the villagers and citizens in regard of transportation, communication, health, education and infrastructural resource based development.

1.1 Objectives of the study

- To prepare a demographic profile of the study area
- To assesses Existing Socio-Economic status of people in the study area
- To Identify and quantify nature of employment existing and future opportunities
- To assesses Quality of Life of people in the study area
- To evaluate infrastructure resource base, viz. medical, education, water resources, power supply
- To evaluate economic resource base, viz. agriculture, industries, forest, trade and commerce
- To evaluate health Status, viz. morbidity pattern with reference to prominent and endemic diseases (e.g. Covid – 19, Swain Flue, Dengue, Fluorosis, Malaria, Filarial)
- To evaluate cultural and aesthetic attributes in the study area including places of historical/ archaeological importance
- To evaluate occupational pattern, employment status and income category of people in the study area
- Quantification of economic resources, Health status, Cultural and Aesthetic attributes etc.

- To carryout impact assessment of CSR plan of the people in the study area

1.2 The study area

The present study area for the Mega Project of Corporate Social Responsibility at Bhandara district which comprises of two urban area of Sakoli as well as Pauni and four villages i.e. Andhalgaon, Warthi, Karadi in Taluka Mohadi and Sihora in Taluka Tumsar.

1.3 Impact Assessment of CSR Action Plan in the Study Area

The management of Bharat Heavy Electricals Ltd, BHEL had started implementation of CSR in the study area for the upliftment of the villagers to enhance their Quality of Life. According to need base analysis the CSR Action Plan is implemented in the study area from 2014.. The impact assessment is done by comparing Quality of Life of study area before and after implementation of CSR Action Plan.

1.4 Methodology

The study team keeping the objectives of Impact assessment of corporate social responsibility (CSR) in view has used a variety of data collection methods. The study of such nature requires a primary household survey. However for the limited purpose of CSR study the team collected data from two sources. Firstly, household survey of the project affected people of the study area, Secondly local offices as well as non-official source. Secondary Data from Government offices has been also collected to evaluate the quality of life of villages considered for survey by the management of BHEL. The methods applied for the data collection comprise of structured questionnaire, in depth interviews and focus group discussion.

The team went in each village at different days to conduct focused group discussions (FGD) of the villagers. Each of these FGDs comprises different group of Panchayat members, school teachers, leaders of informal / formal organization & village representatives. Each of the FGDs has very extensive lasting for at least 2 to 3 hours of duration. Besides, a keen personal observation of the team was a part of CSR. Moreover, secondary sources of data comprised various government department (local & district level) and project authorities.

2.0 Demographic Structure

The study area comprises of 06 villages from Bhandara District of Maharashtra.

Comparison of Socio- Economic Attributes of the area with Bhandara district and state is as follows:

Table

Demography at a Glance within the Study Area

Sr. No.	Demographic parameters	Details
1.	Number of villages	06
2.	Total no. of residential households	15560
3.	Total population	67251
4.	Scheduled caste %	12903 (19.2%)
5.	Scheduled tribe %	4027 (5.98%)
6.	Sex ratio (female per thousand male)	980.5
7.	Literates (%)	53218 (79.13%)
8.	Main workers (%)	18575 (27.62%)
9.	Marginal workers (%)	8536 (12.69%)
10.	Non workers (%)	40140 (59.68%)

Source: Primary Census Abstract CD-2011, Nagpur District Maharashtra State.

Table

Existing Quality of Life of the Villages in Study Area
Comparative Table (2005- 2015)

Sr. No.	Name of the villages	QoL(c) (2013)	QoL(c) (2020)
1	Warthi	0.53	0.59
2	Andhalgaon	0.525	0.59
3	Kardi	0.535	0.56
4	Sihora	0.57	0.58
5	Sakoli	0.57	0.61
6	Pauni	0.56	0.58
	Total	**0.55**	**0.58**

QoL(s) = Subjective Quality of Life
QoL(o) = Objective Quality of Life
QoL(c) = cumulative Quality of Life

3.0. Socio - Economic Impacts

Implementation of Mega Project of CSR by BHEL PSWR would create certain impacts with beneficial effects on the socio-economic environment. Some of these impacts would be more effective for the immediate vicinity with short term effects whereas the others would be of higher order or of long term in nature.

The impacts of Mega Project of CSR by BHEL PSWR on parameters of human interest have been assessed in terms of:

- The impact due to enhancement in transportation and communication with respect to the other support facilities

Beneficial Impacts

The impacts identified as beneficial support for Mega CSR project activities. They are:

- Trade opportunities for the local people as well as for those from the nearby surrounding area would increase due to increase in transportation facility
- Due to influx in population, the trade, business opportunity for the local people would increase, raising the economic status of the people around the study area
- Evolution towards urbanization as well as the influx of working people within the study area would lead to favorable changes in the existing infrastructure facilities, which may further improve the quality of life of the study area
- Due to urbanization there would be an overall development of the area and business opportunities, which may improve the quality of life of the study area.



Annexure-C

Details of CSR amount spent against ongoing projects for the financial year

(In ₹ Lakh)

S. No.	Name of the project	Item No. from schedule VII	Local Area (Yes/No)	Location of the Project	Amt. allocated	Amt. spent in FY 2020-21	Amt. transferred to unspent CSR A/c.	Implementation Mode Direct (Yes/ No)	Implementing Agency	
				State, District					Name	CSR Registration No
										Amt. In ₹ Lakh
1	Community Bio-digester Toilets Clusters along with drinking water facility	1, Clean India	Yes	Uttarakhand, Haridwar	565.00	37.08	95.51	No	FICCI	N/A
2	Cleft surgery of cleft patients	1, Healthy India	Yes	Uttarakhand, Haridwar	56.00	11.20	44.80	No	Mission Smile	N/A
3	Running of Mobile Medicare Unit in rural areas	1, Healthy India	Yes	Maharashtra, Raigad	33.00	28.02	4.98	No	Wockhardt Foundation	N/A
4	Running of Mobile Medicare Unit	1, Healthy India	Yes	Maharashtra, Ratnagiri	33.00	27.06	5.94	No	Wockhardt Foundation	N/A
5	Capacity building of ASHA workers of Kalyan Block, Thane	1, Healthy India	Yes	Maharashtra, Thane	18.00	6.00	0.00	No	Rambhau Mhalgi Prabodhini (RMP)	N/A
6	Construction of Girl's toilet at Govt. ITI	1, Clean India	Yes	TN, Vellore	10.00	6.09	3.91	Yes	BHEL	N/A
7	04 nos Eletrostatic Disinfection Machine for fighting against COVID-19	1, Healthy India	Yes	Uttarakhand (Haridwar), Delhi/NCR	10.00	8.00	2.00	Yes	BHEL	N/A
8	COVID Relief - Distributing Nutrition kits to labourers near Rourkela Site	1, Healthy India	Yes	Odisha, Sambalpur	9.93	9.55	0.39	Yes	BHEL	N/A
9	COVID Relief - Distributing Nutrition kits to villagers near North Karanpura site	1, Healthy India	Yes	Jharkhand, Chatra	9.80	9.28	0.52	Yes	BHEL	N/A
10	Eye Check-up Camp and cataract surgeries of poor patients	1, Healthy India	Yes	Uttarakhand, US Nagar	9.26	0.30	0.30	No	M/s I Care Hospital, Noida	N/A
11	Support for Medical accessories and Equipment to Hospice	1, Healthy India	Yes	MP, Jabalpur	9.00	9.00	0.00	No	Brahmrishi Mission Samiti	N/A
12	Face mask, PPE kits, sanitizers, gloves etc. for fight against COVID-19	1, Healthy India	Yes	Uttarakhand, Haridwar	8.98	5.06	3.92	Yes	BHEL	N/A
13	15 numbers baby warmers used in neonatal care in COVID wards at (PHCs)	1, Healthy India	Yes	Telangana, Sangareddy	6.26	5.93	0.34	Yes	BHEL	N/A
14	Construction of toilet blocks in 02 cemeteries	1, Clean India	Yes	MP, Bhopal	5.00	3.27	1.73	Yes	BHEL	N/A
15	Providing relief material to district administration for fight against COVID-19	1, Healthy India	Yes	Uttarakhand, Haridwar	5.00	4.80	0.20	Yes	BHEL	N/A

S. No.	Name of the project	Item No. from schedule VII	Local Area (Yes/No)	Location of the Project	Amt. allocated	Amt. spent in FY 2020-21	Amt. transferred to unspent CSR A/c.	Implementation Mode Direct (Yes/No)	Implementing Agency	
				State, District					Name	CSR Registration No
16	Hospital Bed, Mattresses etc for PHC Tandwa near North Karanpura site	1, Healthy India	Yes	Jharkhand, Chatra	4.28	4.22	0.06	Yes	BHEL	N/A
17	RO Plant 1500 liters/hr at Veerareddy Pally	1, Clean India	Yes	Telangana, Sangareddy	4.00	3.95	0.05	Yes	BHEL	N/A
18	Construction of Toilet Complex in Gurukul Mahavidyalay, Jwalpur	1, Clean India	Yes	Uttarakhand, Haridwar	3.37	3.37	0.00	Yes	BHEL	N/A
19	Construction of a female Toilet Complex in SMJN (PG), College	1, Clean India	Yes	Uttarakhand, Haridwar	3.34	3.34	0.00	No	Divya Prem Sewa Mission	N/A
20	Conducting camp for physically challenged children and providing prosthetic equipment	1, Healthy India	Yes	Tamil Nadu, Chennai	2.78	2.65	0.13	No	Freedom Trust, Chennai	N/A
21	Food to terminally ill Cancer patients undergoing Palliative Care	1, Healthy India	Yes	Telangana, Rangareddy	2.40	2.40	0.00	No	Pain Relief and Palliative Care Society, Hyderabad	N/A
22	COVID Relief work -Distribution of masks, gloves, medical equipment etc. near Sagardighi site	1, Healthy India	Yes	West Bengal, Murshidabad	1.75	1.71	0.05	Yes	BHEL	N/A
23	Distribution of food packets to needy in and around BHEL Township, Noida	1, Healthy India	Yes	UP, GB Nagar	1.50	1.17	0.33	No	Ladies Welfare Association	N/A
24	Yoga Classes	1, Healthy India	Yes	MP, Bhopal	1.37	1.32	0.05	Yes	BHEL	N/A
25	Medical Camps in 06 villages	1, Healthy India	Yes	MP, Bhopal	1.26	0.51	0.75	Yes	BHEL	N/A
26	Sports items and Fans & Tubelights at ADW Hostel	1, Healthy India	Yes	TN, Tiruchirappalli	1.00	1.00	0.00	Yes	BHEL	N/A
27	Free Medical Camp for Rural & Poor People	1, Healthy India	Yes	Uttarakhand, Haridwar	0.43	0.43	0.00	Yes	BHEL	N/A
28	R.O. Plant at Vennavelli Village, Kolluru Mandal.	1, Clean India	Yes	Telangana, Khammam	0.30	0.30	0.01	Yes	BHEL	N/A
29	Distribution of Face Mask for prevention of (COVID-19)	1, Healthy India	Yes	UP, GB Nagar	0.28	0.27	0.01	No	Ladies Welfare Association	N/A
30	Construction of Boy's & Girl's Hostel buildings at Govt. Polytechnic	2, Educated India	Yes	Telangana, Nizamabad	300.00	62.50	62.14	No	Dist. Panchayat Raj Engineer, PIU, Nizamabad	N/A

S. No.	Name of the project	Item No. from schedule VII	Local Area (Yes/No)	Location of the Project	Amt. allocated	Amt. spent in FY 2020-21	Amt. transferred to unspent CSR A/c.	Implementation Mode Direct (Yes/ No)	Implementing Agency	
				State, District					Name	CSR Registration No
31	Construction of a Compound wall for Girraj Govt. Degree College	2, Educated India	Yes	Telangana, Nizamabad	100.00	12.85	26.12	No	Dist. Panchayat Raj Engineer, PIU, Nizamabad	N/A
32	Connect & Change Program for developing change makers through entrepreneurship & ideation for Inclusive Growth & Societal Development	2, Inclusive India	Yes	Maharashtra, Palghar, Rajgarh, Thane & Mumbai	18.00	1.00	0.00	No	Connecting Dreams Foundation (CDF)	N/A
33	Distribution of inspirational book & career counseling for KVS students	2, Educated India	Yes	Delhi/NCR	10.00	5.00	5.00	No	ISKCON New Delhi	N/A
34	Distribution of School Uniform and nutritional food to poor students	2, Educated India	Yes	UP, Ghaziabad	10.00	10.00	0.00	No	Menner Welfare Society	N/A
35	School uniform to underprivileged students	2, Educated India	Yes	Haryana & UP Faridabad & Niswara	9.45	4.73	0.00	No	Shirdi Sai Baba Temple Society, Faridabad	N/A
36	Road Safety Intervention program	2, Educated India	Yes	Delhi, Delhi	8.02	8.02	0.00	No	Community Against Drunken Driving, Delhi	N/A
37	Roofing for developing a multipurpose Hall at Boiler plant Girls Higher Secondary school Kailsapuram	2, Educated India	Yes	TN, Tiruchirappalli	8.00	6.57	1.43	Yes	BHEL	N/A
38	Toilets & water facility in Govt. aided school, Deepanjalingara	2, Educated India	Yes	Karnataka, Bangalore	6.80	6.08	0.72	Yes	BHEL	N/A
39	Furniture, computer, fans etc, to Govt. Primary/Junior schools	2, Educated India	Yes	UP, Amethi	6.00	6.00	0.00	Yes	BHEL	N/A
40	Construction of Dining/ Multi-Purpose Hall in Govt. Elementary School, Dhunda	2, Educated India	Yes	Punjab, Tarn Taran	5.00	4.56	0.44	Yes	BHEL	N/A
41	Demolishing and relocating the existing Toilets at Arivalayam , Kailsapuram	2, Educated India	Yes	TN, Tiruchirappalli	5.00	4.75	0.25	Yes	BHEL	N/A
42	Construction & repair works in Rajkiya Primary Vidyalaya no. 33, Haridwar	2, Educated India	Yes	Uttarakhand, Haridwar	3.56	3.53	0.03	Yes	BHEL	N/A

S. No.	Name of the project	Item No. from schedule VII	Local Area (Yes/No)	Location of the Project	Amt. allocated	Amt. spent in FY 2020-21	Amt. transferred to unspent CSR A/c.	Implementation Mode Direct (Yes/ No)	Implementing Agency	
				State, District					Name	CSR Registration No
43	Education for Slum children for one year	2, Educated India	Yes	Telangana, Rangareddy	3.30	3.30	0.00	Yes	BHEL	N/A
44	Computers for development of visually impaired students	2, Educated India	Yes	UP, Varanasi	3.00	3.00	0.00	No	Divya Jyoti Society	N/A
45	Furniture etc., to Govt. High School, Basavantapur, Yadgir	2, Educated India	Yes	Karnataka, Yadgir	3.00	3.00	0.00	Yes	BHEL	N/A
46	Smart Class facilities, furniture etc., to Govt. High School, Allipur	2, Educated India	Yes	Karnataka, Yadgir	3.00	1.93	1.07	Yes	BHEL	N/A
47	Smart Class facilities & Furniture etc to High School (Govt. P.U. College), Yeragol	2, Educated India	Yes	Karnataka, Yadgir	3.00	1.93	1.07	Yes	BHEL	N/A
48	Part funding student fees and funding of special educator salary to Autism effected children of the poor and deprived sections.	2, Educated India	Yes	Telangana, Hyderabad	2.93	0.90	0.00	Yes	BHEL	N/A
49	Construction of toilets for school children, KV, Bowenpally	2, Educated India	Yes	Telangana, Hyderabad	2.79	2.75	0.04	Yes	BHEL	N/A
50	Fencing to the proposed playground at Govt. High School, Poolathur	2, Educated India	Yes	TN, Tiruchirappalli	2.65	2.65	0.00	Yes	BHEL	N/A
51	Scholarship to Orphans, Widow wards & differently abled students.	2, Educated India	Yes	MP, Bhopal	2.40	1.32	1.08	Yes	BHEL	N/A
52	Scholarship to Physically Challenged students of ITI & Polytechnic	2, Educated India	Yes	MP, Bhopal	2.25	2.25	0.00	Yes	BHEL	N/A
53	Construction work at Boys Higher secondary School, Vannivedu	2, Educated India	Yes	TN, Ranipet	2.00	0.42	1.58	Yes	BHEL	N/A
54	Vocational Training to Divyang Children	2, Inclusive India	Yes	AP, Vizag	2.00	2.00	0.00	No	Prajwala Vani Welfare Society, Vizag	N/A
55	Furniture for ZP High School, RC Puram	2, Educated India	Yes	Telangana, Sangareddy	2.00	1.99	0.01	Yes	BHEL	N/A
56	Furniture/ basic Infrastructure to ZPPS BHEL, RC Puram,	2, Educated India	Yes	Telangana, Sangareddy	2.00	1.98	0.02	Yes	BHEL	N/A
57	Furniture to ZPHS Madharam, Jinnaram Mandalam	2, Educated India	Yes	Telangana, Sangareddy	2.00	2.00	0.00	Yes	BHEL	N/A
58	Furniture/ basic Infrastructure to ZPHS Lemoor, Kandukur	2, Educated India	Yes	Telangana, Sangareddy	2.00	2.00	0.00	Yes	BHEL	N/A

S. No.	Name of the project	Item No. from schedule VII	Local Area (Yes/No)	Location of the Project	Amt. allocated	Amt. spent in FY 2020-21	Amt. transferred to unspent CSR A/c.	Implementation Mode Direct (Yes/ No)	Implementing Agency	
				State, District					Name	CSR Registration No
59	Furniture/ basic Infrastructure in to Primary School Anantha sagar	2, Educated India	Yes	Telangana, Sangareddy	2.00	2.00	0.00	Yes	BHEL	N/A
60	Furniture for Collegiate Education at Govt Degree College for Women	2, Educated India	Yes	Telangana, Sangareddy	2.00	2.00	0.00	Yes	BHEL	N/A
61	Desks for ZPSS Chinthaguda(K), Khagaznagar mandal, Kumarambheem	2, Educated India	Yes	Telangana, Asifabad	2.00	2.00	0.00	Yes	BHEL	N/A
62	Desks for ZPSS Bhatpally, Khagaznagar mandal, Kumarambheem	2, Educated India	Yes	Telangana, Asifabad	2.00	2.00	0.00	Yes	BHEL	N/A
63	Aid for carrying out teaching activity at Community Centre, Chandanayak Nagar	2, Educated India	Yes	Telangana, Hyderabad	2.00	0.01	0.22	Yes	BHEL	N/A
64	Compound wall at Sri Paramahamsa Nursery & Primary School, Kattur	2, Educated India	Yes	TN, Tiruchirappalli	2.00	0.90	1.10	Yes	BHEL	N/A
65	07 computers for starting a computer training center	2, Educated India	Yes	UP, Varanasi	1.90	1.90	0.00	No	Kutumb Samjothan Awam Punerwas Sanstha	N/A
66	Benches, Projector, Screen in Govt. Sr. Sec. School, Vein Puin	2, Educated India	Yes	Punjab, Tarn Taran	1.80	1.69	0.11	Yes	BHEL	N/A
67	E-Rickshaw for mobility of children and youth with disabilities	2, Educated India	Yes	Uttar Pradesh, Varanasi	1.65	1.65	0.00	No	KIRAN Society	N/A
68	Construction of Toilet for boys at Govt. ADW higher secondary school, Sholamadevi	2, Educated India	Yes	TN, Tiruchirappalli	1.55	1.14	0.41	Yes	BHEL	N/A
69	School Benches for underprivileged student	2, Educated India	Yes	UP, Varanasi	1.45	1.45	0.00	No	Saint Nirmal Educational Society	N/A
70	Benches in Govt. Sr. Sec. School, Goindwal Sahib	2, Educated India	Yes	Punjab, Tarn Taran	1.20	1.20	0.00	Yes	BHEL	N/A
71	Skill Development of Visually Impaired Children	2, Educated India	Yes	AP, Vizag	0.70	0.70	0.00	No	Vision Aid Charitable Services Society	N/A
72	Fencing for the Panchayat Union Middle School, Thekkattur	2, Educated India	Yes	TN, Pudukkottai	0.50	0.11	0.39	Yes	BHEL	N/A

S. No.	Name of the project	Item No. from schedule VII	Local Area (Yes/No)	Location of the Project	Amt. allocated	Amt. spent in FY 2020-21	Amt. transferred to unspent CSR A/c.	Implementation Mode Direct (Yes/ No)	Implementing Agency	
				State, District					Name	CSR Registration No
73	RCC Slab Bridge at Makali to Horokyathanahalli Road	3, Responsible India	Yes	Karnataka, Bangalore	80.00	2.30	6.57	Yes	BHEL	N/A
74	Disabled friendly wheelchair accessible mini-bus for JNU	3, Responsible India	Yes	Delhi, Delhi	30.35	9.66	0.69	Yes	BHEL	N/A
75	LT lines & street lights at sangam of Alaknanda & Mandakini revers	3, Responsible India	Yes	Uttarakhand, Rudraprayag	19.98	13.57	0.00	No	DM, Rudraprayag	N/A
76	Support to "Latika Vihar – Come one: Come All."	3, Responsible India	Yes	Uttarakhand, Dehradun	19.00	5.53	9.27	No	Latika Roy Memorial Foundation	N/A
77	Construction of Dining Hall in the Hostel of Divya Prem Sewa Mission Nyas (Reg)	3, Responsible India	Yes	Uttarakhand, Haridwar	6.00	1.50	0.00	Yes	BHEL	N/A
78	Development work in Anganvadi Center at Beerachandra Village, Devanhalli	3, Responsible India	Yes	Karnataka, Bangalore	2.50	2.13	0.37	Yes	BHEL	N/A
79	Development work in Anganvadi Center, Vijayapura - Kurappana Matta, Devanhalli	3, Responsible India	Yes	Karnataka, Bangalore	2.50	2.13	0.37	Yes	BHEL	N/A
80	Welfare Equipment to poor Divyangjan	3, Responsible India	Yes	Telangana, Rangareddy	2.00	1.94	0.06	No	ALIMCO	N/A
81	Replacing of Solar panels at Old Age Home, Kattur	3, Responsible India	Yes	TN, Tiruchirappalli	2.00	1.01	0.99	Yes	BHEL	N/A
82	10 no. wheel chairs to rural poor people	3, Responsible India	Yes	Tamil Nadu, Chennai	0.53	0.53	0.00	No	Wheel Chair Fencing Federation of India, Chennai	N/A
83	Installation of 4 Solar Water Pumps	4, Green India	No	Chhattisgarh & Assam, Bastar, Karimganj, Cachar	50.00	41.05	8.95	Yes	BHEL	N/A
					1584.05	**466.35**	**296.48**			

Annexure-D

Details of CSR amount spent against other than ongoing projects for the financial year

(In ₹ Lakh)

S. No.	Name of the project	Item No. from Schedule VII	Local Area (Yes/No)	Location of the Project	Amt. spent in FY 2020-21	Mode of Implementation Direct (Yes/No)	Implementing Agency	
			State, District			Name	CSR Registration No.	
1	Installation of sanitary napkin vending machines and incinerators in colleges and women hostels	1, Healthy India	Yes	Uttarakhand, Haridwar	52.07	No	Chief Development Office, Haridwar	N/A
2	Aids and Appliances to Divyangjan through ALIMCO	1, Healthy India	Yes	Uttarakhand, Telangana, MP, Bihar, Haridwar, Khammam, Damoh, Khagaria	25.06	No	ALIMCO	N/A
3	Medical items for COVID-19 centers set up by Distt. Admn	1, Healthy India	Yes	Uttarakhand, Haridwar	17.99	Yes	BHEL	N/A
4	Treatment of leprosy patients and procurement of equipment at TLMTI Hospital	1, Healthy India	Yes	AP, Bihar, Vizianagaram, Muzaffarpur	16.98	No	The Leprosy Mission Trust India, N. Delhi	N/A
5	Free Anti Hemophilic Factor (AHF) to Persons & Children with Hemophilia (P & Cwh) across India	1, Healthy India	Yes	Pan India	15.64	No	Hemophilia Federation India	N/A
6	Free cataract surgery of cataract-blind patients from nearby areas in Bihar and Jharkhand."	1, Healthy India	Yes	Jharkhand, Hazaribagh	11.66	No	Nav Bharat Jagriti Kendra, Hazaribag	N/A
7	Medical equipment (CTG Machines, Warmers, BP apparatus) to TVVP Hospital & PHC	1, Healthy India	Yes	Telangana, Sangareddy	9.95	Yes	BHEL	N/A
8	Treating children born with club foot disability	1, Healthy India	Yes	Uttarakhand, UP, Assam, Odisha, Rishikesh, Jhansi, Guwahati, Bhubaneshwar	8.81	No	Cure International India Trust (CIIT), New Delhi	N/A
9	COVID cum Nutrition kits amongst 1150 villagers / labourers in and around PSER/ Sagardighi site	1, Healthy India	Yes	West Bengal, Murshidabad	8.38	Yes	BHEL	N/A
10	Healthcare Program in Nuh Dist., Haryana	1, Healthy India	Yes	Haryana, Nuh	8.17	No	Bisnouli Sarvodaya Gramodyog Sewa Sansthan	N/A
11	Sanitization of Public Roads , Shopping complexes , Schools and Slum area etc.	1, Healthy India	Yes	Madhya Pradesh, Bhopal	7.10	Yes	BHEL	N/A
12	Mask N95, PPE Kit and gloves for Govt. Hospitals KAPV & MGM	1, Healthy India	Yes	Tamil Nadu, Tiruchirapalli	7.00	Yes	BHEL	N/A
13	Medicines for fight against COVID-19 for poor and needy through Nagpur Municipal Corporation	1, Healthy India	Yes	Maharashtra, Nagpur	6.02	Yes	BHEL	N/A

S. No.	Name of the project	Item No. from Schedule VII	Local Area (Yes/No)	Location of the Project	Amt. spent in FY 2020-21	Mode of Implementation Direct (Yes/No)	Implementing Agency	
			State, District			Name	CSR Registration No.	
14	Medicines and Surgical Equipment to Bal Mitra Foundation for conducting Paediatric Surgeries.	1, Healthy India	Yes	Maharashtra, Nagpur	5.98	Yes	BHEL	N/A
15	Emergency Purchase of Items for Kasturba Hospital under CSR to Prevent COVID-19	1, Healthy India	Yes	Madhya Pradesh, Bhopal	5.90	Yes	BHEL	N/A
16	Haematology Analyser, one BIPAP Machine and one Oxygen Concentrator	1, Healthy India	Yes	Delhi , Delhi	4.84	No	The Leprosy Mission Trust India, New Delhi	N/A
17	Masks, Sanitizers, Thermal scanners, Sodium Hypochlorite, PPE kits, Cotton cloth bags etc. to Govt. agencies & GVMC to fight against COVID	1, Healthy India	Yes	Andhra Pradesh, Vizag	4.51	Yes	BHEL	N/A
18	Livelihood and distribution of food packets to migrant worker and poor family in Meera Bhayandar Area	1, Healthy India	Yes	Maharashtra, Thane	4.50	No	Rambhau Mhalgi Prabodhini, Mumbai	N/A
19	Carry out door disinfection in vicinity of Sector-17, Noida by using BHEL Mister Machine	1, Healthy India	Yes	Uttar Pradesh, Gautam Budhh Nagar	4.42	Yes	BHEL	N/A
20	Sanitizers, Masks and Thermal Scanners to the Anganwadi Centers	1, Healthy India	Yes	Karnataka, Bangalore	4.36	Yes	BHEL	N/A
21	Free Healthcare to poor & needy through Dispensaries	1, Healthy India	Yes	Haryana & Delhi, Faridabad & Delhi	4.00	No	Shirdi Sai Baba Temple Society, Faridabad	N/A
22	Bed sheets to COVID-19 centres through Dist. Administration	1, Healthy India	Yes	Uttarakhand, Udham Singh Nagar	3.99	Yes	BHEL	N/A
23	Ambulances, Taxis, Vehicles to Distt. Administration to fight against COVID-19	1, Healthy India	Yes	Uttarakhand, Haridwar	3.75	Yes	BHEL	N/A
24	COVID Relief – Distribution of Relief Material Kit distribution in Villages near Ennore Site	1, Healthy India	Yes	Tamil Nadu, Thiruvallur	3.33	Yes	BHEL	N/A
25	Medical equipment & other items to District Hospital for fighting COVID	1, Healthy India	Yes	Telangana, Sangareddy	3.22	Yes	BHEL	N/A
26	Drinking Water facilities to Covid centers/PHCs	1, Healthy India	Yes	UP, Jhansi	3.18	Yes	BHEL	N/A
27	BHEL Mister for labour colonies and nearby areas near Panki site	1, Healthy India	Yes	UP, Kanpur	3.00	Yes	BHEL	N/A
28	BHEL Mister (large spray machine- sanitization and hygiene) for labour colonies in Noida	1, Healthy India	Yes	UP, GB Nagar	3.00	Yes	BHEL	N/A
29	Medicine to COVID Warriors through Block Hospital (State Govt.), Patratu	1, Healthy India	Yes	Jharkhand, Ramgarh	3.00	Yes	BHEL	N/A

S. No.	Name of the project	Item No. from Schedule VII	Local Area (Yes/No)	Location of the Project	Amt. spent in FY 2020-21	Mode of Implementation Direct (Yes/No)	Implementing Agency	
			State, District			Name	CSR Registration No.	
30	Sanitizers, Masks and Thermal Scanners to the Anganwadi Centers	1, Healthy India	Yes	Karnataka, Bangalore	2.25	Yes	BHEL	N/A
31	Health care materials for Visually Impaired students	1, Healthy India	Yes	UP, Varanasi	2.02	No	Divya Jyoti Society, Varanasi	N/A
32	COVID care kits for kids of schools	1, Healthy India	Yes	Punjab, Tarn Taran	2.02	Yes	BHEL	N/A
33	Essential grocery items during lockdown due to COVID to deprived & needful near Gadarwara site	1, Healthy India	Yes	MP, Narsinghpur	2.02	Yes	BHEL	N/A
34	COVID Relief Material in Villages near Udanguri Site	1, Healthy India	Yes	TN, Tuticorin	2.00	Yes	BHEL	N/A
35	Free masks, sanitizers, hand wash, phenyl and toilet cleaners to the general public	1, Healthy India	Yes	UP, Varanasi	1.98	No	Kutumb Samajothan Ewam Punarwas Sanstha, Varanasi	N/A
36	Patient's waiting sheds (Lab and Isolation ward) of area for Primary Health Centre, Navalpattu Panchayat	1, Healthy India	Yes	TN, Tiruchirapalli	1.97	Yes	BHEL	N/A
37	Support to COVID centers	1, Healthy India	Yes	Punjab , Tarn Taran	1.88	No	District Administr-ation	N/A
38	Single Tooth X-Ray Machine & Dental Chair to community Health Centre	1, Healthy India	Yes	Uttarakhand, Udham Singh Nagar	1.85	Yes	BHEL	N/A
39	Food packets distribution in villages near Ariyalur site	1, Healthy India	Yes	TN, kallakurchi	1.63	Yes	BHEL	N/A
40	Covid Relief Material to nearby Villages people near Vijayawada site	1, Healthy India	Yes	Andhra Pradesh, Vijayawada	1.42	Yes	BHEL	N/A
41	PPE Kit, gloves and Mask for PHC at Tiruverumbur	1, Healthy India	Yes	TN, Tiruchirapalli	1.10	Yes	BHEL	N/A
42	PPE Kits, Hand sanitizer set, Masks, gloves for Thuvakkudi Municipality.	1, Healthy India	Yes	TN, Tiruchirapalli	1.05	Yes	BHEL	N/A
43	Bleaching Powder, Lizol, sanitizer, phenyl, cleaning acid, hypo chloride, PPE kit, gloves, Mask etc, for Koothappar Town Panchayat	1, Healthy India	Yes	TN, Tiruchirapalli	1.05	Yes	BHEL	N/A
44	1 No FBD Tunnel to Director AIIMS Bhopal	1, Healthy India	Yes	Madhya Pradesh, Bhopal	1.00	Yes	BHEL	N/A
45	Food packets distribution in villages near Velallaviduthi site	1, Healthy India	Yes	Tamil Nadu, Pudukkottai	1.00	Yes	BHEL	N/A

S. No.	Name of the project	Item No. from Schedule VII	Local Area (Yes/No)	Location of the Project	Amt. spent in FY 2020-21	Mode of Implementation Direct (Yes/No)	Implementing Agency	
			State, District			Name	CSR Registration No.	
46	Distributing Food packets in villages near Jeerat site	1, Healthy India	Yes	WB, 24 Paraganas (N)	1.00	Yes	BHEL	N/A
47	PPE Kit, Masks, Disposable Cap, Disposable Gloves Plastic Apron for Govt Hospital Tiruverumbur.	1, Healthy India	Yes	TN, Tiruchirapalli	1.00	Yes	BHEL	N/A
48	Distributing Food packets in villages near Shamli site	1, Healthy India	Yes	UP, Muzaffar Nagar	0.99	Yes	BHEL	N/A
49	COVID Relief Material distribution to Girls Hostel of Thakkar Bappa Vidhyalaya, T Nagar Chennai	1, Healthy India	Yes	Tamil Nadu, Chennai	0.97	Yes	BHEL	N/A
50	Automated Sanitizer Dispenser and Nutrition Kit in different schools	1, Healthy India	Yes	UP, Gautam Budhh Nagar	0.96	No	Sai Kripa	N/A
51	Sanitizers & Disinfecting machines for nearby PHCs	1, Healthy India	Yes	UP,Jhansi	0.93	Yes	BHEL	N/A
52	Battery Power Sprayer, electronic power sprayer, Masks & Lizol for Navalpattu Panchayat.	1, Healthy India	Yes	TN, Tiruchirapalli	0.80	Yes	BHEL	N/A
53	Medical equipment (Digital B.P. Apparatus ,Glucometer, Digital Colorimeter for CBP etc.) to PHC in RC Puram	1, Healthy India	Yes	Telangana, Sangareddy	0.77	Yes	BHEL	N/A
54	Essential grocery items to the affected families during flash flood	1, Healthy India	Yes	Uttarakhand, Chamoli	0.73	Yes	BHEL	N/A
55	9300 numbers of Viral Transport Media to BBMP Health Officials	1, Healthy India	Yes	Karnataka, Bangalore	0.70	Yes	BHEL	N/A
56	Equipment and consumables to Viral Research and Diagnostic Laboratory (VRDL), Vijayanagar, Bellary	1, Healthy India	Yes	Karnataka, Bellary	0.56	Yes	BHEL	N/A
57	BP/Sugar testing equipment & Sanitary pads	1, Healthy India	Yes	UP, Jhansi	0.53	Yes	BHEL	N/A
58	PPE Kit , 3 Channel ECG machine- to Mullakkadu Primary Health Centre near Tutucorin Site	1, Healthy India	Yes	TN, Tuticorin	0.49	Yes	BHEL	N/A
59	Water Purifiers for COVID Ward MLB Medical College	1, Healthy India	Yes	UP, Jhansi	0.36	Yes	BHEL	N/A
60	Essential grocery items during lockdown due to COVID to deprived & needful near Panki site	1, Healthy India	Yes	Uttar Pradesh, Kanpur	0.20	Yes	BHEL	N/A
61	Sanitization for protecting general public from COVID-19	1, Healthy India	Yes	Uttarakhand, Haridwar	0.18	Yes	BHEL	N/A
62	School Expenditure	2, Educated India	Yes	Uttarakhand, Haridwar	454.72	Yes	BHEL	N/A
63	School Expenditure	2, Educated India	Yes	UP, Jhansi	74.50	Yes	BHEL	N/A

S. No.	Name of the project	Item No. from Schedule VII	Local Area (Yes/No)	Location of the Project	Amt. spent in FY 2020-21	Mode of Implementa-tion Direct (Yes/No)	Implementing Agency	
			State, District			Name	CSR Registration No.	
64	School Expenditure	2, Educated India	Yes	UP, Amethi	52.50	Yes	BHEL	N/A
65	School Expenditure	2, Educated India	Yes	Tamil Nadu, Vellore	9.00	Yes	BHEL	N/A
66	Professional Assistance for Motivating Agrarian communities of Kandhamal (Odisha) for their Economic Transformation	2, Educated India	No	Odisha, Kandhamal	6.34	No	Professional Assistance for Development Action, Noida	N/A
67	School Expenditure	2, Educated India	Yes	TN, Tiruchirapalli	5.84	Yes	BHEL	N/A
68	School Expenditure	2, Educated India	Yes	Telangana, Sangareddy	2.45	Yes	BHEL	N/A
69	School Expenditure	2, Educated India	Yes	Telangana, Hyderabad	0.99	Yes	BHEL	N/A
					903.54			

Annexure-E

Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(In ₹ Lakh)

Year	S. No.	Project ID	Name of the project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the Project (In ₹ Lakh)	Amount spent on the project in the reporting Financial year (In ₹ Lakh)	Cumulative amount spent at the end of the Financial Year (In ₹ Lakh)	Status of the project- completed/ ongoing
2014-15	1	CSR/HEEP/14-15/01	25 sets of Community Bio-digester Toilets Cluster with drinking water	2014-15	8	565.00	37.08	469.49	ongoing
2018-19	2	CSR/PSSR/18-19/01	Construction of Boys & Girls Hostel buildings at Govt. Polytechnic	2018-19	4	300.00	62.50	237.86	ongoing
2018-19	3	CSR/PSSR/18-19/02	Construction of a Compound wall for Girraj Govt. Degree College	2018-19	3	100.00	12.85	73.88	completed
2013-14	4	CSR/ISG/13-14/01	Construction of RCC Deck Slab Bridge at Makali to Horokyathanahalli Road, Dasanapura Hobli	2013-14	7	80.00	2.30	73.43	ongoing
2019-20	5	CSR/HEEP/19-20/01	Support to "MISSION SMILE" for cleft surgery	2019-20	2	56.00	11.20	11.20	ongoing
2017-18	6	CSR/EDN/17-18/01	Installation of 4 Solar Water Pumps	2017-18	4	50.00	41.05	41.05	ongoing
2018-19	7	CSR/RODM/18-19/01	Running of Mobile Medicare Unit	2018-19	2	33.00	28.02	28.02	completed
2018-19	8	CSR RODM/18-19/02	Running of Mobile Medicare Unit	2018-19	2	33.00	27.06	27.06	completed
2014-15	9	CSR/PEM/14-15/01	Disabled friendly wheelchair accessible mini-bus for facilitating students with disabilities	2014-15	2	30.35	9.66	29.66	completed
2018-19	10	CSR/HEEP/18-19/02	LT lines and LED street lights at the confluence of Alaknanda and Mandakini rivers	2018-19	2	19.98	13.57	19.98	completed
2019-20	11	CSR/HEEP/19-20/02	Support for "Latika Vihar – Come one: Come All."	2019-20	3	19.00	5.53	9.73	ongoing
2018-19	12	CSR/RODM/18-19/03	Capacity building of ASHA workers	2018-19	2	18.00	6.00	18.00	completed
2018-19	13	CSR/RODM/18-19/04	Support to Connect & Change Program for developing change makers through entrepreneurship & ideation for Inclusive Growth	2018-19	2	18.00	1.00	18.00	completed
2019-20	14	CSR/AA/19-20/02	Distribution of "You can be Happy"series books followed by health & career counseling for KVS students	2019-20	2	10.00	5.00	5.00	ongoing
2019-20	15	CSR/AA/19-20/05	School Uniform and nutritious food for students of Grace Academy School	2019-20	2	10.00	10.00	10.00	completed
2019-20	16	CSR/BAP/19-20/01	Construction of Girls toilet at Government ITI	2019-20	2	10.00	6.09	6.09	completed
2019-20	17	CSR/PEM/19-20/01	Eletrostatic Disinfection Machines for fighting against COVID-19	2019-20	2	10.00	8.00	8.00	completed
2019-20	18	CSR/AA/19-20/01	School uniform to underpriviledged students	2019-20	2	9.45	4.73	9.45	completed

Year	S. No.	Project ID	Name of the project	Financial Year in which the project was commenced	Project Duration	Total amount al-located for the Project (In ₹ Lakh)	Amount spent on the project in the reporting Financial year (In ₹ Lakh)	Cumulative amount spent at the end of the Financial Year (In ₹ Lakh)	Status of the project-completed/ ongoing
2019-20	19	CSR/PSNR/19-20/01	Eye Check-up Camp and cataract surgeries	2019-20	2	9.26	0.30	8.96	completed
2019-20	20	CSR/RODM/ 19-20/02	Medical accessories and Equipments to Hospice	2019-20	2	9.00	9.00	9.00	completed
2019-20	21	CSR/AA/19-20/06	Road Safety Intervention program in Delhi to Educate Drivers practising Road Safety as part of their daily lives	2019-20	2	8.02	8.02	8.02	completed
2019-20	22	CSR/HPBP/19-20/03	Galvanized sheet roof and converting in to a multipurpose Hall at Girls Higher Secondary School	2019-20	2	8.00	6.57	6.57	completed
2018-19	23	CSR/EDN/18-19/01	Construction of Two Toilets with water facility in Govt. aided school	2018-19	2	6.80	6.08	6.08	ongoing
2019-20	24	CSR/HEEP/19-20/05	Construction of the Dining Hall in the Hostel of Divya Prem Sewa Mission Nyas for the Leprosy patients	2019-20	2	6.00	1.50	6.00	completed
2019-20	25	CSR/IP/1-20/01	Tables, Benches, computer, fans etc to Govt. Primary/Junior schools/Govt. aided school.	2019-20	2	6.00	6.00	6.00	completed
2019-20	26	CSR/HEP/19-20/01	Construction of toilet blocks in cemeteries	2019-20	2	5.00	3.27	3.27	ongoing
2019-20	27	CSR/HEEP/19-20/06	Relief items & sanitizers etc. to District Administration	2019-20	2	5.00	4.80	4.80	ongoing
2019-20	28	CSR/IVP/19-20/01	Dining/ Multi Purpose Hall in Govt. Elementary School, Dhunda	2019-20	2	5.00	4.56	4.56	completed
2019-20	29	CSR/HPBP/19-20/06	Demolishing and relocating the existing Toilets at Arivalayam	2019-20	2	5.00	4.75	4.75	completed
2019-20	30	CSR/HPEP/19-20/04	RO Plant at Veerareddy Pally	2019-20	2	4.00	3.95	3.95	completed
2019-20	31	CSR/HEEP/19-20/07	Construction of boundary wall and repair of school building of Rajkiya Primary Vidyalaya	2019-20	2	3.56	3.53	3.53	completed
2019-20	32	CSR/HEEP/19-20/08	Construction of Toilet Complex in Gurukul Mahavidyalay	2019-20	2	3.37	3.37	3.37	completed
2019-20	33	CSR/HEEP/19-20/04	Construction of a Toilet Complex in SMJN (PG), College	2019-20	2	3.34	3.34	3.34	completed
2019-20	34	CSR/HPEP/19-20/10	Education for Slum children for one year	2019-20	2	3.30	3.30	3.30	completed
2019-20	35	CSR/HERP/18-19/01	Desktops and softwares for development of visually impaired students	2019-20	2	3.00	3.00	3.00	completed
2019-20	36	CSR/ISG/19-20/01	Benches & Furniture etc., to Govt. High School	2019-20	2	3.00	3.00	3.00	completed
2019-20	37	CSR/ISG/19-20/02	Smart Class facilities & Furniture etc to High School	2019-20	2	3.00	1.93	1.93	ongoing
2019-20	38	CSR/ISG/19-20/05	Play equipment & Development of Kitchen Garden in Anganvadi Center	2019-20	2	3.00	1.93	1.93	ongoing

Year	S. No.	Project ID	Name of the project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the Project (In ₹ Lakh)	Amount spent on the project in the reporting Financial year (In ₹ Lakh)	Cumulative amount spent at the end of the Financial Year (In ₹ Lakh)	Status of the project- completed/ ongoing
2019-20	39	CSR/R&D/19-20/02	Part funding student fees and funding of special educator salary to Autism affected children	2019-20	2	2.93	0.90	2.93	completed
2019-20	40	CSR/R&D/19-20/04	Construction of toilets for school children, Kendriya Vidyalaya	2019-20	2	2.79	2.75	2.75	completed
2019-20	41	CSR/HPBP/19-20/07	Barbed wired fencing to the playground at Govt. High School	2019-20	2	2.65	2.65	2.65	completed
2019-20	42	CSR/ISG/19-20/03	Smart Class facilities & Furniture etc to High School	2019-20	2	2.50	2.13	2.13	ongoing
2019-20	43	CSR/ISG/19-20/04	Play equipment etc. & Development of Kitchen Garden in Anganvadi Center	2019-20	2	2.50	2.13	2.13	ongoing
2019-20	44	CSR/HPEP/19-20/01	Food to terminally ill Cancer patients undergoing Palliative Care	2019-20	2	2.40	2.40	2.40	completed
2019-20	45	CSR/BAP/19-20/02	Roofing to open school assembly ground at Boys Higher secondary School	2019-20	2	2.00	0.42	0.42	completed
2019-20	46	CSR/HPEP/19-20/02	Welfare Equipment to differently abled persons who are poor	2019-20	2	2.00	1.94	1.94	completed
2019-20	47	CSR/HPEP/19-20/05	Furniture for ZP High School	2019-20	2	2.00	1.99	1.99	completed
2019-20	48	CSR/HPEP/19-20/06	Furniture/ basic Infrastructure to ZPPS	2019-20	2	2.00	1.98	1.98	completed
2019-20	49	CSR/HPEP/19-20/07	Furniture to ZPHS Madharam, Jinnaram Mandalam	2019-20	2	2.00	2.00	2.00	completed
2019-20	50	CSR/HPEP/19-20/08	Providing furniture/ basic Infrastructure to ZPHS Lemoor	2019-20	2	2.00	2.00	2.00	completed
2019-20	51	CSR/HPEP/19-20/09	furniture/ basic Infrastructure to Primary School Anantha sagar,	2019-20	2	2.00	2.00	2.00	completed
2019-20	52	CSR/HPEP/19-20/11	Furniture for reading room for Collegiate Education at Govt Degree College for Women	2019-20	2	2.00	2.00	2.00	completed
2019-20	53	CSR/HPEP/19-20/12	Desks at ZPSS Chinthaguda	2019-20	2	2.00	2.00	2.00	completed
2019-20	54	CSR/HPEP/19-20/13	Desks at ZPSS Bhatpally, Khagaznagar mandal	2019-20	2	2.00	2.00	2.00	completed
2019-20	55	CSR/R&D/19-20/01	Aid for carrying out teaching activity at Community Centre	2019-20	2	2.00	0.01	1.78	ongoing
2019-20	56	CSR/HPBP/19-20/02	Raising the level of compound wall at Sri Paramahamsa Nursery & Primary School	2019-20	2	2.00	0.90	0.90	ongoing
2019-20	57	CSR/HPBP/19-20/04	Replacing of Solar panels at Old Age Home	2019-20	2	2.00	1.01	1.01	ongoing
2019-20	58	CSR/HERP/18-19/04	Computers for starting a computer training centre	2019-20	2	1.90	1.90	1.90	completed
2019-20	59	CSR/IVP/19-20/03	School Benches in Govt. School	2019-20	2	1.80	1.69	1.69	completed

Year	S. No.	Project ID	Name of the project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the Project (In ₹ Lakh)	Amount spent on the project in the reporting Financial year (In ₹ Lakh)	Cumulative amount spent at the end of the Financial Year (In ₹ Lakh)	Status of the project- completed/ ongoing
2019-20	60	CSR/HERP/18-19/03	E-Rickshaw for mobility of children and youth with disabilities	2019-20	2	1.65	1.65	1.65	completed
2019-20	61	CSR/HPBP/19-20/08	Construction of Toilets for boys at Govt. ADW higher secondary school	2019-20	2	1.55	1.14	1.14	completed
2019-20	62	CSR/AA/19-20/03	Food packets to needy people in and around BHEL Township, Noida	2019-20	2	1.50	1.17	1.17	completed
2019-20	63	CSR/HERP/18-19/02	Benches for underprivileged students	2019-20	2	1.45	1.45	1.45	completed
2019-20	64	CSR/IVP/19-20/02	Benches, Projector, Screen in Govt. Sr. Sec. School, Vein Puin	2019-20	2	1.20	1.20	1.20	completed
2019-20	65	CSR/HPBP/19-20/05	Sports items and Fans & lights at ADW Hostel	2019-20	2	1.00	1.00	1.00	completed
2019-20	66	CSR/PPPU/19-20/01	Construction of Fencing for the Panchayat Union Middle School	2019-20	2	0.50	0.11	0.11	ongoing
2019-20	67	CSR/HEEP/19-20/09	Medical Camp for Rural and Poor People	2019-20	2	0.43	0.43	0.43	completed
2019-20	68	CSR/HPEP/19-20/03	R.O.Plant at Vennavelli Village	2019-20	2	0.30	0.30	0.30	completed
2019-20	69	CSR/AA/19-20/04	Face Mask to nearby Slums Areas	2019-20	2	0.28	0.27	0.27	completed
						1529.75	**419.34**	**1240.57**	

Annexure-V to the Board's Report

Business Responsibility Report 2020-21

Section A: General Information about the Company

1	**Corporate Identity Number (CIN) of the Company:**	L74899DL1964GOI004281
2	**Name of the Company:**	BHARAT HEAVY ELECTRICALS LIMITED
3	**Registered address:**	BHEL House, Siri Fort, New Delhi – 110 049
4	**Website:**	www.bhel.com
5	**E-mail id:**	shareholderquery@bhel.in
6	**Financial Year reported:**	2020-21
7	**Sectors that the Company is engaged in:**	Refer to 'Corporate Profile', Annual Report 2020-21
8	**List three key products/services that the Company manufactures/provides:**	a) Construction of Power Plant (NIC Code: 4220
		b) Manufacture of Steam Generators including auxiliary plant for use with steam generators (NIC Code: 2513)
		c) Manufacture of Turbine, Generator sets including auxiliaries (NIC Code: 2811)
		d) Manufacture of electric motors, transformers and electricity distribution and control apparatus etc. (NIC Code: 2710)
9	**Total number of locations where business activity is undertaken by the Company:**	a) Number of International Locations (Provide details of major 5) Major locations from where business activity is undertaken by BHEL are Dhaka, Bangladesh; Kathmandu, Nepal; Damascus, Syria; & Dubai, UAE (closed in June 2021).
		b) Number of National Locations The company has 16 manufacturing units, 2 repair units, 4 regional offices, 8 service centres, and 15 regional marketing centres.
10	**Markets served by the Company:**	BHEL serves domestic as well as international markets.

Section B: Financial Details of the Company (2020-21)

1	**Paid up capital**	:	₹696.41 crore
2	**Total Turnover**	:	₹16295.55 crore
3	**Total Profit after Tax**	:	₹(-) 2717.14 crore
4	**Total expenses incurred on CSR**	:	₹20.18 crore
5	List of activities in which expenditure on CSR has been incurred: Refer Annexure IV on 'Sustainable Development' under Directors Report, BHEL Annual Report 2020-21.		

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes, BHEL has one subsidiary company - BHEL Electrical Machines Ltd. (BHEL-EML), Kasargod as on 31-03-2021

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   No

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   No

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director / BR Head responsible for implementation of the BR policy/policies

SN	Particulars	Details
i	DIN Number (if applicable)	08587329
ii	Name	Anil Kapoor
iii	Designation	Director (HR)
iv	Telephone number	011 26001003
v	e-mail id	akapoor@bhel.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly are as under:

P1: Businesses should conduct and govern themselves with ethics, transparency and accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout life cycle.

P3: Businesses should promote the well-being of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect, protect and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsive manner.

SN	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for ...	Y	Y	Y	Y	Y	Y	N	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	-	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	Weblinks have been provided wherever applicable								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
8	Does the company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	-	Y	Y
10	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	-	Y	Y

Notes

1. We have various practices established based on these principles, but do not have formal policy document with respect to one of them.
2. Once a policy is approved by the Board, it need not be necessarily signed by CMD/Board Director.
3. Policies and procedures of the organization are subject to audits/reviews during/by ISO 9001, ISO 14001, OHSAS 18001, CAG, Parliamentary Committees, Board of Directors, Committee of Functional Directors, Board Level Committees and/or Management Committee etc.

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

In respect of Principle 7 referring to Policy Advocacy, we have established practices based on 'Policy advocacy in responsible manner'.

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year)

  In 2020-21, the Board Level Committee for CSR met three times, while assessment and review of CSR activities in BHEL was done in four Board meetings.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

  BHEL publishes its Sustainability Report annually. Last 3 years' reports can be accessed at:

  https://www.bhel.com/sustainability-reports

Section E: Principle-wise performance

Principle 1: Ethics, Transparency and Accountability

The company has a Board approved 'Code of Business Conduct & Ethics' for all Board Members and Senior Management personnel in compliance with the requirements of DPE Guidelines on Corporate Governance for CPSEs and SEBI's Listing Regulations.

https://www.bhel.com/code-business-conduct-ethics-board-members-senior-management-personnel

The Board has a laid down Charter of the Board of Directors which clearly defines the roles and responsibilities of the Board and individual Directors. Further, the company endeavours to preserve the confidentiality of unpublished price sensitive information and prevent misuse of such information. Towards this a Board approved policy 'BHEL Code of Conduct for Regulating & Reporting Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure' in line with SEBI (Prohibition of Insider Trading) Regulations - 2015 and Listing Regulations directs that Board members and other Designated Employees of the company have a duty to safeguard the confidentiality of all such information obtained in the course of their work at the company. The Code also provides for practices and procedures for fair disclosure of unpublished price sensitive information (UPSI).

https://www.bhel.com/code-conduct-prevention-insider-trading

For effective implementation of the Insider Trading Code, an internal Operating Guidelines is in place. A structured digital database containing names of all 'Designated Persons' along with details of additional persons with whom UPSI was shared is in place. Details of initial and continual disclosures are being submitted by these Designated Persons within prescribed timelines. In addition, emails notifying the 'Designated Persons' that they are in possession of UPSI and that they must ensure its confidentiality, is sent simultaneously along with the emails intimating Closure of Trading Window. A separate email is also sent to those persons with whom UPSI is shared by the 'Designated Persons'.

In line with the requirements of DPE Guidelines on Corporate Governance and the Listing Regulations, BHEL provides progress reports on quarterly basis to DHI and stock exchanges. The audit of the Company's compliance with corporate governance requirements as well as secretarial audit of BHEL's compliance with statutory laws is conducted each year and the said reports form part of the Annual Report of the Company. In compliance with the Listing Regulations, all Board members and Senior Management personnel affirm annually that they have fully complied with the provisions of the Code of Business Conduct and Ethics during the relevant financial year and an affirmation to this effect is given by the Chairman & Managing Director in the Annual Report of the Company. For the purpose of the 'Code of Conduct for Regulating & Reporting Trading by Insiders and for Fair Disclosure, Director (Finance) is the compliance officer of the Company. In addition, the Chief Investor Relations Officer of the Company ensures compliance of 'Code of Practice and Procedure for Fair Disclosure'.

In addition, as a part of BHEL's persistent endeavour to set a high standard of conduct for its employees (other than those governed by standing orders), 'BHEL Conduct, Discipline and Appeal Rules, 1975' is in place. This is augmented by Fraud Prevention Policy and Whistle Blower Policy which not only arm the company against unacceptable practices but also act as a deterrent. The Company is subject to RTI Act 2005, audit by Statutory Auditors and CAG audit under section 139 of the Companies Act, 2013.

https://www.bhel.com/bhel-fraud-prevention-policy-0

https://www.bhel.com/whistle-blower-policy-0

BHEL has signed MoU with Transparency International India (TII) to adopt 'Integrity Pact' to make procurement and contracting more transparent by binding both the parties to ethical conduct. A panel of two Independent External Monitors (IEMs) has been appointed to oversee implementation of Integrity Pact in BHEL, with due approval of Central Vigilance Commission. Within BHEL, accountability is well defined for various functionaries through 'Delegation of Power'. Works Policy, Purchase Policy and other policy documents facilitate transparency in BHEL's working and commitment of highest order of integrity. In addition, Internal Audit carries out independent audit of purchase/ works contracts. Four representations received from suppliers during 2020-21 under Integrity Pact have been resolved by the IEMs.

The Company has a Stakeholders Relationship Committee specifically to look into matters related to redressal of shareholders and investors complaints. As reported by KFin Technologies Private Limited (RTA of the Company upto December 31, 2020) and Alankit Assignments Limited (RTA of the Company w.e.f. January 1, 2021), 265 complaints were received from the shareholders during the year under review and all complaints were redressed up to March 31, 2021.

In addition, a total of 225 public grievance complaints were received from the general public under the Centralized Public Grievance Redressal and Monitoring Scheme during the year 2020-21. All the grievances were satisfactorily resolved.

Principle 2: Products Life Cycle Sustainability

BHEL is contributing to a greener environment through development of environment friendly technologies and improvement in efficiency of equipment. Continuous improvement in power cycle efficiency and reduced emissions from coal based power plants have been achieved over the time by evolution of technology from sub-critical to supercritical. Attributes of BHEL supplied power plant equipment

such as lower auxiliary power consumption, higher plant efficiency, lower design heat rate and higher operating availability help in attaining lower life cycle cost.

Major products which address environmental concerns in their design are power plants operating with steam at supercritical parameters, Flue-gas Desulfurization (FGD) systems, Selective Catalytic Reduction (SCR) systems, Solar Photovoltaic plants, Electrostatic Precipitators (ESP), Effluent Treatment Plants and Sewage Treatment Plant (STP). There is also conscious effort towards reduction of embodied carbon in products. Company has opted to replace polluting fuels with cleaner ones, e.g., gas is now used as a source of heat energy (instead of coal earlier) during production of products like ceralin.

BHEL has been supporting Micro and Small Enterprises (MSEs) and local suppliers in and around manufacturing units on various fronts. Also, as mandated in Public Procurement Policy for Micro and Small Enterprises (MSEs) Amendment Order, 2018 for MSEs (issued by Ministry of MSME-GoI), 25% of BHEL's total procurement is from MSEs during 2020-21. Regular vendor meets and supplier development programs are organized by BHEL units, specifically for MSEs (including local suppliers) as well as specific to SC/STs, which serves as a platform for identification of needs and formulation of action plan for mutual benefits.

Your company is also working towards supplier/ partner development (especially MSMEs), and organized a workshop-SAMVAAD under the aegis of Ministry of Heavy Industries, for promoting collaborations between PSUs, private industry as well as R&D institutions & academia. BHEL identified items worth more than Rs 3,000 Crore for import substitution through development of local suppliers and hosted an EOI on its website for the same. BHEL has conducted more than ten online workshops- during December 2020 to February 2021, with the support of Ministry of Heavy Industries (M/o HI), Department for Promotion of Industry and Internal Trade (DPIIT) and Ministry of MSME.

Company's manufacturing processes generate fair amount of metal scrap. Some of the scrap subsequently undergoes recycling within the company and is reused. For example, Central Foundry Forge Plant (CFFP) in Haridwar manufactures Steel Forgings and Castings for which steel scrap is a major raw material. Reusable material is also used in packaging manufactured goods. Balance scrap is disposed as per laid down Govt. guidelines.

Principle 3: Employee's Well-being

BHEL has been a frontrunner in the area of Human Resource Management (HRM). The guiding principle for company's HRM policy is to ensure availability of competent, motivated and effectively contributing human resources and to facilitate achievement of their full potential at all times to realize organizational mission. Company has documented HRM policies and rules in the form of a 'Personnel Manual' to ensure transparency and uniformity of implementation for regulating employment relationship, career growth/ development and employees' emoluments/ benefits, healthcare and well-being. These policies are further complemented by a grievance redressal mechanism through two schemes – one for workers and other for staff & officers. A grievance for the purpose of the scheme means a grievance relating to any individual employee arising out of the implementation of Company policies/ rules or Management Decisions. Both these schemes provide for three-tier resolution. Defined timelines are laid down for resolution of grievance at each stage. Besides, an appellate mechanism is also provided under the scheme, in the case of grievance redressal scheme for staff & officers, which an aggrieved employee can use in case he/she is not satisfied with the resolution of the grievance.

BHEL has a Health, Safety & Environment (HSE) policy which underlines the commitment of the organization to provide safe and healthy work environment to all its employees as well as other stakeholders giving due consideration for the safeguard of environment. The policy conforms to the requirements of ISO 14001 & OHSAS 18001/ ISO 45001 management system certification standards and can be accessed through the link **https://www.bhel.com/sites/default/files/HSEPOLICY.pdf.** HSE cells at all units/ divisions implement this policy and Corporate HSE department provides strategic guidance related to HSE matters at organization level. The HSE policy is prominently displayed at all workplaces to create awareness amongst the employees and other stakeholders about the same and is also translated into local language. Periodic audits by internal as well as external agencies are carried out to ensure the effectiveness of ISO 14001 and OHSAS 18001/ ISO 45001 management systems implemented at workplaces which includes the working of the policy and its critical elements.

1. Total number of regular employee as on 31-03-2021: 32,131
2. Total number of employees hired on temporary/ contractual basis: BHEL does not hire employees on temporary/ casual basis. However, BHEL awards job/works contracts to contractors at its various Units/ Divisions/ Departments as per organizational needs. The number of workers with contractors varies from time to time.
3. Number of permanent women employees as on 31-03-2021: 1893
4. Number of permanent employees with disabilities as on 31-03-2021: 861
5. BHEL has 29 participative trade unions represented in the apex level bipartite body, namely the Joint Committee for BHEL for discussing workers' and Company's interest related issues with the worker representatives, based on the principle of participative management. Besides the above, there are two employee associations, one each for executives and supervisors in BHEL.
6. All three categories of employees viz. Executives, Supervisors and Workers are represented by their respective association/ trade unions. However, since there is no check-off facility to ascertain the exact membership of executive/supervisory associations and workers' unions, a firm number in respect of the three classes of employees is not available.
7. In 2020-21, the company received one complaint on sexual harassment and one pending at the end of financial year. No complaint of child labor/ forced labor/ involuntary labor/ discriminatory employment has been received.
8. During the year 2020-21, number of average training man-days per employee is 4.54. Company is actively involved in imparting training in technical, functional as well as behavioral skills to its employees. Considering the importance of Health Safety & Environment (HSE) it is kept as an essential element of BHEL's induction training Programme. Additionally, separate programs for HSE training are also conducted regularly at all BHEL establishments across the nation for the benefit of its employees. Training is conducted by both internal and external

faculty members and HSE training programs are also conducted for casual/ temporary/ contractual workers coming through job/ work contracts with contractors. Percentage of employees who were given safety and skill (both technical and behavioral) up-gradation training in 2020-21:

a. Permanent Employees- 43%

b. Permanent Woman Employees- 56%

COVID response

BHEL launched a speedy and comprehensive response to the COVID crisis on multiple fronts, including strict implementation of Government guidelines, support and facilitation to its employees and their families as well as the society at large and worked with local administration to ensure continuity of work across various manufacturing units and project sites. All possible efforts were made to ensure safety, security and well-being of all its employees and their families.

With the second wave of the Covid-19 pandemic developing into an unprecedented crisis for the nation, BHEL worked on a war footing to supply medical oxygen and enable the nation to grapple with a grave situation. Further details have been provided at **page no 31 of the Report of the Board Of Directors.**

Principle 4: Stakeholder Engagement

BHEL has identified 'Customers', 'Employees', 'Shareholders', 'Vendors' and 'Society' as its stakeholders. Processes are in place to ensure inclusion of stakeholder expectations and concerns. Key issues are identified through stakeholder engagement and addressed by programmes or action plans with clear and measurable targets. BHEL units regularly organize vendor meets specifically for MSEs (including local suppliers) towards capacity and capability building, which also provides opportunities for open communication, mutual benefit and support. Customers are engaged through several modes like customers meets, surveys. Investor community is engaged through meetings, conferences, publications etc and is provided with relevant information pertaining to their investment decisions.

BHEL has clearly identified the disadvantaged, vulnerable, poor, needy & marginalized stakeholders in the vicinity of the BHEL manufacturing units / regions / divisions / sites / offices and their concerns are addressed as per BHEL's CSR Policy which is in compliance with section 135 & Schedule VII of the Companies Act 2013 and rules made thereunder as well as DPE Guidelines on CSR & Sustainability for CPSEs.

https://www.bhel.com/sites/default/files/BHEL_CSR_Policy_July2017.pdf

Principle 5 - Human Rights

BHEL policies are in line with the principles of Human Rights, The Constitution of India, and applicable laws. BHEL has special provisions for ensuring safeguard of women employees at the workplace. In context of human rights abuse, no such instance has been reported in the Company.

BHEL is one of the founding member of Global Compact Network, India (GCNI) and is a part of its initiatives in India. The company reports its performance on ten principles of UNGC on annual basis since 2001 through Communication on Progress (CoP) which includes BHEL's commitment towards upholding the principles of UNGC. This CoP can be accessed through the webpage:

https://www.bhel.com/commitment-ungc-programme

Principle 6: Environment

BHEL has a well-established Environmental Management System (EMS) accredited to ISO 14001. Based on the corporate HSE policy, all manufacturing units and regions have derived their HSE systems in line with the requirement of ISO 14001 'Environmental Management System' standard. The EMS provides an excellent framework to proactively identify and manage the risks related to environment in a systematic manner. HSE cells at all BHEL units as well as Power Sector regions oversee the implementation of HSE policy supported by Corporate HSE department at apex level to provide strategic guidance. Periodic audits are carried out by the certifying body to ensure the compliance to the EMS and requirements of ISO 14001 are met. The company's HSE policy is available on the internet and can be accessed through the web link: **https://www.bhel.com/sites/default/files/HSEPOLICY.pdf**

As a responsible global citizen, the organization acknowledges the relation between Green House Gas (GHG) emissions and climate change. To address this global challenge, BHEL has been putting efforts in reducing carbon footprint of its products and services, thereby enabling the customers to generate power in a sustainable manner with reduced environmental footprints over the life cycle of the plant. In internal operations also, the organization is putting a major thrust in energy efficiency and use of renewable energy sources. The company has established a total of 28 MWp of Solar Photo Voltaic (ground mounted and roof-top) plants at various BHEL locations which has helped company in making its energy mix more sustainable. Company's inventory of renewable application also includes solar water heaters, solar street lighting etc. As a result of such initiatives, BHEL achieved carbon footprint avoidance of 26,118 MT CO2-e during 2020-21. Total energy generated through various renewable energy systems stood at 27.2 million units during 2020-21. The Company has also taken a number of projects related to water and energy conservation, tree plantation, waste management, resource conservation, etc.

Having already introduced supercritical technology in India, the company is working further towards reducing the carbon footprint of BHEL made products during their operational lifecycle. In association with IGCAR and NTPC, BHEL has developed Advanced Ultra Supercritical Technology under the aegis of the National Mission on Clean Coal Technology. The technology will yield targeted efficiency of ~46% against efficiency of ~38% of subcritical and ~41-42% of supercritical sets. As a result, coal consumption and CO2 emission will further reduce by about 11% as compared to supercritical power plants and by about 20% as compared to subcritical power plants for single unit of power generation. The R&D phase of the project has been completed successfully.

BHEL is already offering solutions required to meet the stipulated emission norms which are in force for generation utilities. The company is executing jobs like modification in boiler design, modifications in the wind box and firing system of Boilers, installation of FGD systems for reduction of SOx emissions and improvement in particulate collection efficiency of ESPs. BHEL has indigenously developed SCR technology exclusively for high ash coal fired Indian thermal power plants through its dedicated R&D efforts and the same has been demonstrated at NTPC Simhadri. BHEL has already entered into Technology Collaboration Agreement (TCA) with NANO Co. Ltd., Republic of Korea for design & manufacture of SCR Catalysts and with Babcock Power Environmental Inc., USA for

SCR system catering to De-NOx business in Coal fired power plants.

BHEL is in the process of commissioning the facility developed for conversion of high ash Indian coal to methanol. Successful implementation of this technology will help generating methanol at industrial scale for its use in blending with petrol which can significantly curb the rising crude oil import bill of the country and improve the energy security of India.

BHEL has indigenously developed Passivated Emitter Rear Contact (PERC) technology for high efficiency c-Si solar cells. Maximum efficiency achieved in the PERC solar cells using optimized processes is 21.7% while an average efficiency achieved is 21.08%. With this development, BHEL has the know-how of PERC technology and process design. The dedicated R&D facility has developed capabilities to support migration from non-PERC manufacturing technology processes to PERC technology.

In urban mobility area, there is favourable movement towards Electric mobility as the future mode of transportation. BHEL has developed E-Bus, Permanent magnet motors, Induction motors & IGBT controller for E-buses, Electric Charging Stations for E-mobility infrastructure.

All the emissions and discharges from the premises are maintained within the limits prescribed by respective SPCBs. One notice received from MPPCB is pending resolution for which work is already in progress.

Principle 7: Policy Advocacy

BHEL is a member of many industry bodies/ Chambers viz., Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), Associated Chambers of Commerce and Industry of India (ASSOCHAM), Indian Electrical and Electronics Manufacturers Association (IEEMA) and Standing Conference of Public Enterprises (SCOPE). BHEL uses various mechanisms of interaction with such bodies (e.g. participation in seminars & meetings, participation in working groups etc.) for putting forth its views and opinions in matter related to policy.

Company's interests are represented via inputs to government queries, knowledge sharing, response to surveys, feedback on industry needs, formation of government policies like GST, fiscal budget, foreign trade, Company Law, Industrial Policy, Capital Goods Policy, Export Promotion etc. The company's views are presented in various inter-governmental forums such as Joint Ministerial Commission (JMC), Joint Steering Committee (JSC), Joint Working Group (JWG), Joint Trade Committee (JTC), Joint Economic and Trade Committee (JETCO), Joint Commission Economic Corporation (JCEC), Working Group on Trade (WGT), etc. to facilitate international trade and collaboration. Company also interacts with government bodies like DHI, DPE, DIPP, NITI Aayog and participates in policy formulation like National Electricity Policy, challenges of employment generation, growth and skill development, promotion of in-house R & D, Make in India, AatmaNirbhar Bharat Abhiyan for self-reliant India etc.

Company has actively contributed in a responsible manner towards development of policies meant for strengthening of technology base in country, skill development, development of Indian power sector, development of capital goods sector and Indian manufacturing industry, exports, and growth of Public Sector Enterprises.

Principle 8: Inclusive Growth

BHEL has a well-structured organizational set-up, policy & procedures through which various CSR programmes are implemented. The CSR policy has identified several activities from Schedule-VII of the Companies Act, 2013 as its thrust areas. These activities have been categorized under seven headings namely Clean India, Green India, Healthy India, Heritage India, Inclusive India, Educated India and Responsible India. The policy is hosted on website link https://**www.bhel.com/sites/default/files/BHEL_CSR_Policy_July2017.pdf** and is fully in conformance with requirements of Section 135 of the Companies Act 2013.

The policy is implemented through a three-tier structure at the corporate level (Board level committee on CSR, Level-1 committee & Level-2 Committee for screening and approval of proposals) along with unit level CSR Committee. Company supports numerous social initiatives across the country targeting poor, needy and economically weaker sections of society through specialized agencies such as NGOs, govt. agencies etc. in line with the CSR Policy. BHEL has undertaken several CSR initiatives in the field of health, education, Swachh Bharat, environment protection, vocational training, skill development programmes, infrastructure development and community development programmes, which ultimately contributed to holistic welfare and inclusive growth of the society. CSR projects are closely monitored and supervised with an objective to provide maximum benefits to the society and to ensure fruitfulness of the initiatives undertaken.

During 2020-21, the CSR activities carried out are listed in Annexure IV of Annual Report. Further, project details are listed on the link **https://www.bhel.com/our-projects**

Apart from inclusive growth through CSR, the company takes affirmative action in recruitment and promotion for representation of employees from socio-economically backward sections of society, minorities and women as mandated by the Govt. of India. The company is an equal opportunity employer and does not discriminate on the basis of gender, race, caste, religion, linguistic, region etc. in recruitment and employment relationship.

Principle 9: Customer Value

Customer value is an integral part of BHEL's culture which is also been reflected in our Vision, Mission and Values statement. Company is constantly working towards creating value for customer through products and services. Every product offering of BHEL is labelled with detailed product labels/ name plates/ test certificates as per the requirement and terms of contracts with customers besides the mandatory requirement of the applicable law.

Given BHEL's diverse and large scale nature of operations, customer complaints get registered and resolved through multiple ways. Two dedicated centralized online complaint systems, i.e., Customer Care Management System (CCMS) and Site Action Request (SAR)/ Commissioning Action Request (CAR) are in operation. Major quality issues reported were taken up for Root Cause Analysis (RCA) and are being resolved. Over the year, this has led to a decreasing trend in numbers of major quality issues. Apart from complaints, customer feedback is taken through customer satisfaction surveys, customers' meets, face-to-face interactions, video-conferencing and appreciation letters.

There is no case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year i.e., 31 March, 2021.

Making the the Sun COUNT!

BHEL is one of the few companies in India which provides end-to-end in-house solutions for all solar power needs. BHEL's solar portfolio is 1200 MW+ with solar PV plants commissioned across the Nation- ground mounted, roof top, canal top & floating solar PV plants.

BHEL is Nation's leading EPC player in the floating solar PV segment. Several large scale floating solar power plants including 100 MW NTPC Ramagundam, 25 MW NTPC Simhadri, and 22 MW NTPC Kayamkulam are being executed simultaneously currently. BHEL also commissioned 5 MW Floating SPV plant at Sagardighi, one of the largest floating solar power plants in India at the time of its commissioning, in addition to 5MW floating SPV plant at Simhadri during the year.

Strengthening its technology capabilities, BHEL has indigenously developed Passivated Emitter and Rear Cell (PERC) technology for high efficiency c-Si solar cells, with maximum efficiency of 21.7%, and average efficiency of 21.08%.



RESEARCH & DEVELOPMENT AND TECHNOLOGICAL ACHIEVEMENTS



Annexure-VI to the Board's Report

Research & Development and Technological Achievements

6.1 Innovation

BHEL is one of the highest spenders on R&D and innovation in its field, with consistent expenditure of over 2.5% of its revenue over the past many years. As a result, BHEL's products have been in line with the latest technologies and consistently displayed high reliability, efficiency and cost-competitiveness. However, recent times have witnessed a rapid change in the technological landscape, which has had a far reaching impact on existing businesses as well as thrown up many new hitherto unaddressed opportunities. The company's innovation ecosystem has been revamped over the past year with renewed focus on introducing new products and services as per market requirements in the shorter term as well as working in emerging and futuristic areas in line with the GOI's policy for a decarbonized economy. The company aims to achieve this by a judicious mix of in-house development coupled with collaborations with technology leaders/ global OEMs as well as academia.

BHEL's engineering and R&D base is now focused on in-house development of new products in areas like renewables, railway transportation, defence and aerospace, Industry 4.0, EVs and chargers, etc. The R&D set up is also working on development of ambitious future technologies like Hydrogen, clean coal, etc. to ensure the country's technology leadership in technologies of tomorrow.

Continual strengthening of knowledge and information throughout its innovation ecosystem for the intellectual growth of its workforce is a vital part of the R&D strategy.

6.2 R&D Strategy

BHEL's five-pronged R&D strategy comprises of Strategic Direction, Portfolio Management, Partnerships & Alliances, Knowledge Management and Enablers to address its growth needs.





Unique High Temperature Spin Test Rig (HTSTR) established for testing of advanced materials for AUSC mission project

6.3 R&D Structure

The R&D structure of the Company is headed by Director (E, R&D), supported by Corporate Technology Management (CTM) and Corporate R&D at apex level. CTM is mandated to set out the company's overall R&D strategy so as to enhance its engineering and R&D capabilities for engineering and product development in line with market demands, while the Corporate R&D Division located at Hyderabad works towards in-house technology development. The R&D efforts at corporate level are complemented by various Research & Product Development (RPD) groups in manufacturing units. For engineering processes, the innovation focus is on design optimization and reducing cycle time.

These groups are supported by well-equipped state-of-the-art R&D infrastructure benchmarked with the best in the world. The R&D infrastructure includes laboratories at Corporate R&D Division and manufacturing Units, Centres of Excellence, and specialized Research Institutes, etc.



BHEL's 14 Centres of Excellence include establishments at Corporate R&D Hyderabad (e.g. Intelligent Machines and Robotics, Machine Dynamics, UHV Laboratory, Computational Fluid Dynamics, Permanent Magnet Machines, etc.), HPBP Tiruchirapalli (e. g .Coal Research Centre) and EDN Bengaluru (e. g. Power Electronics, IGBT & controller Technology).

BHEL also has 5 Specialized Research Institutes, namely Pollution Control & Research Institute (PCRI), Haridwar, Welding Research Institute (WRI), Trichy, Ceramic Technological Institute (CTI), Bengaluru, Centre for Electric Transportation (CET), Bhopal and Amorphous Silicon Solar Cell Plant (ASSCP), Gurugram.

Industry – academia collaboration is a key determinant of the success of application of innovation for product as well as process improvements. BHEL has partnered with leading academic and research institutions of the country including IITs, NITs, CSIR, ARAI, etc. for applied research in focus areas.

In areas where in-house innovation efforts need to be supplemented with technology support from established players due to market requirements, BHEL enters into technology collaboration agreements with global engineering and manufacturing leaders. There is a continuous push towards fast absorption and indigenisation of such technology to meet Indian market requirements.

Major Ongoing Technology Collaboration Agreements

Indian Organisations

Sl.	Name of Collaborator	Product
1	Indian Space Research Organisation (ISRO), India	Space Grade Lithium Ion Cells
2	CSIR- IIP, Dehradun	PVSA based Oxygen Plant

Global OEMs

Sl.	Name of Collaborator	Product
1	Mitsubishi Heavy Industries Ltd, Japan	Pumps
2	Siemens AG, Germany	Steam Turbines, Generators and Lateral/Axial Condensers
3	Mitsubishi Power Ltd, Japan	Flue Gas Desulphurization
4	Oto Melara, Italy ** (** now Leonardo S.p.A., Italy)	76/62 Super Rapid Gun Mount
5	Vogt Power International Inc., USA	Heat Recovery Steam Generators
6	Kawasaki Heavy Industries Limited, Japan	Stainless steel coaches and bogies for metros
7	HLB Power Co. Ltd., Korea	Gates and Dampers
8	NANO Co. Ltd., Korea	SCR Catalyst for De-NOx applications
9	Babcock Power Environmental Inc., USA	SCR System De-NOx applications
10	General Electric Technology GmbH, Switzerland	700 MWe Steam Turbine for Nuclear Power Plants
11	Valmet Automation Oy, Finland	New Generation C&I Automation



Electron microscope at Welding Research Institute (WRI), Trichy

6.4 Achievements during the year

Company's committed R&D efforts towards development of new and improved products, processes and systems have led to the following major developments:

- **Development of Advanced Ultra Supercritical (AUSC) Technology** for coal based Thermal Power Plants was identified by Govt. of India (GoI) as a Mission Project as part of the National Action Plan on Climate Change (NAPCC). Under the aegis of Ministry of Heavy Industries and Principal Scientific Advisor (PSA) to GoI, a consortium of BHEL, NTPC and IGCAR was formed to develop AUSC technology to reduce Carbon Emissions & achieve higher efficiency of ~46%.

  Steered by DHI, the AUSC R&D phase of technology development has been completed in Dec'2020. BHEL is now geared to set up 800 MW Technology Demonstration Plant at NTPC Sipat site in the next phase, and has signed an MoU with NTPC for the same. A major landmark in this journey is the design of HP&IP AUSC steam turbine, which included many firsts such as welding of dissimilar metals, machining of new materials and advanced testing methodologies, including Test rig for design validation of creep-fatigue damage estimation of turbine rotor, a first- of-a- kind facility in the world.
- The successful completion of design and manufacturing of **HP Bypass valves for Ultra Super critical parameters** has added a new product in BHEL's portfolio.
- Successful commissioning of a **Digital Substation** with the first indigenously designed and developed BHEL-make 420 kV Fiber Optic Current Transformers (FOCTs), IEC 61850 compliant Intelligent Electronic Devices (IEDs), Switchgear Controller Unit (SCU), and Bay Control Unit (BCU) at POWERGRID's 400/220 kV Bhiwadi Sub-station, as part of a collaborative project between BHEL and POWERGRID identified in the action plan of CPSE Conclave for Vision New India 2022, steered by Honorable Prime Minister of India. This is a major step towards complete digitization of the Sub-Station Automation System and its indigenization.
- BHEL has successfully **designed and manufactured a prototype of 22 ft long Container.** Such containers are presently being imported in the country and your company has established manufacturing facilities for executing these orders.
- For the first time in India, **BHEL has successfully conceptualized, designed, commissioned and synchronized a 1.7 MW Solar PV Plant along the railway trackside for Indian Railways at Bina,** Madhya Pradesh to feed power to 25kV traction line. The project includes development of 850 kW single phase Power Conditioning Unit (PCU), 400/25 kV dry type transformers and PV SCADA for managing the operation of solar power plant.
- BHEL has **indigenously developed Passivated Emitter Rear Cell (PERC) technology for high efficiency c-Si solar cells** with funding from Ministry of New and Renewable Energy (MNRE). Maximum efficiency achieved in the new PERC solar cells is 21.7%, with average efficiency of 21.08%. With this development, BHEL has the know-how and dedicated cell level R&D facility to support upgradation of PERC technology and also carry out research in upcoming technologies.
- To address the upcoming 1.5 kV solar PV system business, **BHEL has developed, designed and manufactured in-house prototype of 1500V, 325Wp multi-crystalline cell PV Module.** With the successful conduction of type & safety qualification tests, BHEL is ready to address this future segment of solar business.
- **BHEL has developed a Francis turbine model with specific speed of 260 m-kW.** The hydraulic design was finalized along with complete water passage design including optimized runner profile through exhaustive CFD analysis. The prototype model has been tested successfully for designed parameters. BHEL is ready for future business of Francis turbine with this high specific speed range.
- To support the fight against COVID-19, BHEL developed **atomized liquid sanitizing equipment called BHELMISTER.** More than 150 Nos. of BHEL MISTERs have been delivered to various parts of the country.

- BHEL has for the first time designed & manufactured India's highest rating **500 MVA, 400/220/33 kV, 3-Phase Interconnecting Transformer (ICT),** which has been successfully dynamic short circuit tested at NHPTL Bina.
- BHEL has indigenously developed and commissioned **3-phase propulsion electrics for 9000 HP WAG9HH** electric locomotives for Indian Railways which includes traction & auxiliary convertor, traction transformer and 3-phase AC traction motor.
- BHEL has successfully developed and supplied **3-phase AC Induction Motors and Traction Alternators for 3000 HP cape gauge locomotive** applications for Mozambique Railways. This is first ever export order for 3-phase AC Induction Motors and Traction Alternators.
- BHEL has developed **Composite Insulators with 1600 mm creepage** for usage of 25kV AC in overhead traction lines in high-polluted zones for Indian Railways. The prototypes have successfully passed all the required type tests as per the latest specifications of RDSO.
- As a part of indigenization of imported equipment in stategic applications, BHEL has developed a **350 kW, 104 Hz, 520 rpm, reversible, permanent magnet, synchronous Reserve Propulsion Machine.** The machine has successfully completed endurance testing of 2500 hours of continuous operation.
- BHEL has developed a compact two cylinder reheat steam turbine module of a HP Back Pressure steam turbine (HNG63/50-3) and a combined IPLP Reheat Condensing Turbine (HNK80/5-3) coupled through flexible coupling. The module enables significant improvement in cycle heat rate, resulting in higher efficiency and enhanced reliability.

6.5 Focus areas for R&D & technology development

BHEL is building and consolidating R&D capabilities in the following emerging and existing areas:

- Total solutions for rail transportation in areas of three-phase AC drive system for electric locos, MEMU, coach manufacturing for Metro & High speed train-sets.
- Establishing technology demonstration plant with Advanced Ultra Super Critical (AUSC) Technology for Thermal Power Plants.



Centre for Electric Transportation (CET) at BHEL Bhopal

- Indigenization of Flue Gas Desulphurization (FGD) systems technology which will also help reduce the import bill of the country.
- Indigenization of higher capacity axial compressors for blast furnace in Steel industries under the AatmaNirbhar Bharat Abhiyaan.
- Products & systems for Hydrogen economy and fuel cells applications.
- Development of indigenous technology to generate green fuels (Methanol, Hydrogen, etc.) from high ash Indian coal.
- Products and systems for digital substation and advanced power transmission like ±800kV HVDC, 765 kV, 1200 kV transmission systems.
- Development of high efficiency solar cells, grid connected renewable energy Solar PV applications.
- Products and systems for strategic applications.
- Application of Industry 4.0 with deployment of new technologies including Intelligent machines & robotics and Advanced Manufacturing Technologies.
- Development of solutions for E-mobility ecosystem including E-Bus, power train, charging stations, energy storage systems, etc.



Centre for Excellence for Computational Fluid Dynamics (CFD) at Corp R&D, Hyderabad

Annexure –VII to the Board's Report

7.1 Conservation of Energy

Sustainable Development tenets are ingrained in the business processes of BHEL. Our mission statement "Providing Sustainable business solutions in the fields of Energy, Industry & Infrastructure" also bear testimony to this. This is a continuous journey for reaching newer heights of corporate excellence through implementation of reduced environmental footprint of our products & services and enhancing stakeholder value. This ideology is implemented for all our internal processes as well, promoting inclusive growth in the society.

Sustainable use of energy across our premises is an imprortant element of business decision making process. Energy conservation/ efficiency projects undertaken have resulted into significant saving in energy consumption. Detailed energy audit process has been undertaken and subsequently ISO 50001 certification has been obtained which will harness energy saving opportunities to the extent feasible. Reduction in lighting load through switching to energy efficient lighting fixtures in offices/ street lighting is a regular activity in our organization. Energy Conservation projects have been implemented in FY 20-21 which include Replacement of conventional lights with energy efficient LEDs; Replacement of old ACs with energy-efficient 5-star AC, Installation of about 120kWs roof top solar, etc..

Generation of Renewable Energy for captive use has gained momentum in the recent years in our organization. 28 MWp of in-house installed capacity of solar power plants comprise of ground mounted as well as rooftop solar systems. It has resulted into lesser dependence on DG sets and achieve sustainable energy mix in our operations.

7.2 Technology Absorption and Research & Development

Research & Development

1. Specific areas in which R&D carried out by the Company	}	Given in the Directors' Report under Annexure-VI "R&D and Technological Achievements"
2. Benefits derived as a result of the above R&D		
3. Future Focus areas		
4. Expenditure on R&D		
Total	..	₹726.49 crore
a) Recurring	..	₹719.78 crore
b) Capital		₹6.71 crore
Expenditure as a percentage of revenue	..	**4.45 %**

7.3 Technology Absorption

Details of technology acquired during the last 5 years:

Technology	Year of import	Absorption status
Stainless Steel Metro Coaches & Bogies	2017	Technology absorption in progress
Gates and Dampers	2018	
Selective Catalytic Reduction (SCR) Catalyst	2018	
SCR System	2018	
Steam Turbine for Nuclear PHWR application	2018	
New Generation C&I Automation	2020	

7.4 Foreign Exchange Earnings and Outgoings (₹ Crore)

Particulars	2020-21	2019-20
Foreign Exchange Used	1598	4031
Foreign Exchange Earned	1743	3880

For and on behalf of the Board of Directors of
BHARAT HEAVY ELECTRICALS LTD.



Dr. Nalin Shinghal
Chairman & Managing Director

Place : New Delhi
Dated: 27.08.2021

Annexure –VII A to the Board's Report

7A.1 Implementation of Official Language

Official Language Implementation Committee has been constituted under the Chairmanship of Head of the unit / division in all the units of BHEL. Quarterly meetings were held in all the units /divisions including Corporate Office. Hindi Divas/ Week/Fortnight/ Month was celebrated in all the units/ divisions including Corporate Office during which various competitions, seminars, cultural programmes and Kavi Sammelans were organized. Hindi Day message of Chairman and Managing Director was sent to all BHEL employees through e-mail on September 14, 2020. Besides, Hindi Day Function was organized through a pan India VC, under the Chairmanship of Dr. Nalin Shinghal, Chairman and Managing Director and Mr. Vinay Vinamra, well-known poet, was invited as the Chief Guest on the occasion.

Rajbhasha Ullas Parva Valediction and Award Distribution Function was held on September 30, 2020 at Corporate Office. Dr. Sumeet Jerath, Secretary (OL), Ministry of Home Affairs, Government of India graced the occasion as Chief Guest. Secretary (Rajbhasha) appreciated the innovative effort of forming "Rajbhasha Chakra" at BHEL as well as the programs organized across the Company. To speed up the pace of implementation of Official Language in the company, more than 30 nos. of Rajbhasha Chakra were formed across the Company.

BHEL is playing an active role in Town Official Language Implementation Committees (TOLIC) located in different cities. Heads of all the units / divisions are members of the TOLIC located in their respective cities. Many interesting competitions, seminars, conferences and programmes are organized under the auspices of these committees. BHEL is making significant contribution in organizing TOLIC competitions as well as other activities and our employees enthusiastically participate in all the competitions and win many prizes. BHEL was awarded First prize for Rajbhasha implementation and our Hindi patrika Arunima was awarded consolation prize by TOLIC, Delhi. Many of our units were also awarded by their respective TOLICs.

BHEL was also ranked in the category of uploading more than 5000 TMs (Translation memory (sentences)) in Memory based Translation software Kanthasth in a competition held by **Department of Official Language, Ministry of Home Affairs, Govt. of India.**

A total of 17 Hindi magazines are published across the Company. 27 employees from various units/divisions were awarded cash prize for their excellent articles published in these magazines. 14 units/divisions of the Company were bestowed Rajbhasha Shield for excellent Rajbhasha implementation. 3 BHEL employees were awarded cash prize for writing books in Hindi.

For celebrating Vishva Hindi Divas, various competitions / programs were organized in all units / divisions. Winners of the competitions were awarded by Chairman and Managing Director on the occasion of Republic Day Celebration. An online Hindi Quiz was organized by Corporate Office on April 22, 2020. A total of 1030 employees from various units/divisions participated in the quiz.

Inspection of Power Sector-PEM and Power Sector–NR was made by Parliamentary Committee on Official Language on October 9, 2020 & November 25, 2020 respectively. The Committee appreciated the efforts being made towards implementation of Official Language and gave suggestions to achieve the targets.

18 sessions on various topics relating to Rajbhasha were organized during the year covering 1664 participants from various units/ divisions.



Rajbhasha Ullas Parv was observed in BHEL in September 2020



CMD BHEL administered the Integrity Pledge on the inaugural day of Vigilance Awareness Week 2020

All BHEL Rajbhasha Coordinators Meet was held through video conferencing on March 23, 2021. A total of 70 officials across the Company participated in the Meet.

7A.2 Vigil Mechanism

Transparency, fairness and objectivity form the basis for all decision making processes for the company. The Company has in place a full-fledged Vigil Mechanism consisting of Vigilance Department, Internal Audit, Whistle-blower Policy mechanism, Independent External Monitor(s), as well as Board Level Audit Committee.

The Vigilance function of BHEL is headed by Chief Vigilance Officer who acts as an extended arm of Central Vigilance Commission (CVC) in the Company. All units & divisions of BHEL have a Vigilance set-up headed by a Senior Officer reporting to the CVO.

Preventive Vigilance has been the focus area of BHEL and during the year 2020-21, 108 number of Training programmes/ Workshops on Preventive Vigilance were organized for employees associated with decision making process across the Units/RegioSession on preventive vigilance has been added in all the General Management / Strategic Management / Young Managers Programmes organized by BHEL's Corporate Learning & Development (CLD) Department. However, as suggested by the Commission, a two days training programme on 'Preventive Vigilance' has been included in the induction training and mid-career training programmes for executives from January, 2021.

The Dos & Don'ts for Finance-Works & Purchase, Civil structural Works execution, IT applications, Procurement, vendor registration and Quality & Third Party Inspections were finalized and released. These Do's and Don'ts aims to act as a ready reckoner for all dealing officials facilitating them in discharging their work effectively and efficiently.

During the year 2020-21, 29 cases were taken up for investigation, 70 penalties (22 major and 48 minor) were imposed and 14 warning / advisory letters were also issued. Further, out of 200 outstanding complaints (185 received during the year 2020-21) 197 were disposed off and rest are under different stages of disposals.

Annual Property returns of about 4830 employees (about 28.5% of employee covered under CDA Rules) were scrutinized during the year 2020-21.

Random checks of the activities in the organization were conducted through routine inspections, surprise checks, system studies, CTE type inspection etc. Based on the findings of these inspections/ scrutinies, Improvements were suggested on various provisions of BHEL Policies / Guidelines / Manuals so as to minimize discretionary powers and to bring clarity in provisions where there is scope for misinterpretation. Accordingly, Revised Reverse Auction (RA) Guidelines-2020 and Amendment to Guidelines for Suspension of Business Dealings with Suppliers/Contractors have been issued.

During the year 2020-21, recoveries of approx. ₹482.45 lakh have been made from various agencies, employees, vendors and contractors, on the advice of Vigilance.

As per directives issued by CVC vide circular no. 020/ VGL/036/459673 dated 8th September, 2020, the Vigilance Awareness Week (VAW)-2020 was observed from 27th October to 2nd November, 2020 on the theme 'सतर्क भारत – समृद्ध भारत (Vigilant India – Prosperous India)' in Corporate Office, Manufacturing Divisions, Power Sector Regions, offices and Project Sites of BHEL.

Vigilance Department organized various programmes (approx. 230) on the theme of Vigilance Awareness Week i.e. debates, elocutions, panel discussions, essay writing, quiz, slogans/ cartoon / poster competitions etc. for employees, their wards and students of schools and colleges in various cities across India keeping in view the COVID-19 guidelines.

An online quiz competition on PAN BHEL basis was organized by Corporate Vigilance Department to generate awareness about rules, regulations & policies. A total of about 900 employees participated in the online quiz. Further, an online crossword was also organized wherein a total of about 540 employees participated.

To address the grievances of vendors a centralized Vendor Grievance Redressal System (SUVIDHA), where vendors can lodge as well as view and track the status of grievance(s) lodged, was developed and launched during VAW-2020. As a part of awareness series, 09 nos. animated clips (VAW Theme, policy matters, lodging of complaints, CDA Rules, password protection, Whistle Blower Policy, Medical Dependency etc.) were developed in-house and released during the VAW. These clips were shared with employees and were also uploaded on the BHEL's website / social media platforms.

Vigilance Department publishes quarterly e-Newsletter 'DISHA' with a view to create awareness about procurement policy, rules and procedures etc., to disseminate the instructions/ guidelines issued by CVC and Government of India from time to time and to share best practices, case studies and articles. Four issues were published during the year and thirty-two issues have so far been published since 2013. The e-newsletter is given wider publicity and is sent to all employees through e-mail and also hosted on BHEL's units/ Regions Intranet webpage.

7A.3 Health, Safety & Environment (HSE)

It has always been our endeavour to consolidate good HSE practices and make them a part of our work culture. In view of the same, an online Site Safety Assessment System was developed and launched for monthly self-assessment by all the active sites across Power Sector-Regions. This will help the Project Sites to improve their safety performance continually, through regular self-assessment.

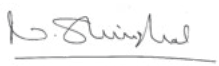
BHEL conducted HSE Trainings / Expert Talks / Webinars on regular basis for their employees and sub-contractors' employees. In addition to the structured trainings, BHEL spread awareness among their employees and society on large scale during HSE campaigns i.e. Environment Awareness Month (5th June – 30th June, 2020), Swachhta Pakhwada (16th – 31st August 2020), National Safety Fortnight (4th – 18th March 2021) etc.

BHEL has made all-out effort to make its townships "Single Use Plastic Free" and get the 3rd party audit / surveillance audit conducted for declaring them as "Single Use Plastic Free Townships". All 14 townships of BHEL have been declared as "Single Use Plastic Free Townships".

BHEL's effort in increasing its safety performance and environmental enrichment has been well appreciated and BHEL has received many awards as a recognition of these efforts. The awards received during the year include:

- Golden Peacock Environment Management Award (GPEMA) - 2020 in Power Equipment Sector for exemplary contribution to environment management by Institution of Directors.
- Apex India "Gold Award" 2020 under Occupational Health & Safety in Engineering Sector for exemplary contribution in OHS at BHEL.

For and on behalf of the Board of Directors of
BHARAT HEAVY ELECTRICALS LTD.



Dr. Nalin Shinghal
Chairman & Managing Director

Place: New Delhi
Date: 27.08.2021

Annexure – VIII to the Board Report

Form AOC- I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate Companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹Crore)

1. Sl. No.	01
2. Name of the subsidiary	BHEL ELECTRICAL MACHINES LIMITED
3. The date since when subsidiary was acquired	19th January, 2011
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
5. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
6. Share capital	10.50
7. Reserves & surplus	(34.23)
8. Total assets	24.64
9. Total Liabilities	48.36
10. Investments	NIL
11. Turnover	0.25
12. Profit/(loss) before taxation	(7.05)
13. Provision for taxation	(1.77)
14. Profit/(loss) after taxation	(5.28)
15. Proposed Dividend	NIL
16. % of shareholding	51%

Figures given in brackets are negative

The proposal for transfer of 51% stake in BHEL EML, sent by BHEL to Department of Heavy Industry, Govt. of India for approval, has been approved on 11th May 2021. Appropriate action to execute the Agreement with Govt of Kerela and to complete the necessary activities for transfer of Company's 51% stake in BHEL EML to Govt of Kerela at a consideration of ₹1 only and waiver of working capital loan of ₹3 Crore along with interest accrued thereon given by BHEL to BHEL EML is being taken.

1. Names of subsidiaries which are yet to commence operations	NIL
2. Names of subsidiaries which have been liquidated or sold during the year.	NIL

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ Crore)

Name of Joint Ventures	BHEL-GE Gas Turbine Services P. Ltd.	NTPC BHEL Power Projects Pvt Ltd	Raichur Power Corporation Ltd.
1. Latest Audited Balance Sheet Date	31.03.2021	31.03.2020	31.03.2020
2. Date on which Associate or Joint Venture was associated or acquired	5th May ,1997	28th April,2008	15th April, 2009
3. Shares of JVs held by BHEL on the year end			
No.	2379999	50000000	664040000
Amount of investment	2.38	50.00	664.04
Extent of Holding %	50% minus one share	50%	27.97%
4. Description of how there is significant influence	Jointly controlled entities		
5. Reason why the associate/ JV is not consolidated	N.A.	N.A.	N.A.
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	181.50	NIL	NIL
7. Profit/ (Loss) for the year	As per equity method		
i. Considered in consolidation	44.14	NIL	NIL
ii. Not considered in Consolidation	-	(12.26)	(152)

Figures given in brackets are negative. In RPCL,300 shares are held by BHEL in the name of its nominee.

M/s Power Plant Performance Improvement Ltd. is under liquidation and hence not considered in consolidation. The investment in this JV amounting ₹2.00 crore has been fully provided for.

Dada Dhuniwale Khandwa Power Limited (DDKPL) stands dissolved vide NCLT order dated 2nd November, 2020.

For and on behalf of Board of Director

(Rajeev Kalra)
Company Secretary
M.No.14567

(Subodh Gupta)
Director (Finance)
DIN:08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date attached

For Raj Har Gopal & Co.
Chartered Accountants
FRN 002074N

(CA Gopal Krishan)
Partner
M.No.081085

For Tiwari & Associates
Chartered Accountants
FRN- 002870N

(CA Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN- 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

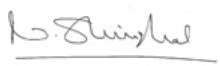
1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	:	NIL
(b)	Nature of contracts/arrangements/transactions	:	NIL
(c)	Duration of the contracts / arrangements/transactions	:	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	:	NIL
(f)	Date(s) of approval by the Board	:	NIL
(g)	Amount paid as advances, if any	:	NIL
(h)	Date on which the special resolution was passed in general meeting as required under proviso to section 188	:	NIL

2. Details of material contracts or arrangements or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	:	NIL
(b)	Nature of contracts/arrangements/transactions	:	NIL
(c)	Duration of the contracts / arrangements/transactions	:	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	:	NIL
(e)	Date(s) of approval by the Board, if any	:	NIL
(f)	Amount paid as advances, if any	:	NIL

For and on behalf of the Board of Directors of
BHARAT HEAVY ELECTRICALS LTD.



Dr. Nalin Shinghal
Chairman & Managing Director

Place: New Delhi
Dated: 27.08.2021

Annexure - IX to the Board's Report

INDEPENDENT AUDITOR'S REPORT

To the Members of

Bharat Heavy Electricals Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Bharat Heavy Electricals Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone financial statements") in which are incorporated the returns for the year ended on that date for 19 branches audited by us and 10 branches audited by the branch auditors of the company.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flow for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in respect of "Revenue from contracts with Customers" under Ind AS 115. The application of this revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period, and disclosures including presentations of balances in the financial statements. Estimated efforts is a critical estimate to determine revenue, as it requires consideration of progress of the contract, efforts incurred till date, efforts required to complete the remaining performance obligation. **Refer Note 49 to** the standalone financial statements	**Principal Audit Procedures** Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: ▪ Evaluated the effectiveness of controls over the preparation of information that are designed to ensure the completeness and accuracy. ▪ Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. ▪ Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with Ind AS 115. ▪ Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. ▪ Performed analytical procedures and test of details for reasonableness and other related material items.
Assessment and recoverability of Trade Receivables and Contract Assets The Company has trade receivables outstanding (net) of ₹7213.37 crore and contract assets of ₹24079.25 crore at the end of March 31, 2021 These balances are related to revenue recognized in line with Ind AS 115 "Revenue from contracts with customers" for ongoing contracts and completed contracts. The assessment of its recoverability is a key audit matters in the audit due to its size, pending balance confirmation of letters sent and high level of management judgment **Refer Notes 6,9,11,17,49** to the standalone financial statements.	**Principal Audit Procedures** We have assessed the Company's internal process to recognize the revenue and review mechanism of trade receivables and contract assets. Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: ▪ Evaluated the process of invoicing, verifications, and reconciliations with customers. ▪ Obtained the list of project wise outstanding details and its review mechanism by the management. ▪ Reviewed the guidelines and policies of the Company on impairment of trade receivables and contract assets. ▪ Tested the accuracy of aging of trade receivables and contract assets at the year-end on sample basis. ▪ Performed analytical procedures and test of details for reasonableness, recoverability and other related material items.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management of Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management of Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for

expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/information of 10 **(Ten)** branches included in the standalone financial statements of the Company whose financial statements / financial information reflect total assets of **₹33345 crore** as at 31st March, 2021 and total revenue of **₹9454 crore** for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143 (3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books. and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.

c. The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch

auditors have been sent to us and have been properly dealt with by us in preparing this report

d. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account

e. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015.

f. In terms of Notification no. G.S.R. 463 (E) dt. 05-06-2015 issued by Ministry of Corporate Affairs, the Provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of directors are not applicable to the Company.

g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. **Refer Note 41** to the financial statements.

ii) The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. **Refer Note 48** to the financial statements.

iii) There has been no delay in transferring the amount, required to be transferred in accordance with the relevant provisions of the Companies Act, 2013 and the rules made thereunder, to the Investor Education and Protection Fund by the Company.

(3) On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we are enclosing our report in terms of Section 143(5) of the Act, on the directions and sub directions issued by the Comptroller and Auditor General of India in **"Annexure C"**.

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA. Gopal Krishan)
Partner
M. No. 081085
UDIN:21081085AAAAJL3015

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747
UDIN:21085747AAAABA2627

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739
UDIN:21411739AAAADH6304

Place : New Delhi
Date : June 11, 2021

"Annexure A" to Independent Auditors' Report

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone financial statements of Bharat Heavy Electricals Limited ("the Company"), for the year ended March 31, 2021]

i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) According to the information and explanations given to us, physical verification of fixed assets is being conducted in a phased manner by the management under a programme designed to cover all the property, plant and equipment including intangible assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification to the extent verification was made during the year.

(c) The details of title deeds of immovable properties not held in the name of the Company are given in note no. 3.1 (a to f) to the Financial Statements.

ii) As explained to us physical verification of inventory has been conducted by the management under Perpetual Inventory Programme at regular intervals during the year except for stock of work in progress and finished goods in few units where these are verified at the year end with reference to the inspection reports and production reports of the Production Planning Department of such units. In regard to stocks lying with contractors/fabricators and other parties, confirmations were received in few cases only. In our opinion the frequency of verification is reasonable. No material discrepancies has been reported.

iii) According to the information given to us, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a), (iii) (b) and (iii) (c) of Paragraph 3 of the Order are not applicable to the Company.

iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.

v) Based on our examination of the Company's records and according to the information and explanations given to us, the Company has not accepted any deposits from public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.

vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.

vii) (a) According to the information and explanations given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Goods and Service Tax, Cess and any other statutory dues as applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Goods and Service Tax, Cess and any other statutory dues were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the particulars of Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Goods and Service Tax which have not been deposited on account of dispute are as under:

(₹in crore)

Sl. No.	Name of the Statute	Nature of the Dues	Pending Amount	Amount paid under protest	Forum where dispute is pending
1	Central Sales Tax Act, Value Added Tax and Sales Tax Act of various States	Sales Tax, VAT	14.17	6.99	Assessing Officer
			277.36	55.73	Dy. Commissioner/ Jt. Commissioner/ Commissioner (Appeals)
			306.96	125.89	Appellate Tribunal
			69.10	7.80	High Court
			4.84	4.84	Supreme Court
			284.18	3.98	Various Appellate Authorities

(₹in crore)

Sl. No.	Name of the Statute	Nature of the Dues	Pending Amount	Amount paid under protest	Forum where dispute is pending
2	Central Excise Act, 1944	Excise Duty	43.79	-	Assessing Officer
			32.51	-	Commissioner (Appeals)
			57.43	4.39	Appellate Tribunal
			27.49	-	High Court
			0.55	0.55	Supreme Court
3	Service Tax under the Finance Act, 1994	Service Tax	8.00	0.21	Commissioner (Appeals)
			681.61	16.36	Appellate Tribunal
			6.43	-	Various Appellate Authorities
4	Customs Act,1962	Custom Duty	5.80	5.80	High Court

viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or Government. The Company has not issued any debentures.

ix) According to the records of the Company examined by us and the information and explanations given to us, the Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) and term loans. Hence, the same is not applicable to the Company.

x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year.

xi) In terms of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 of the Companies Act, 2013 relating to managerial remuneration are not applicable to the Company.

xii) Since the Company is not a nidhi Company, provisions of clause no. 3(xii) do not apply to the Company;

xiii) According to the records of the Company examined by us and the information and explanations given to us, the related party transactions are in compliance with section 177 and 188 of the Companies Act, 2013 and have been disclosed in the Financial Statements.

xiv) Based on our examination and the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or debentures during the year under review. Therefore, provision of clause no. (xiv) is not applicable to the Company.

xv) Based on our examination and the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them.

xvi) Based on our examination and the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India. Act, 1934.

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA. Gopal Krishan)
Partner
M. No. 081085
UDIN:21081085AAAAJL3015

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747
UDIN:21085747AAAABA2627

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739
UDIN:21411739AAAADH6304

Place : New Delhi
Date : June 11, 2021

"ANNEXURE B"
TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STAND-ALONE FINANCIAL STATEMENTS OF BHARAT HEAVY ELECTRICALS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Bharat Heavy Electricals Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial

reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N



(CA. Gopal Krishan)
Partner
M. No. 081085
UDIN:21081085AAAAJL3015

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(CA. Sandeep Sandill)
Partner
M. No. 085747
UDIN:21085747AAAABA2627

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C



(CA. Priyanka Jajoo)
Partner
M. No. 411739
UDIN:21411739AAAADH6304

Place : New Delhi
Date : June 11, 2021

"ANNEXURE C" TO INDEPENDENT AUDITOR'S REPORT

Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Bharat Heavy Electricals Limited (Standalone) for the year 2020-21

S. No.	Areas Examined	Replies
1	Whether the Company has system in place to process all the accounting transactions through IT system. If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender due to the company's inability to repay the loan? If yes, the financial impact may be stated.	According to the information and explanations given to us and based on our examination of the records of the company, there has been no restructuring/ waiver/ write off of debts/loans/ interest etc. made by a lender due to the company's inability to repay the loan
3	Whether fund received / receivable for specific schemes from Central / State agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	Fund received / receivable for specific schemes from Central / State agencies were properly accounted for /utilized as per its term and conditions

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA. Gopal Krishan)
Partner
M. No. 081085
UDIN:21081085AAAAJL3015

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747
UDIN:21085747AAAABA2627

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739
UDIN:21411739AAAADH6304

Place : New Delhi
Date : June 11, 2021

DGA(E)Rep/01-61/A/cs-BHEL/2021-22/V01-D/294

गोपनीय

सत्यमेव जयते

भारतीय लेखापरीक्षा और लेखा विभाग

कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Energy)
New Delhi

Dated: 12/8/2021

सेवा में,

अध्यक्ष एवं प्रबंध-निदेशक,
भारत हैवी इलेक्ट्रिकल्स लिमिटेड
नई दिल्ली

महोदय,

विषय:-31 मार्च 2021 को समाप्त वर्ष के लिए भारत हैवी इलेक्ट्रिकल्स लिमिटेड , नई दिल्ली के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

मैं, भारत हैवी इलेक्ट्रिकल्स लिमिटेड , नई दिल्ली के 31 मार्च 2021 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

डी. के. शेखर

(डी. के. शेखर)
महानिदेशक

पाँचवा, छठा, सातवाँ, एवं दसवां तल, सी.ए.जी बिल्डिंग, एनैक्सी, 10, बहादुर शाह ज़फर मार्ग, नई दिल्ली- 110002
5th, 6th, 7th & 10th Floor, C.A.G Building Annexe, 10 Bahadur Shah Zafar Marg, New Delhi- 110002
Tel. : 011-23239213, 23239235 Fax : 011-23239211, Email : pdaenergydl@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BHARAT HEAVY ELECTRICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

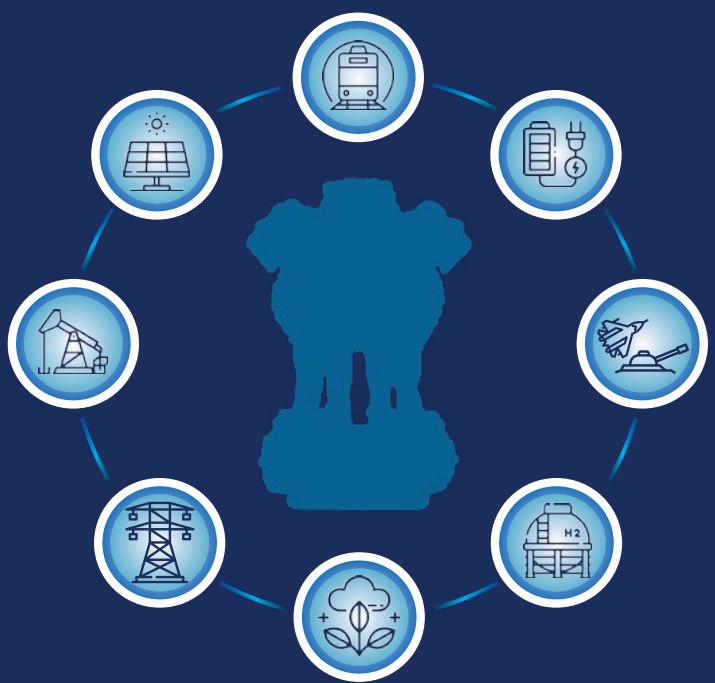
On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(D.K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 12 August 2021

Financial Statements



Standalone Financial Statements 166



Standalone Balance Sheet as at March 31, 2021

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2021		As at March 31, 2020	
A. ASSETS						
1. Non-current assets						
(a) Property, plant and equipment	**3a**	**178**		**2426.16**		2735.47
(b) Capital work-in-progress	**3b**	**178**		**403.21**		306.74
(c) Intangible assets	**4a**	**178**		**62.16**		78.61
(d) Intangible assets under development	**4b**	**178**		**16.35**		7.26
(e) Financial assets						
(i) Investments	**5**	**182**	**670.00**		669.51	
(ii) Trade receivables	**6**	**184**	**3179.74**		4533.50	
(iii) Other financial assets	**7**	**184**	**97.39**	**3947.13**	83.17	5286.18
(f) Deferred tax assets (net of liabilities)	**8**	**185**		**3659.77**		2756.21
(g) Other non-current assets	**9**	**186**		**16852.44**		16361.66
Total non-current assets				**27367.22**		27532.13
2. Current assets						
(a) Inventories	**10**	**187**		**7191.23**		8905.46
(b) Financial assets						
(i) Trade receivables	**11**	**188**	**4033.63**		7107.62	
(ii) Cash and cash equivalents	**12**	**188**	**1527.18**		1402.86	
(iii) Bank balances other than cash and cash equivalents	**13**	**188**	**5174.25**		5015.70	
(iv) Loans	**14**	**189**	**-**		-	
(v) Other financial assets	**15**	**189**	**228.18**	**10963.24**	258.84	13785.02
(c) Current tax assets (net)	**16**	**189**		**403.59**		229.02
(d) Other current assets	**17**	**190**		**9775.96**		9784.03
Total current assets				**28334.02**		32703.53
TOTAL ASSETS				**55701.24**		60235.66
B. EQUITY AND LIABILITIES						
3. Equity						
(a) Equity share capital	**18**	**191**		**696.41**		696.41
(b) Other equity	**18a**	**192**		**25787.64**		28484.80
Total equity				**26484.05**		29181.21

Standalone Balance Sheet as at March 31, 2021

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2021		As at March 31, 2020	
4. Liabilities						
4.1 Non-current liabilities						
(a) Financial liabilities						
(i) Lease Liabilities	**19**	**192**	**53.41**		75.37	
(ii) Trade payables	**20**	**193**				
(i) Total outstanding dues of micro enterprises and small enterprises			**157.92**		72.91	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			**1723.16**		1003.32	
(iii) Other financial liabilities	**21**	**193**	**216.72**	**2151.21**	159.02	1310.62
(b) Provisions	**22**	**193**		**3912.78**		4212.13
(c) Other non-current liabilities	**23**	**194**		**2831.54**		2952.65
Total non-current liabilities				**8895.53**		8475.40
4.2 Current liabilities						
(a) Financial liabilities						
(i) Borrowings	**24**	**194**	**4833.78**		4933.39	
(ia) Lease Liabilities	**19**	**192**	**48.20**		56.67	
(ii) Trade payables	**25**	**195**				
(i) Total outstanding dues of micro enterprises and small enterprises			**662.94**		611.12	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			**6014.80**		8212.50	
(iii) Other financial liabilities	**26**	**196**	**917.65**	**12477.37**	1426.05	15239.73
(b) Provisions	**27**	**196**		**3164.25**		3081.78
(c) Other current liabilities	**28**	**196**		**4680.04**		4257.54
Total current liabilities				**20321.66**		22579.05
Total liabilities				**29217.19**		31054.45
TOTAL EQUITY AND LIABILITIES				**55701.24**		60235.66
Basis of preparation, measurement & significant accounting policies	**2**	**174**				
The accompanying notes are an integral part of these financial statements	**41-60**	**204**				

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567

(Subodh Gupta)
Director (Finance)
DIN: 08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021

Standalone Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in crore)

Particulars	Note	Page	For the year ended March 31, 2021		For the year ended March 31, 2020	
INCOME						
Revenue from operations	**29**	**197**		**17308.44**		21459.19
Other income	**30**	**197**		**369.84**		580.58
TOTAL INCOME				**17678.28**		22039.77
EXPENSES						
Material consumption, erection and engineering expenses	**31**	**198**		**11359.77**		15079.94
Changes in inventories of finished goods, work in progress and Scrap	**32**	**198**		**510.86**		(1042.40)
Employee benefits expense	**33**	**198**		**5372.26**		5426.64
Other Expenses	**34**	**199**		**1799.22**		2429.34
Exchange variation [Net (gain) / loss]				**(65.83)**		(434.73)
Provisions	**35**	**201**		**1467.46**		233.28
Finance costs	**36**	**202**		**373.09**		506.95
Depreciation & amortisation expense	**3.1/4.1**	**179/181**		**473.05**		502.86
TOTAL EXPENSES				**21289.88**		22701.88
PROFIT BEFORE TAX				**(3611.60)**		(662.11)
Tax expenses	**37**	**202**				
a) Current tax			**15.82**		1.52	
b) Deferred tax			**(910.28)**	**(894.46)**	809.34	810.86
PROFIT FOR THE YEAR (A)				**(2717.14)**		(1472.97)

Standalone Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in crore)

Particulars	Note	Page	For the year ended March 31, 2021	For the year ended March 31, 2020
OTHER COMPREHENSIVE INCOME	**38**	**202**		
Items that will not be reclassified to profit or loss (net of tax)				
-Remeasurement of defined employee benefits			**19.98**	(273.88)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)			**19.98**	(273.88)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)			**(2697.16)**	(1746.85)
Earnings per equity share	**39**	**203**		
(1) Basic [Face value of ₹ 2 each]			**(7.80)**	(4.23)
(2) Diluted [Face value of ₹ 2 each]			**(7.80)**	(4.23)
Basis of preparation, measurement and significant accounting policies	**2**	**174**		
The accompanying notes are an integral part of these financial statements	**41-60**	**204**		

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567

(Subodh Gupta)
Director (Finance)
DIN: 08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021

Standalone Statement of changes in Equity (SOCIE)

For the year ended March 31, 2021

A. Equity Share Capital

(₹ in Crore)

Equity shares of ₹ 2 each issued, subscribed and fully paid	Number of shares		Amount	
	2020-21	2019-20	2020-21	2019-20
Balance at the beginning of the year	**3482063355**	**3482063355**	**696.41**	**696.41**
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	**3482063355**	**3482063355**	**696.41**	**696.41**

B. Other Equity
For the year ended March 31, 2021

(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings		
Balance as at April 01, 2020	**35.18**	**37.87**	**30476.66**	**(1649.80)**	**(415.11)**	**28484.80**
Add: Total comprehensive Income for the year	-	-	-	(2717.14)	19.98	(2697.16)
Balance as at March 31, 2021	**35.18**	**37.87**	**30476.66**	**(4366.94)**	**(395.13)**	**25787.64**

Standalone Statement of changes in Equity (SOCIE)

For the year ended March 31, 2021

For the year ended March 31, 2020

(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings		
Balance as at April 01, 2019	**35.18**	**37.87**	**30476.66**	**294.97**	**(141.23)**	**30703.45**
Add: Change in Accounting Practice (Ind AS 115)				31.94		31.94
Restated balance as at April 01, 2019	**35.18**	**37.87**	**30476.66**	**326.91**	**(141.23)**	**30735.39**
Add: Total Comprehensive Income for the year				(1472.97)	(273.88)	(1746.85)
Less: Final dividend for FY 2018-19 [Note 40]				417.85		417.85
Less: Dividend distribution tax [Note 40]				85.89		85.89
Balance as at March 31, 2020	**35.18**	**37.87**	**30476.66**	**(1649.80)**	**(415.11)**	**28484.80**

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567

(Subodh Gupta)
Director (Finance)
DIN: 08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021

Standalone Statement of Cash flows

For the year ended March 31,2021

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before tax	**(3611.60)**	(662.11)
Adjustments for :		
Provision and write off	**1241.08**	244.43
Depreciation and amortisation	**473.05**	502.86
Finance cost (including unwinding of interest)	**373.09**	506.95
Interest & dividend income	**(342.28)**	(525.48)
Others	**(3.79)**	(16.15)
Cash generated / (used) in operations before working capital changes	**(1870.45)**	50.50
Adjustment for changes in working capital:		
Trade Receivables	**3984.43**	3370.09
Contract Assets	**(1281.38)**	(1618.53)
Inventories	**1537.16**	(1095.10)
Loans, advances & other assets	**(211.16)**	392.45
Sub total	**4029.05**	1048.91
Trade payable	**(1341.03)**	(2178.24)
Advances from customers, deposits and others	**(90.17)**	(1843.56)
Provisions	**24.71**	352.62
Sub total	**(1406.49)**	(3669.18)
Net cash (used in) / from working capital	**2622.56**	(2620.27)
Cash generated / (used) in operations	**752.11**	(2569.77)
Income taxes paid	**(190.39)**	(321.94)
Net cash (used in) / from operating activities	**561.72**	(2891.71)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	**(160.00)**	1700.00
Interest received	**343.11**	538.74
Proceeds from joint ventures	**-**	0.27
Income received from mutual funds	**1.42**	6.43
Dividend received from joint ventures	**21.42**	16.30
Sale of property,plant and equipment	**1.88**	9.30
Purchase of property, plant and equipment	**(250.38)**	(394.02)
Net cash (used in) / from investing activities	**(42.55)**	1877.02

Standalone Statement of Cash flows

for the year ended March 31, 2021

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	**(99.61)**	2501.65
Proceeds / (repayment) of lease obligation (Principal)	**(60.30)**	(65.46)
Proceeds / (repayment) of lease obligation (Interest)	**(12.95)**	(17.32)
Dividend paid (Incl. dividend distribution tax)	**(0.68)**	(504.56)
Interest paid	**(221.31)**	(292.36)
Net cash (used in) / from financing activities (refer point 4)	**(394.85)**	1621.95
D. Net increase/(decrease) in cash and cash equivalents	**124.32**	607.26
Opening balance of cash and cash equivalents	**1402.86**	795.60
Closing balance of cash and cash equivalents [Refer Note 12]	**1527.18**	1402.86

(1) Statement of cash flow has been prepared under the indirect method as set out in the Ind AS 7 - Statement of Cash flows.

(2) Previous year's figures have been regrouped/reclassifed wherever applicable

(3) Closing balance of Cash & Cash Equivalents excludes exchange variation loss of ₹ Nil as on March 31, 2021 (Previous year ₹. 0.54 cr).

(4) Changes in liabilities arising from financing activities are available at Note [24 (vii)] and Note [45 b]

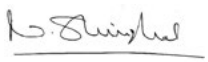
For and on behalf of Board of Directors



(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

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Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C



(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021

Notes to the standalone financial statements for the year ended March 31, 2021

Note [1] – Company Information

Bharat Heavy Electricals Limited ("BHEL or "the Company") is a public limited company domiciled in India and has its registered office at BHEL House, Siri Fort, New Delhi -110049

The Company is an integrated power plant equipment manufacturer and is engaged in design, engineering, manufacture, construction, testing, commissioning and servicing of a wide range of products and services for the core sectors of the economy, viz, Power, Transmission, Industry, Transportation, Renewable Energy, Water, Oil & Gas and Deference & Aerospace.

Note [2] - Significant accounting policies

1. Basis of preparation of Financial Statements

a) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof as well as with the additional requirements applicable to financial statements as set forth in Companies Act, 2013 and amendment thereof.

b) Basis of measurement

The financial statements have been prepared on a going concern basis and on an accrual method of accounting. Historical cost is used in preparation of the financial statements except as otherwise mentioned in the policy.

c) Functional and presentation currency

The financial statements are prepared in INR, which is the Company's functional currency.

d) Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgements in applying accounting policies

Estimates and judgements made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

i) Revenue

The Company uses input method based on cost approach in accounting for the revenue in respect of construction contracts. Use of input method requires the Company to estimate its costs relative to the total expected costs in the satisfaction of its performance obligation. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.

Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

ii) Property, plant and equipment

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by management at the time the asset is acquired and reviewed during each financial year.

iii) Employee benefit plans

Employee defined benefit plans and long term benefit plans are measured on the basis of actuarial assumptions. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses.

iv) Provisions and contingencies

Assessments undertaken in recognising provisions and contingencies have been made as per the best judgement of the management based on the current available information.

2. Property Plant & Equipment (PPE)

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property, plant and equipment (other than those used abroad under contract) is charged on straight-line method as per the useful life prescribed in Schedule II of the Companies Act, 2013, except in the following items where estimated useful life is based on technically assessed estimated useful life :-

Asset Category	(Years)
Erection equipment, Capital tools & tackles	5
Drainage, sewerage & water supply	30
Servers and networks	5
Solar Power Generation Plant	25

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively. Right-of-use assets are amortised over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term

Property Plant & Equipment costing Rs.10,000/- or less and those whose written down value as at the beginning of the year is Rs.10,000/- or less, are depreciated fully.

At erection/project sites: The cost of roads, bridges and culverts is fully amortized over the tenure of the contract, while sheds, railway sidings, electrical installations and other similar enabling works (other than temporary structures) are depreciated over

the tenure of the contract after retaining residual value, if any.

Assets used outside India pursuant to long term contracts are depreciated over the duration of the initial contract.

Temporary structures are fully depreciated in the year of construction.

Significant components with different useful lives are accounted for and depreciated separately.

3. Leases

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease.

Upon initial recognition, assets taken on lease are capitalized under right-of-use assets at cost which comprises initial measurement of lease liability at present value, initial lease payments less incentives, initial direct costs and estimated cost of dismantling and removing the underlying assets, if any.

Lease payments made under leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

For assets given on finance lease, the Company recognizes finance income over the lease term using effective interest rate method. Initial direct costs incurred are included in the initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

Lease income arising from operating lease is recognized as income over the lease period on a straight line basis except where the periodic increase in lease rentals is in line with expected general inflation.

4. Intangible assets

Intangible items costing more than ₹10000/- are evaluated for capitalization and are carried at cost less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortised in Statement of Profit and Loss on a straight-line method over the estimated useful lives from the date that they are available for use. The estimated useful lives for the intangible assets are as follows:

Software	3 years
Others	10 years

Intangible assets having WDV ₹ 10000/- or less at the beginning of the year are amortized fully.

Amortization period and amortization methods are reviewed in each financial year and changes, if any, are accounted for prospectively.

Expenditure on research activities is recognized in statement of profit and loss as incurred. Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs, if any.

Assets acquired for purposes of research and development are capitalized.

5. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of such assets.

An asset that necessarily takes a substantial period of time, considered as more than twelve months, to get ready for its intended use or sale is a qualifying asset for the purpose.

All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

6. Investments in Subsidiaries & Joint ventures

Investments in subsidiaries and joint ventures are accounted at cost less impairment losses, if any.

If the intention of the management is to dispose the investment in near future, it is classified as held for sale and measured at lower of its carrying amount and fair value less costs to sell.

7. Inventories

Inventory is valued at cost or net realizable value, whichever is lower. In respect of valuation of finished goods and work-in-progress, cost means factory cost. In respect of raw material, components, loose tools, stores and spares cost means weighted average cost.

8. Revenue Recognition

Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In relation to construction and long term service contracts, the company transfers control of goods or services to the customer and recognizes revenue over the time. Revenue is recognized using input method based on the cost approach. Progress towards complete satisfaction of performance obligation satisfied over time is remeasured at reporting period end.

Revenue from sale of goods and services is recognized on the transfer of control to the customer and upon the satisfaction of performance obligations under the contract.

Other Income

- Dividend income is recognized in statement of profit and loss on the date on which the Company's right to receive payment is established.
- Interest Income is recognized using effective interest rate method.
- Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted for on accrual basis.

9. Foreign currency Translation/Transaction

Transaction in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the end of each reporting period. Foreign exchange gains or losses arising from settlement and translations are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevailing at the date of transaction.

10. Employee Benefits

Defined Contribution Plans

The Company's contribution to Pension fund including Family Pension Fund for the employees is covered under defined contribution plan and is recognized as employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.

Defined benefit plans

The Company's gratuity scheme, provident fund scheme, travel claims on retirement and post-retirement medical facility scheme are in the nature of defined benefit plans.

The liability recognized in the balance sheet in respect of these defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using an appropriate government bond rate that have terms to maturity approximating to the terms of the related liability.

Remeasurements comprising actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefits liability (asset) are recognized in other comprehensive income (net of income tax).

Other expenses related to defined benefit plans are recognized in statement of profit and loss.

Long Term Leave Liability

The Company measures the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. The Company records a liability for accumulated balance based on actuarial valuation determined using projected unit credit method. Remeasurements and other expenses related to long term benefit plans are recognized in statement of profit and loss.

11. Provisions

(i) Claims for liquidated damages against the Company are recognized in the financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

(ii) For construction contracts the company provides warranty cost at 2.5% of the revenue progressively as and when it recognises the revenue and maintain the same throughout the warranty period. For other contracts, provision for contractual obligations in respect of contracts under warranty at the year end is maintained at 2.5% of the value of contract. In the case of contracts for supply of more than a single product 2.5% of the value of each completed product is provided.

(iii) When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

(iv) Other provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

However, where the effect of time value of money is material, provisions are determined and maintained by discounting the expected future cash flows, wherever applicable.

12. Government Grants

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Non monetary grants are accounted at Fair Value of assets and are treated as deferred income. Deferred income is recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

13. Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (tax laws) enacted or substantively enacted by the end of the reporting period and includes adjustment on account of tax in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is measured at the tax rates that are expected to apply when the temporary differences are either realised

or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional Income tax that arise from the distribution of dividends are recognized at the same time when the liability to pay the related dividend is recognized.

14. Impairment of Assets

Impairment of financial assets

The loss allowance in respect of trade receivables and lease receivables are measured at an amount equal to lifetime expected credit losses.

The loss allowance in respect of all other financial assets, which are required to be impaired, are measured at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses.

Impairment of Non- Financial Assets

The carrying amount of cash generating units is reviewed at each reporting date where there is any indication of impairment. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

15. Segment Reporting

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

16. Financial Instruments

i) Non-derivative financial instruments

Non derivative financial instruments are classified as :

– Financial assets, measured at (a) amortized cost and (b) fair value through Profit and Loss ("FVTPL").
– Financial liabilities carried at amortized cost.

Initially, all financial instruments are recognized at their fair value. Transaction costs are included in determining the carrying amount, if the financial instruments are not measured at FVTPL. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset. Financial liabilities are derecognized when contractual obligations are discharged or cancelled or expired.

Non-derivative financial assets are subsequently measured as below:

A. Amortized cost –

"Financial Instruments at amortized cost" are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

B. FVTPL Category –

Financial instruments classified in this category are subsequently carried at fair value with changes recorded in the statement of profit and loss. Directly attributable transaction costs are recognised in statement of profit and loss as incurred.

Non-derivative financial liabilities are subsequently measured as below:

Subsequent to initial recognition, non – derivative financial liabilities are measured at amortised cost using the effective interest method.

ii) Derivative financial instruments

Embedded derivatives, if any, having material impact, are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit and loss.

Derivatives are recognized and measured initially at fair value. Attributable transaction cost are recognized in statement of profit and loss as cost. Subsequent to initial recognition, derivatives are measured at fair value through profit and loss.

17. Cash and Cash Equivalent

Cash and cash equivalents comprise cash at bank and on hand. It includes term deposits and other short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note [3a] - Non-current assets
Property, plant and equipment

Refer point 2 of Note [2] for accounting policy on property, plant and equipment (PPE) (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross block	**6172.41**	6050.80
Less: Accumulated depreciation	**3746.25**	3315.33
Net block (details refer to note 3.1)	**2426.16**	2735.47

Company had opted for exemption under IndAS 101, and accordingly carrying value as on 31.03.2015 was considered as deemed cost on IndAS transition date.

Note [3b] - Non-current assets
Capital work in progress

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Plant & machinery and other equipments:				
Under Erection/ Fabrication/awaiting erection	**171.60**		166.34	
In transit	**0.63**	**172.23**	0.54	166.88
Construction work-in-progress -Civil		**228.77**		137.98
Construction stores (including in transit)		**2.21**		1.88
Total		**403.21**		306.74

Note [4a] - Non-current assets
Intangible assets

Refer point 4 of Note [2] for accounting policy on intangible assets (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross block	**290.83**	280.48
Less: Accumulated amortisation	**228.67**	201.87
Net block (details refer to note 4.1)	**62.16**	78.61

Company had opted for exemption under IndAS 101, and accordingly carrying value as on 31.03.2015 was considered as deemed cost on IndAS transition date.

Note [4b] - Non-current assets
Intangible assets under development

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets under development	**16.35**	7.26
Total	**16.35**	7.26

NOTE 3.1 - Detail of property, plant & equipment

(₹ in Crore)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
LAND - Freehold land (including development expenses)	27.71	-	-	**27.71**	-	-	-	**-**	**27.71**	27.71
Buildings - Freehold Buildings	1668.18	39.73	(0.83)	**1707.08**	514.58	92.01	(0.04)	**606.56**	**1100.52**	1153.60
Roads, bridges & culverts	15.24	0.61	-	**15.85**	12.82	0.73	-	**13.56**	**2.30**	2.41
Drainage, Sewerage & water supply	28.66	2.52	-	**31.17**	5.96	1.09	-	**7.04**	**24.13**	22.70
Plant & Equipment	3060.41	37.10	(0.30)	**3097.21**	2063.72	202.52	(0.32)	**2265.93**	**831.28**	996.69
Railway Siding	8.85	-	-	**8.85**	4.20	0.67	-	**4.87**	**3.98**	4.65
Locomotives & Wagons	28.36	-	(0.03)	**28.33**	13.74	2.16	-	**15.90**	**12.43**	14.63
Furniture & fixtures	61.18	2.06	(1.28)	**61.96**	34.64	6.27	(0.95)	**39.96**	**21.99**	26.54
Vehicles	13.97	0.40	-	**14.37**	7.21	1.60	-	**8.81**	**5.56**	6.76
Office and Other equipments	132.26	6.51	(0.40)	**138.37**	97.17	13.28	(0.13)	**110.32**	**28.05**	35.09
Electronic Data Processing Equipment	109.10	4.31	19.79	**133.20**	50.84	25.30	21.31	**97.46**	**35.74**	58.26
Electrical Installations	229.55	11.73	(0.08)	**241.20**	149.74	24.48	(0.06)	**174.16**	**67.04**	79.80
Construction Equipment	72.23	0.70	(1.80)	**71.12**	66.62	2.66	(1.80)	**67.47**	**3.65**	5.61
Fixed Assets costing upto ₹ 10,000/-	18.38	3.34	(0.63)	**21.08**	18.37	3.34	(0.63)	**21.08**	**-**	-
Solar power generation	119.46	0.09	-	**119.54**	16.09	5.88	-	**21.97**	**97.58**	103.37
Right-of-use Assets	457.27	30.84	(32.74)	**455.37**	259.62	64.26	(32.70)	**291.18**	**164.19**	197.65
TOTAL	**6050.80**	**139.94**	**(18.32)**	**6172.41**	**3315.33**	**446.25**	**(15.32)**	**3746.26**	**2426.15**	**2735.47**
Previous Year	5766.25	299.56	(15.02)	**6050.80**	2862.23	467.96	(13.69)	**3315.33**	**2735.47**	2904.02

Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2021 ₹ 13436.30 Crore and as at 31.03.2020 ₹ 13336.52 crore

Gross Block as at 31.03.2021 includes assets condemned and retired from active use ₹ 14.11 crore (Previous year ₹ 14.98 crore)

Net Block as at 31.03.2021 includes assets condemned and retired from active use ₹ 0.12 Crore (Previous year ₹ 0.12 Crore)

Gross Block excludes cost of assets purchased out of grant received from Govt of India for research as executing agency since the property does not vest with the Company ₹ 244.43 crore (Previous year ₹ 238.45 crore)

There is no impairment loss during the year.

Table 3.1(a): Right-of-use assets includes:

(₹ in Crore)

Description	Gross Block				Depreciation / Amortization				Net Block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
Land (including development expenses)	110.85	3.92	-	**114.78**	6.40	3.99	-	**10.39**	**104.39**	104.46
Buildings	1.63	-	-	**1.63**	0.26	0.05	-	**0.31**	**1.32**	1.37
Plant & equipment	4.07	18.07	-	**22.14**	1.83	7.68	(0.66)	**8.85**	**13.29**	2.23
Office & other equipment	16.29	0.18	-	**16.47**	13.27	1.99	(0.43)	**14.83**	**1.64**	3.02
EDP Equipment	301.64	8.49	(31.73)	**278.40**	225.70	42.42	(29.81)	**238.31**	**40.10**	75.93
Vehicle	5.30	0.17	(0.97)	**4.50**	1.69	1.53	(0.58)	**2.63**	**1.87**	3.61
Others	17.50	0.00	(0.05)	**17.45**	10.48	6.61	(1.23)	**15.86**	**1.59**	7.02
TOTAL	**457.27**	**30.84**	**(32.74)**	**455.37**	**259.62**	**64.26**	**(32.70)**	**291.18**	**164.19**	**197.65**

Additional disclosure of Note [3.1] Details of Property, Plant and Equipment

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
1. Land and buildings includes		
a i) Acres of land for which formal transfer/lease deed have not been executed (in acres)	**8196.93**	8196.93
Net Block	**70.77**	71.49
ii) Number of flats for which formal transfer/lease deed have not been executed (in nos.)	**12**	12
Net Block	**1.11**	1.15
iii) Acres of land for which the cost paid is provisional (in acres)	**506.46**	506.46
[registration charges and stamp duty (net of provision) would be accounted for on payment]		
Net Block	**63.35**	64.07
b. Acres of land leased to Ministry of Defence, Govt. of India Departments & others (in acres)	**30.37**	30.37
c. Acres of land is under adverse possession/ encroachment (in acres)	**751.49**	757.47

d. 1297.86 acres (PY 1297.86 acres) of land pending mutation at Haridwar plant for which legal action is in process. It includes land measuring 934 acres (PY 934 acres) which is in BHEL's possession but has been wrongly got mutated in the name of SIDCUL Government of Uttarakhand in the year 2004 & 2007.

e. Further at Haridwar plant, 8 Acres of land is pending transfer to IOCl /State Government under office memorandum dated 01.12.2003 of Uttarakhand Government.

(Cost of land of (b to e) mentioned above is not material)

Particulars	As at March 31, 2021	As at March 31, 2020
2. i) Total Area of Land in acres	**16409.03**	16409.03
ii) Free hold land (Sale Deed) / Possessory Rights/license out of 2(i) in acres	**15735.69**	15735.69
iii) Leasehold land out of 2(i) in acres	**673.34**	673.34

3. The company provides 100% depreciation on an item of PPE having cost / opening net block up to ₹ 10000/- each. The impact of providing 100% depreciation on an item of PPE on profit, without considering the impact of earlier years is as under :

Particulars	As at March 31, 2021	As at March 31, 2020
100% depreciation on PPE upto ₹10,000/- charged off	**5.34**	6.14
Less: Normal depreciation on above.	**(1.20)**	(1.11)
Excess amount charged to depreciation for the year	**4.15**	5.03

NOTE 4.1 - Detail of intangible assets

(₹ in Crore)

Description	Gross block				Depreciation / Amortization				Net block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
Internally Developed										
Others	66.55	3.24	-	**69.78**	53.86	7.63	-	**61.49**	**8.29**	12.69
Others										
Software	50.71	0.21	-	**50.92**	42.21	4.61	0.10	**46.92**	**4.00**	8.50
Technical Know-how	163.23	6.90	-	**170.13**	105.80	14.56	(0.10)	**120.26**	**49.87**	57.43
Total	**280.48**	**10.35**	**-**	**290.83**	**201.87**	**26.80**	**-**	**228.67**	**62.16**	**78.61**
Previous year	250.00	30.50	-	**280.48**	166.93	34.90	0.03	**201.87**	**78.61**	83.07

Gross Block (as per earlier IGAAP) as at 31.03.2021 ₹ 575.15 Crore and as at 31.03.2020 ₹ 564.81 crore

There is no impairment loss during the year.

Note [5] - Non-current assets
Financial assets - Investment

Refer point 6 of Note [2] for accounting policy on investment in subsidiaries and joint ventures (₹ in Crore)

Particulars	As at March 31, 2021			As at March 31, 2020		
	No. of Shares (Face value in ₹)	Amount		No. of Shares (Face value in ₹)	Amount	
I Quoted equity instruments	-		-	-		-
II Unquoted equity instruments (fully paid up shares)						
(a) Investment in joint ventures (at cost)						
(i) Raichur Power Corporation Ltd.	**664040000 (10)**		**664.04**	664040000 (10)		664.04
(ii) BHEL-GE Gas Turbine Services Pvt. Ltd.	**2379999 (10)**		**2.38**	2379999 (10)		2.38
(iii) NTPC-BHEL Power Projects Pvt. Ltd.	**50000000 (10)**	**50.00**		50000000 (10)	50.00	
Less: Provision for impairment		**50.00**	-		50.00	-
(iv) Powerplant Performance Improvement Ltd.	**1999999 (10)**	**2.00**		1999999 (10)	2.00	
Less: Provision for impairment		**2.00**	-		2.00	-
(v) Dada Dhuniwale Khandwa Power Ltd.	-	-		22500000 (10)	5.20	
Less: Amount received	-	-			0.27	
Less: Provision for impairment	-	-	-		4.93	-
			666.42			666.42
(b) Investment in subsidiary company (at cost)						
BHEL- Electrical Machine Limited	**5355000 (10)**	**5.36**		5355000 (10)	5.36	
Less: Provision for impairment		**5.36**	-		5.36	-
(c) Investment in equity instruments fully paid up (at FVTPL)						
(i) Neelachal Ispat Nigam Ltd	**5000000 (10)**	**5.00**		5000000 (10)	5.00	
(ii) AP Gas Power Corporation Ltd.	**728960 (10)**	**0.91**		728960 (10)	0.91	
(iii) Engineering Projects (India) Ltd.	**1892 (10)**	*		1892 (10)	*	
		5.91			5.91	
Less: Fair value adjustment		**2.33**	**3.58**		2.82	3.09
Share in Co-operative Societies #			-			-
Total			**670.00**			669.51
*Value of less than ₹ 1 lakh						
Aggregate amount of unquoted investment			**729.69**			734.62
Aggregate amount of impairment in value of investments			**59.69**			65.11

Equity shares held in various employees cooperatives societies, valuing less than ₹ 1 lakh/-

Information about joint ventures and subsidiary

(₹ in Crore)

Particulars	Country of incorporation	As at March 31, 2021	As at March 31, 2020
(A) Name of the joint ventures (JVC)		**Proportion (%) of ownership**	
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	**India**	**One share less than 50%**	One share less than 50%
NTPC-BHEL Power Projects Private Limited (NBPPL)		**50%**	50%
Raichur Power Corporation Limited (RPCL)		**27.97%**	27.97%
Dada Dhuniwale Khandwa Power Limited (DDKPL)		**-**	50%
Power Plant Performance Improvement Limited (PPIL)		**One share less than 50%**	One share less than 50%

(i) The provision for impairment in value of investment in NTPC-BHEL Power Projects Private Limited has been made to the extent of ₹ 50.00 crore (upto previous year ₹ 50.00 crore) based on the net financial position. The Board of Directors in its meeting held on February 08, 2018 has accorded in-principle approval for pursuing the winding up of NBPPL. Ministry of Power (MoP) has advised NTPC to consider buying out the stake of BHEL and decide either to continue it as an in-house EPC arm or close it after completion of present work. This advise was noted by NBBPL Board in its meeting held on 29.08.2019.

(ii) Dada Dhuniwale Khandwa Power Limited (DDKPL) stands dissolved vide NCLT order dated 2nd November, 2020. Against the investment of ₹ 22.50 cr, ₹ 17.57 cr was received (₹ 17.30 cr in FY 2018-19 & ₹ 0.27 cr in FY 2019-20). Balance ₹ 4.93 cr has been written off during the year and corresponding provision withdrawn.

(iii) The provision for impairment in value of investment in Powerplant Performance Improvement Limited amounting to ₹ 2.00 crore (previous year ₹ 2.00 crore) has been made since the JVC is under liquidation and the amount paid as equity is not recoverable.

Particulars	Country of incorporation	As at March 31, 2021	As at March 31, 2020
(B) Name of the subsidiary company		**Proportion (%) of ownership**	
BHEL Electrical Machines Limited (BHEL EML)	**India**	**51%**	51%

The proposal for transfer of 51% stake in BHEL EML, sent by BHEL to Department of Heavy Industry, Govt. of India for approval, has been approved on 11th May 2021. Appropriate action to execute the Agreement with Govt of Kerela and to complete the necessary activities for transfer of Company's 51% stake in BHEL EML to Govt of Kerela at a consideration of ₹ 1 only and waiver of working capital loan of ₹ 3 cr alongwith interest accrued thereon given by BHEL to BHEL EML (refer note 14) is being taken.

Note [6] - Non-current assets
Financial assets - Trade receivables

Refer point 14 of Note [2] for accounting policy on impairment of financial assets. (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	**3535.85**	5166.95
Credit impaired (included in allowances for B&D debts)	**12598.54**	11570.83
	16134.39	16737.78
Less: Allowances for bad and doubtful debts	**12954.65**	12204.28
Total Trade recievable (Net)	**3179.74**	4533.50
Trade recievable (Net) includes ₹ 1773 cr (Previous year ₹ 1712 cr) in respect of projects under litigation or arbritation.		
Simplified approach is followed for impairment of trade receivables, the classification is done in line with Ind AS 109.		
Trade recievable includes:		
(a) Due from Directors	**-**	-
(b) Due from Officers	**-**	-

Note [7] - Non-current assets
Financial assets - Other

Refer point 14 of Note [2] for accounting policy on impairment of financial assets (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits		
Deposits with SEBs, port trust & others		
Unsecured, considered good	**84.64**	83.17
Credit impaired	**2.92**	1.93
	87.56	85.10
Less: Allowances for bad & doubtful deposits	**2.92**	1.93
	84.64	83.17
Bank deposits with more than 12 months maturity	**12.75**	-
Total	**97.39**	83.17
Security Deposits Includes:		
Due from Directors	-	-
Dues from Officers	-	-

Note [8] - Non-current assets
Deferred tax assets (net of liabilities)

Refer point 13 of Note [2] for accounting policy on income taxes.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Provisions	**1754.90**	1724.36
Dues allowed on payment basis	**487.11**	576.14
Depreciation (PP&E and Intangible assets)	**78.26**	75.31
On account of taxable loss	**1278.30**	345.61
Others	**61.20**	34.79
Sub-total	**3659.77**	2756.21
Deferred tax liabilities	**-**	-
Deferred tax assets (net of liabilities)	**3659.77**	**2756.21**

Movement of deferred tax balances

(₹ in Crore)

Particulars	Balance as at April 01, 2020	Recognized in retained earnings	Recognized in statement of profit & loss a/c	Recognized in OCI	Balance as at March 31, 2021
Deferred tax assets					
Provisions	1724.36	**-**	30.54	**-**	**1754.90**
Dues allowed on payment basis	576.14	**-**	(82.31)	(6.72)	**487.11**
Depreciation (PP&E and Intangible assets)	75.31	**-**	2.95	**-**	**78.26**
On account of taxable loss	345.61	**-**	932.69	**-**	**1278.30**
Others	34.79	-	26.41	-	**61.20**
Sub-total	**2756.21**		**910.28**	**(6.72)**	**3659.77**
Less: Deferred tax liabilities	-	**-**	-	**-**	**-**
Deferred tax assets (net of liabilities)	**2756.21**		**910.28**	**(6.72)**	**3659.77**

Note [9] - Non-current assets
Other

Refer point 14 of Note [2] for accounting policy on impairment. (₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Contract assets (including unbilled revenue)				
Unsecured, considered good	**16584.91**		16123.76	
Credit impaired	**3545.45**		2755.16	
	20130.36		18878.92	
Less: Allowances for bad and doubtful debts	**3545.45**	**16584.91**	2755.16	16123.76
Security deposits				
Deposits with tax authorities and others				
Unsecured, considered good	**106.80**		105.97	
Unsecured, considered doubtful	**12.85**		29.17	
	119.65		135.14	
Less: Provision for bad & doubtful deposits	**12.85**	**106.80**	29.17	105.97
Loans & advances				
Unsecured, considered good				
Advances towards purchases	**99.58**		54.96	
Claims recoverable and others	**37.34**		53.16	
Capital advances	**23.81**		23.81	
Unsecured, considered doubtful				
Advances towards purchases	**11.71**		11.92	
Claims recoverable and others	**28.14**		25.85	
	200.58		169.70	
Less: Provision for bad & doubtful loans & advances	**39.85**	**160.73**	37.77	131.93
Total		**16852.44**		16361.66
Contract Assets (Net) include ₹1664 cr (previous year ₹1572 cr) in respect of projects under litigation or arbitration.				
Loan & advances includes :				
(a) Due from Directors		**-**		-
(b) Due from Officers		**-**		-

Note [10] - Current assets
Inventories

Refer point 7 of Note [2] for accounting policy on valuation of inventories. (₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Raw material & components	**2809.70**		3319.22	
Material-in-transit	**199.83**	**3009.53**	647.83	3967.05
Work-in-progress (including items with sub-contractors)		**3778.22**		4119.71
Finished goods	**628.72**		822.94	
Inter - division transfers in transit	**63.75**	**692.47**	68.59	891.53
Stores & spare parts				
Production	**166.37**		197.59	
Fuel stores	**2.58**		3.40	
Miscellaneous	**51.24**	**220.19**	53.38	254.37
Other Inventory				
Materials with fabricators/contractors	**39.80**		59.55	
Loose tools	**23.02**		37.88	
Scrap (at estimated realisable value)	**147.46**	**210.28**	117.76	215.19
		7910.69		9447.85
Less: Provision for non-moving inventory		**719.46**		542.39
Total		**7191.23**		8905.46
Note :				
Write down of inventories		**219.35**		100.80
Less : reversal thereof		**42.27**		113.88
Net		**177.08**		(13.08)

Note [11] - Current assets
Financial assets - Trade receivables

Refer point 14 of Note [2] for accounting policy on impairment of financial assets. (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	**4485.39**	7972.67
Credit impaired (included in allowances for B&D debts)	**425.72**	572.94
	4911.11	8545.61
Less: Allowances for bad and doubtful debts	**877.48**	1437.99
Total	**4033.63**	7107.62
Includes:		
(a) Due from Directors	**-**	-
(b) Due from Officers	**-**	-

Note [12] - Current assets
Financial assets - Cash & cash equivalents

Refer point 17 of Note [2] for accounting policy on cash and cash equivalent. (₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Balances with banks :				
EEFC a/c	**202.69**		82.93	
Current / cash credit a/c	**1324.32**	**1527.01**	1285.45	1368.38
Cheques, demand drafts on hand		**0.08**		29.90
Deposits with banks having maturity 3 month or less		**-**		0.29
Cash & stamps on hand		**0.07**		0.21
Remittances in transit		**0.02**		4.08
Total		**1527.18**		1402.86

Note [13] - Current assets
Financial assets - Bank balances

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Fixed deposits having maturity more than 3 months but not more than 12 months		**5160.00**		5000.00
Fixed deposits against margin money for BG issued		**2.54**		2.41
Balances with banks (earmarked):				
Charging station project	**7.88**		10.17	
Unclaimed dividend a/c	**2.11**		2.79	
Non-repatriable a/c	**1.69**		0.30	
Sale proceeds of fractional shares on bonus issue	**0.03**	**11.71**	0.03	13.29
Total		**5174.25**		5015.70
Total Cash and Bank Balances [12 + 13]		**6701.43**		6418.56

Note [14] - Current assets
Financial assets - Loans

Refer point 14 of Note [2] for accounting policy on impairment of financial assets. (₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Loans				
Loan to Subsidiary [$]				
Credit impaired	**3.70**		3.70	
Less: Allowances for bad & doudtful loans	**3.70**	**-**	3.70	-
Loan to PSU (BP&CL*)				
Credit impaired	**13.32**		13.32	
Less: Allowances for bad & doudtful loans	**13.32**	**-**	13.32	-
Total		**-**		-

[$] Loan given to subsidiary (₹3 cr) and interest accrued and due thereon (₹0.70 cr) are subject to waiver on transfer of BHEL's stake to GoK.
* Loan given to Bharat Pumps and Compressors Ltd (₹12 cr). and interest accrued & due thereon (₹1.32 cr) has been fully provided

Note [15] - Current assets
Financial assets- Others

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Security deposits				
EMD and other deposits				
Unsecured, considered good		**128.32**		134.99
Credit impaired		**12.01**		13.42
		140.33		148.41
Less: Allowances for bad & doubtful deposits		**12.01**		13.42
		128.32		134.99
Interest accrued on banks deposits		**77.14**		99.39
Advance to employees	**22.80**		24.53	
Less: Allowances for bad & doubtful advances	**0.08**	**22.72**	0.07	24.46
Total		**228.18**		258.84
Includes:				
(a) Due from Directors		**-**		-
(b) Due from Officers		**0.01**		0.05

Note [16] - Current assets
Current tax assets / liabilities (net)

Refer point 13 of Note [2] for accounting policy on income taxes. (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax & TDS	**1062.15**	2528.11
Less: Provisions for taxation	**658.56**	2299.09
Total	**403.59**	229.02

Note [17] - Current assets
Other

Refer point 14 of Note [2] for accounting policy on impairment of financial assets. (₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Contract assets (including unbilled revenue)				
Unsecured, considered good	**7494.34**		7670.46	
Credit impaired	**76.46**		54.69	
	7570.80		7725.15	
Less: Allowances for bad and doubtful debts	**76.46**	**7494.34**	54.69	7670.46
Claim recoverable				
Unsecured, considered good				
Input tax credit receivable	**1031.00**		916.90	
Claim recoverable and others	**601.11**		570.94	
Unsecured, considered doubtful				
Input tax credit receivable	**8.61**		10.17	
Claim recoverable and others	**121.16**		117.49	
	1761.88		1615.50	
Less: Provision for bad & doubtful claims	**129.77**	**1632.11**	127.66	1487.84
Advances				
Unsecured, considered good				
Subsidiary company	**0.24**		0.24	
Vendors / subcontractors	**152.16**		224.23	
Unsecured, considered doubtful				
Vendors / subcontractors	**6.93**		7.37	
	159.33		231.84	
Less: Provision for bad & doubtful advances	**6.93**	**152.40**	7.37	224.47
Security deposits				
Deposits with tax authorities and others				
Unsecured, considered good	**497.11**		401.26	
Unsecured, considered doubtful	**79.41**		58.75	
	576.52		460.01	
Less: Provision for bad & doubtful deposit	**79.41**	**497.11**	58.75	401.26
Total		**9775.96**		9784.03

Note [18] - Equity
Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.of Shares (Face value in ₹)	Amount	No.of Shares (Face value in ₹)	Amount
A. Equity share capital				
Authorised	**10000000000 (2)**	**2000.00**	10000000000 (2)	2000.00
Issued, subscribed and fully paid up	**3482063355 (2)**	**696.41**	3482063355 (2)	696.41
a) The reconciliation of the number of equity shares outstanding				
Balance as at the beginning of the year	**3482063355**	**696.41**	3482063355	696.41
Add/(Less): Changes during the year	**-**	**-**	-	-
Balance as at the end of the year	**3482063355**	**696.41**	3482063355	696.41
b) Details of shares held by shareholders holding more than 5% of shares at the end of the year				
President of India (Promoter)	**2199650402**	**63.17%**	2199650402	63.17%
Life Insurance Corporation of India	**350647914**	**10.07%**	350647914	10.07%
Face value per share in (₹)		**2.00**		2.00

c) Terms / rights attached to the equity shares

The company has only one class of equity shares having par value of ₹ 2 per share (previous year ₹ 2 per share). Each holder of the equity shares is entitled to one vote per share.

d) Issue of bonus share

The Company allotted bonus share on October 03, 2017 in the ratio of 1:2 i.e. one equity share for two existing fully paid-up equity shares. Consequently, the paid-up capital was increased from ₹ 489.52 crore in FY 2016-17 to ₹ 734.28 crore in FY 2017-18 by capitalization of reserves.

e) Share buyback

The Company vide its Board approval dated October 25,2018, bought back its 18,93,36,645 fully paid-up equity shares of the face value of ₹ 2 each representing 5.16% of the total issued and paid-up equity share capital from the eligible equity shareholders of the Company for an amount of ₹ 1628,29,51,470 at a price of ₹ 86 per equity share in FY 2018-19. Consequently, the paid-up share capital was reduced from ₹ 734.28 crore in FY 2017-18 to ₹ 696.41 crore in FY 2018-19.

Note [18a] - Other Equity

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	**35.18**	35.18
Capital redemption reserve	**37.87**	37.87
General reserves	**30476.66**	30476.66
Retained earnings	**(4366.94)**	(1649.80)
OCI (Re-measurements of defined benefit plans)	**(395.13)**	(415.11)
Total	**25787.64**	28484.80

Nature and purpose of reserves:

(a) **Capital reserve :** It represents mainly the excess of net assets taken, over the cost of consideration paid during amalgamation of the then subsidiary company (HPVP) with the BHEL.

(b) **Capital redemption reserve:** The Company has recognised Capital Redemption Reserve on buy back of equity shares from its general reserve.The amount in capital redemption reserve is equal to nominal amount of equity shares bought back.

(c) **General reserve:** This represents accumulation of profits retained by Company to meet future (known/unknown) obligations.

(d) **Retained earnings:** Retained earnings are profits that Company has earned till date, less transfer to general reserve, dividends (incl. dividend distribution tax) or other distributions to shareholders.

(e) **Re-measurement of net defined benefit plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumption or experience adjustments within the plans, are recognised in 'Other comprehensive income' and these are subsequently not to be reclassified to the Statement of Profit and Loss.

Note [19] - Financial liabilities- Lease Liabilities

Refer point 3 of Note [2] for accounting policy on lease.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- Current		
Long term maturities of lease obligations	**53.41**	75.37
Current		
Current maturities of lease obligation	**48.20**	56.67
Total	**101.61**	132.04
Further disclosures available at Note [45] on lease		

Note [20] - Non current liabilities
Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	**157.92**		72.91	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**1723.16**	**1881.08**	1003.32	1076.23
Total		**1881.08**		1076.23
Significant part of the above pertains to retention money or under dispute/abritration				

Note [21] - Non current liabilities
Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits from contractors & others	**211.01**	150.99
Liability for capital expenditure	**5.71**	8.03
Total	**216.72**	159.02

Note [22] - Non current liabilities
Provisions

Refer point 10 & 11 of Note [2] for accounting policy on employee benefits and provisions.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contractual obligation	**2505.89**	2755.25
Provision for employee benefits*	**1092.78**	1170.42
Provision others	**312.02**	277.53
Corporate social responsibility **	**2.09**	8.93
Total	**3912.78**	4212.13

*Further Disclosure available at note (46) on employee benefits

**Disclosure as per point (vii) of Note 34 on CSR expense

Note [23] - Non current liabilities
Other

Refer point 12 of Note [2] for accounting policy on Government grants (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Advances received from customers incl. excess of billing over revenue)	**2806.50**	2921.16
Deferred income- Govt. grant #	**25.04**	31.49
Total	**2831.54**	2952.65

#Govt. grant is received for setting up of solar PV plant and manufacturing of modules

Note [24] - Current liabilities
Financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Loans from banks	**201.01**	600.00
Pre shipment packing credit	**299.36**	759.22
Buyer's Credit	**45.71**	141.58
(secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)		
Sub-total (A)	**546.08**	1500.80
Unsecured		
Commercial papers	**4287.70**	3432.59
Sub-total (B)	**4287.70**	3432.59
Total borrowings (A+B)	**4833.78**	4933.39

(i) The Company has a cash credit limit from banks aggregating to ₹ 6000 crore (previous year ₹ 6000 crore) and Company's counter guarantee / indemnity obligations in regard to bank guarantee / letters of credit limit aggregating to ₹ 54000 crore (previous year ₹54000 crore) sanctioned by the consortium banks. These are secured by first charge by way of hypothecation of raw materials, components, work in progress, finished goods, stores, trade receivables and other current assets both present and future. The outstanding bank guarantees as at 31.03.2021 is ₹ 39343 Crore (previous year ₹ 41491 Crore). This figure includes BG of ₹ 630 crore (previous year ₹ 971 Crore) issued as replacement and pending for vacation as on 31st March 2021

(ii) Loan from Banks represents loans against Fixed deposits (₹ 200 crore) and balance for WCDL (Working Capital Demand Loan). (Previous year loan from Banks represents WCDL).

(iii) Packing Credit in Foreign Currency (PCFC) has been availed by the Company. The outstanding amount of USD 40.50 million is repayable in parts during the months November 2021 to March 2022.

(iv) Buyer's credit has been availed by the Company. The outstanding amount of USD 6.18 million is repayable in April 2021.

(v) Details of Commercial papers outstanding as on 31st March 2021 is as follows:

(₹ in Crore)

Issue Date	Maturity Date	Discount Rate	Face Value	Amortised cost
12th Nov, 2020	29th Oct, 2021	4.05%	575.00	562.04
30th March, 2021	28th June, 2021	3.41%	1000.00	991.85
31st March, 2021	24th June, 2021	3.47%	900.00	892.87
26th March, 2021	24th June, 2021	3.41%	700.00	694.55
22nd March, 2021	21st May, 2021	3.66%	650.00	646.76
8th Jan, 2021	9th April, 2021	3.40%	500.00	499.63
		Total	**4325.00**	**4287.70**

(vi) Corporate Guarantees given for own obligations outstanding as on 31.03.2021 is ₹ 1799 crore (previous year ₹ 1422 crore).

(vii) Change in Borrowings arising from Financing activities (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	**4933.39**	2431.74
Cash Flow during the year	**(99.61)**	2501.65
Closing Balance	**4833.78**	4933.39

For changes in lease liability arising from financing activities, refer note no [b] of Note 45

Note [25] - Current liabilities
Financial liabilities - Trade Payables

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Trade payables:				
(i) Total outstanding dues of micro enterprises and small enterprises		**662.94**		611.12
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**5900.89**		8171.93	
(iii) Acceptances	**113.91**	**6014.80**	40.57	8212.50
Total		**6677.74**		8823.62
Significant part of the above pertains to retention money or under dispute/arbitration.				
A. Micro and small enterprises disclosure				
(i) The principal amount remaining unpaid to supplier as at the end of the accounting year *		**826.36**		690.14
(ii) The interest due thereon remaining unpaid, to supplier as at the end of accounting year.		**-**		-
(iii) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond appointed day during the year.		**-**		-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.		**-**		-
(v) The amount of interest accrued during the year and remaining unpaid at the end of year.		**-**		-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure.		**-**		-

* The amount shown here as outstanding includes amount shown in Note 20,25,26 to Micro and Small enterprises . The amount shown here is not due for payment contractually as on March 31, 2021.

Note [26] - Current liabilities
Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Liabilities:				
Employees dues	**117.61**		285.65	
Other dues*	**291.72**		559.23	
Capital expenditure~	**57.49**	**466.82**	82.73	927.61
Deposits from contractors & others		**447.75**		491.93
Unpaid dividend **		**2.11**		2.79
Interest accured on borrowings		**0.97**		3.72
Total		**917.65**		1426.05

* Other dues includes ₹ 0.03 crore for sale proceeds of fractional shares arising out of issuance of bonus shares.

~ Incl MSME ₹ 5.50 cr for FY 2020-21 & ₹ 6.11 cr for FY 2019-20

** No amount is due and outstanding to be transferred to Investor Education & Protection Fund at the year end.

Note [27] - Current liabilities
Provisions

Refer point 10 & 11 of Note [2] for accounting policy on employee benefits and provisions.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contractual obligation	**1486.56**	1563.86
Provision for employee benefits#	**826.79**	1120.75
Corporate social responsibility ##	**19.18**	6.58
Provision others	**831.72**	390.59
Total	**3164.25**	3081.78

#Further Disclosure available at note (46) on employee benefits

##Disclosure as per point (vii) of Note [34] on CSR expense

Note [28] - Current liabilities
Other

Refer point 12 of Note [2] for accounting policy on Government grants

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Advances received from customers incl.excess of billing over revenue)	**4057.18**	3797.27
Liabilities towards statutory dues	**616.41**	453.82
Deferred income - Govt. grant	**6.45**	6.45
Total	**4680.04**	4257.54

Note [29]
Revenue from operations

Refer point 8 of Note [2] for accounting policy on revenue recognition. (₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from contracts with customers		
Sales	**13010.53**	15057.11
Income from external erection & other services	**3285.02**	5433.53
[For details, refer Note 49(b)]		
Sub-total (A)	**16295.55**	20490.64
Other operational income		
Freight & insurance	**93.32**	143.43
Scrap sales	**141.97**	142.12
Recoveries from suppliers	**112.88**	219.79
Liabilities written back	**211.83**	312.27
Insurance claims	**163.48**	16.42
Export incentives	**156.88**	14.99
Others	**132.53**	119.53
Sub-total (B)	**1012.89**	968.55
Revenue from operations (A + B)	**17308.44**	21459.19
Revenue from operations excludes :		
Goods and service tax	**2392.35**	2837.28

Note [30]
Other income

Refer point 8 of Note [2] for accounting policy on revenue recognition. (₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income *		
From customers	**1.14**	-
From banks	**313.61**	502.21
Others	**6.11**	6.97
Sub-total (A)	**320.86**	509.18
Dividend income		
Dividend on investment in joint ventures (long term trade)	**21.42**	16.30
Sub-total (B)	**21.42**	16.30
Other income		
Profit on sale of units of mutual funds	**1.42**	6.43
Government grants	**6.45**	6.45
Profit from sale of PPE & capital stores (Net)	**1.88**	9.30
Others	**17.81**	32.92
Sub-total (C)	**27.56**	55.10
Total other income (A+B+C)	**369.84**	580.58
*Includes TDS	**20.99**	50.05

Note [31]
Material consumption, erection and engineering expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of raw material & components	**8158.56**	11780.11
Civil, erection and engineering expenses	**2912.47**	2946.98
Consumption of stores & spares	**288.74**	352.85
Total	**11359.77**	15079.94

Note [32]
Changes in inventories of finished goods, work in progress and Scrap

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Work -in -progress				
Closing balance	**3778.22**		4119.71	
Opening balance	**4119.71**	**341.49**	3219.82	(899.89)
Finished goods				
Closing balance	**628.72**		822.94	
Opening balance	**822.94**	**194.22**	661.01	(161.93)
Scrap				
Closing balance	**147.46**		117.76	
Opening balance	**117.76**	**(29.70)**	90.89	(26.87)
Inter-division transfer in transit		**4.85**		46.29
(Increase)/Decrease		**510.86**		(1042.40)

Note [33]
Employee benefits expense

Refer point 10 of Note [2] for accounting policy on employee benefits.

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages, bonus, allowances & other benefits	**4695.04**	4625.09
Contribution to provident and other funds	**372.65**	405.44
Staff welfare expenses	**194.86**	279.49
Contribution to gratuity fund	**101.66**	105.03
Group insurance	**8.05**	11.59
Total	**5372.26**	5426.64

Note [34]
Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Power & fuel		**319.42**		459.14
Expenditure on other sub contracts		**267.49**		334.60
Carriage outward		**216.71**		287.38
Payment to security agencies		**203.25**		222.79
Repairs & maintenance:				
Buildings	**26.55**		45.03	
Plant & machinery	**29.59**		32.28	
Others	**67.50**	**123.64**	88.12	165.43
Insurance		**128.51**		147.02
Travelling & conveyance		**65.15**		124.48
Bank charges		**92.54**		104.22
R&D expense		**29.48**		74.97
Hire charges		**46.38**		62.34
Expenditure on collaborations & royalty		**34.92**		57.72
Rates & taxes		**25.06**		43.65
Office expense		**31.00**		40.29
Expenditure on skill development		**15.22**		39.38
Legal, audit & certification expense		**34.61**		35.04
EDP, software & lease line expense		**25.57**		29.73
Corporate social responsibility		**20.18**		28.80
Water charges		**34.19**		26.94
Expenditure in connection with exports		**11.92**		24.39
Rent non-residential		**15.88**		20.23
Entertainment & courtesy expenses		**2.29**		9.89
Environmental protection		**5.72**		7.17
Seminar, development and training expense		**1.16**		6.02
Publicity & public relation expense		**1.55**		5.43
Miscellaneous expense		**47.38**		72.29
Total		**1799.22**		2429.34

Disclosure- Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Legal, audit & certification expense includes :		
Payment to Statutory Auditors:		
Audit fees	**0.94**	0.86
Tax audit	**0.20**	0.18
Quarterly limited review & others	**0.56**	0.55
Audit expense	**0.03**	0.11
	1.73	1.70
Payment to Cost Auditors:		
Audit fees	**0.15**	0.15
(ii) Director's fees	**0.21**	0.23
(iii) Expenditure on departmental repair & maintenance:		
Plant & machinery	**175.27**	205.73
Buildings	**29.65**	42.38
Others	**32.88**	34.96
(iv) Expenditure on research & development	**146.01**	221.84
(v) Expenditure on foreign travel		
No. of tours	**77**	323
Expenditure	**1.28**	6.52

(vi) BHEL from own contribution has spent cumulative ₹189 crore (upto previous year ₹170 crore) on AUSC project and accounted as R&D expenditure.

(vii) **Corporate social responsibility**

As per section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR policy. The details of CSR expense for the year are as under:

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Amount required to be spent during the year	**20.18**	28.80
B. Amount available from previous year	**15.51**	21.83
C. Total (A+B)	**35.69**	50.63
D. Amount spent during the year on-		
(i) Construction/ acquisition of any asset	**0.14**	-
(ii) On purposes other than (i) above	**14.28**	35.12
Total	**14.42**	35.12
Amount carried forward:	**21.27**	15.51
Current	**19.18**	6.58
Non-current	**2.09**	8.93

The provision of ₹ 21.27 cr. represents unspent amount on ongoing projects and has been transferred to a separate Bank account within 30 days from the end of the FY 2020-21 as per Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
(i) Construction / acquisition of any asset	**0.14**	**-**	-	-
(ii) On purposes other than (i) above	**11.25**	**3.03**	33.96	1.16
Total	**11.39**	**3.03**	33.96	1.16

Note [35]
Provisions

Refer point 10, 11 & 14 of Note [2] for accounting policy on employee benefits, provisions and impairment of assets.

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Doubtful debts, liquidated damages and loans, advances & deposits				
Created during the year	**2583.68**		2335.46	
Less: withdrawal during the year	**1773.13**	**810.55**	2300.75	34.71
Contractual obligations				
Created during the year	**240.96**		436.35	
Less: withdrawal during the year	**501.81**	**(260.85)**	573.11	(136.76)
Others				
Created during the year	**768.16**		290.95	
Less: withdrawal during the year	**128.75**	**639.41**	179.14	111.81
		1189.11		9.76
Impairment of investment in JVs		**-**		(0.27)
Investment written off		**4.93**		-
Bad debts written off		**77.55**		57.60
Liquidated damages & contractual charges charged off		**170.98**		165.20
Losses written off		**24.89**		0.99
Total		**1467.46**		233.28

Note [36]
Finance costs

Refer point 5 & 11 of Note [2] for accounting policy on borrowing costs and provisions. (₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Discount on commercial papers		**163.68**		204.12
Unwinding of provisions		**141.74**		195.61
Interest cost:				
Banks / Financial Institutions	**29.34**		45.27	
Foreign Financial Instituitions	**10.77**		26.32	
On lease obligation	**12.79**		16.03	
Others	**13.80**	**66.70**	17.24	104.86
Other expenses on issuance of Commercial paper		**0.97**		2.36
Sub-total		**373.09**		506.95
Less: Borrowing cost capitalised		**-**		-
Total		**373.09**		506.95

Note [37]
Tax expenses

Refer point 13 of Note [2] for accounting policy on income taxes. (₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Current tax				
For current year	**32.83**		63.44	
For earlier years	**(17.01)**	**15.82**	(61.92)	1.52
Deferred tax				
For current year	**(907.85)**		(161.53)	
For earlier years	**(2.43)**	**(910.28)**	970.87	809.34
Total		**(894.46)**		810.86

Note [38]
Other comprehensive income / expenditure

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income / (Expenditure)		
Re measurement of defined employee benefits	**26.70**	(342.06)
Less: Income tax related to above items *	**6.72**	(68.18)
Total	**19.98**	(273.88)
* Includes		
Current tax	**-**	-
Deferred tax	**6.72**	(68.18)

Reconciliation of Income tax expense and accounting profit (TCI) multiplied by income tax rate.

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Comprehensive Income / (Loss) before tax (A)	**(3584.90)**	(1004.17)
Statutory income tax rate (B)	**25.168%**	25.168%
Tax expense C = (AXB)	**(902.25)**	(252.73)
Difference due to: (D)		
Expenses not deductible for tax purposes	**33.95**	72.65
Income exempt from income tax	**-**	(4.10)
Change in tax rate	**-**	974.41
Change in tax expense - earlier years	**(19.44)**	(47.55)
Subtotal (D)	**14.51**	995.41
Net Tax Expense E = (C+D)	**(887.74)**	742.68

Note [39]
Earnings per share

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (loss) attributable to equity shareholders	**(2717.14)**	(1472.97)
Weighted average number of equity shares	**348.21**	348.21
Basic and diluted earnings per share of ₹ 2 each	**(7.80)**	(4.23)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weightage average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weightage average number of equity shares considered for deriving basic earnings per equity share and also the weightage average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Note [40]
Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Dividend on equity shares declared and paid during the year		
Final dividend of ₹ Nil (previous year ₹ 1.20) per qualifying equity share	**-**	417.85
Dividend distribution tax on final dividend	**-**	85.89
Total	**-**	503.74
B. Proposed dividend on equity shares not recognised as liability	**-**	-
Proposed final dividend of ₹ Nil per share for FY 2020-21 (FY 2019-20 ₹ Nil per share)		

Note [41] - Contingent liabilities and commitments

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Contingent liabilities		
Claims against the company not acknowledged as debt :		
(a) Sales tax matters	**894.74**	1147.53
(b) Service tax matters	**696.04**	793.64
(c) Court & arbitration matters	**516.18**	690.01
(d) Excise duty matters	**161.76**	161.76
(e) Customs duty and others	**834.51**	5.80
(f) Other matters (incl. disputed staff cases)	**40.51**	38.16
(g) Claim towards Liquidated damages (LD)	**2901.75**	5231.57
Total	**6045.49**	8068.47

(i) In view of various court cases, litigations and claims disputed by the Company, the outflow of resources is not ascertainable at this stage. Generally,contingent Liability in respect of court & arbitration cases are shown on award/court judgement and also reviewed on a case to case basis for its reporting in contingent liability.

(ii) It is not practicable for the Company to estimate the timing of actual cash outflows in respect of items (a) to (f) , if any, due to pending resolution of the respective proceedings. However, the chances are remote and contingent.

(iii) Liquidated damages represents likely claims or amount withheld by customer on account of delay in execution of projects which will be settled after commissioning and trial operation of project based on delay analysis and is being disclosed in line with Ind AS -37.

(iv) **Movement in contingent liabilities**

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**8068.47**	7434.64
Less: Reduction out of opening balance	**3342.01**	1443.71
Add: Additions (net) during the year	**1319.03**	2077.54
Balance at the end of the year	**6045.49**	8068.47

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
B. Commitments		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for.	**229.15**	325.72
(The above includes related to acquisition of intangible assets)	**(8.65)**	(12.30)
(b) Investment in the Joint Venture entities for which the company has restrictions for their disposal for five years from the date of incorporation /commercial operation of the project/first unit of the project/completion of first EPC contract, as the case may be.	**50.00**	50.00

(c) In view of the nature of business, being long term construction contracts there may be other commitments for purchase of material etc., which has been considered as normal business process.

Note [42]

Current Financial liabilities includes a sum of ₹ **100.51** crore (previous year ₹ 100.51 Crore) towards guarantee fee demanded by the Government of India in respect of foreign currency loans taken by the Company at the instance of the Government upto 1990-91. The matter for its waiver has been taken up with the Government since there was no stipulation for payment of such guarantee fee at the time the loans (guaranteed by Government) were taken by the company.

Note [43]

The Company had taken over Amorphous Silicon Solar Cell Plant (ASSCP), Gurgaon on April 1, 1999 from Ministry of New and Renewable Energy (MNRE) on lease for a period of 30 years. The formal lease agreement with the Ministry of New and Renewable Energy (MNRE) is yet to be finalised.

Note [44]

Balance shown under Trade receivables, Trade payables, contractors' advances, deposits and stock / materials lying with sub-contractors/ fabricators are subject to confirmation, reconciliation & consequential adjustment, if any. The Company is in the business of long term construction contracts, bills are raised on the customers as per contract in line with billing schedule approved by the customer and the reconciliation is carried out on ongoing basis & provisions made, wherever considered necessary. Final reconciliation with customer is done on completion of project (Trial Operation and PG Test completed). Trade receivable of completed projects stand at ₹**7882** crore (previous year ₹8098 crore) . Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹**6299** crore (previous year ₹6676 crore).

Note [45]
Disclosure on Leases - Ind AS 116

Lease Commitments - Company as Lessee

The company's significant leasing agreements are in respect of land, building and EDP equipments. The company has entered into a rate contract for lease arrangement for computer items, printers, video conferecing equipments and peripherals. Assets taken on lease are capitalised and disclosed separately as Right-of-use assets in the property, plant and equipment. The lease rentals are allocated between interest, maintainence and principal value. The interest and maintenance charges are charged to Statement of Profit and Loss and principal amount is adjusted to lease obligations.

The company has applied the following available practical expedients :

(i) The short-term leases exemptions to leases with lease term less than 12 months

(ii) The low value lease exemption to leases where underlying asset is of low value (assets of less than ₹ 50000 in value).

a. Age-wise analysis of Lease Liabilities are as follows :

(₹ in Crore)

Particulars	Future minimum lease payments		Interest		Present value [PV] of minimum lease payments	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Not later than 1 year #	**54.01**	65.04	**8.77**	11.49	**45.24**	53.55
Later than 1 year and not later than 5 years	**60.33**	87.62	**6.92**	12.25	**53.41**	75.37
Later than 5 years	**-**	-	**-**	-	**-**	-

The amount of future minimim lease payments in respect of leases where remaining lease term as at the end of March 31,2021 is less than 12 months is ₹ 9.54cr (Previous year ₹ 5.97cr).

b. Movement in lease liabilities during the FY year 2020-2021

(₹ in Crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Lease Liabilities As at April 1*	**132.04**	178.41
Add: Additions	**30.03**	20.38
Add: Accretion of interest	**12.79**	16.03
Less : Payments/Adjustment	**73.25**	82.78
Lease Liabilities as at March 31*	**101.61**	132.04

* includes interest accrued of ₹ 2.96 crore (PY ₹ 3.12 crore) & ₹ 3.12 crore (PY ₹ 4.41 crore) as at March 31,2021 & March 31,2020 respectively

c. Amounts recognised in profit or loss:

(₹ in Crore)

Particulars	For the Year Ended	
	March 31, 2021	March 31, 2020
Expense relating to Short-term leases (Refer Note No.34)	**2.25**	5.95
Expense relating to low value assets leases (Refer Note 34)	**1.03**	1.21
Depreciation charge of right-of-use assets	**64.26**	66.63
Interest expense (included in finance cost)	**12.79**	16.03

d. The company has various lease contracts that have not yet commenced. The future lease payments for these non-cancellable lease contracts are as follows:

(₹ in Crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Not later than 1 year	**0.07**	0.07
Later than 1 year and not later than 5 years	**0.05**	0.08
Later than 5 years	**-**	-

Note [46] - Disclosure on 'Employee benefits' - Ind AS 19

A. The Company has following Schemes in the nature of Defined Benefits plans :

i) Gratuity Scheme
ii) Post Retirement Medical Scheme
iii) Provident Fund Scheme
iv) Travel claim on Retirement

(i) Gratuity (Funded Plan)

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum limit of ₹20 Lakhs.The gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The liability has been assessed using projected unit credit actuarial method.

Movement in net defined benefit (asset)/liability on Gratuity plan

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at					
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening balance	**2068.33**	2034.82	**1696.77**	1862.77	**371.56**	172.05
Included in Profit for the Year :						
Current Service Cost	**101.66**	105.03	**-**	-	**101.66**	105.03
Past Service Cost	**-**	-	**-**	-	**-**	-
Interest cost /(income)	**139.61**	157.70	**139.61**	157.70	**-**	-
Total amount recognised in Profit for the Year	**241.27**	262.73	**139.61**	157.70	**101.66**	105.03
Included in Other Comprehensive income (OCI) :						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Change in Demographic Assumption	**-**	(0.62)	**-**	-	**-**	(0.62)
Change in Financial Assumption	**-**	151.51	**-**	-	**-**	151.51
Experience Adjustment	**(32.61)**	(29.11)	**(21.21)**	(20.70)	**(11.40)**	(8.41)
Total amount recognised in other comprehensive income	**(32.61)**	121.78	**(21.21)**	(20.70)	**(11.40)**	142.48
Others						
Contributions paid by the Employer	**-**	-	**154.00**	48.00	**(154.00)**	(48.00)
Benefits paid	**(271.73)**	(351.00)	**(271.73)**	(351.00)	**-**	-
Unpaid Benefits paid	**-**	-	**-**	-	**-**	-
Closing balance	**2005.26**	2068.33	**1697.44**	1696.77	**307.82**	371.56

Details of Plan assets

Particulars	As at March 31,2021	As at March 31,2020
Funds managed by insurer	**70.80%**	56.59%
High quality corporate bonds (quoted)	**18.23%**	33.88%
State Government securities (quoted)	**2.46%**	2.74%
Equity shares of listed companies (quoted)	**0.97%**	0.84%
Bank balance	**7.54%**	5.95%
Total	**100.00%**	100.00%

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	**6.75%**	6.75%
Salary escalation rate	**6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter**	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	**60**	60
Mortality table	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 Years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is :

(₹ in Crore)

Particulars	Gratuity			
	As at March, 31 2021		As at March, 31 2020	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	**(92.13)**	**100.65**	(85.66)	93.53
Change in Salary escalation rate (0.50% movement)	**51.60**	**(53.83)**	53.64	(54.04)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Expected maturity analysis of the gratuity plan in future years

(₹ in Crore)

Particulars	Gratuity	
	As at March 31,2021	As at March 31,2020
Less than 1 year	**230.35**	313.22
Between 1-2 years	**193.21**	206.70
Between 2-3 years	**140.89**	178.18
Between 3-4 years	**125.91**	129.93
Between 4-5 years	**103.76**	114.23
Between 5-6 years	**91.67**	93.70
Over 6 years	**1119.47**	1032.37
Total	**2005.26**	2068.33

Expected contributions to gratuity plans for the year ending 31 March 2022 are ₹ 117.75 crore

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.95 years (31 March 2020: 14.91 years.)

Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, company is exposed to various risks such as increase in salary, investment risk, discount rate, mortality, disability and withdrawals.

(ii) Post Retirement Medical Benefits (Funded Plan)

The Company has Post-Retirement Medical benefit (PRMB), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals subject to company medical rules.They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same is recognised annually on the basis of actuarial valuation.

Movement in net defined benefit (asset)/liability on Post retirement Medical Benefit Plan

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at					
	March 31,2021	March 31,2020	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Opening balance	**2285.20**	2080.78	**1933.72**	1935.72	**351.48**	145.06
Included in Profit for the Year :						
Current service cost	**39.92**	40.15	**-**	-	**39.92**	40.15
Past service Cost	**(49.95)**	-	**-**	-	**(49.95)**	-
Interest cost / (income)	**154.25**	161.26	**154.25**	161.26	**-**	-
Total amount recognised in Profit for the Year	**144.22**	201.41	**154.25**	161.26	**(10.03)**	40.15
Included in Other Comprehensive Income (OCI):						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	**-**	(0.91)	**-**	-	**-**	(0.91)
Financial assumptions	**-**	193.77	**-**	-	**-**	193.77
Experience adjustment	**(9.57)**	(31.85)	**(17.25)**	(5.26)	**7.68**	(26.59)
Total amount recognised in other comprehensive income	**(9.57)**	161.01	**(17.25)**	(5.26)	**7.68**	166.27
Others						
Contributions paid by the employer	**-**	-	**41.62**	-	**(41.62)**	-
Benefits paid	**(164.00)**	(158.00)	**(164.00)**	(158.00)	**-**	-
Closing balance	**2255.85**	2285.20	**1948.34**	1933.72	**307.51**	351.48

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company.

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	**6.75%**	6.75%
Salary escalation rate	**6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter**	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	**60**	60
Mortality table	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

(₹ in Crore)

Particulars	Post Retirement Medical Benefit			
	As at March 31,2021		As at March 31,2020	
	Increase	Decrease	Increase	Decrease
Change in discount rate (0.50% movement)	**(100.99)**	**103.12**	(101.67)	104.64
Change in cost (0.50% movement)	**103.96**	**(101.57)**	105.37	(102.38)

Sensitivity due to mortality and withdrawls are not material and hence impact of change not calculated.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Expected maturity analysis of the Post retirement medical Benefit plan in future years

(₹ in Crore)

Particulars	Post Retirement Medical Benefit	
	As at March 31,2021	As at March 31,2020
Less than 1 year	**147.94**	155.27
Between 1-2 years	**149.62**	172.35
Between 2-3 years	**153.04**	189.58
Between 3-4 years	**158.33**	209.49
Between 4-5 years	**165.65**	232.53
Between 5-6 years	**175.29**	259.27
Over 6 years	**1305.98**	1066.71
Total	**2255.85**	2285.20

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2022 are ₹ 38.26 crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.42 years (31 March 2020: 11.44 years).

Risk Exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks such as increase in medical cost, investment risk, discount rate, mortality, disability and withdrawals.

(iii) Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary. Wherever as per the actuarial valuation certificate liability for likely interest shortfall arises, the same has been provided in the accounts.

Details of interest shortfall in PF Trust

(₹ in Crore)

Particulars	For the year ended	
	2020-21	2019-20
Excess / (Shortfall) in PF interest liability based on actuarial valuation for the year	**15.68**	(23.18)
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	**14.46**	30.14
Remeasurement gain/(loss) recognised through other comprehensive income statement	**25.16**	(31.46)
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	**9.48**	(8.28)

The Company has PF trusts located at various places covering the employees of the Company and managed separately,the details of plan assets and obligations are as follows :

(₹ in Crore)

LOCATION	Defined benefit obligation		Fair value of plan assets		Surplus / (Shortfall)	
	As at					
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
BHEL EPF Trust,Ranipur,Hardwar	**1574.05**	1470.95	**1581.86**	1472.38	**7.81**	1.43
BHEL Employee Provident Fund-Trichy	**986.73**	1029.10	**984.73**	1025.27	**(2.00)**	(3.83)
BHEL Employee Provident Fund Bhopal	**1317.70**	1239.54	**1313.87**	1232.47	**(3.83)**	(7.07)
BHEL New Delhi Employees Provident Fund Trust	**1291.26**	1169.96	**1297.88**	1176.53	**6.62**	6.57
BHEL Employee Provident Fund-Hyderabad	**833.30**	835.64	**853.68**	853.11	**20.38**	17.47
BHEL PPD EPF Trust,Chennai	**786.92**	741.03	**778.29**	726.19	**(8.63)**	(14.84)
BHEL Employee Provident Fund-Bengaluru	**635.51**	723.36	**644.53**	721.87	**9.02**	(1.49)
BHEL (BAP Unit) EPF Trust,Ranipet	**390.16**	416.21	**390.62**	413.30	**0.46**	(2.91)
BHEL Employee Provident Fund Trust Jhansi	**437.95**	407.02	**447.68**	414.19	**9.73**	7.17
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	**141.46**	127.58	**172.72**	158.81	**31.26**	31.23
Total	**8395.04**	8160.39	**8465.86**	8194.12	**70.82**	33.73

Movement in net defined benefit (asset)/liability on Provident Fund

(₹ in Crore)

Particulars	BHEL Employees Provident Fund Trust (Consolidated)			
	Defined benefit obligation		Fair value of plan assets	
	As at			
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening balance	**8160.39**	7641.62	**8194.12**	7734.01
Included in Profit for the Year :				
Current service cost	**327.61**	327.33	**-**	-
Interest cost / (income)	**665.66**	636.48	**665.66**	656.50
Total amount recognised in Profit for the Year #	**993.27**	963.81	**665.66**	656.50
Included in Other Comprehensive Income (OCI):				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions	**-**	-	**-**	-
Financial assumptions	**-**	2.30	**-**	-
Experience adjustment	**(17.87)**	30.75	**19.22**	(45.63)
Total amount recognised in other comprehensive income#	**(17.87)**	33.05	**19.22**	(45.63)
Others				
Contributions paid by the employer	**777.25**	722.01	**327.61**	327.33
Employee Contribution	**-**	-	**777.25**	722.01
Benefits paid	**(1804.50)**	(1497.98)	**(1804.50)**	(1497.98)
Settlements/Transfer-in	**286.50**	297.88	**286.50**	297.88
Closing balance	**8395.04**	8160.39	**8465.86**	8194.12

Note: Interest shortfall in respect of PF trust having deficit only have been accounted through Statement of profit and loss and other Comprehensive Income Statement

Details of Plan assets

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Govt. of India securities [Quoted]	**1153.72**	1252.00
State Government securities [Quoted]	**3694.89**	3305.75
Corporate bonds [Quoted]	**3027.71**	2920.68
Special Deposit [Unquoted]	**417.43**	468.86
Liquid Fund [Quoted]	**2.11**	18.69
Short term deposit [Unquoted]	**10.89**	48.04
Mutual Fund & Equity shares[Quoted]	**159.11**	180.11
Total	**8465.86**	8194.12

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	**6.75%**	6.75%
Expected statutory interest rate on the ledger balance	**8.50%**	8.50%
Expected short fall in interest earnings on the fund	**0.05%**	0.05%
Demographic assumptions:		
Mortality table	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 Years	**3.00%**	3.00%
From 31 to 44 years	**2.00%**	2.00%
Above 44 years	**1.00%**	1.00%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

(₹ in Crore)

Particulars	BHEL Employees Provident Fund Trust			
	As at March 31,2021		As at March 31,2020	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	**(1.23)**	**1.28**	(1.35)	1.43

Expected maturity analysis in future years

(₹ in Crore)

Particulars	Provident Fund	
	As at March 31,2021	As at March 31,2020
Within the next 12 months	**832.06**	836.14
Between 2-5 years	**2009.34**	1984.26
Between 5-10 years	**1984.72**	1502.75
Beyond 10 years	**3568.92**	3837.24
Total	**8395.04**	8160.39

(iv) Travel claim on retirement - (Settlement Allowance - Unfunded Plan)

The settlement allowance is the expenditure reimbursed to an employee towards travel and shifting of baggage for proceeding to home town or any place in India where he or she intends to settle after retirement or death in service for self (including members of his/her family).

Movement in Settlement Allowance liability

(₹ in Crore)

Particulars	Settlement Allowance	
	As at March 31,2021	As at March 31, 2020
Opening balance	**9.56**	8.53
Current service cost	**0.63**	0.58
Interest cost / (income)	**0.65**	0.64
Included in Profit for the Year :	**1.28**	1.22
Actuarial loss / (gain)	**2.16**	1.86
Total amount recognised in TCI for the Year	**3.44**	3.08
Others		
Contributions paid by the employer	**-**	-
Benefits paid	**(2.70)**	(2.05)
Closing balance	**10.30**	9.56

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	Settlement Allowance	
	As at March 31,2021	As at March 31, 2020
Economic assumptions:		
Discount rate	**6.75%**	6.75%
Salary escalation rate	**6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter**	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	**60**	60
Mortality table	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%

B. Long Term Leave Liability (Encashable Leave -EL /Half Pay Leave-HPL) - (Unfunded Plan)

The company provides for earned leave benefit and half pay leave to the employees of the company which accrue half yearly at 15 days (maximum) and 10 days respectively. The earned leave is encashable while in service subject to fulfilment of certain conditions. On retirement/superannuation, earned leave & half pay leave put together upto a maximum of 300 days is encashable subject to company policies & leave encashment rules.The leave liability has been treated as other long term benefits and has been assessed using projected unit credit actuarial method.

Movement in long term leave liability

(₹ in Crore)

Particulars	Long Term Leave Liability	
	As at March 31,2021	As at March 31,2020
Opening balance	**1392.37**	1492.06
Included in Profit for the Year :		
Current service cost	**157.77**	155.96
Interest cost / (income)	**93.98**	115.63
Actuarial loss / (gain)	**(130.95)**	(138.64)
Total amount recognised in Profit for the Year	**120.80**	132.95
Benefits paid	**271.43**	232.64
Closing balance	**1241.74**	1392.37

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	Long Term Leave Liability	
	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	**6.75%**	6.75%
Salary escalation rate	**6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter**	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	**60**	60
Mortality table	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%

C. Pension Fund

The company has contributed ₹ 280 cr in respect of pension scheme (Defined contribution plan) for the FY 2020-21

Note [47] - Related Parties Transactions

(i)

Subsidiary company:	Joint ventures:	Others :
BHEL Electrical Machines Limited	BHEL-GE Gas Turbine Services Pvt. Ltd. (BGGTS)	Central Government controlled entities
	NTPC-BHEL Power Projects Pvt. Ltd. (NBPPL)	Provident fund trusts
	Raichur Power Corporation Ltd. (RPCL)	Gratuity trust
	Dada Dhuniwale Khandwa Power Ltd. [DDKPL]*	PRMB Trust
	Powerplant Performance Improvement Ltd.	Pension Trust

*Dissolved in November 2020

(ii) Other related parties

A. Functional Directors & Company Secretary (KMP)

(₹ in Crore)

Particulars	Short term employee Benefits		Post employment benefits		Total Remuneration	
	20-21	19-20	20-21	19-20	20-21	19-20
Shri [Dr.] Nalin Shinghal Chairman & Managing Director	0.52	0.35	0.08	0.07	0.60	0.42
Shri Subodh Gupta Director (Finance)	0.49	0.44	0.07	0.09	0.56	0.53
Shri S. Balakrishnan [1.] Director (IS & P)	0.66	0.50	0.05	0.09	0.71	0.59
Shri Manoj Kumar Varma[2.] Director (Power)	0.62	0.52	0.06	0.09	0.68	0.61
Shri Kamalesh Das Director (Engineering, R&D)	0.47	0.38	0.07	0.08	0.54	0.46
Shri Anil Kapoor[3.] Director (Human Resources)	0.46	0.20	0.07	0.04	0.53	0.24
Ms. Renuka Gera[4.] Director (IS & P)	0.16	-	0.03	-	0.19	-
Shri Rajeev Kalra Company Secretary	0.38	0.33	0.06	0.07	0.44	0.40

1. upto November 30,2020
2. upto January 31, 2021
3. Additional charge Director (Power) w.e.f February 1, 2021
4. w.e.f December 1, 2020

The company is a central Public Sector undertaking under the administrative control of Ministry of Heavy Industries and majority of its stake is held by Government of India. The significant transactions are with other PSUs, State owned utilities, Railways etc. which are also controlled by Govt. of India directly or indirectly. The transactions with such entities are normal, based on market driven rates at arms length price.

B. Government Director/Independent Director

(₹ in Lakhs)

Government/ Independent Directors	Sitting Fees	
	For the year ended	
	As at March 31,2021	As at March 31,2020
Shri Shashank Priya Government Director	-	-
Shri Amit Varadan Government Director [upto 02.09.2020]	-	-
Shri Amit Mehta Government Director [w.e.f 02.09.2020]	-	-
Shri Desh Deepak Goel Independent Director [upto 11.09.2020]	3.30	6.30
Shri Ranjit Rae Independent Director [upto 11.09.2020]	3.50	6.90
Shri Rajesh Sharma Independent Director	5.10	4.50
Shri Raj Kamal Bindal Independent Director	4.60	0.30
Shri Manish Kapoor Independent Director	4.80	0.30

C. Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Government/ Independent Directors	Post Employment benefit plan	Contribution by employer	
		For the year ended March 31	
		2021	2020
PRMB Trust	Post Retirement medical scheme	41.62	-
Gratuity Trust	Gratuity	154.00	48.00
Employees Superannuation Fund	Pension Fund	280.00	92.27
BHEL EPF Trust,Ranipur,Hardwar	Provident Fund	52.21	50.81
BHEL Employee Provident Fund-Trichy	Provident Fund	52.97	56.76
BHEL Employee Provident Fund Bhopal	Provident Fund	50.86	63.52
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	39.25	34.18
BHEL Employee Provident Fund-Hyderabad	Provident Fund	39.36	16.57
BHEL PPD EPF Trust,Chennai	Provident Fund	26.34	25.37
BHEL Employee Provident Fund-Bengaluru	Provident Fund	29.16	33.50
BHEL (BAP Unit) EPF Trust,Ranipet	Provident Fund	19.24	19.79
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	12.77	21.65
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	Provident Fund	5.45	5.18

iii. Details of Transactions With Joint Ventures and Balances

(₹ in Crore)

Particulars	For the year ended	
	March 31,2021	March 31,2020
Sales of Goods and services		
BGGTS	**215.85**	169.61
RPCL	**7.80**	17.28
NBPPL	**10.86**	2.80
Dividend income		
BGGTS	**21.42**	16.30
Royalty income		
BGGTS	**1.46**	1.10
Purchase of Goods and Services		
BGGTS	**1.96**	0.86
RPCL	**-**	-
NBPPL	**0.75**	3.05
Amounts due to BHEL at the end of the year		
BGGTS	**68.79**	29.45
RPCL	**552.00**	541.93
NBPPL	**195.56**	262.51
Amounts due from BHEL (incl. advances) at the end of the year		
BGGTS	**0.15**	0.24
RPCL	**7.67**	9.30
NBPPL	**56.79**	79.16
Provision for Doubtful debts & advances		
NBPPL	**187.98**	183.90

Note: refer note[5] for provision for dimunition in value of invetments

iv) Details of Transactions with Subsidiary Company and Balances

(₹ in Crore)

Subsidiary Company	For the year ended	
	March 31,2021	March 31,2020
Amounts due to BHEL at the end of the year	**3.94**	3.94
Amounts due from BHEL (incl. advances) at the end of the year	**0.77**	0.77
Provision for Doubtful advances	**3.70**	3.70

Note [48] - Disclosure [Movement in provisions] - Ind AS - 37

(₹ in Crore)

a. Liquidated Damages	As at March 31,2021	As at March 31,2020
Opening Balance	**8467.67**	7549.65
Add: Additions	**1546.68**	1706.20
Less: Usage/ Write off/payment	**98.36**	3.88
Less: Withdrawal/adjustments	**404.19**	784.30
Closing Balance	**9511.80**	8467.67

Liquidated damages are provided in line with the Accounting Policy of the Company and the same is dealt suitably in the accounts on settlement or otherwise. Contingent liability relating to liquidated damages is shown in Para A (g) of Note 41.

(₹ in Crore)

b. Contractual Obligation	As at March 31,2021	As at March 31,2020
Opening Balance	**4319.11**	5295.44
Add: Borrowing Cost	**141.68**	195.61
Add: Additions	**447.20**	567.75
Less: PV Adjustment	**194.95**	119.83
Less: Usage/ Write off/payment	**87.56**	63.11
Less: Withdrawal/adjustments	**621.74**	1545.18
Add/(Less): Change in estimate and rates	**(11.29)**	(11.57)
Closing Balance	**3992.45**	4319.11

The provision for contractual obligation is made considering the effect of time value of money in line with significant Accounting Policy No. 11 to meet the warranty obligations as per the terms and conditions of the contract. The same is retained till the completion of the warranty obligations of the contract. The actual expenses on warranty obligation may vary from contract to contract and on year to year depending upon the terms and conditions of the respective contract. Adjustment in both the accounting periods includes Contractual obligation, pertaining to dues from projects fully provided for, disclosed in Non Current Allowances for B&D Debts.

Note [49] - Disclosure 'Revenue from Contracts with Customers' - Ind AS-115

a. Movement in impairment provisions

(₹ in Crore)

Particulars	2020-21		2019-20	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	**5445.57**	**805.05**	6398.57	654.73
Add: Additions	**677.99**	**337.37**	463.41	192.17
Less: Write off	**49.34**	**-**	57.60	-
Less: Reversal/adjustments	**1169.17**	**18.10**	1358.81	41.85
Closing balance	**4905.05**	**1124.32**	5445.57	805.05

b. Disaggregation of revenue from contracts with customers

(₹ in Crore)

Particulars	Power		Industry		Total
	Within India	Outside India	Within India	Outside India	
2020-21					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time (product/services)	**1902.18**	**10.00**	**3780.92**	**21.30**	**5714.40**
(b) Over time (projects)	**7650.09**	**1823.78**	**1107.28**	**-**	**10581.15**
2019-20					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time (product/services)	1946.05	34.48	3603.97	1.88	5586.38
(b) Over time (projects)	9197.31	3782.60	1922.28	2.07	14904.26

(₹ in Crore)

Particulars	2020-21		2019-20	
	Power	Industry	Power	Industry
Revenue from customers				
BIFPCL [Bangladesh]	**1653.65**	**-**	3277.17	-
CPSU	**2824.59**	**1791.55**	3219.25	2324.72
Railways	**-**	**1497.65**	-	1434.87
TSGENCO	**1664.61**	**-**	2065.90	-

c. Contract Balances (net of provisions)

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Trade Receivables	**7213.37**	11641.12
Contract assets (incl. unbilled revenue)	**24079.25**	23794.22
Contract liabilities	**6863.68**	6718.43

d. Contract revenue recognised

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	**3591.86**	3140.51
Revenue recognised against performance obligation satisfied in previous year(impact due to change in contract revenue)	**92.96**	727.34

Construction of power projects is a long cycle business, where the contracts received by the company are either EPC contracts (Engineering, Procurement & Construction) or BTG Packages (i.e. Boiler, Turbine and Generator packages). Power projects are long gestation period projects with normal execution period of contract ranging between 3 to 5 years. BHEL scope of services includes supply of equipment, erection, commissioning, synchronizing the plant to the grid, completing the trial operation and providing the guaranteed parameters.

Although there are several components to the overall scope, such projects are generally considered one performance obligation. The control transfers simultaneously over the execution period as the entity performs rather than at discrete points in time and hence revenue is recognized over the period of time based on measure of progress (input cost method)

Note [50]

The Nationwide lockdown, consequent to spread of Covid 19 pandemic globally caused disturbance & slow down of the economic activity. This impacted the Company's operations during the FY 2020-21, which recouped progressively. Based on the internal & external information upto the date of approval of these financial statements,the company expects to recover the carrying amount of its assets,investments,trade receivables,contract assets & inventories. The company will continue to monitor the future economic conditions and assess its impact on its financial statements.

Note [51] - Disclosure pursuant to Ind AS-107 [Financial Instruments - Accounting Classifications and Fair value measurements]

a. The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables and others reasonably approximates their carrying amount. Trade receivables are evaluated after taking into consideration for Expected Credit Losses. Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Fair value hierarchy

The fair value of financial instruments have been classified in following categories depending on the inputs used in the valuation technique.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(₹ in Crore)

b.

Financial Assets / Liabilities Classification	Carrying Amount	
	As at March 31,2021	As at March 31,2020
Financial Assets at amortised cost		
Trade receivables	**7213.37**	11641.12
Cash & cash equivalent	**1527.18**	1402.86
Other bank balances	**5174.25**	5015.70
Other financial assets	**325.57**	342.01
Financial assets at fair value through profit & loss		
Investments (Equity Instruments)	**3.58**	3.09
Financial liabilities at amortised cost		
Trade payables	**8558.82**	9899.85
Other financial liabilities	**1134.37**	1585.07
Lease Liabilities	**101.61**	132.04
Short term borrowings	**4833.78**	4933.39

(₹ in Crore)

Financial assets and liabilities measured at fair value- recurring fair value measurements	Level 3 Hierarchy	
	As at March 31,2021	As at March 31,2020
Financial assets:		
Investment in unquoted equity instruments	**3.58**	3.09

c. Valuation Techniques used to determine fair value

Fair value of unquoted equity instruments is determined using Level 3 inputs which include inputs from the financial statements of the investee Company based on Net asset value per share.

Reconciliation of fair value measurement of unquoted equity shares classified as FVTPL assets

	(₹ in Crore)
As at March 31,2020	**3.09**
Changes in fair value	0.49
As at March 31,2021	**3.58**

Financial Risk Management

Objectives and Policies

The company's activities are exposed to different financial risks arising out of natural business exposures to any company operating in the sector. The management of financial risk has always been an integral part of the company's business strategies and policies. The company reviews and aligns its policies and guidelines from time to time to address the financial risks in line with the needs and expectations of its various stakeholders. Exposure risk from the use of financial instruments can be categorized as under:

a) Credit risk

b) Liquidity risk

c) Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and management of Company's capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

BHEL has in place a Board approved Risk Management Charter & Policy which provides overall framework for Risk Management in the company. The objective of the charter is to ensure that the risks are being properly identified, assessed and effectively managed by adopting suitable risk mitigation measures. The company has 3-layer risk management framework. At the first level, the Board Level Risk Management Committee (BLRMC) of the company is assigned with responsibility of reviewing the company's Risk Governance structure, Risk Assessment & Risk Management framework, Guidelines, Policies and Processes thereof. Risk Management Steering Committee (RMSC) at the second level is responsible for adopting & implementing the risk management framework and leading the risk management initiative across the company. Chief Risk Officer (CRO) being the convener of BLRMC & RMSC is responsible for periodic reporting on risk management to Board/ BLRMC. Key risks being faced by the company are analysed starting from Unit level for their respective areas to prepare risk mitigation plans and to ensure implementation.

a) Management of Credit Risk

Credit risk is considered as an integral part of risk reward balance of doing business. BHEL is involved in setting up of power projects pertaining to Government sector (State utilities, PSU's, Railways and other govt. departments etc.) and private sectors in India and abroad. The projects are generally funded by Financial Institutions/ banks or payments are covered by Letter of Credit (LC). The project duration ranges from 3 to 5 years and payments are generally realised in stages as per the terms of the contract including advance, progress payments, milestone payments and also retentions which are released on completion of such projects. Since majority customers profile pertains to Government sector, constituting 78% of total receivables coupled with the fact that the company itself is a CPSE, credit risk is relatively low. In respect of private sectors customers, the payment terms are mainly through LC. The company has well established review mechanism for receivables at various levels within organisation to ensure proper attention and focus for realisation in line with the company policies, procedures and guidelines.The company uses expected credit loss model to assess the impairment loss or gain and the disclosure of the same is made elsewhere. Further, adequate provisions are maintained to address any eventuality.

i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	**1527.18**	1402.86
Other bank balances	**5174.25**	5015.70
Other financial assets	**325.57**	342.01
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss		
Trade receivables	**7213.37**	11641.12

Concentration of credit risk- Geographical	Percentage of total revenue	
	As at March 31,2021	As at March 31,2020
Within India	**92%**	92%
Outside India	**8%**	8%
	100%	100%

The company's exposure to credit risk for trade receivables,contract assets and other receivables by type of counterparty are as follows –

Particulars	Percentage of total trade receivables	
	As at March 31,2021	As at March 31,2020
Central Public Sector Undertakings incl Railways and Govt Deptt	**36%**	34%
State Electricity Boards	**43%**	47%
Private Customers and others	**13%**	11%
Exports	**8%**	8%
	100%	100%

ii) Impairment losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low.

The movement in the allowance for impairment in respect of loans during the year was as follows:

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Balance as at April 1	**32.38**	22.34
Impairment loss recognised / write off/ withdrawal	**(0.43)**	10.04
Balance as at March 31	**31.95**	32.38

(b) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Balance as at April 1	**6250.62**	7053.30
Impairment loss recognised	**1015.36**	655.58
Amounts written off/ withdrawal	**(1236.61)**	(1458.26)
Balance as at March 31	**6029.37**	6250.62

The company makes investments out of surplus funds as per investment policy of the company duly approved by the Board and in line with the DPE guidelines .Credit risk on cash and cash equivalents and term deposits is very limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

b) Management of Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including term deposits and the availability of Funding through an adequate amount of credit facilities to meet obligations as and when due. Robust cash management system and regular monitoring of cash flows enables management to plan and maintain adequate sources to finance its funds requirement throughout the year. Besides adequate cash and bank balances, company enjoys credit facilities. The company is able to meet all its fund requirements from internal resources i.e. the funds generated from operations and also through short-term borrowings used for better treasury management operations to optimise the returns on investments.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(₹ in Crore)

Financial Liabilities	As at March 31,2021		As at March 31,2020	
Non-derivative financial liabilities	**Within 1 year**	**Exceeding 1 year**	**Within 1 year**	**Exceeding 1 year**
Trade payables	**6677.74**	**1881.08**	8823.62	1076.23
Deposits from contractors and others	**447.75**	**211.01**	491.93	150.99
Lease obligations	**48.20**	**53.41**	56.67	75.37
Other Payables/liabilities				
Employee dues	**117.61**	**-**	285.65	-
Other dues	**294.80**	**-**	565.74	-
Capex dues	**57.49**	**5.71**	82.73	8.03
Short term borrowings	**4833.78**	**-**	4933.39	-
Total	**12477.37**	**2151.21**	**15239.73**	**1310.62**

c. Management of Market risk

The Company is exposed to certain currency,commodity, interest rate risks arising from its operations. The company has foreign exchange risk management policy to cover the foreign exchange risks.To insulate the company against major commodity price fluctuation,framework agreements including price pass through claims are being entered regularly with supply chain partners including suppliers and customers. Surplus funds generated from operation are kept invested in short term deposits with PSU Banks or large sized private banks only and in debt based schemes of public sector mutual funds , thereby minimizing any chance of risk.

Foreign currency risk exposure -: The company's exposure to foreign currency risk at the end of reporting period, are as follows:

(i) The derivative instruments that are hedged and outstanding as on 31.03.2021 is NIL (previous year Nil)

(ii) The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

FC ' in Million

(₹ in Crore)

Particulars	As at March 31,2021		As at March 31,2020		As at March 31, 2021	As at March 31, 2020
Assets	**Euro**	**Equivalent INR**	**Euro**	**Equivalent INR**	**Others INR**	**Others INR**
Trade receivable	**101.84**	**871.66**	148.34	1217.60	**1.35**	6.34
Contract assets	**239.80**	**2056.26**	252.85	2075.37	**66.87**	70.83
Other assets	**13.68**	**110.08**	15.40	122.58	**144.71**	245.63
Sub Total (A)	**355.32**	**3038.00**	416.59	3415.55	**212.93**	322.80
Liabilities						
Advances from customer	**41.03**	**281.34**	42.30	294.89	**40.97**	37.56
Trade payables and others	**39.42**	**343.91**	60.20	507.94	**107.92**	209.13
Sub Total (B)	**80.45**	**625.25**	102.50	802.83	**148.89**	246.69
Assets (Net of Liabilities)	**274.87**	**2412.75**	314.09	2612.72	**64.04**	76.11

Particulars	USD	Equivalent INR	USD	Equivalent INR
Assets				
Trade receivable	**79.62**	**582.87**	130.45	978.26
Contract assets	**316.33**	**2315.32**	335.04	2512.53
Other assets	**0.90**	**6.79**	8.20	60.41
Sub Total (A)	**396.85**	**2904.99**	473.69	3551.20
Liabilities				
Advances from customer	**115.93**	**675.39**	164.40	1037.62
Trade payables and others	**144.50**	**1070.18**	196.70	1496.11
Short term borrowings	**46.68**	**345.06**	118.67	900.79
Sub Total (B)	**307.11**	**2090.63**	479.77	3434.52
Assets (Net of Liabilities)	**89.74**	**814.36**	(6.08)	116.68

The above figures are net of provisions,if any

Sensitivity analysis

The impact of strengthening/weakening of the Indian Rupee vis a vis USD,EURO and others as at year end on profit or loss is as shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis is performed on the same basis for previous year, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below.

(₹ in Crore)

Particulars	As at			
	March 31, 2021		March 31, 2020	
Effect on Profit/(loss)	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
1% movement				
Euro	**24.13**	**(24.13)**	26.13	(26.13)
USD	**8.14**	**(8.14)**	1.17	(1.17)
Others	**0.64**	**(0.64)**	0.76	(0.76)

d. Capital Management

The company's objective, while managing capital is to continue business as a going concern, safeguard,preserve and enhance its capital to provide maximum return to shareholders, benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors also montiors the level of dividends to equity shareholders. The Company monitors capital, using a medium term view and long term view, on the basis of a number of financial ratios generally used by industry as well as by the rating agencies. The Company is not subject to externally imposed capital requirements. The Company's capital structure is managed against the various financial ratios as required to maintain highest credit ratings.

Note [52] Operating Segment

The Segments have been identified as 'Power' and 'Industry' based on the orders booked by the respective business sectors. The order booked by International operation group is taken to Power or Industry as the case may be.

The Company's Committee of functional Directors has been identified as Chief Operating Decision maker (CODM).

(₹ in Crore)

Particulars		For the year ended 31.3.2021			For the year ended 31.3.2020		
		Power	Industry	Total	Power	Industry	Total
I.	**Segment Revenue**						
	Operating Revenue-External	**11386.05**	**4909.50**	**16295.55**	14960.44	5530.20	20490.64
II.	**Segment Results**						
a.	Segment Results	**(1246.16)**	**(850.48)**	**(2096.64)**	804.30	(205.84)	598.46
b.	Unallocated expenses (Net of income)			**1141.87**			753.62
c.	Profit / (loss) before finance cost & Income tax (a) - (b)			**(3238.51)**			(155.16)
d.	Finance cost (Including unwinding of Interest)			**373.09**			506.95
e.	Net Profit / (loss) before Income Tax (c) - (d)			**(3611.60)**			(662.11)
f.	Income Tax			**(894.46)**			810.86
g.	Net Profit / (loss) after Income Tax (e) - (f)			**(2717.14)**			(1472.97)
III	**Assets & Liabilities**						
a.	Segment Assets	**35954.72**	**8417.10**	**44371.82**	41649.31	9421.21	51070.52
b.	Common Assets			**11329.42**			9165.14
c.	Total Assets			**55701.24**			60235.66
d.	Segment Liabilities	**19221.65**	**4444.28**	**23665.93**	21370.29	4739.98	26110.27
e.	Common Liabilities			**5551.26**			4944.18
f.	Total Liabilities			**29217.19**			31054.45
IV	**Other Information**						
a.	Capital Expenditure	**112.23**	**38.05**		243.40	107.83	
b.	Depreciation & Amortization	**306.68**	**118.48**		320.44	135.73	
c.	Non Cash Expenses (other than depreciation & amortization)	**1302.02**	**499.07**		820.48	73.99	

(₹ in Crore)

	Geographical Segments	Within India	Outside India	Total	Within India	Outside India	Total
1	Net Sales / Revenue from Operations	**14440.47**	**1855.08**	16295.55	16669.61	3821.03	20490.64
2.	Non- Current Assets (PPE & Intangible Assets)	**2881.46**	**26.42**	2907.88	3085.96	42.12	3128.08
3.	Capital Expenditure	**235.07**	**2.45**	237.52	402.62	12.71	415.33

Major Customer- Details of Revenue from Single Customer exceeding 10% of total revenue of the BHEL (₹ in Crore)

Particulars	Power	Industry	Total	Power	Industry	Total
BIFPCL [Bangladesh]	**1653.65**	**-**	**1653.65**	3277.17	-	3277.17
CPSUs	**2824.59**	**1791.55**	**4616.14**	3007.04	2324.72	5331.76
Railways	**-**	**1497.64**	**1497.64**	-	1434.87	1434.87
TSGENCO	**1664.61**	**-**	**1664.61**	2178.63	-	2178.63

Note [53] - Note - Additional Disclosures

(₹ in Crore)

A.

Value of imports	For the year	
	2020-21	2019-20
CIF basis		
Raw materials	**918.13**	2239.70
Components and spare parts	**578.88**	1629.04
Capital goods	**35.39**	65.15
Total	**1532.40**	3933.89

(₹ in Crore)

B.

Expenditure in foreign currency	For the year	
	2020-21	2019-20
i) Royalty	**26.36**	53.11
ii) Know-how	**12.50**	8.90
iii) Professional consultation fee	**0.90**	6.35
iv) Interest and others (incl. on foreign sites)	**26.13**	29.23

(₹ in Crore)

C.

Value of consumption of raw materials,components, stores & spare parts.	For the year	
	2020-21	2019-20
i) #Imported (including custom duty)	**2400.61**	3617.70
ii) Indigenous	**6046.69**	8515.26
iii) **Percentage of total consumption**		
Imported	**28.42**	29.82
Indigenous	**71.58**	70.18

Includes canalised items wherever ascertained

(₹ in Crore)

D.

Earnings in foreign exchange	For the year	
	2020-21	2019-20
Export of goods (FOB basis)	**1101.64**	2717.61
Erection & other services	**389.69**	688.67
Foreign exchange on deemed exports (incl. domestic contracts and SEZ export)	**251.34**	473.45
Total	**1742.67**	3879.73

(₹ in Crore)

E.	Statement for raw materials and components consumed	For the year	
		2020-21	2019-20
	Group of materials		
	i) Ferrous materials	**1721.12**	3054.31
	ii) Non-ferrous materials	**137.96**	217.01
	iii) Insulating materials	**155.68**	177.14
	iv) Insulated cables and Magnet wires	**10.89**	29.67
	v) Components	**4702.87**	6122.30
	vi) Others	**1430.04**	2179.68
	Total	**8158.56**	11780.11

Note [54]

As per SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015, the requisite details of loans and advances in the nature of loans, given by the Company are given below:

i) In respect of Subsidiary Company:

(₹ in Crore)

Particulars	As at	
	March 31,2021	March 31,2020
BHEL Electrical Machines Ltd.		
Loans and advances in the nature of loans outstanding	**3.00**	3.00
Maximum amount of loans and advances in the nature of loans outstanding during the year	**3.00**	3.00

ii) No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven years; and

iii) There are no loans and advances in the nature of loans, to firms/companies, in which directors are interested.

Note [55]

Assets and Liabilities are classified between Current and Non-current considering 12 months period as operating Cycle.

Note [56]

Weighted average cost of borrowing at 7.07 % (previous year @ 7.07%) as at the year end has been considered for working out present value of long term provisions and expected credit loss.

Note [57]

Prior period errors which are material are corrected retrospectively by restating the comparative amount for the prior periods presented in which such error occurred.For the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented are restated.

Note [58]

Figures have been rounded off nearest to ₹ in crore with two decimal.

Note [59]

Previous year's figures have been regrouped/ rearranged wherever considered necessary.

Note [60]

The Board of Directors has authorised to issue the Financial Statements 2020-21 in its meeting held on June 11 , 2021

For and on behalf of Board of Directors

(Rajeev Kalra)	**(Subodh Gupta)**	**(Dr. Nalin Shinghal)**
Company Secretary	Director (Finance)	Chairman and Managing Director
M.No. 14567	**DIN: 08113460**	**DIN: 01176857**

As per our report of even date

For Raj Har Gopal & Co.	**For Tiwari & Associates**	**For Mahesh C. Solanki & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN - 002074N	**FRN - 002870N**	**FRN- 006228C**
(CA Gopal Krishan)	**(CA. Sandeep Sandill)**	**(CA.Priyanka Jajoo)**
Partner	Partner	Partner
M.No. 081085	**M. No. 085747**	**M. No. 411739**

Place : New Delhi
Date : June 11, 2021


H2

Financial Statements



Consolidated Financial Statements 236

INDEPENDENT AUDITOR'S REPORT

To The Members of
Bharat Heavy Electricals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **BHARAT HEAVY ELECTRICALS LIMITED** hereinafter referred to as "the holding company")and its subsidiary (the holding Company and its one subsidiary collectively referred to as "the Group") and three jointly controlled entities, comprising of the consolidated balance sheet as at 31st March, 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the consolidated profit and total consolidated comprehensive income, consolidated statement of change in equity and its consolidated cash flow statement for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in respect of "Revenue from contracts with Customers" under Ind AS 115. The application of this revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period, and disclosures including presentations of balances in the financial statements. Estimated efforts is a critical estimate to determine revenue, as it requires consideration of progress of the contract, efforts incurred till date, efforts required to complete the remaining performance obligation. **Refer Note 52 to** the standalone financial statements.	**Principal Audit Procedures** Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: ▪ Evaluated the effectiveness of controls over the preparation of information that are designed to ensure the completeness and accuracy. ▪ Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. ▪ Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with Ind AS 115. ▪ Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. ▪ Performed analytical procedures and test of details for reasonableness and other related material items.
Assessment and recoverability of Trade Receivables and Contract Assets The Company has trade receivables outstanding (net) of ₹7214.81 crore and contract assets of ₹24079.48 crore at the end of March 31, 2021 These balances are related to revenue recognized in line with Ind AS 115 "Revenue from contracts with customers" for ongoing contracts and completed contracts. The assessment of its recoverability is a key audit matters in the audit due to its size, pending balance confirmation of letters sent and high level of management judgment **Refer Notes 6,9,11,17,51** to the consolidated financial statements.	**Principal Audit Procedures** We have assessed the Company's internal process to recognize the revenue and review mechanism of trade receivables and contract assets. Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: ▪ Evaluated the process of invoicing, verifications, and reconciliations with customers. ▪ Obtained the list of project wise outstanding details and its review mechanism by the management. ▪ Reviewed the guidelines and policies of the Company on impairment of trade receivables and contract assets. ▪ Tested the accuracy of aging of trade receivables and contract assets at the year end on sample basis. ▪ Performed analytical procedures and test of details for reasonableness, recoverability and other related material items.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated statement of change in equity and consolidated cash flow statement of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company included in the group are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the companies have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities

within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The accompanying statements include the audited financial results/statements of an Associate whose financial statements/ results reflect the group's share of net profit of ₹44.14 crore and other comprehensive income of ₹0.07 crore for the year ended 31st March, 2021 as considered in the consolidated financial statements in respect of one jointly controlled entity. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity, is based solely on the report of the other auditor.
2. We did not audit the financial statements of two jointly controlled entities. The consolidated financial statements does not include the group's share of net loss and other comprehensive loss of these jointly controlled entities as the Group has already recognised accumulated losses equal to the cost of investment in its financial statements in respect of these jointly controlled entities. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited financial statements. These financial statements are not material to the group.
3. We did not audit the financial statements of one subsidiary. The consolidated financial statements include the unaudited financial results/statements of an Subsidiary whose financial statements/results reflect total assets of ₹24.63 crore and net assets of negative ₹23.73 crore as at 31st March, 2021, total revenues of ₹0.25 crore and net cash flows amounting to negative ₹7.28 crore for the year ended on that date as considered in the consolidated financial statements. These financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. These financial statements are not material to the group.
4. The accounts of Powerplant Performance Improvements Ltd. a Joint Venture of BHEL have not been consolidated as the said company is under liquidation and full amount of equity investment has been provided. The accounts of Dada Dhuniwale Khandwa Power Limited also have not been consolidated as the said company has been dissolved during the year.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the unaudited financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act based on our audit and on the consideration of audit report of subsidiary, jointly controlled entities as referred in " Other Matters" paragraph, we report, to the extent applicable, that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India;

(e) In terms Notification no. G.S.R. 463(E) dtd. 05-06-2015 issued by the Ministry of Corporate Affairs, the provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of directors are not applicable to the Company;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the holding company, its subsidiary company and jointly controlled entities incorporated in India and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 to the extent applicable ,in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements as also the other financial information of the subsidiary company and jointly controlled entities, as noted in "Other Matters" paragraph;

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities– Refer Note 42 to the consolidated financial statements;

ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer Note 51 to the consolidated financial statements in respect of such items as it relates to the Group and jointly controlled entities and

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiary companies and jointly controlled companies incorporated in India.

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA. Gopal Krishan)
Partner
M. No. 081085
UDIN:21081085AAAAJM5214

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747
UDIN: 21085747AAAABB3291

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739
UDIN: 21411739AAAADI2053

Place : New Delhi
Date : June 11, 2021

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF BHARAT HEAVY ELECTRICALS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Bharat Heavy Electricals Limited (hereinafter referred to as "the Holding Company") as of that date. We did not audit the financial statements of one Subsidiary and three Jointly Control Entities out of which one Jointly Control Entity has been audited by the other Auditor and two Jointly Control Entities and one subsidiary are unaudited.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company and three jointly controlled entities, which are companies incorporated in India, is based on the corresponding

report of the auditor of one jointly controlled entity incorporated in India and management certificate of other two jointly controlled entities and one subsidiary company incorporated in India.

Opinion

In our opinion, the Holding Company, its one subsidiary company and three jointly controlled entities, which are entities incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N



(CA. Gopal Krishan)
Partner
M. No. 081085
UDIN:21081085AAAAJM5214

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(CA. Sandeep Sandill)
Partner
M. No. 085747
UDIN: 21085747AAAABB3291

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C



(CA. Priyanka Jajoo)
Partner
M. No. 411739
UDIN: 21411739AAAADI2053

Place : New Delhi
Date : June 11, 2021

DGA(Energy)/Rep/61-61/A/CS-BHEL-CFS/2021-22/00115/292

गोपनीय

सत्यमेव जयते

भारतीय लेखापरीक्षा और लेखा विभाग

कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Energy)
New Delhi

Dated: 12/8/2021

सेवा में,

अध्यक्ष एवं प्रबंध-निदेशक,
भारत हैवी इलेक्ट्रिकल्स लिमिटेड
नई दिल्ली

महोदय,

विषय: 31 मार्च 2021 को समाप्त वर्ष के लिए भारत हैवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के समेकित वित्तीय विवरण (Consolidated Financial Statements) पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) एवं धारा 129(4) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

मैं, भारत हैवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के 31 मार्च 2021 को समाप्त वर्ष के समेकित वित्तीय विवरण (Consolidated Financial Statements) पर कंपनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।

(डी. के. शेखर)
महानिदेशक

पाँचवा, छठा, सातवाँ, एवं दसवां तल, सी.ए.जी बिल्डिंग, एनैक्सी, 10, बहादुर शाह ज़फर मार्ग, नई दिल्ली- 110002
5th, 6th, 7th & 10th Floor, C.A.G Building Annexe, 10 Bahadur Shah Zafar Marg, New Delhi- 110002
Tel. : 011-23239213, 23239235 Fax : 011-23239211, Email : pdaenergydl@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT HEAVY ELECTRICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2021 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Bharat Heavy Electricals Limited, but did not conduct supplementary audit of the financial statements of companies mentioned in Annexure-I for the year ended on that date. Further, Section 139(5) and 143(6)(a) of the Act are not applicable to the BHEL-GE Gas Turbine Services Limited being private entity, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller & Auditor General of India has neither appointed the Statutory Auditor nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India

(D. K. Sekar)
Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 12 August 2021

ANNEXURE I

List of subsidiaries, associate companies and jointly controlled entities whose financial statements were not audited by the Comptroller and Auditor General of India

Subsidiaries Companies

1. BHEL Electrical Machines Limited

Joint Venture Companies

1. NTPC-BHEL Power Projects Private Limited
2. Raichur Power Corporation Limited

Consolidated Balance Sheet as at March 31, 2021

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2021		As at March 31, 2020	
A. ASSETS						
1. Non-current assets						
(a) Property, plant and equipment	**3a**	**259**		**2428.98**		2738.51
(b) Capital work-in-progress	**3b**	**259**		**403.21**		306.74
(c) Intangible assets	**4a**	**259**		**62.16**		78.61
(d) Intangible assets under development	**4b**	**259**		**16.35**		7.26
(e) Investment accounted for using equity method	**5**	**263**		**181.76**		158.97
(f) Financial assets						
(i) Investments	**5a**	**264**	**3.58**		3.09	
(ii) Trade receivables	**6**	**265**	**3179.74**		4533.50	
(iii) Other financial assets	**7**	**266**	**97.39**	**3280.71**	83.17	4619.76
(g) Deferred tax assets (net of liabilities)	**8**	**266**		**3671.24**		2765.87
(h) Other non-current assets	**9**	**267**		**16852.44**		16361.66
Total non-current assets				**26896.85**		27037.38
2. Current assets						
(a) Inventories	**10**	**268**		**7194.45**		8908.23
(b) Financial assets						
(i) Trade receivables	**11**	**269**	**4035.07**		7108.60	
(ii) Cash and cash equivalents	**12**	**269**	**1527.19**		1402.86	
(iii) Bank balances other than cash and cash equivalents	**13**	**270**	**5174.26**		5015.73	
(iv) Loans	**14**	**270**	**-**		-	
(v) Other financial assets	**15**	**271**	**232.65**	**10969.17**	262.74	13789.93
(c) Current tax assets (net)	**16**	**271**		**403.60**		229.07
(d) Other current assets	**17**	**272**		**9776.14**		9783.95
Total current assets				**28343.35**		32711.18
TOTAL ASSETS				**55240.21**		59748.56
B. EQUITY AND LIABILITIES						
3. Equity						
(a) Equity share capital	**18**	**273**		**696.41**		696.41
(b) Other equity	**18a**	**274**		**25287.25**		27964.31
				25983.66		28660.72
Non controlling interest				**(11.66)**		(9.07)
Total Equity				**25972.00**		28651.65

Consolidated Balance Sheet as at March 31, 2021

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2021		As at March 31, 2020	
4. Liabilities						
4.1 Non-current liabilities						
(a) Financial liabilities						
(i) Lease Liabilities	**19**	**274**	**53.41**		75.37	
(ii) Trade payables	**20**	**275**				
(i) Total outstanding dues of micro enterprises and small enterprises			**157.92**		72.91	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			**1723.16**		1003.32	
(iii) Other financial liabilities	**21**	**275**	**216.72**	**2151.21**	159.02	1310.62
(b) Provisions	**22**	**275**		**3925.56**		4225.16
(c) Other non-current liabilities	**23**	**276**		**2831.54**		2952.65
Total non-current liabilities				**8908.31**		8488.43
4.2 Current liabilities						
(a) Financial liabilities						
(i) Borrowings	**24**	**276**	**4849.28**		4947.92	
(ia) Lease Liabilities	**19**	**274**	**48.20**		56.67	
(ii) Trade payables	**25**	**277**				
(i) Total outstanding dues of micro enterprises and small enterprises			**662.94**		611.12	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			**6020.57**		8218.04	
(iii) Other financial liabilities	**26**	**278**	**929.58**	**12510.57**	1430.62	15264.37
(b) Provisions	**27**	**278**		**3168.52**		3085.76
(c) Other current liabilities	**28**	**278**		**4680.80**		4258.35
Total current liabilities				**20359.90**		22608.48
Total liabilities				**29268.20**		31096.91
TOTAL EQUITY AND LIABILITIES				**55240.21**		59748.56
Basis of preparation, measurement and significant accounting policies	**2**	**254**				
The accompanying notes are an integral part of these financial statements	**41-62**	**287**				

For and on behalf of Board of Directors

(Rajeev Kalra)	**(Subodh Gupta)**	**(Dr. Nalin Shinghal)**
Company Secretary	Director (Finance)	Chairman and Managing Director
M.No. 14567	**DIN: 08113460**	**DIN: 01176857**

As per our report of even date

For Raj Har Gopal & Co.	**For Tiwari & Associates**	**For Mahesh C. Solanki & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN - 002074N	**FRN - 002870N**	**FRN - 006228C**
(CA Gopal Krishan)	**(CA. Sandeep Sandill)**	**(CA. Priyanka Jajoo)**
Partner	Partner	Partner
M.No. 081085	**M. No. 085747**	**M. No. 411739**

Place : New Delhi
Date : June 11, 2021

Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2021		For the year ended March 31, 2020	
INCOME						
Revenue from operations	**29**	**279**		**17308.69**		21463.14
Other income	**30**	**280**		**348.42**		564.30
TOTAL INCOME				**17657.11**		22027.44
EXPENSES						
Material consumption, erection and engineering expenses	**31**	**280**		**11359.77**		15081.72
Changes in inventories of finished goods, work in progress and Scrap	**32**	**281**		**510.86**		(1042.43)
Employee benefits expense	**33**	**281**		**5378.15**		5431.88
Other Expenses	**34**	**282**		**1799.57**		2430.27
Exchange variation [Net (gain) / loss]				**(65.83)**		(434.73)
Provisions	**35**	**283**		**1467.46**		233.80
Finance costs	**36**	**284**		**373.95**		508.45
Depreciation & amortisation expense	**3.1/4.1**	**260/262**		**473.25**		503.27
TOTAL EXPENSES				**21297.18**		22712.23
Profit / (loss) before share of net profits / loss of investments accounted for using equity method and tax				**(3640.07)**		(684.79)
Share of net profit / (loss) of joint venture acccounted for using equity method				**44.14**		25.72
PROFIT BEFORE TAX				**(3595.93)**		(659.07)
Tax expenses	**37**	**284**				
a) Current tax			**15.82**		1.52	
b) Deferred tax			**(912.05)**	**(896.23)**	807.76	809.28
PROFIT FOR THE YEAR (A)				**(2699.70)**		(1468.35)
OTHER COMPREHENSIVE INCOME	**38**	**285**				
Items that will not be reclassified to profit or loss (net of tax)						
-Remeasurement of defined employee benefits				**19.98**		(273.87)
-Share of OCI of JV accounted using equity method				**0.07**		0.13
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)				**20.05**		(273.74)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)				**(2679.65)**		(1742.09)
Attributable to:						
Equity holders of the parent				**(2677.06)**		(1739.75)
Non-controlling interest				**(2.59)**		(2.34)
Total				**(2679.65)**		(1742.09)

Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2021	For the year ended March 31, 2020
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR				
Attributable to:				
Equity holders of the parent			**20.05**	(273.74)
Non-controlling interest			**-**	-
Total			**20.05**	(273.74)
TOTAL PROFIT FOR THE YEAR				
Attributable to:				
Equity holders of the parent			**(2697.11)**	(1466.01)
Non controlling interest			**(2.59)**	(2.34)
Total			**(2699.70)**	(1468.35)
Earnings per equity share	**39**	**286**		
(1) Basic [Face value of ₹ 2 each]			**(7.75)**	(4.21)
(2) Diluted [Face value of ₹ 2 each]			**(7.75)**	(4.21)
Basis of preparation, measurement and significant accounting policies	**2**	**254**		
The accompanying notes are an integral part of these financial statements	**41-62**	**287**		

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567

(Subodh Gupta)
Director (Finance)
DIN: 08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA.Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021

Consolidated statement of changes in Equity (SOCIE)

For the year ended March 31, 2021

A. Equity Share Capital

(₹ in Crore)

Equity shares of ₹2 each issued, subscribed and fully paid	Number of shares		Amount	
	2020-21	2019-20	2020-21	2019-20
Balance at the beginning of the year	**3482063355**	3482063355	**696.41**	696.41
Changes in equity share capital during the year	**-**	-	**-**	-
Balance at the end of the year	**3482063355**	3482063355	**696.41**	696.41

B. Other Equity

For the year ended March 31, 2021

(₹ in Crore)

Particulars	Reserves and surplus				Other items of other comprehensive income	Total other Equity	Non-controlling interest
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings			
Balance as at April 01, 2020	**35.18**	**37.87**	**30476.66**	**(2170.37)**	**(415.03)**	**27964.31**	**(9.07)**
Add: Total comprehensive Income for the year	-	-	-	(2697.11)	20.05	(2677.06)	(2.59)
Balance as at March 31, 2021	**35.18**	**37.87**	**30476.66**	**(4867.48)**	**(394.98)**	**25287.25**	**(11.66)**

Consolidated statement of changes in Equity (SOCIE)

For the year ended March 31, 2021

For the year ended March 31, 2020 (₹ in Crore)

Particulars	Reserves and surplus				Other items of other comprehensive income	Total other Equity	Non-controlling interest
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings			
Balance as at April 01, 2019	**35.18**	**37.87**	**30476.66**	**(232.56)**	**(141.16)**	**30175.99**	**(6.73)**
Add: Change in Accounting Practice (Ind AS 115)	-	-	-	31.94	-	31.94	-
Restated balance as at April 01, 2019	**35.18**	**37.87**	**30476.66**	**(200.62)**	**(141.16)**	**30207.93**	**(6.73)**
Add: Total Comprehensive Income for the year	-	-	-	(1466.01)	(273.87)	(1739.88)	(2.34)
Less: Final dividend for FY 2018-19 [Note 40]	-	-	-	417.85	-	417.85	-
Less: Dividend distribution tax [Note 40]	-	-	-	85.89	-	85.89	-
Balance as at March 31, 2020	**35.18**	**37.87**	**30476.66**	**(2170.37)**	**(415.03)**	**27964.31**	**(9.07)**

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567

(Subodh Gupta)
Director (Finance)
DIN: 08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA.Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021

Consolidated statement of cash flows

For the year ended March 31, 2021

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit /(Loss) before tax	**(3595.93)**	(659.07)
Adjustments for :		
Provision and write off	**1241.08**	244.44
Depreciation and amortisation	**473.25**	503.27
Finance cost (including unwinding of interest)	**373.95**	508.45
Interest & dividend income	**(320.86)**	(509.19)
Share of loss / (profit) in joint ventures	**(44.14)**	(25.72)
Others	**(3.79)**	(16.15)
Cash generated / (used) in operations before working capital changes	**(1876.45)**	46.03
Adjustment for changes in working capital:		
Trade Receivables	**3983.95**	3371.34
Contract Assets	**(1281.61)**	(1618.29)
Inventories	**1536.71**	(1095.12)
Loans, advances & other assets	**(211.76)**	392.33
Sub total	**4027.29**	1050.26
Trade payable	**(1340.79)**	(2178.46)
Advances from customers, deposits and others	**(82.86)**	(1841.44)
Provisions	**24.76**	354.04
Sub total	**(1398.90)**	(3665.86)
Net cash (used in) / from working capital	**2628.39**	(2615.60)
Cash generated / (used) in operations	**751.95**	(2569.57)
Income taxes paid	**(190.35)**	(321.93)
Net cash (used in) / from operating activities	**561.60**	(2891.50)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	**(159.98)**	1700.03
Interest received	**343.11**	538.74
Proceeds from joint ventures	**-**	0.27
Income received from mutual funds	**1.42**	6.43
Dividend received from joint ventures	**21.42**	16.30
Sale of property,plant and equipment	**1.88**	9.30
Purchase of property, plant and equipment	**(250.35)**	(394.01)
Net cash (used in) / from investing activities	**(42.50)**	1877.06

Consolidated statement of cash flows

For the year ended March 31, 2021

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings	**(99.67)**	2503.78
Proceeds / (repayment) of lease obligation (Principal)	**(60.30)**	(65.46)
Proceeds / (repayment) of lease obligation (Interest)	**(12.95)**	(17.32)
Dividend paid (Incl. dividend distribution tax)	**(0.68)**	(504.56)
Interest paid	**(222.21)**	(294.45)
Net cash (used in) / from financing activities (refer point 5)	**(395.81)**	1621.99
D. Net increase/(decrease) in cash and cash equivalents	**123.30**	607.55
Opening balance of cash and cash equivalents	**1396.60**	789.05
Closing balance of cash and cash equivalents [Refer Note 12]*	**1519.90**	1396.60

(1) Statement of cash flow has been prepared under the indirect method as set out in the Ind AS 7 - Statement of Cash flows.

(2) Previous year's figures have been regrouped/reclassifed wherever applicable

(3) Closing balance of Cash & Cash Equivalents excludes exchange variation loss Nil as on March 31, 2021 (Previous year ₹ 0.54 cr).

(4) * Cash and Cash equivalents includes Cash credit (BHEL EML) ₹ 7.29 cr. (Previous Year ₹ 6.26 cr.)

(5) Changes in liabilities arising from financing activities are available at Note [24 (vii)] and Note [48 b]

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567

(Subodh Gupta)
Director (Finance)
DIN: 08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
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For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021

Note [1] Company Information

Bharat Heavy Electricals Limited ("BHEL" or "the Company") is a public limited company domiciled in India and has its registered office at BHEL House, Siri fort, New Delhi-110049

The Company is an integrated power plant equipment manufacturer engaged in design, engineering, manufacture, erection, testing, commissioning and servicing of a wide range of products and services for the core sectors of the economy, viz. Power, transmission, Industry, Transportation, renewable Energy, Oil & Gas and Defence.

The Company has one subsidiary in the name of BHEL-Electrical Machine Ltd. and Joint Venture Companies namely, BHEL-GE Gas Turbine Services Ltd., NTPC-BHEL Power Projects Pvt. Ltd., Raichur Power Corporation Ltd and Power Plant Performance Improvement Ltd.

Note [2] Basis of preparation, measurement and significant accounting policies (Consolidated Financial Statement)

1. Basis of preparation of Financial Statements

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof as well as with the additional requirements applicable to financial statements as set forth in Companies Act, 2013 and amendment thereof.

b) Basis of measurement

The financial statements have been prepared on a going concern basis and on an accrual method of accounting. Historical cost is used in preparation of the financial statements except as otherwise mentioned in the policy.

c) Functional and presentation currency

The financial statements are prepared in INR, which is the Company's functional currency.

d) Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgements in applying accounting policies

Estimates and judgements made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

i) Revenue

The Company uses input method based on cost approach in accounting for the revenue in respect of construction contracts. Use of input method requires the Company to estimate its costs relative to the total expected costs in the satisfaction of its performance obligation. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.

Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

ii) Property, plant and equipment

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by management at the time the asset is acquired and reviewed during each financial year.

iii) Employee benefit plans

Employee defined benefit plans and long term benefit plans are measured on the basis of actuarial assumptions. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses.

iv) Provisions and contingencies

Assessments undertaken in recognising provisions and contingencies have been made as per the best judgement of the management based on the current available information.

2. Property Plant and Equipment (PPE)

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property, plant and equipment (other than those used abroad under contract) is charged on straight-line method as per the useful life prescribed in Schedule II of the Companies Act, 2013, except in the following items where estimated useful life is based on technically assessed estimated useful life :-

Asset Category	Years
Erection equipment, Capital tools & tackles	5
Drainage, sewerage & water supply	30
Servers and networks	5
Solar Power Generation Plant	25

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively. Right-of-use assets are amortised over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Property Plant & Equipment costing Rs.10,000/- or less and those whose written down value as at the beginning of the year is Rs.10,000/- or less, are depreciated fully.

At erection/project sites: The cost of roads, bridges and culverts is fully amortized over the tenure of the contract, while sheds, railway sidings, electrical installations and other similar enabling works (other than temporary structures) are depreciated over the tenure of the contract after retaining residual value, if any.

Assets used outside India pursuant to long term contracts are depreciated over the duration of the initial contract.

Temporary structures are fully depreciated in the year of construction.

Significant components with different useful lives are accounted for and depreciated separately.

In the case of BHEL-GE Gas Turbine Services Pvt. Ltd.

Depreciation is provided on the straight line method over the estimated useful life of the assets, which are equal/lower than the rates prescribed under Schedule II of the Companies Act, 2013. In order to reflect the actual usage of assets, the estimated useful lives of the assets is based on a technical evaluation.

Asset category	Estimated useful life (Years)
Plant and machinery	2-15
Electrical installations	3-10
Furniture and fixtures	1-8
Computers	3
Office equipment	3-5

Assets under finance lease are amortised over the lease term or the useful life, whichever is shorter.

In the case of Raichur Power Corporation Limited

Depreciation is provided on straight line method at the rates specified in the CERC Regulation 2009. In respect of assets for which rates are not specified in the CERC regulations, at the rates specified under Schedule II of the Companies Act, 2013.

Assets are depreciated to the extent of 90% of the cost and 10% is retained as residual value.

Depreciation on additions to assets is provided for the full year irrespective of the date of addition. Depreciation is not charged on assets sold/dismantled in the year of sale/discard/dismantling. Individual assets costing up to ₹ 5000 are fully depreciated in the year in which they are put to use.

In the case of NTPC-BHEL Power Projects Pvt. Ltd.

Depreciation on Property, Plant and Equipment is charged on straight line method as per the useful life prescribed in Schedule-II of the Companies Act, 2013.

3. Leases

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease.

Upon initial recognition, assets taken on lease are capitalized under right-of-use assets at cost which comprises initial measurement of lease liability at present value, initial lease payments less incentives, initial direct costs and estimated cost of dismantling and removing the underlying assets, if any.

Lease payments made under leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

For assets given on finance lease, the Company recognizes finance income over the lease term using effective interest rate method. Initial direct costs incurred are included in the initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

Lease income arising from operating lease is recognized as income over the lease period on a straight line basis except where the periodic increase in lease rentals is in line with expected general inflation.

4. Intangible assets

Intangible items costing more than ₹ 10000/- are evaluated for capitalization and are carried at cost less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortised in Statement of Profit and Loss on a straight-line method over the estimated useful lives from the date that they are available for use. The estimated useful lives for the intangible assets are as follows:

Software	3 years
Others	10 years

Intangible assets having WDV ₹ 10000/- or less at the beginning of the year are amortized fully.

Amortization period and amortization methods are reviewed in each financial year and changes, if any, are accounted for prospectively.

Expenditure on research activities is recognized in statement of profit and loss as incurred. Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs, if any.

Assets acquired for purposes of research and development are capitalized.

5. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of such assets.

An asset that necessarily takes a substantial period of time, considered as more than twelve months, to get ready for its intended use or sale is a qualifying asset for the purpose.

All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

6. Inventories

Inventory is valued at cost or net realizable value, whichever is lower. In respect of valuation of finished goods and work-in-progress, cost means factory cost. In respect of raw material, components, loose tools, stores and spares cost means weighted average cost.

7. Revenue Recognition

Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In relation to construction and long term service contracts, the company transfers control of goods or services to the customer and recognizes revenue over the time. Revenue is recognized using input method based on the cost approach. Progress towards complete satisfaction of performance obligation satisfied over time is re-measured at reporting period end.

Revenue from sale of goods and services is recognized on the transfer of control to the customer and upon the satisfaction of performance obligations under the contract.

Other Income

- Dividend income is recognized in statement of profit and loss on the date on which the Company's right to receive payment is established.
- Interest Income is recognized using effective interest rate method.
- Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted for on accrual basis.

In the case of BHEL-GE Gas Turbine Services Pvt. Ltd.

Sales of parts

Revenue from sale of gas turbine parts in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of sales tax and sales return. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Engineering services

Revenue from fixed-price, fixed-timeframe engineering and supply contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

Repair services

In case of repair services, revenue is recognized as per the terms of the contract with customer. Sale of replacement parts supplied under repair service contract is recognized upon transfer of significant risk and rewards of ownership to the customer and is net of sales tax and sales returns.

In the case of Raichur Power Corporation Ltd. (RPCL)

- Income from contractors arising out of interest on works advance given to contractors is accounted on realization / acceptance basis.
- Income from Sale of infirm energy and other miscellaneous receipts is accounted by reducing the same against the Capital Cost as per CERC/KERC guidelines.
- Revenue from Sale of energy is recognised as per the guidelines in the KERC (Terms and conditions for determination of Generation tariff) Regulations 2014.

8. Foreign currency Translation/Transaction

Transaction in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the end of each reporting period. Foreign exchange gains or losses arising from settlement and translations are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevailing at the date of transaction.

9. Employee Benefits

Defined Contribution Plans

The Company's contribution to Pension fund including Family Pension Fund for the employees is covered under defined contribution plan and is recognized as employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.

Defined benefit plans

The Company's gratuity scheme, provident fund scheme, travel claims on retirement and post-retirement medical facility scheme are in the nature of defined benefit plans.

The liability recognized in the balance sheet in respect of these defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets,if any. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using an appropriate government bond rate that have terms to maturity approximating to the terms of the related liability.

Remeasurements comprising actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefits liability (asset) are recognized in other comprehensive income (net of income tax).

Other expenses related to defined benefit plans are recognized in statement of profit and loss.

Long Term Leave Liability

The Company measures the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. The Company records a liability for accumulated balance based on actuarial valuation determined using projected unit credit method. Remeasurements and other expenses related to long term benefit plans are recognized in statement of profit and loss.

10. Provisions

(i) Claims for liquidated damages against the Company are recognized in the financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

(ii) For construction contracts the company provides warranty cost at 2.5% of the revenue progressively as and when it recognises the revenue and maintain the same throughout the warranty period. For other contracts, provision for contractual obligations in respect of contracts under warranty at the year end is maintained at 2.5% of the value of contract. In the case of contracts for supply of more than a single product 2.5% of the

value of each completed product is provided.

(iii) When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.

(iv) Other provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

However, where the effect of time value of money is material, provisions are determined and maintained by discounting the expected future cash flows, wherever applicable.

11. Government Grants

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Non monetary grants are accounted at Fair Value of assets and are treated as deferred income. Deferred income is recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

12. Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (tax laws) enacted or substantively enacted by the end of the reporting period and includes adjustment on account of tax in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is measured at the tax rates that are expected to apply when the temporary differences are either realised or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional Income tax that arise from the distribution of dividends are recognized at the same time when the liability to pay the related dividend is recognized.

13. Impairment of Assets

Impairment of Financial Assets

The loss allowance in respect of trade receivables and lease receivables are measured at an amount equal to lifetime expected credit losses.

The loss allowance in respect of all other financial assets, which are required to be impaired, are measured at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses.

Impairment of Non-Financial Assets

The carrying amount of cash generating units is reviewed at each reporting date where there is any indication of impairment. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

14. Segment Reporting

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

15. Financial Instruments

i) Non-derivative financial instruments

Non derivative financial instruments are classified as :

– Financial assets, measured at (a) amortized cost and (b) fair value through Profit and Loss ("FVTPL").

– Financial liabilities carried at amortized cost.

Initially, all financial instruments are recognized at their fair value. Transaction costs are included in determining the carrying amount, if the financial instruments are not measured at FVTPL. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset. Financial liabilities are derecognized when contractual obligations are discharged or cancelled or expired.

Non-derivative financial assets are subsequently measured as below:

A. Amortized Cost

"Financial Instruments at amortized cost" are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is recognized in the profit and loss. The losses arising from

impairment are recognized in the statement of profit and loss.

B. FVTPL Category

Financial instruments classified in this category are subsequently carried at fair value with changes recorded in the statement of profit and loss. Directly attributable transaction costs are recognised in statement of Profit and Loss as incurred.

Non-derivative financial liabilities are subsequently measured as below:

Subsequent to initial recognition, non – derivative financial liabilities are measured at amortised cost using the effective interest method.

ii) Derivative Financial Instruments

Embedded derivatives, if any, having material impact, are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit and loss.

Derivatives are recognized and measured initially at fair value. Attributable transaction cost are recognized in statement of profit and loss as cost. Subsequent to initial recognition, derivatives are measured at fair value through profit and loss.

16. Cash and Cash Equivalent

Cash and cash equivalents comprise cash at bank and on hand. It includes term deposits and other short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note [3a] - Non-current assets
Property, plant and equipment

Refer point 2 of Note [2] for accounting policy on property, plant and equipment (PPE). (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross block	**6179.47**	6057.86
Less: Accumulated depreciation	**3750.49**	3319.35
Net block (details refer to note 3.1)	**2428.98**	2738.51

Company had opted for exemption under IndAS 101, and accordingly carrying value as on 31.03.2015 was considered as deemed cost on IndAS transition date.

Note [3b] - Non current assets
Capital work in progress

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Plant & machinery and other equipments:				
Under Erection/ Fabrication/awaiting erection	**171.60**		166.34	
In transit	**0.63**	**172.23**	0.54	166.88
Construction work-in-progress -Civil		**228.77**		137.98
Construction stores (including in transit)		**2.21**		1.88
Total		**403.21**		306.74

Note [4a] - Non-current assets
Intangible assets

Refer point 4 of Note [2] for accounting policy on intangible assets. (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross block	**290.83**	280.48
Less: Accumulated amortisation	**228.67**	201.87
Net block (details refer to note 4.1)	**62.16**	78.61

Company had opted for exemption under IndAS 101, and accordingly carrying value as on 31.03.2015 was considered as deemed cost on IndAS transition date.

Note [4b] - Non-current assets
Intangible assets under development

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets under development	**16.35**	7.26
Total	**16.35**	7.26

Note [3.1] DETAIL OF PROPERTY, PLANT & EQUIPMENT

(₹ in Crore)

Description	Gross Block				Depreciation/Amortisation				Net Block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation/ Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
LAND - Freehold land (including development expenses)	28.02	-	-	**28.02**	-	-	-	**-**	**28.02**	28.02
Buildings - Freehold Buildings	1671.11	39.73	(0.83)	**1710.01**	515.09	92.11	(0.04)	**607.16**	**1102.85**	1156.03
Roads, bridges & culverts	15.24	0.61	-	**15.85**	12.82	0.73	-	**13.56**	**2.30**	2.41
Drainage, Sewerage & water supply	28.66	2.52	-	**31.17**	5.96	1.09	-	**7.05**	**24.13**	22.70
Plant & Equipment	3063.97	37.10	(0.30)	**3100.77**	2067.01	202.59	(0.32)	**2269.28**	**831.49**	996.96
Railway Siding	8.85	-	-	**8.85**	4.20	0.67	-	**4.87**	**3.98**	4.65
Locomotives & Wagons	28.33	-	(0.03)	**28.30**	13.74	2.16	-	**15.90**	**12.40**	14.60
Furniture & fixtures	61.18	2.06	(1.28)	**61.96**	34.64	6.27	(0.95)	**39.96**	**21.99**	26.54
Vehicles	13.97	0.40	-	**14.37**	7.21	1.60	-	**8.81**	**5.56**	6.76
Office and Other equipments	132.31	6.51	(0.40)	**138.42**	97.22	13.28	(0.13)	**110.37**	**28.05**	35.09
Electronic Data Processing Equipment	109.11	4.31	19.79	**133.21**	50.85	25.30	21.31	**97.47**	**35.74**	58.25
Electrical Installations	229.77	11.73	(0.08)	**241.42**	149.91	24.51	(0.06)	**174.36**	**67.06**	79.86
Construction Equipment	72.23	0.70	(1.80)	**71.12**	66.62	2.66	(1.80)	**67.48**	**3.64**	5.61
Fixed Assets costing upto ₹ 10,000/-	18.39	3.34	(0.63)	**21.09**	18.37	3.34	(0.63)	**21.09**	**-**	-
Solar power generation	119.46	0.09	-	**119.54**	16.09	5.88	-	**21.97**	**97.58**	103.37
Right-of-use Assets	457.27	30.84	(32.74)	**455.37**	259.62	64.26	(32.70)	**291.18**	**164.19**	197.65
TOTAL	**6057.86**	**139.94**	**(18.32)**	**6179.47**	**3319.35**	**446.45**	**(15.32)**	**3750.49**	**2428.98**	**2738.51**
Previous Year	5773.34	299.56	(15.02)	**6057.86**	2865.83	468.36	(13.69)	**3319.35**	**2738.51**	2907.51

Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2021 ₹ 13447.26 Crore and as at 31.03.2020 ₹ 13347.48 crore

Gross Block as at 31.03.2021 includes assets condemned and retired from active use ₹ 14.11 crore (Previous year ₹ 14.98 crore)

Net Block as at 31.03.2021 includes assets condemned and retired from active use ₹ 0.12 Crore (Previous year ₹ 0.12 Crore)

Gross Block excludes cost of assets purchased out of grant received from Govt of India for research as executing agency since the property does not vest with the Company ₹ 244.43 crore (Previous year ₹ 238.45 crore)

There is no impairment loss during the year.

Table 3.1(a): Right-of-use of assets includes:

(₹ in Crore)

Description	Gross Block				Depreciation/Amortisation				Net Block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
Land (including development expenses)	110.85	3.92	-	114.78	6.40	3.99	-	**10.39**	**104.39**	104.46
Buildings	1.63	-	-	1.63	0.26	0.05	-	**0.31**	**1.32**	1.37
Plant & Equipment	4.07	18.07	-	22.14	1.83	7.68	(0.66)	**8.85**	**13.29**	2.23
Office & other equipment	16.29	0.18	-	16.47	13.27	1.99	(0.43)	**14.83**	**1.64**	3.02
EDP Equipment	301.64	8.49	(31.73)	278.40	225.70	42.42	(29.81)	**238.31**	**40.10**	75.93
Vehicle	5.30	0.17	(0.97)	4.50	1.69	1.53	(0.58)	**2.63**	**1.87**	3.61
Others	17.50	-	(0.05)	17.45	10.48	6.61	(1.23)	**15.86**	**1.59**	7.02
TOTAL	**457.27**	**30.84**	**(32.74)**	**455.37**	**259.62**	**64.26**	**(32.70)**	**291.18**	**164.19**	**197.65**

Additional disclosure of Note [3.1] details of property, plant and equipment

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
1. Land and buildings includes		
a i) Acres of land for which formal transfer/lease deed have not been executed (in acres)	**8196.93**	8196.93
Net Block	**70.77**	71.49
ii) Number of flats for which formal transfer/lease deed have not been executed (in nos.)	**12**	12
Net Block	**1.11**	1.15
iii) Acres of land for which the cost paid is provisional; (in acres)	**506.46**	506.46
[registration charges and stamp duty, (net of provision) would be accounted for on payment]		
Net Block	**63.35**	64.07
b. Acres of land leased to Ministry of Defence, Govt. of India Departments & others (in acres)	**30.37**	30.37
c. Acres of land is under adverse possession/ encroachment. (in acres)	**751.49**	757.47

d. 1297.86 acres (PY 1297.86 acres) of land pending mutation at Haridwar plant for which legal action is in process. It includes land measuring 934 acres (PY 934 acres) which is in BHEL's possession but has been wrongly got mutated in the name of SIDCUL Government of Uttarakhand in the year 2004 & 2007.

e. Further at Haridwar plant, 8 Acres of land is pending transfer to IOCl /State Government under office memorandum dated 01.12.2003 of Uttarakhand Government.

(Cost of land of (b to e) mentioned above is not material)

Particulars	As at March 31, 2021	As at March 31, 2020
2. i) Total Area of Land in acres	**16409.03**	16409.03
ii) Free hold land (Sale Deed) / Possessory Rights/license out of 2(i) in acres	**15735.69**	15735.69
iii) Leasehold land out of 2(i) in acres	**673.34**	673.34

3. The company provides 100% depreciation on an item of PPE having cost / opening net block up to ₹ 10000/- each. The impact of providing 100% depreciation on an item of PPE on profit, without considering the impact of earlier years is as under :

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
100% depreciation on PPE upto ₹10,000/- charged off	**5.34**	6.14
Less: Normal depreciation on above.	**(1.20)**	(1.11)
Excess amount charged to depreciation for the year	**4.15**	5.03

Note 4.1 - Detail of Intangible Assets

(₹ in Crore)

Description	Gross Block				Depreciation/Amortisation				Net Block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
Internally Developed										
Others	66.55	3.24	0.00	**69.78**	53.86	7.63	0.00	**61.49**	**8.29**	12.69
Others										
Software	50.71	0.21	0.00	**50.92**	42.21	4.61	0.10	**46.92**	**4.00**	8.50
Technical Know-how	163.23	6.90	0.00	**170.13**	105.80	14.56	(0.10)	**120.26**	**49.87**	57.43
TOTAL	**280.48**	**10.35**	**0.00**	**290.83**	**201.87**	**26.80**	**0.00**	**228.67**	**62.16**	**78.61**
Previous Year	250.00	30.50	0.00	**280.48**	166.93	34.90	0.03	**201.87**	**78.61**	83.07

Gross Block (as per earlier IGAAP) as at 31.03.2021 ₹ 575.15 Crore and as at 31.03.2020 ₹ 564.81 crore

There is no impairment loss during the year.

Note [5] - Non-current assets
Investment (accounted for using equity method)

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
BHEL-GE Gas Turbine Services Private Limited		
Opening net assets	**158.97**	149.42
Profit / (loss) for the year	**44.14**	25.72
Other comprehensive income	**0.07**	0.13
Less: Dividend paid	**21.42**	16.30
Closing net assets	**181.76**	158.97

(i) RPCL (joint venture company) has incurred losses due to which the group has recognised accumulated losses equal to the cost of investment as at March 31, 2019. The group has unrecognised share of losses amounting to ₹ 880 crore as per their unaudited financial statement for the year ended March 31, 2021.

(ii) NBPPL (joint venture company) has incurred losses due to which the group has recognised accumulated losses equal to the cost of investment as at March 31, 2019. The group has unrecognised share of losses amounting to ₹ 85 crore as per their unaudited financial statement for the year ended March 31, 2021

Note [5a] - Non-current assets
Financial assets - Investment

(₹ in Crore)

Particulars	As at March 31, 2021			As at March 31, 2020		
	No. of Shares (Face value in ₹)	Amount		No. of Shares (Face value in ₹)	Amount	
I Quoted equity instruments			**-**			-
II Unquoted equity instruments (fully paid up shares)						
(a) Investment in joint ventures (at cost)						
(i) Powerplant Performance Improvement Ltd.	**1999999 (10)**	**2.00**		1999999 (10)	2.00	
Less: Provision for impairment		**2.00**	**-**		2.00	-
(ii) Dada Dhuniwale Khandwa Power Ltd.	**- -**	**-**		22500000 (10)	5.20	
Less: Amount received		**-**			0.27	
Less: Provision for impairment		**-**	**-**		4.93	-
(b) Investment in equity instruments fully paid up (at FVTPL)						
(i) Neelachal Ispat Nigam Ltd.	**5000000 (10)**	**5.00**		5000000 (10)	5.00	
(ii) AP Gas Power Corporation Ltd.	**728960 (10)**	**0.91**		728960 (10)	0.91	
(iii) Engineering Projects (India) Ltd.	**1892 (10)**	*****		1892 (10)	*	
		5.91			5.91	
less: Fair value adjustment		**2.33**	**3.58**		2.82	3.09
Share in Co-operative Societies #			**-**			-
Total			**3.58**			3.09
*Value of less than ₹ 1 lakh						
Aggregate amount of unquoted investment			**7.91**			12.84
Aggregate amount of impairment in value of investments			**4.33**			9.75

Equity shares held in various employees cooperatives societies, valuing less than ₹ 1 lakh/-

Information about joint ventures and subsidiary

(₹ in Crore)

Particulars	Country of incorporation	As at March 31, 2021	As at March 31, 2020
(A) Name of the joint ventures (JVC)		**Proportion (%) of ownership**	
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	**One share less than 50%**	One share less than 50%
NTPC-BHEL Power Projects Private Limited (NBPPL)		**50%**	50%
Raichur Power Corporation Limited (RPCL)		**27.97%**	27.97%
Dada Dhuniwale Khandwa Power Limited (DDKPL)		**-**	50%
Power Plant Performance Improvement Limited (PPIL)		**One share less than 50%**	One share less than 50%

(i) The provision for impairment in value of investment in NTPC-BHEL Power Projects Private Limited has been made to the extent of ₹ 50.00 crore (upto previous year ₹ 50.00 crore) based on the net financial position. The Board of Directors in its meeting held on February 08, 2018 has accorded in-principle approval for pursuing the winding up of NBPPL. Ministry of Power (MoP) has advised NTPC to consider buying out the stake of BHEL and decide either to continue it as an in-house EPC arm or close it after completion of present work. This advise was noted by NBBPL Board in its meeting held on 29.08.2019.

(ii) Dada Dhuniwale Khandwa Power Limited (DDKPL) stands dissolved vide NCLT order dated 2nd November, 2020. Against the investment of ₹ 22.50 cr, ₹ 17.57 cr was received (₹ 17.30 cr in FY 2018-19 & ₹ 0.27 cr in FY 2019-20). Balance ₹ 4.93 cr has been written off during the year and corresponding provision withdrawn.

(iii) The provision for impairment in value of investment in Powerplant Performance Improvement Limited amounting to ₹ 2.00 crore (previous year ₹ 2.00 crore) has been made since the JVC is under liquidation and the amount paid as equity is not recoverable.

Particulars	Country of incorporation	As at March 31, 2021	As at March 31, 2020
(B) Name of the subsidiary company		**Proportion (%) of ownership**	
BHEL Electrical Machines Limited (BHEL EML)	India	**51%**	51%

The proposal for transfer of 51% stake in BHEL EML, sent by BHEL to Department of Heavy Industry, Govt. of India for approval, has been approved on 11th May 2021. Appropriate action to execute the Agreement with Govt of Kerela and to complete the necessary activities for transfer of Company's 51% stake in BHEL EML to Govt of Kerela at a consideration of ₹ 1 only and waiver of working capital loan of ₹ 3 cr alongwith interest accrued thereon given by BHEL to BHEL EML is being taken.

Note [6] - Non-current assets
Financial assets - Trade receivables

Refer point 13 of Note [2] for accounting policy on impairment of financial assets.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	**3512.06**	5166.95
Credit impaired (included in allowances for B&D debts)	**12622.33**	11570.83
	16134.39	16737.78
Less: Allowances for bad and doubtful debts	**12954.65**	12204.28
Total Trade recievable (Net)	**3179.74**	4533.50
Trade recievable (Net) includes ₹ 1773 cr (Previous year ₹ 1712 cr) in respect of projects under litigation or arbritation.		
Simplified approach is followed for impairment of trade receivables, the classification is done in line with Ind AS 109.		
Trade recievable includes:		
(a) Due from Directors	**-**	-
(b) Due from Officers	**-**	-

Note [7] - Non-current assets
Financial assets - Other

Refer point 13 of Note [2] for accounting policy on impairment of financial assets. (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits		
Deposits with SEBs, port trust & others		
Unsecured, considered good	**84.64**	83.17
Credit impaired	**2.92**	1.93
	87.56	85.10
Less: Allowances for bad & doubtful deposits	**2.92**	1.93
	84.64	83.17
Bank deposits with more than 12 months maturity	**12.75**	-
Total	**97.39**	83.17
Security Deposits Includes:		
(a) Due from Directors	**-**	-
(b) Dues from Officers	**-**	-

Note [8] - Non current assets
Deferred tax assets (net of liabilities)

Refer point 12 of Note [2] for accounting policy on income taxes. (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Provisions	**1766.37**	1734.02
Dues allowed on payment basis	**487.11**	576.14
Depreciation (PP&E and Intangible assets)	**78.26**	75.31
On account of taxable loss	**1278.30**	345.61
Others	**61.20**	34.79
Sub-total	**3671.24**	2765.87
Deferred tax liabilities	**-**	-
Deferred tax assets (net of liabilities)	**3671.24**	2765.87

Note [9] - Non-current assets
Other

Refer point 13 of Note [2] for accounting policy on impairment of financial assets. (₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Contract assets (including unbilled revenue)				
Unsecured, considered good	**16584.91**		16123.76	
Credit impaired	**3545.45**		2755.16	
	20130.36		18878.92	
Less: Allowances for bad and doubtful debts	**3545.45**	**16584.91**	2755.16	16123.76
Security deposits				
Deposits with tax authorities and others				
Unsecured, considered good	**106.80**		105.97	
Unsecured, considered doubtful	**12.85**		29.17	
	119.65		135.14	
Less: Provision for bad & doubtful deposits	**12.85**	**106.80**	29.17	105.97
Loans & advances				
Unsecured, considered good				
Advances towards purchases	**99.58**		54.96	
Claims recoverable and others	**37.34**		53.16	
Capital advances	**23.81**		23.81	
Unsecured, considered doubtful				
Advances towards purchases	**11.71**		11.92	
Claims recoverable and others	**28.14**		25.85	
	200.58		169.70	
Less: Provision for bad & doubtful loans & advances	**39.85**	**160.73**	37.77	131.93
Total		**16852.44**		16361.66

Contract Assets (Net) include ₹1664 cr (previous year ₹1572 cr) in respect of projects under litigation or arbritation.

Loan & advances includes :				
(a) Due from Directors		**-**		-
(b) Due from Officers		**-**		-

Note [10] - Current assets
Inventories

Refer point 6 of Note [2] for accounting policy on valuation of inventories. (₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Raw material & components	**2811.03**		3320.56	
Material-in-transit	**199.83**	**3010.86**	647.83	3968.39
Work-in-progress (including items with sub-contractors)		**3779.72**		4120.78
Finished goods	**629.11**		823.32	
Inter - division transfers in transit	**63.75**	**692.86**	68.59	891.91
Stores & spare parts				
Production	**166.42**		197.63	
Fuel stores	**2.58**		3.40	
Miscellaneous	**51.24**	**220.24**	53.38	254.41
Other inventory				
Materials with fabricators/contractors	**39.80**		59.55	
Loose tools	**23.02**		37.88	
Scrap (at estimated realisable value)	**147.46**	**210.28**	117.76	215.19
		7913.97		9450.68
Less: Provision for non-moving inventory		**719.52**		542.45
Total		**7194.45**		8908.23
Note :				
Write down of inventories		**219.35**		100.80
Less : reversal thereof		**42.27**		113.87
Net		**177.08**		(13.07)

Note [11] - Current assets
Financial assets - Trade receivables

Refer point 13 of Note [2] for accounting policy on impairment of financial assets (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	**4510.63**	7973.65
Credit impaired (included in allowances for B&D debts)	**405.27**	576.29
	4915.90	8549.94
Less: Allowances for bad and doubtful debts	**880.83**	1441.34
Total	**4035.07**	7108.60
Trade recievable includes:		
(a) Due from Directors	**-**	-
(b) Due from Officers	**-**	-

Note [12] - Current assets
Financial assets - Cash & cash equivalents

Refer point 16 of Note [2] for accounting policy on cash and cash equivalent. (₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Balances with banks				
EEFC a/c	**202.69**		82.93	
Current / cash credit a/c	**1324.33**	**1527.02**	1285.45	1368.38
Cheques, demand drafts on hand		**0.08**		29.90
Deposits with banks having maturity 3 month or less		**-**		0.29
Cash & stamps on hand		**0.07**		0.21
Remittances in transit		**0.02**		4.08
Total		**1527.19**		1402.86

Note [13] - Current assets
Financial assets - Bank balances

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Fixed deposits having maturity more than 3 months but not more than 12 months		**5160.01**		5000.03
Fixed deposits against margin money for BG issued		**2.54**		2.41
Balances with banks (earmarked):				
Charging station project	**7.88**		10.17	
Unclaimed dividend a/c	**2.11**		2.79	
Non-repatriable a/c	**1.69**		0.30	
Sale proceeds of fractional shares on bonus issue	**0.03**	**11.71**	0.03	13.29
Total		**5174.26**		5015.73
Total Cash and Bank Balances [12 + 13]		**6701.45**		6418.59

Note [14] - Current assets
Financial assets - Loans

Refer point 13 of Note [2] for accounting policy on impairment of financial assets.

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Loan to PSU (BP&CL*)				
Credit impaired	**13.32**		13.32	
Less: Allowances for bad & doubtful loans	**13.32**	**-**	13.32	-
Total		**-**		-
* Loan given to Bharat Pumps and Compressors Ltd (₹ 12 cr). and interest accrued & due thereon (₹ 1.32 cr) has been fully provided				
Includes :				
(a) Due from Directors		**-**		-
(b) Due from Officers		**-**		-

Note [15] - Current assets
Financial assets- Others

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Security deposits				
EMD and other deposits				
Unsecured, considered good		**128.57**		135.24
Credit impaired		**12.01**		13.42
		140.58		148.66
Less: Allowances for bad & doubtful advances		**12.01**		13.42
		128.57		135.24
Interest accrued on banks deposits		**77.14**		99.39
Advance to employees	**27.02**		28.18	
Less: Allowances for bad & doubtful advances	**0.08**	**26.94**	0.07	28.11
Total		**232.65**		262.74
Includes:				
(a) Due from Directors		**-**		-
(b) Due from Officers		**0.01**		0.05

Note [16] - Current assets
Current tax assets / liabilities (net)

Refer point 12 of Note [2] for accounting policy on income taxes.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax & TDS	**1654.17**	2528.16
Less: Provisions for taxation	**1250.57**	2299.09
Total	**403.60**	229.07

Note [17] - Current assets

Others

Refer point 13 of Note [2] for accounting policy on impairment of financial assets. (₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Contract assets (including unbilled revenue)				
Unsecured, considered good	**7494.57**		7670.46	
Credit impaired	**76.46**		54.69	
	7571.03		7725.15	
Less: Allowances for bad and doubtful debts	**76.46**	**7494.57**	54.69	7670.46
Claim recoverable				
Unsecured, considered good				
Input tax credit receivable	**1031.11**		916.90	
Claim recoverable and others	**601.11**		570.94	
Unsecured, considered doubtful				
Input tax credit receivable	**8.61**		10.17	
Claim recoverable and others	**121.16**		117.49	
	1761.99		1615.50	
Less: Provision for bad & doubtful claims	**129.77**	**1632.22**	127.66	1487.84
Advances				
Unsecured, considered good				
Subsidiary company	**-**		-	
Vendors / subcontractors	**152.23**		224.39	
Unsecured, considered doubtful				
Vendors / subcontractors	**6.93**		7.37	
	159.16		231.76	
Less: Provision for bad & doubtful advances	**6.93**	**152.23**	7.37	224.39
Security deposits				
Deposits with tax authorities and others				
Unsecured, considered good	**497.11**		401.26	
Unsecured, considered doubtful	**79.41**		58.75	
	576.52		460.01	
Less: Provision for bad & doubtful deposit	**79.41**	**497.11**	58.75	401.26
Total		**9776.14**		9783.95

Note [18] - Equity
Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.of Shares (Face value in ₹)	Amount	No.of Shares (Face value in ₹)	Amount
A Equity share capital				
Authorised	**10000000000 (2)**	**2000.00**	10000000000 (2)	2000.00
Issued, subscribed and fully paid up	**3482063355 (2)**	**696.41**	3482063355 (2)	696.41
a) The reconciliation of the number of equity shares outstanding				
Balance as at the beginning of the year	**3482063355**	**696.41**	3482063355	696.41
Add/(Less): Changes during the year	**-**	**-**	-	-
Balance as at the end of the year	**3482063355**	**696.41**	3482063355	696.41
b) Details of shares held by shareholders holding more than 5 % of shares at the end of the year				
President of India (Promoter)	**2199650402**	**63.17%**	2199650402	63.17%
Life Insurance Corporation of India	**350647914**	**10.07%**	350647914	10.07%
Face value per share in (₹)		**2.00**		2.00

c) Terms / rights attached to the equity shares :

The company has only one class of equity shares having par value of ₹ 2 per share (previous year ₹ 2 per share). Each holder of the equity shares is entitled to one vote per share.

d) Issue of bonus share :

The Company allotted bonus share on October 03, 2017 in the ratio of 1:2 i.e. one equity share for two existing fully paid-up equity shares. Consequently, the paid-up capital was increased from ₹ 489.52 crore in FY 2016-17 to ₹ 734.28 crore in FY 2017-18 by capitalization of reserves.

e) Share buyback

The Company vide its Board approval dated October 25,2018, bought back its 18,93,36,645 fully paid-up equity shares of the face value of ₹ 2 each representing 5.16% of the total issued and paid-up equity share capital from the eligible equity shareholders of the Company for an amount of ₹ 1628,29,51,470 at a price of ₹ 86 per equity share in FY 2018-19. Consequently, the paid-up share capital was reduced from ₹ 734.28 crore in FY 2017-18 to ₹ 696.41 crore in FY 2018-19.

Note [18a] - Other Equity

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	**35.18**	35.18
Capital redemption reserve	**37.87**	37.87
General reserves	**30476.66**	30476.66
Retained earnings	**(4867.48)**	(2170.37)
OCI (Re-measurements of defined benefit plans)	**(394.98)**	(415.03)
Total	**25287.25**	27964.31

Nature and purpose of reserves:

(a) **Capital reserve :** It represents mainly the excess of net assets taken, over the cost of consideration paid during amalgamation of the subsidiary company (HPVP) with the BHEL.

(b) **Capital redemption reserve:** The Company has recognised Capital Redemption Reserve on buy back of equity shares from its general reserve.The amount in capital redemption reserve is equal to nominal amount of equity shares bought back.

(c) **General reserve:** This represents accumulation of profits retained by Company to meet future (known/unknown) obligations.

(d) **Retained earnings:** Retained earnings are profits that Company has earned till date, less transfer to general reserve, dividends (incl. dividend distribution tax) or other distributions to shareholders.

(e) **Re-measurement of net defined benefit plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumption or experience adjustments within the plans, are recognised in 'Other comprehensive income' and these are subsequently not to be reclassified to the Statement of Profit and Loss.

Note [19] - Financial liabilities-Lease Liabilities

Refer point 3 of Note [2] for accounting policy on lease.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- Current		
Long term maturities of lease obligations	**53.41**	75.37
Current		
Current maturities of lease obligation	**48.20**	56.67
Total	**101.61**	132.04
Further disclosures available at Note [48] on lease		

Note [20] - Non-current liabilities
Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	**157.92**		72.91	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**1723.16**	**1881.08**	1003.32	1076.23
Total		**1881.08**		1076.23

Significant part of the above pertains to retention money or under dispute/arbitration.

Note [21] - Non-current liabilities
Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits from contractors & others	**211.01**	150.99
Liability for capital expenditure	**5.71**	8.03
Total	**216.72**	159.02

Note [22] - Non-current liabilities
Provisions

Refer point 9 & 10 of Note [2] for accounting policy on employee benefits and provisions.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contractual obligation	**2505.89**	2755.25
Provision for employee benefits*	**1098.20**	1176.11
Provision others	**319.38**	284.87
Corporate social responsibility	**2.09**	8.93
Total	**3925.56**	4225.16

*Further Disclosure available at note (49) on employee benefits

Note [23] - Non-current liabilities
Other

Refer point 11 of Note [2] for accounting policy on Government grants (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Advances rceived from customers incl. excess of billing over revenue)	**2806.50**	2921.16
Deferred income- Govt. grant#	**25.04**	31.49
Total	**2831.54**	2952.65

#Govt. grant is received for setting up of solar PV plant and manufacturing of modules.

Note [24] - Current liabilities
Financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Loans from banks	**201.01**	600.00
Pre shipment packing credit	**299.36**	759.22
Buyer's Credit	**45.71**	141.58
Cash credit (by BHEL EML)	**7.29**	6.26
(secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)		
Sub-total (A)	**553.37**	1507.06
Unsecured		
Commercial papers	**4287.70**	3432.59
Loan from companies (by BHEL EML)	**8.21**	8.27
Sub-total (B)	**4295.91**	3440.86
Total borrowings (A+B)	**4849.28**	4947.92

(i) The Company has a cash credit limit from banks aggregating to ₹ 6000 crore (previous year ₹ 6000 crore and Company's counter guarantee / indemnity obligations in regard to bank guarantee / letters of credit limit aggregating to ₹ 54000 crore (previous year ₹ 54000 crore) sanctioned by the consortium banks. These are secured by first charge by way of hypothecation of raw materials, components, work in progress, finished goods, stores, trade receivables and other current assets both present and future. The outstanding bank guarantees as at 31.03.2021 is ₹ 39343 Crore (previous year ₹ 41491 Crore). This figure includes BG of ₹ 630 crore (previous year ₹ 971 Crore) issued as replacement and pending for vacation as on 31st March 2021

(ii) Loan from Banks represents loans against Fixed deposits (₹ 200 crore) and balance for WCDL (Working Capital Demand Loan).

(iii) Packing Credit in Foreign Currency (PCFC) has been availed by the Company. The outstanding amount of USD 40.50 million is repayable in parts during the months November 2021 to March 2022.

(iv) Buyer's credit has been availed by the Company. The outstanding amount of USD 6.18 million is repayable in April 2021.

(v) Details of Commercial papers outstanding as on 31st March 2021 is as follows:

(₹ in Crore)

Issue Date	Maturity Date	Discount Rate	Face Value	Amortised cost
12th Nov, 2020	29th Oct, 2021	4.05%	575.00	562.04
30th March, 2021	28th June, 2021	3.41%	1000.00	991.85
31st March, 2021	24th June, 2021	3.47%	900.00	892.87
26th March, 2021	24th June, 2021	3.41%	700.00	694.55
22nd March, 2021	21st May, 2021	3.66%	650.00	646.76
8th Jan, 2021	9th April, 2021	3.40%	500.00	499.63
		Total	**4325.00**	**4287.70**

(vi) Corporate Guarantees given for own obligations outstanding as on 31.03.2021 is ₹ 1799 crore (previous year ₹ 1422 crore).

(vii) Change in borrowings arising from Financing activities

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance (excl cash credit)	**4941.66**	2437.88
Cash Flow during the year	**(99.67)**	2503.78
Closing Balance (excl cash credit)	**4841.98**	4941.66
For changes in lease liability arising from financing activities, refer note no [b] of Note 48		

Note [25] - Current liabilities
Financial liabilities - Trade Payables

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Trade payables:				
(i) Total outstanding dues of micro enterprises and small enterprises		**662.94**		611.12
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	**5906.66**		8177.47	
(iii) Acceptances	**113.91**	**6020.57**	40.57	8218.04
Total		**6683.51**		8829.16

Significant part of the above pertains to retention money or under dispute/arbitration.

Note [26] - Current liabilities
Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Liabilities:				
Employees dues	**126.88**		289.10	
Other dues*	**294.20**		560.18	
Capital expenditure	**57.49**	**478.58**	82.73	932.01
Deposits from contractors & others		**447.92**		492.10
Unpaid dividend **		**2.11**		2.79
Interest accured on borrowings		**0.97**		3.72
Total		**929.58**		1430.62

* Other dues includes ₹ 0.03 crore for sale proceeds of fractional shares arising out of issuance of bonus shares.

** No amount is due and outstanding to be transferred to Investor Education & Protection Fund at the year end.

Note [27] - Current liabilities
Provisions

Refer note 9 & 10 for accounting policy on employee benefits and provisions.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contractual obligation	**1486.56**	1563.86
Provision for employee benefits#	**831.06**	1124.73
Corporate social responsibility	**19.18**	6.58
Provision others	**831.72**	390.59
Total	**3168.52**	3085.76

#Further Disclosure available at note (49) on employee benefits

Note [28] - Current liabilities
Other

Refer point 11 of Note [2] for accounting policy on Government grants

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Advances received from customers incl. excess of billing over revenue)	**4057.85**	3798.08
Liabilities towards statutory dues	**616.50**	453.82
Deferred income - Govt. grant	**6.45**	6.45
Total	**4680.80**	4258.35

Note [29]
Revenue from operations

Refer point 7 of Note [2] for accounting policy on revenue recognition. (₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from contracts with customers		
Sales	**13010.54**	15060.87
Income from external erection & other services	**3285.26**	5433.72
[For details, refer Note 52(b)]		
Turnover (A)	**16295.80**	20494.59
Other operational income		
Freight & insurance	**93.32**	143.43
Scrap sales	**141.97**	142.12
Recoveries from suppliers	**112.88**	219.79
Liabilities written back	**211.83**	312.27
Insurance claims	**163.48**	16.42
Export incentives	**156.88**	14.99
Others	**132.53**	119.53
Other operational income (B)	**1012.89**	968.55
Revenue from operations (A+B)	**17308.69**	21463.14
Revenue from operations excludes :		
Goods and service tax	**2392.35**	2837.28

Note [30]
Other income

Refer point 7 of Note [2] for accounting policy on revenue recognition. (₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income *		
From customers	**1.14**	-
From banks	**313.61**	502.22
Others	**6.11**	6.97
Sub-total (A)	**320.86**	509.19
Other income		
Profit on sale of units of mutual funds	**1.42**	6.43
Government grants	**6.45**	6.45
Profit from sale of PPE & capital stores (Net)	**1.88**	9.30
Others	**17.81**	32.93
Sub-total (B)	**27.56**	55.11
Total other income (A+B)	**348.42**	564.30
*Includes TDS	**20.99**	50.05

Note [31]
Material consumption, erection and engineering expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of raw material & components	**8158.56**	11781.64
Civil, erection and engineering expenses	**2912.47**	2947.17
Consumption of stores & spares	**288.74**	352.91
Total	**11359.77**	15081.72

Note [32]
Changes in inventories of finished goods, work in progress and Scrap

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Work -in -progress				
Closing balance	**3779.72**		4120.77	
Opening balance	**4121.21**	**341.49**	3220.70	(900.07)
Finished goods				
Closing balance	**629.11**		823.32	
Opening balance	**823.33**	**194.22**	661.53	(161.79)
Scrap				
Closing balance	**147.46**		117.76	
Opening balance	**117.76**	**(29.70)**	90.89	(26.87)
Inter-division transfer in transit		**4.85**		46.30
(Increase)/Decrease		**510.86**		(1042.43)

Note [33]
Employee benefits expense

Refer point 9 of Note [2] for accounting policy on employee benefits.

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages, bonus, allowances & other benefits	**4699.90**	4628.86
Contribution to provident and other funds	**373.16**	405.91
Staff welfare expenses	**195.03**	280.07
Contribution to gratuity fund	**102.02**	105.45
Group insurance	**8.05**	11.59
Total	**5378.15**	5431.88

Note [34]
Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Power & fuel		**319.57**		459.41
Expenditure on other sub contracts		**267.60**		334.60
Carriage outward		**216.71**		287.38
Payment to security agencies		**203.25**		222.79
Repairs & maintenance:				
Buildings	**26.55**		45.03	
Plant & machinery	**29.59**		32.32	
Others	**67.50**	**123.64**	88.12	165.47
Insurance		**128.51**		147.02
Travelling & conveyance		**65.15**		124.51
Bank charges		**92.61**		104.22
R&D expense		**29.48**		74.97
Hire charges		**46.38**		62.34
Expenditure on collaborations & royalty		**34.92**		57.72
Rates & taxes		**25.07**		43.70
Office expense		**31.00**		40.29
Expenditure on skill development		**15.22**		39.38
Legal, audit & certification expense		**34.62**		35.04
EDP, software & lease line expense		**25.57**		29.73
Corporate social responsibility		**20.18**		28.80
Water charges		**34.19**		26.94
Expenditure in connection with exports		**11.92**		24.39
Rent non residential		**15.88**		20.23
Entertainment & courtesy expenses		**2.29**		9.89
Environmental protection		**5.72**		7.17
Seminar, development and training expense		**1.16**		6.02
Publicity & public relation expense		**1.55**		5.43
Miscellaneous expense		**47.38**		72.83
Total		**1799.57**		2430.27

Disclosure-Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Director's fees	**0.21**	0.23
(ii) Expenditure on departmental repair & maintenance:		
Plant & machinery	**175.27**	205.73
Buildings	**29.65**	42.38
Others	**32.88**	34.96
(iii) Expenditure on research & development	**146.01**	221.84
(iv) Expenditure on foreign travel		
No. of tours	**77**	323
Expenditure	**1.28**	6.52

(v) BHEL from own contribution has spent cumulative ₹ 189 crore (upto previous year ₹ 170 crore) on AUSC project and accounted as R&D expenditure.

Note [35]
Provisions

Refer point 9,10 & 13 of Note [2] for accounting policy on employee benefits, provisions and impairment of assets. (₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Doubtful debts, liquidated damages and loans, advances & deposits				
Created during the year	**2583.68**		2335.46	
Less: withdrawal during the year	**1773.13**	**810.55**	2300.75	34.71
Contractual obligations				
Created during the year	**240.96**		436.35	
Less: withdrawal during the year	**501.81**	**(260.85)**	573.11	(136.76)
Others				
Created during the year	**768.16**		291.47	
Less: withdrawal during the year	**128.75**	**639.41**	179.14	112.33
		1189.11		10.28
Impairment of investment in JVs		**-**		(0.27)
Investment written off		**4.93**		-
Bad debts written off		**77.55**		57.60
Liquidated damages & contractual charges charged off		**170.98**		165.20
Losses written off		**24.89**		0.99
Total		**1467.46**		233.80

Note [36]
Finance costs

Refer point 5 & 10 of Note [2] for accounting policy on borrowing costs and provisions. (₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Discount on commercial papers		**164.06**		204.12
Unwinding of provisions		**141.74**		195.61
Interest cost:				
Banks / Financial Institutions	**29.34**		46.30	
Foreign Financial Instituitions	**10.77**		26.32	
On lease liabilities	**12.79**		16.03	
Others	**14.27**	**67.17**	17.71	106.36
Other expenses on issuance of Commercial paper		**0.97**		2.36
Sub-total		**373.95**		508.45
Less: Borrowing cost capitalised		**-**		-
Total		**373.95**		508.45

Note [37]
Tax expenses

Refer point 12 of Note [2] for accounting policy on income taxes. (₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Current tax				
For current year	**32.83**		63.44	
For earlier years	**(17.01)**	**15.82**	(61.92)	1.52
Deferred tax				
For current year	**(909.62)**		(163.11)	
For earlier years	**(2.43)**	**(912.05)**	970.87	807.76
Total		**(896.23)**		809.28

Reconciliation of Income tax expense and accounting profit (TCI) multiplied by income tax rate

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Comprehensive Income / (Loss) before tax (A)	**(3569.16)**	(1000.99)
Statutory income tax rate (B)	**25.168%**	25.168%
Tax expense C = (AXB)	**(898.29)**	(251.93)
Difference due to: (D)		
Expenses not deductible for tax purposes	**39.35**	72.73
Change in tax rate	**-**	974.36
Change in tax expense - earlier years	**(19.44)**	(47.55)
Tax effect on share of JVs Profit / (loss)	**(11.13)**	(6.51)
Sub-total (D)	**8.78**	993.03
Net Tax Expense E = (C+D)	**(889.51)**	741.10

Note [38]
Other comprehensive income / expenditure

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income / (expenditure)		
Re measurement of defined employee benefits	**26.70**	(342.05)
Less: Income tax related to above items*	**6.72**	(68.18)
Total	**19.98**	(273.87)
* Includes		
Current tax	**-**	-
Deferred tax	**6.72**	(68.18)

Note [39]
Earnings per share

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(loss) attributable to equity shareholders	(2697.11)	(1466.01)
Weighted average number of equity shares	348.21	348.21
Basic and diluted earnings per share of ₹ 2 each	**(7.75)**	(4.21)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weightage average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weightage average number of equity shares considered for deriving basic earnings per equity share and also the weightage average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Note [40]
Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend on equity shares declared and paid during the year		
Final dividend of ₹ Nil (previous year ₹ 1.20) per qualifying equity share	-	417.85
Dividend distribution tax on final dividend	-	85.89
Total	-	503.74

Note [41]
Notes to Accounts

The Consolidated financial statements relates to Bharat Heavy Electricals Limited (the Company), its subsidiary and its interest in Joint venture entities. The Consolidated financial statements have been prepared on the following basis-

Basis of Accounting

i) The financial Statements of the subsidiary company and interest in joint ventures in the consolidation are drawn upto the same reporting date as of the parent company

ii) The consolidated financial statements have been prepared in accordance with Ind AS 110 on "Consolidated Financial Statements" and Ind AS-28 "Investment in Associates and Joint Ventures".

Basis of Consolidation

1. Subsidiary is entity controlled by the Company. The financial statements of subsidiary is combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating the intra group balances and intra-group transactions and unrealized profits or losses in accordance with Ind AS 110 on "Consolidated Financial Statements".
2. The Company's interest in equity-accounted investees' comprise interests in joint venture. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognitions, the consolidated financials include the Company's share of profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

   When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.
3. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible.
4. Minority interest' share of net loss of consolidated subsidiary for the year is adjusted against the income of the group in order to arrive at the net income attributable to shareholder of the company.
5. Minority interest share of net liabilities of consolidated subsidiary is identified and presented in consolidated financial statement separate from assets/ liabilities & equities of the company shareholder.

The Consolidated Financial statements include the results of the following entities-

Particulars	Principal place of business	Proportion of ownership	
		2020-21	2019-20
Subsidiary Company			
BHEL Electrical Machines Limited (BHEL EML)	India	**51%**	51%
Joint Venture Companies (accounted for using equity method)			
BHEL-GE Gas Turbine Services Private Limited	India	**One share less than 50%**	One share less than 50%
NTPC-BHEL Power Projects Private Limited	India	**50%**	50%
Raichur Power Corporation Limited	India	**27.97%**	27.97%

a) The financial statements of BHEL EML are consolidated based on the unaudited financial statement for the year ended on 31.03.2021.

b) Interest in Joint Ventures in respect of BHEL-GE Gas Turbine Services Ltd. is considered based on audited financial statements for the year ended on 31.03.2021.

c) Interest in Joint Ventures in respect of NTPC-BHEL Power Projects Pvt. Ltd, and Raichur Power Corporation Ltd. are considered based on unaudited financial statements for the year ended on 31.03.2021.

d) Interest in joint Ventures in respect of Power Plant Performance Improvement Ltd. (PPIL) have not been considered in preparation of Consolidated Financial Statements as the company is under liquidation. Full amount of equity investment of ₹ 2 crore has been provided for as impairment.

e) Interest in joint venture in respect of Dada Dhuniwale Khandwa Power Ltd. have not been considered in preparation of consolidated financial statements as the company stands dissolved vide NCLT order dated 2nd November, 2020.

Note [42] - Contingent liabilities and commitments

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Contingent liabilities		
Claims against the company not acknowledged as debt :		
(a) Sales tax matters	**894.74**	1147.53
(b) Service tax matters	**696.04**	793.64
(c) Court & arbitration matters	**516.18**	690.01
(d) Excise duty matters	**161.76**	161.76
(e) Customs duty and others	**834.51**	5.80
(f) Other matters (incl. disputed staff cases)	**40.51**	38.16
(g) Claim towards Liquidated damages (LD)	**2901.75**	5231.57
Total	**6045.49**	8068.47

(i) In view of various court cases, litigations and claims disputed by the Company, the outflow of resources is not ascertainable at this stage.Generally,contingent Liability in respect of court & arbitration cases are shown on award/court judgement and also reviewed on a case to case basis for its reporting in contingent liability.

(ii) It is not practicable for the Company to estimate the timing of actual cash outflows in respect of items (a) to (f) , if any, due to pending resolution of the respective proceedings. However, the chances are remote and contingent.

(iii) Liquidated damages represents likely claims or amount withheld by customer on account of delay in execution of projects which will be settled after commissioning and trial operation of project based on delay analysis and is being disclosed in line with Ind AS -37.

(iv) **Movement in contingent liabilities**

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**8068.47**	7434.64
Less: Reduction out of opening balance	**3342.01**	1443.71
Add: Additions (net) during the year	**1319.03**	2077.54
Balance at the end of the year	**6045.49**	8068.47

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
B. Commitments		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for.	**229.15**	325.72
- (The above includes related to acquisition of intangible assets)	**(8.65)**	(12.30)
(b) Investment in the Joint Venture entities for which the company has restrictions for their disposal for five years from the date of incorporation /commercial operation of the project/first unit of the project/completion of first EPC contract, as the case may be.	**50.00**	50.00

(c) In view of the nature of business, being long term construction contracts there may be other commitments for purchase of material etc., which has been considered as normal business process.

Note [43]

Current Financial liabilities includes a sum of ₹ **100.51** crore (previous year ₹ 100.51 Crore) towards guarantee fee demanded by the Government of India in respect of foreign currency loans taken by the Company at the instance of the Government upto 1990-91. The matter for its waiver has been taken up with the Government since there was no stipulation for payment of such guarantee fee at the time the loans (guaranteed by Government) were taken by the company.

Note [44]

The Company had taken over Amorphous Silicon Solar Cell Plant (ASSCP), Gurgaon on April 1, 1999 from Ministry of New and Renewable Energy (MNRE) on lease for a period of 30 years. The formal lease agreement with the Ministry of New and Renewable Energy (MNRE) is yet to be finalised.

Note [45]

Balance shown under Trade receivables, Trade payables, contractors' advances, deposits and stock / materials lying with sub-contractors/ fabricators are subject to confirmation, reconciliation & consequential adjustment, if any. The Company is in the business of long term construction contracts, bills are raised on the customers as per contract in line with billing schedule approved by the customer and the reconciliation is carried out on ongoing basis & provisions made, wherever considered necessary. Final reconciliation with customer is done on completion of project (Trial Operation and PG Test completed). Trade receivable of completed projects stand at ₹**7882** crore (previous year ₹8098 crore). Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹**6299** crore (previous year ₹6676 crore).

Note [46] - Subsidiary

(a) Name of subsidiary	Principal place of business	Proportion of ownership interest held by the Company		Proportion of ownership interest held by the Non Controlling Interest	
		As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
BHEL Electrical Machines Limited	India	**51%**	51%	**49%**	49%

BHEL EML (subsidiary company) is engaged in manufacturing of rotating electrical machines and is located at Kasargod, Kerala.

(b) Summarized financial information of Subsidiary Company is as follows. The amounts disclosed for subsidiary are before inter-company eliminations:-

(₹ in Crore)

Summarized Balance Sheet	As at	
	March 31,2021	March 31,2020
Non-current assets	**14.30**	12.76
Current assets	**10.34**	8.55
Total Assets	**24.64**	21.31
Non-current liabilities	**5.42**	5.69
Current liabilities	**42.94**	34.13
Total Liabilities	**48.36**	39.82
Net Assets	**(23.72)**	(18.51)
Accumulated Non Controlling Interest (NCI)	**(11.62)**	(9.07)

(₹ in Crore)

Summarized statement of profit and loss	For the Year	
	2020-21	2019-20
Revenue	**0.25**	3.97
Profit/ (loss) for the year	**(5.28)**	(4.79)
Other Comprehensive Income	**-**	0.01
Total Comprehensive Income	**(5.28)**	(4.78)
Profit/ (loss) attributable to NCI	**(2.59)**	(2.34)

Summarized Cash flows	For the Year	
	2020-21	2019-20
Cash flows from operating activities	**(6.44)**	(6.22)
Cash flows from investing activities	**-**	(0.02)
Cash flows from financing activities	**(0.84)**	(0.02)
Net increase/ (decrease) in cash and cash equivalents	**(7.28)**	(6.26)

The proposal for transfer of 51% stake in BHEL EML, sent by BHEL to Department of Heavy Industry, Govt. of India for approval, has been approved on 11th May 2021. Appropriate action to execute the Agreement with Govt of Kerela and to complete the necessary activities for transfer of Company's 51% stake in BHEL EML to Govt of Kerela at a consideration of ₹1 only and waiver of working capital loan of ₹3 cr alongwith interest accrued thereon given by BHEL to BHEL EML is being taken.

Note [47] - Jointly Controlled Entities

A. Summarized financial information of the joint venture, based on its Ind-AS financial statements, and reconciliation with the carrying amount of the investment in financial statements are set out below:

Name of the joint ventures (accounted for at equity method)	Principal place of business	Proportion of ownership		Carrying Amount	
		As at March 31		As at March 31	
		2021	2020	2021	2020
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	**50% minus 1 share**	50% minus 1 share	**2.38**	2.38
NTPC-BHEL Power Projects Private Limited (NBPPL)	India	**50.00%**	50.00%	**-**	-
Raichur Power Corporation Limited (RPCL)	India	**27.97%**	27.97%	**664.04**	664.04

(a) BGGTS is a Joint Venture Company of BHEL and GE, USA formed to take up repair & servicing of GE designed Gas Turbines.

(b) BHEL along with NTPC Limited promoted a joint venture company "NTPC- BHEL Power Projects Private Limited" for carrying out EPC contracts for Power Plants and other infrastructure Projects in India and abroad.

The provision for impairment in value of investment in NTPC-BHEL Power Projects Private Limited has been made to the extent of ₹50.00 crore (upto previous year ₹50.00 crore) based on the net financial position. The Board of Directors in its meeting held on February 08, 2018 has accorded in-principle approval for pursuing the winding up of NBPPL. Ministry of Power (MoP) has advised NTPC to consider buying out the stake of BHEL and decide either to continue it as an in-house EPC arm or close it after completion of present work. This advise was noted by NBBPL Board in its meeting held on 29.08.2019.

(c) Raichur Power Corporation Limited has been promoted for setting up of a 2x800 MW supercritical thermal power plant at Yeramarus, Raichur, Karnataka and 1x800 MW supercritical thermal power plant at Edlapur, Raichur, Karnataka on build, own and operate basis. COD of Unit I and Unit II of Yeramarus TPP achieved in March 2017 and April 2017 respectively.

(d) The provision for impairment in value of investment in Powerplant Performance Improvement Limited amounting to ₹2 crore (previous year ₹2 crore)has been made since the Company is under liquidation and the amount paid as equity is not recoverable.

(e) Dada Dhuniwale Khandwa Power Limited (DDKPL) stands dissolved vide NCLT order dated 2nd November, 2020. Against the investment of ₹22.50 cr, ₹17.57 cr was received (₹17.30 cr in FY 2018-19 & ₹0.27 cr in FY 2019-20). Balance ₹4.93 cr has been written off during the year and corresponding provision withdrawn.

B. Summarized financial information of Joint Ventures companies of Group are as follows-:

The table below summarises financial information of Joint Venture Companies of the group accounted for at equity method. The information is as per the financial statements of the relevant Joint venture Companies and not the group's share of these amounts.

BHEL-GE Gas Turbine Services Pvt. Ltd (₹ in Crore)

Balance Sheet	As at	
	March 31,2021	March 31,2020
Non-current assets	**80.84**	62.88
Current assets	**519.55**	462.36
Cash and Cash Equivalent (incl.bank balances) included in Current assets	**274.16**	187.58
Non-current liabilities	**22.19**	18.70
Non-Current financial liabilities (excluding trade payables)	**10.59**	13.53
Current liabilities	**215.21**	189.13
Current financial liabilities (excluding trade payables)	**16.71**	12.53

Statement of Profit and Loss	For the year ended	
	March 31,2021	March 31,2020
Revenue from operations	**791.76**	685.84
Interest income	**10.71**	10.24
Depreciation and amortization	**9.28**	9.59
Interest expense	**1.27**	1.46
Income tax expense	**29.95**	23.22
Profit / (loss) for the year	**88.29**	58.14
Other comprehensive income/(loss)	**(0.15)**	0.26
Total comprehensive income	**88.44**	57.88

Raichur Power Corporation Ltd. (₹ in Crore)

Balance Sheet	As at	
	March 31,2021	March 31,2020
Non-current assets	**11064.18**	11055.73
Current assets	**2025.64**	1429.82
Cash and cash equivalent included in current assets	**(66.20)**	(85.80)
Non-current liabilities	**11326.76**	10158.44
Non-current financial liabilities (excluding trade payables)	**11326.76**	10158.44
Current liabilities	**4911.16**	4931.77
Current financial liabilities (excluding trade payables)	**4734.64**	6335.77

Statement of Profit and Loss	For the Year	
	March 31,2021	March 31,2020
Revenue from operations	**2224.22**	256.32
Depreciation and amortization	**649.00**	648.56
Interest expense	**1055.00**	1486.26
Income tax expense	**-**	-
Profit / (loss) for the year	**(543.44)**	(2084.95)
Total comprehensive income	**(543.44)**	(2084.95)

NTPC-BHEL Power Projects Pvt. Ltd. (₹ in Crore)

Balance Sheet	As at	
	March 31,2021	March 31,2020
Non-current assets	**366.87**	363.64
Current assets	**254.57**	224.13
Cash and cash equivalent [incl. bank balances] included in current assets	**9.96**	6.45
Non-current liabilities	**230.89**	252.64
Current liabilities	**560.63**	480.69
Current financial liabilities (excluding trade payables)	**67.45**	68.04

Statement of Profit and Loss	For the year ended	
	March 31,2021	March 31,2020
Revenue from operations	**49.17**	75.65
Depreciation and Amortization	**5.84**	6.73
Interest Expense	**2.16**	2.63
Income tax Expense	**(8.39)**	(11.63)
Profit / (loss) for the year	**(24.51)**	(51.34)
Total Comprehensive Income	**(24.51)**	(51.57)

Note [48] - Disclosure on Leases - Ind AS 116

Lease Commitments-Company as Lessee

The company's significant leasing agreements are in respect of land, building and EDP equipments. The company has entered into a rate contract for lease arrangement for computer items, printers, video conferecing equipments and peripherals. Assets taken on lease are capitalised and disclosed separately as Right-of-use assets in the property, plant and equipment. The lease rentals are allocated between interest, maintainence and principal value. The interest and maintenance charges are charged to Statement of Profit and Loss and principal amount is adjusted to lease obligations.

The company applied the following available practical expedients :

(i) The short-term leases exemptions to leases with lease term less than 12 months

(ii) The low value lease exemption to leases where underlying asset is of low value.(assets of less than ₹ 50000 in value)

a. Age-wise analysis of Lease Liabilities are as follows (₹ in Crore)

Particulars	Future minimum lease payments		Interest		Present value [PV] of minimum lease payments	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
Not later than 1 year #	**54.01**	65.04	**8.77**	11.49	**45.24**	53.55
Later than 1 year and not later than 5 years	**60.33**	87.62	**6.92**	12.25	**53.41**	75.37
Later than 5 years	**-**	-	**-**	-	**-**	-

The amount of future minimim lease payments in respect of leases where remaining lease term as at the end of March 31,2021 is less than 12 months is ₹ 9.54cr (Previous year ₹ 5.97cr).

b. Movement in lease liabilities during the FY year 2020-2021 (₹ in Crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Lease Liabilities As at April 1*	**132.04**	178.41
Add: Additions	**30.03**	20.38
Add: Accretion of interest	**12.79**	16.03
Less : Payments/Adjustment	**73.25**	82.78
Lease Liabilities as at March 31*	**101.61**	132.04

* includes interest accrued of ₹ 2.96 crore (PY ₹ 3.12 crore) & ₹ 3.12 crore (PY ₹ 4.41 crore) as at March 31,2021 & March 31,2020 respectively

c. Amounts recognised in profit or loss: (₹ in Crore)

Particulars	For the Year Ended	
	March 31,2021	March 31,2020
Expense relating to Short-term leases (Refer Note No.34)	**2.25**	5.95
Expense relating to low value assets leases (Refer Note 34)	**1.03**	1.21
Depreciation charge of right-of-use assets	**64.26**	66.63
Interest expense (included in finance cost)	**12.79**	16.03

d. The company has various lease contracts that have not yet commenced . The future lease payments for these non-cancellable lease contracts are as follows: (₹ in Crore)

Particulars	For the Year Ended	
	March 31,2021	March 31,2020
Not later than 1 year	**0.07**	0.07
Later than 1 year and not later than 5 years	**0.05**	0.08
Later than 5 years	**-**	-

Note [49] - Disclosure on 'Employee benefits' - Ind AS 19

A. The Company has following schemes in the nature of Defined Benefits Plans:

i) Gratuity Scheme

ii) Post Retirement Medical Scheme

iii) Provident Fund Scheme

iv) Travel claim on Retirement

(i) Gratuity (Funded Plan)

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum limit of ₹20 Lakhs.The gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The liability has been assessed using projected unit credit actuarial method.

Movement in net defined benefit (asset)/liability on Gratuity plan (₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	As at March, 31					
	2021	2020	2021	2020	2021	2020
Opening Balance	**2074.13**	2040.40	**1696.77**	1862.77	**377.36**	177.63
Included in profit for the year :						
Current service cost	**101.79**	105.26	**-**	-	**101.79**	105.26
Past service cost	**-**	-	**-**	-	**-**	-
Interest cost /(income)	**139.84**	158.11	**139.61**	157.70	**0.23**	0.41
Total amount recognised in profit for the year	**241.63**	263.37	**139.61**	157.70	**102.02**	105.67
Included in other comprehensive income (OCI) :						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Change in Demographic assumptions	**-**	(0.62)	**-**	-	**-**	(0.62)
Change in Financial Assumption	**-**	151.51	**-**	-	**-**	151.51
Experience Adjustment	**(32.61)**	(29.11)	**(21.21)**	(20.70)	**(11.40)**	(8.41)
Total amount recognised in other comprehensive income	**(32.61)**	121.78	**(21.21)**	(20.70)	**(11.40)**	142.48
Others						
Contributions paid by the employer	**-**	-	**154.00**	48.00	**(154.00)**	(48.00)
Benefits paid	**(271.73)**	(351.42)	**(271.73)**	(351.00)	**-**	(0.42)
Unpaid Benefits paid	**-**	-	**-**	-	**-**	-
Closing balance	**2011.42**	2074.13	**1697.44**	1,696.77	**313.98**	377.36

Details of Plan assets

Particulars	As at March 31,2021	As at March 31,2020
Funds managed by Insurer	**70.80%**	56.59%
High quality Corporate bonds (quoted)	**18.23%**	33.88%
State Government securities (quoted)	**2.46%**	2.74%
Equity shares of listed Companies (quoted)	**0.97%**	0.84%
Bank Balance	**7.54%**	5.95%
Total	**100.00%**	100.00%

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	As at March 31, 2021	As at March 31, 2020
Economic assumptions		
Discount rate	**6.75%**	6.75%
Salary escalation rate	**6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter**	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions		
Retirement age	**60**	60
Mortality table	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

(₹ in Crore)

Particulars	Gratuity			
	As at March, 31 2021		As at March, 31 2020	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	**(92.13)**	**100.65**	(85.87)	93.75
Change in Salary escalation rate (0.50% movement)	**51.60**	**(53.83)**	53.77	(54.17)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Expected maturity analysis of the gratuity plan in future years

(₹ in Crore)

Particulars	Gratuity	
	As at March 31,2021	As at March 31,2020
Less than 1 year	**230.44**	313.31
Between 1-2 years	**193.53**	207.02
Between 2-3 years	**141.35**	178.64
Between 3-4 years	**126.36**	130.38
Between 4-5 years	**104.26**	114.73
Between 5-6 years	**91.67**	93.70
Over 6 years	**1123.81**	1036.35
Total	**2011.42**	2074.13

Expected contributions to gratuity plans for the year ending 31 March 2022 are ₹ 117.75 crore

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.95 years (31 March 2020: 14.91 years.)

Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, company is exposed to various risks such as increase in salary, investment risk, discount rate, mortality, disability and withdrawals.

(ii) Post Retirement Medical Benefits (Funded Plan)

The Company has Post-Retirement Medical benefit (PRMB), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals subject to company medical rules.They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same is recognised annually on the basis of actuarial valuation.

Movement in net defined benefit (asset)/liability on Post retirement Medical Benefit Plan

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	As at March 31,					
	2021	2020	2021	2020	2021	2020
Opening balance	**2285.20**	2080.78	**1933.72**	1935.72	**351.48**	145.06
Included in Profit for the Year :						
Current service cost	**39.92**	40.15	**-**	-	**39.92**	40.15
Past service Cost	**(49.95)**	-	**-**	-	**(49.95)**	-
Interest cost / (income)	**154.25**	161.26	**154.25**	161.26	**-**	-
Total amount recognised in Profit for the Year	**144.22**	201.41	**154.25**	161.26	**(10.03)**	40.15
Included in other comprehensive income (OCI):						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	**-**	(0.91)	**-**	-	**-**	(0.91)
Financial assumptions	**-**	193.77	**-**	-	**-**	193.77
Experience adjustment	**(9.57)**	(31.85)	**(17.25)**	(5.26)	**7.68**	(26.59)
Total amount recognised in other comprehensive income	**(9.57)**	161.01	**(17.25)**	(5.26)	**7.68**	166.27

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	As at March 31,					
	2021	2020	2021	2020	2021	2020
Others						
Contributions paid by the employer	**-**	-	**42.00**	-	**(42.00)**	-
Benefits paid	**(164.00)**	(158.00)	**(164.00)**	(158.00)	**-**	-
Closing balance	**2255.85**	2285.20	**1948.72**	1933.72	**307.13**	351.48

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	**6.75%**	6.75%
Salary escalation rate	**6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter**	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	**60**	60
Mortality table	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

(₹ in Crore)

Particulars	Post Retirement Medical Benefit			
	As at March, 31 2021		As at March, 31 2020	
	Increase	Decrease	Increase	Decrease
Change in discount rate (0.50% movement)	**(100.99)**	**103.12**	(101.67)	104.64
Change in cost (0.50% movement)	**103.96**	**(101.57)**	105.37	(102.38)

Sensitivity due to mortality and withdrawls are not material and hence impact of change not calculated.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Expected maturity analysis of the Post Retirement Medical Benefit plan in future years

(₹ in Crore)

Particulars	Post Retirement Medical Benefit	
	As at March 31,2021	As at March 31,2020
Less than 1 year	**147.94**	155.27
Between 1-2 years	**149.62**	172.35
Between 2-3 years	**153.04**	189.58
Between 3-4 years	**158.33**	209.49
Between 4-5 years	**165.65**	232.53
Between 5-6 years	**175.29**	259.27
Over 6 years	**1305.98**	1066.71
Total	**2255.85**	2285.20

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2022 are ₹ 38.26 crore.
The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.42 years (31 March 2020: 11.44 years).

Risk Exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks such as increase in medical cost, investment risk, discount rate, mortality, disability and withdrawals.

(iii) Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary. Wherever as per the actuarial valuation certificate liability for likely interest shortfall arises, the same has been provided in the accounts.

Details of interest shortfall in PF Trust

(₹ in Crore)

Particulars	For the year ended	
	2020-21	2019-20
Excess / (shortfall) in PF interest liability based on actuarial valuation for the year	**15.68**	(23.18)
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	**14.46**	30.14
Remeasurement gain/(loss) recognised through other comprehensive income statement	**25.16**	(31.46)
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	**9.48**	(8.28)

The Company has PF trusts located at various places covering the employees of the Company and managed separately,the details of plan assets and obligations are as follows :

(₹ in Crore)

Location	Defined benefit obligation		Fair value of plan assets		Surplus / (Shortfall)	
	As at					
	March 31,2021	March 31,2020	March 31,2021	March 31,2020	March 31,2021	March 31,2020
BHEL EPF Trust, Ranipur, Hardwar	**1574.05**	1470.95	**1581.86**	1472.38	**7.81**	1.43
BHEL Employee Provident Fund, Trichy	**986.73**	1029.10	**984.73**	1025.27	**(2.00)**	(3.83)
BHEL Employee Provident Fund, Bhopal	**1317.70**	1239.54	**1313.87**	1232.47	**(3.83)**	(7.07)
BHEL New Delhi Employees Provident Fund Trust	**1291.26**	1169.96	**1297.88**	1176.53	**6.62**	6.57
BHEL Employee Provident Fund, Hyderabad	**833.30**	835.64	**853.68**	853.11	**20.38**	17.47
BHEL PPD EPF Trust, Chennai	**786.92**	741.03	**778.29**	726.19	**(8.63)**	(14.84)
BHEL Employee Provident Fund, Bengaluru	**635.51**	723.36	**644.53**	721.87	**9.02**	(1.49)
BHEL (BAP Unit) EPF Trust, Ranipet	**390.16**	416.21	**390.62**	413.30	**0.46**	(2.91)
BHEL Employee Provident Fund Trust, Jhansi	**437.95**	407.02	**447.68**	414.19	**9.73**	7.17
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund, Vizag	**141.46**	127.58	**172.71**	158.81	**31.25**	31.23
Total	**8395.04**	8160.39	**8465.85**	8194.12	**70.81**	33.73

Movement in net defined benefit (asset)/liability on Provident Fund

(₹ in Crore)

Particulars	BHEL Employees Provident Fund Trust (Consolidated)			
	Defined benefit obligation		Fair value of plan assets	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
Opening Balance	**8160.39**	7641.62	**8194.12**	7734.01
Included in Profit for the year :				
Current service cost	**327.61**	327.33	**-**	-
Interest cost / (income)	**665.66**	636.48	**665.66**	656.50
Total amount recognised in profit for the year*	**993.27**	963.81	**665.66**	656.50
Included in other comprehensive income (OCI):				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions	**-**	-	**-**	-
Financial assumptions	**-**	2.30	**-**	-
Experience adjustment	**(17.87)**	30.75	**19.22**	(45.63)
Total amount recognised in other comprehensive income#	**(17.87)**	33.05	**19.22**	(45.63)

(₹ in Crore)

Particulars	BHEL Employees Provident Fund Trust (Consolidated)			
	Defined benefit obligation		Fair value of plan assets	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
Others				
Contributions paid by the employer	**777.25**	722.01	**327.61**	327.33
Employee Contribution	**0.00**	0.00	**777.25**	722.01
Benefits paid	**(1804.50)**	(1497.98)	**(1804.50)**	(1497.98)
Settlements/Transfer-in	**286.50**	297.88	**286.50**	297.88
Closing balance	**8395.04**	8160.39	**8465.86**	8194.12

Note: Interest shortfall in respect of PF trust having deficit only have been accounted through Statement of profit and loss and other Comprehensive Income Statement as shown under point (I) above.

Details of plan assets

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Govt. of India securities (Quoted)	**1153.72**	1252.00
State Government securities [Quoted]	**3694.89**	3305.75
Corporate bonds (Quoted)	**3027.71**	2920.68
Special deposit (Unquoted)	**417.43**	468.86
Liquid fund (Quoted)	**2.11**	18.69
Short term deposit [Unquoted]	**10.89**	48.04
Mutual Fund & Equity shares[Quoted]	**159.11**	180.11
Total	**8465.86**	**8194.12**

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date. (₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	**6.75%**	6.75%
Expected statutory interest rate on the ledger balance	**8.50%**	8.50%
Expected short fall in interest earnings on the fund	**0.05%**	0.05%
Demographic assumptions:		
Mortality table	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 years	**3.00%**	3.00%
From 31 to 44 years	**2.00%**	2.00%
Above 44 years	**1.00%**	1.00%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

Particulars	BHEL Employees Provident Fund Trust			
	As at March, 31 2021		As at March, 31 2020	
	Increase	Decrease	Increase	Decrease
Change in discount rate (0.50% movement)	**(1.23)**	**1.28**	(1.35)	1.43

Expected maturity analysis in future years

Particulars	Provident Fund	
	As at March 31,2021	As at March 31,2020
Within the next 12 months	**832.06**	836.14
Between 2-5 years	**2009.34**	1984.26
Between 5-10 years	**1984.72**	1502.75
Beyond 10 years	**3568.92**	3837.24
Total	**8395.04**	**8160.39**

(iv) Travel claim on retirement - (Settlement Allowance - Unfunded Plan)

The settlement allowance is the expenditure reimbursed to an employee towards travel and shifting of baggage for proceeding to home town or any place in India where he or she intends to settle after retirement or death in service for self (including members of his/her family).

Movement in Settlement Allowance liability (₹ in Crore)

Particulars	Settlement Allowance	
	As at March 31,2021	As at March 31,2020
Opening balance	**9.56**	8.53
Current service cost	**0.63**	0.58
Interest cost / (income)	**0.65**	0.64
Included in Profit for the Year :	**1.28**	1.22
Actuarial loss (gain)	**2.16**	1.86
Total amount recognised in TCI for the Year	**3.44**	3.08
Others		
Contributions paid by the employer	**-**	**-**
Benefits paid	**(2.70)**	(2.05)
Closing balance	**10.30**	9.56

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	Settlement Allowance	
	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	**6.75%**	6.75%
Salary escalation rate	**6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter**	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	**60**	60
Mortality table	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%

B. Long Term Leave Liability (Encashable Leave -EL /Half Pay Leave-HPL) - (Unfunded Plan)

The company provides for earned leave benefit and half pay leave to the employees of the company which accrue half yearly at 15 days (maximum) and 10 days respectively. The earned leave is encashable while in service subject to fulfilment of certain conditions. On retirement/ superannuation, earned leave & half pay leave put together upto a maximum of 300 days is encashable subject to company policies & leave encashment rules.The leave liability has been treated as other long term benefits and has been assessed using projected unit credit actuarial method.

Movement in long term leave liability

(₹ in Crore)

Particulars	Long Term Leave Liability	
	As at March 31,2021	As at March 31,2020
Opening Balance	**1392.73**	1492.44
Included in profit for the year :		
Current service cost	**157.75**	155.94
Interest cost/(income)	**93.98**	115.63
Actuarial loss/(gain)	**(130.95)**	(138.64)
Total amount recognised in profit for the year	**120.78**	132.93
Benefits paid	**271.43**	232.64
Closing Balance	**1242.08**	1392.73

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	Long Term Leave Liability	
	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	**6.75%**	6.75%
Salary escalation rate	**6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter**	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	**60**	60
Mortality table	**100% of IALM (2012-14)**	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%

C. Pension Fund

The company has contributed ₹ 280 cr in respect of pension scheme (Defined contribution plan) for the FY 2020-21

Note [50] - Related Parties Transactions

i.

Joint Ventures:	Others :
BHEL-GE Gas Turbine Services Pvt. Ltd. (BGGTS)	Central Government controlled entities
NTPC-BHEL Power Projects Pvt. Ltd. (NBPPL)	Provident fund trusts
Raichur Power Corporation Ltd. (RPCL)	Gratuity trusts, PRMB Trust, Pension Trust
Dada Dhuniwale Khandwa Power Ltd. (DDKPL)*	
Powerplant Performance Improvement Ltd.	

*Dissolved in November 2020

ii. Other related parties

A. Functional Directors & Company Secretary (KMP)

(₹ in Crore)

Particulars	Short term employee Benefits		Post employment benefits		Total Remuneration	
	20-21	19-20	20-21	19-20	20-21	19-20
Shri [Dr.] Nalin Shinghal Chairman & Managing Director	0.52	0.35	0.08	0.07	0.60	0.42
Shri Subodh Gupta Director (Finance)	0.49	0.44	0.07	0.09	0.56	0.53
Shri S. Balakrishnan[1] Director (IS & P)	0.66	0.50	0.05	0.09	0.71	0.59
Shri Manoj Kumar Varma[2] Director (Power)	0.62	0.52	0.06	0.09	0.68	0.61
Shri Kamalesh Das Director (Engineering, R&D)	0.47	0.38	0.07	0.08	0.54	0.46
Shri Anil Kapoor[3] Director (Human Resources)	0.46	0.20	0.07	0.04	0.53	0.24
Ms. Renuka Gera[4] Director (IS & P)	0.16	-	0.03	-	0.19	-
Shri Rajeev Kalra Company Secretary	0.38	0.33	0.06	0.07	0.44	0.40
Shri TS Chakravarthy[5] Managing Director BHEL-EML	0.40	-	0.07	-	0.47	-

1. upto November 30,2020
2. upto January 31, 2021
3. Additional charge Director (Power) w.e.f February 1, 2021
4. w.e.f December 1, 2020
5. w.e.f May 05,2020

The company is a central Public Sector undertaking under the administrative control of Ministry of Heavy Industries and majority of its stake is held by Government of India. The significant transactions are with other PSUs, State owned utilities, Railways etc. which are also controlled by Govt. of India directly or indirectly. The transactions with such entities are normal, based on market driven rates at arms length price.

B. Government Director/Independent Director

(₹ in Lakhs)

Government/ Independent Directors	Sitting Fees	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Shri Shashank Priya Government Director	-	-
Shri Amit Varadan Government Director [upto 02.09.2020]	-	-
Shri Amit Mehta Government Director [w.e.f 02.09.2020]	-	-
Shri Desh Deepak Goel Independent Director [upto 11.09.2020]	**3.30**	6.30
Shri Ranjit Rae Independent Director [upto 11.09.2020]	**3.50**	6.90
Shri Rajesh Sharma Independent Director	**5.10**	4.50
Shri Raj Kamal Bindal Independent Director	**4.60**	0.30
Shri Manish Kapoor Independent Director	**4.80**	0.30

C. Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Name of the Trust	Post Employment benefit plan	Contribution by employer	
		For the year ended March 31	
		2021	2020
PRMB Trust	Post Retirement medical scheme	41.62	-
Gratuity Trust	Gratuity	154.00	48.00
Employees Superannuation Fund	Pension Fund	280.00	92.27
BHEL EPF Trust,Ranipur,Hardwar	Provident Fund	52.21	50.81
BHEL Employee Provident Fund-Trichy	Provident Fund	52.97	56.76
BHEL Employee Provident Fund Bhopal	Provident Fund	50.86	63.52
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	39.25	34.18
BHEL Employee Provident Fund-Hyderabad	Provident Fund	39.36	16.57
BHEL PPD EPF Trust,Chennai	Provident Fund	26.34	25.37
BHEL Employee Provident Fund-Bengaluru	Provident Fund	29.16	33.50

BHEL (BAP Unit) EPF Trust,Ranipet	Provident Fund	19.24	19.79
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	12.77	21.65
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	Provident Fund	5.45	5.18

iii. Details of Transactions With Joint Ventures and Balances

(₹ in Crore)

Particulars	For the year ended	
	March 31,2021	March 31,2020
Sales of Goods and services		
BGGTS	**215.85**	169.61
RPCL	**7.80**	17.28
NBPPL	**10.86**	2.80
Dividend income		
BGGTS	**21.42**	16.30
Royalty income		
BGGTS	**1.46**	1.10
Purchase of Goods and Services		
BGGTS	**1.96**	0.86
RPCL	**-**	-
NBPPL	**0.75**	3.05
Amounts due to BHEL at the end of the year		
BGGTS	**68.79**	29.45
RPCL	**552.00**	541.93
NBPPL	**195.56**	262.51
Amounts due from BHEL (incl. advances) at the end of the year		
BGGTS	**0.15**	0.24
RPCL	**7.67**	9.30
NBPPL	**56.79**	79.16
Provision for Doubtful debts & advances		
NBPPL	**187.98**	183.90

Note: refer note[5a] for provision for dimunition in value of investments

Note [51] - Disclosure [Movement in provisions] - Ind AS - 37

(₹ in Crore)

a. Liquidated Damages	As at March 31,2021	As at March 31,2020
Opening Balance	**8467.67**	7549.65
Add: Additions	**1546.68**	1706.20
Less: Usage/ Write off/payment	**98.36**	3.88
Less: Withdrawal/adjustments	**404.19**	784.30
Closing Balance	**9511.80**	8467.67

Liquidated damages are provided in line with the Accounting Policy of the Company and the same is dealt suitably in the accounts on settlement or otherwise. Contingent liability relating to liquidated damages is shown in Para A (g) of Note 42.

(₹ in Crore)

b. Contractual Obligation	As at March 31,2021	As at March 31,2020
Opening Balance	**4319.11**	5295.44
Add: Borrowing Cost	**141.68**	195.61
Add: Additions	**447.20**	567.75
Less: PV Adjustment	**194.95**	119.83
Less: Usage/ Write off/payment	**87.56**	63.11
Less: Withdrawal/adjustments	**621.74**	1545.18
Add/(Less): Change in estimate and rates	**(11.29)**	(11.57)
Closing Balance	**3992.45**	4319.11

The provision for contractual obligation is made considering the effect of time value of money in line with significant Accounting Policy No. 10 to meet the warranty obligations as per the terms and conditions of the contract. The same is retained till the completion of the warranty obligations of the contract. The actual expenses on warranty obligation may vary from contract to contract and on year to year depending upon the terms and conditions of the respective contract. Adjustment in both the accounting periods includes Contractual obligation, pertaining to dues from projects fully provided for, disclosed in Non Current Allowances for B&D Debts.

Note [52] - Disclosure - Revenue from Contracts with Customers - Ind AS-115

a. Movement in impairment provisions

(₹ in Crore)

Particulars	2020-21		2019-20	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	**5448.93**	**805.05**	6401.93	654.73
Add: Additions	**677.99**	**337.37**	463.41	192.17
Less: Write off	**49.34**	**-**	57.60	-
Less: Reversal	**1169.17**	**18.10**	1358.81	41.85
Closing balance	**4908.41**	**1124.32**	5448.93	805.05

b. Disaggregation of revenue from contracts with customers

(₹ in Crore)

Particulars	Power		Industry		Total
	Within India	Outside India	Within India	Outside India	
2020-21					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time (product/services)	**1902.18**	**10.00**	**3780.92**	**21.30**	**5714.40**
(b) Over time	**7650.09**	**1823.78**	**1107.53**	**-**	**10581.40**
2019-20					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time (product/services)	1946.05	34.48	3607.92	1.88	5590.33
(b) Over time	9197.31	3782.6	1922.28	2.07	14904.26

(₹ in Crore)

Particulars	2020-21		2019-20	
	Power	Industry	Power	Industry
Revenue from customers				
BIFPCL [Bangladesh]	**1653.65**	**-**	3277.17	-
CPSU	**2824.59**	**1791.55**	3219.25	2324.72
Railways	**-**	**1497.65**	-	1434.87
TSGENCO	**1664.61**	**-**	2065.9	-

c. Contract Balances (net of provisions)

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Trade Receivables	**7214.81**	11642.10
Contract assets (incl. unbilled revenue)	**24079.48**	23794.22
Contract liabilities	**6864.35**	6719.24

d. Contract revenue recognised

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	**3591.86**	3140.51
Revenue recognised against performance obligation satisfied in previous year(impact due to change in contract revenue)	**92.96**	727.34

Construction of power projects is a long cycle business, where the contracts received by the company are either EPC contracts (Engineering, Procurement & Construction) or BTG Packages (i.e. Boiler, Turbine and Generator packages). Power projects are long gestation period projects with normal execution period of contract ranging between 3 to 5 years. BHEL scope of services includes supply of equipment, erection, commissioning, synchronizing the plant to the grid, completing the trial operation and providing the guaranteed parameters.

Although there are several components to the overall scope, such projects are generally considered one performance obligation. The control transfers simultaneously over the execution period as the entity performs rather than at discrete points in time and hence revenue is recognized over the period of time based on measure of progress (input cost method)

Note [53]

The Nationwide lockdown, consequent to spread of Covid-19 pandemic globally caused disturbance & slow down of the economic activity. This impacted the Company's operations during the FY 2020-21, which recouped progressively. Based on the internal & external information upto the date of approval of these financial statements,the company expects to recover the carrying amount of its assets,investments,trade receivables,contract assets & inventories. The company will continue to monitor the future economic conditions and assess its impact on its financial statements.

Note [54] - Disclosure pursuant to Ind AS-107 [Financial Instruments - Accounting Classifications and Fair value measurements]

a. The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables and others reasonably approximates their carrying amount. Trade receivables are evaluated after taking into consideration for Expected Credit Losses. Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Fair value hierarchy

The fair value of financial instruments have been classified in following categories depending on the inputs used in the valuation technique.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(₹ in Crore)

b.

Financial Assets / Liabilities Classification	Carrying Amount	
	As at March 31,2021	As at March 31,2020
Financial Assets at amortised cost		
Trade receivables	**7214.81**	11642.10
Cash & cash equivalent	**1527.19**	1402.86
Other bank balances	**5174.26**	5015.73
Loans	**-**	-
Other financial assets	**330.04**	345.91
Financial assets at fair value through profit & loss		
Investments (Equity Instruments)	**3.58**	3.09
Financial liabilities at amortised cost		
Trade payables	**8564.59**	9905.39
Other financial liabilities	**1146.30**	1589.64
Finance lease obligation	**101.61**	132.04
Short term borrowings	**4849.28**	4947.92

(₹ in Crore)

Financial assets and liabilities measured at fair value- recurring fair value measurements	Level 3 Hierarchy	
	As at March 31,2021	As at March 31,2020
Financial assets:		
Investment in unquoted equity instruments	**3.58**	3.09

c. Valuation Techniques used to determine fair value

Fair value of unquoted equity instruments is determined using Level 3 inputs which include inputs from the financial statements of the investee Company based on Net asset value per share.

Reconciliation of fair value measurement of unquoted equity shares classified as FVTPL assets

(₹ in Crore)

As at March 31,2020	**3.09**
Changes in fair value	0.49
As at March 31,2021	**3.58**

Financial Risk Management

Objectives and Policies

The company's activities are exposed to different financial risks arising out of natural business exposures to any company operating in the sector. The management of financial risk has always been an integral part of the company's business strategies and policies. The company reviews and aligns its policies and guidelines from time to time to address the financial risks in line with the needs and expectations of its various stakeholders. Exposure risk from the use of financial instruments can be categorized as under:

a. Credit risk
b. Liquidity risk
c. Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and management of Company's capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

BHEL has in place a Board approved Risk Management Charter & Policy which provides overall framework for Risk Management in the company. The objective of the charter is to ensure that the risks are being properly identified, assessed and effectively managed by adopting suitable risk mitigation measures. The company has 3-layer risk management framework. At the first level, the Board Level Risk Management Committee (BLRMC) of the company is assigned with responsibility of reviewing the company's Risk Governance structure, Risk Assessment & Risk Management framework, Guidelines, Policies and Processes thereof. Risk Management Steering Committee (RMSC) at the second level is responsible for adopting & implementing the risk management framework and leading the risk management initiative across the company. Chief Risk Officer (CRO) being the convener of BLRMC & RMSC is responsible for periodic reporting on risk management to Board/ BLRMC. Key risks being faced by the company are analysed starting from Unit level for their respective areas to prepare risk mitigation plans and to ensure implementation.

a) Management of Credit Risk

Credit risk is considered as an integral part of risk reward balance of doing business. BHEL is involved in setting up of power projects pertaining to Government sector (State utilities, PSU's, Railways and other govt. departments etc.) and private sectors in India and abroad. The projects are generally funded by Financial Institutions/ banks or payments are covered by Letter of Credit (LC). The project duration ranges from 3 to 5 years and payments are generally realised in stages as per the terms of the contract including advance, progress payments, milestone payments and also retentions which are released on completion of such projects. Since majority customers profile pertains to Government sector, constituting 78% of total receivables coupled with the fact that the company itself is a CPSE, credit risk is relatively low. In respect of private sectors customers, the payment terms are mainly through LC. The company has well established review mechanism for receivables at various levels within organisation to ensure proper attention and focus for realisation in line with the company policies, procedures and guidelines.The company uses expected credit loss model to assess the impairment loss or gain and the disclosure of the same is made elsewhere. Further, adequate provisions are maintained to address any eventuality.

i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	**1527.19**	1402.86
Other bank balances	**5174.26**	5015.73
Other financial assets	**330.04**	345.91
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss		
Trade receivables	**7214.81**	11642.10

Concentration of credit risk- Geographical	Percentage of total revenue	
	As at March 31,2021	As at March 31,2020
Within India	**92%**	92%
Outside India	**8%**	8%
	100%	100%

The company's exposure to credit risk for trade receivables,contract assets and other receivables by type of counterparty are as follows –

Particulars	Percentage of total trade receivables	
	As at March 31,2021	As at March 31,2020
Central Public Sector Undertakings incl Railways and Govt Deptt	**36%**	34%
State Electricity Boards	**43%**	47%
Private Customers and others	**13%**	11%
Exports	**8%**	8%
	100%	100%

ii) Impairment losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low.

The movement in the allowance for impairment in respect of loans during the year was as follows:

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Balance as at April 1	**32.38**	22.34
Impairment loss recognised / write off/ withdrawal	**(0.43)**	10.04
Balance as at March 31	**31.95**	32.38

(b) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

(₹ in Crore)

	As at March 31,2021	As at March 31,2020
Balance as at April 1	**6250.62**	7053.30
Impairment loss recognised	**1015.36**	655.58
Amounts written off/ withdrawal	**(1233.25)**	(1458.26)
Balance as at March 31	**6032.73**	6250.62

The company makes investments out of surplus funds as per investment policy of the company duly approved by the Board and in line with the DPE guidelines .Credit risk on cash and cash equivalents and term deposits is very limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

b) Management of Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including term deposits and the availability of Funding through an adequate amount of credit facilities to meet obligations as and when due. Robust cash management system and regular monitoring of cash flows enables management to plan and maintain adequate sources to finance its funds requirement throughout the year. Besides adequate cash and bank balances, company enjoys credit facilities. The company is able to meet all its fund requirements from internal resources i.e. the funds generated from operations and also through short-term borrowings used for better treasury management operations to optimise the returns on investments.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(₹ in Crore)

Particulars	As at March 31,2021		As at March 31,2020	
	Within 1 year	Exceeding 1 year	Within 1 year	Exceeding 1 year
Trade payables	**6683.51**	**1881.08**	8829.16	1076.23
Deposits from contractors and others	**447.92**	**211.01**	492.10	150.99
Finance lease obligations	**48.20**	**53.41**	56.67	75.37
Other Payables/liabilities				
Employee dues	**126.88**	**-**	289.10	-
Other dues	**297.29**	**-**	566.69	-
Capex dues	**57.49**	**5.71**	82.73	8.03
Short term borrowings	**4849.28**	**-**	4947.92	-
Total	**12510.57**	**2151.21**	**15264.37**	**1310.62**

c. Management of Market risk

The Company is exposed to certain currency,commodity, interest rate risks arising from its operations. The company has foreign exchange risk management policy to cover the foreign exchange risks.To insulate the company against major commodity price fluctuation,framework agreements including price pass through claims are being entered regularly with supply chain partners including suppliers and customers. Surplus funds generated from operation are kept invested in short term deposits with PSU Banks or large sized private banks only and in debt based schemes of public sector mutual funds , thereby minimizing any chance of risk.

Foreign currency risk exposure -: The company's exposure to foreign currency risk at the end of reporting period, are as follows:

(i) The derivative instruments that are hedged and outstanding as on 31.03.2021 is NIL (previous year Nil)

(ii) The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

FC ' in Million

(₹ in Crore)

Particulars	As at March 31,2021		As at March 31,2020		As at March 31, 2021	As at March 31, 2020
Assets	Euro	Equivalent INR	Euro	Equivalent INR	Others INR	Others INR
Trade receivable	**101.84**	**871.66**	148.34	1217.60	**1.35**	6.34
Contract assets	**239.80**	**2056.26**	252.85	2075.37	**66.87**	70.83
Other assets	**13.68**	**110.08**	15.40	122.58	**144.71**	245.63
Sub Total (A)	**355.32**	**3038.00**	416.59	3415.55	**212.93**	322.80
Liabilities						
Advances from customer	**41.03**	**281.34**	42.30	294.89	**40.97**	37.56
Trade payables and others	**39.42**	**343.91**	60.20	507.94	**107.92**	209.13
Sub Total (B)	**80.45**	**625.25**	102.50	802.83	**148.89**	246.69
Assets (Net of Liabilities A-B)	**274.87**	**2412.75**	314.09	2612.72	**64.04**	76.11

Particulars	As at March 31,2021		As at March 31,2020	
Assets	USD	Equivalent INR	USD	Equivalent INR
Trade receivable	**79.62**	**582.87**	130.45	978.26
Contract assets	**316.33**	**2315.32**	335.04	2512.53
Other assets	**0.90**	**6.79**	8.20	60.41
Sub Total (A)	**396.85**	**2904.99**	473.69	3551.20
Liabilities				
Advances from customer	**115.93**	**675.39**	164.40	1037.62
Trade payables and others	**144.50**	**1070.18**	196.70	1496.11
Short term borrowings	**46.68**	**345.06**	118.67	900.79
Sub Total (B)	**307.11**	**2090.63**	479.77	3434.52
Assets (Net of Liabilities A-B)	**89.74**	**814.36**	(6.08)	116.68

The above figures are net of provisions,if any

Sensitivity analysis

The impact of strengthening/weakening of the Indian Rupee vis a vis USD,EURO and others as at year end on profit or loss is as shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis is performed on the same basis for previous year, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below.

Particulars	As at			
	March 31, 2021		March 31, 2020	
Effect on Profit/(loss)	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
1% movement				
Euro	**24.13**	**(24.13)**	26.13	(26.13)
USD	**8.14**	**(8.14)**	1.17	(1.17)
Others	**0.64**	**(0.64)**	0.76	(0.76)

d. Capital Management

The company's objective, while managing capital is to continue business as a going concern, safeguard,preserve and enhance its capital to provide maximum return to shareholders, benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors also montiors the level of dividends to equity shareholders. The Company monitors capital, using a medium term view and long term view, on the basis of a number of financial ratios generally used by industry as well as by the rating agencies. The Company is not subject to externally imposed capital requirements. The Company's capital structure is managed against the various financial ratios as required to maintain highest credit ratings.

Note [55] Consolidated Operating Segment

The Segments have been identified as 'Power' and 'Industry' based on the orders booked by the respective business sectors. The order booked by International operation group is taken to Power or Industry as the case may be.

The Company's Committee of functional Directors has been identified as Chief Operating Decision maker (CODM).

(₹ in Crore)

Particulars		For the year ended 31.3.2021			For the year ended 31.3.2020		
		Power	Industry	Total	Power	Industry	Total
I.	**Segment Revenue**						
	Operating Revenue-External	**11386.05**	**4909.75**	**16295.80**	14960.44	5534.15	20494.59
II.	**Segment Results**						
a.	Segment Results	**(1246.16)**	**(856.62)**	**(2102.78)**	804.30	(210.71)	593.59
b.	Unallocated expenses (Net of income)			**1119.20**			744.21
c.	Profit / (loss) before finance cost & Income tax (a) - (b)			**(3221.98)**			(150.62)
d.	Finance cost (Including unwinding of Interest)			**373.95**			508.45
e.	Net Profit / (loss) before Income Tax (c) - (d)			**(3595.93)**			(659.07)
f.	Income Tax			**(896.23)**			809.28
g.	Net Profit /(loss) after Income Tax (e) - (f)			**(2699.70)**			(1468.35)
III	**Assets & Liabilities**						
a.	Segment Assets	**35954.72**	**8441.74**	**44396.46**	41649.31	9442.52	51091.83
b.	Common Assets			**10843.75**			8656.73
c.	Total Assets			**55240.21**			59748.56
d.	Segment Liabilities	**19221.65**	**4492.64**	**23714.29**	21370.29	4779.80	26150.09
e.	Common Liabilities			**5553.91**			4946.82
f.	Total Liabilities			**29268.20**			31096.91
IV	**Other Information**						
a.	Capital Expenditure	**112.23**	**38.05**		243.40	107.83	
b.	Depreciation & Amortization	**306.68**	**118.68**		320.44	136.14	
c.	Non Cash Expenses (other than depreciation & amortization)	**1302.02**	**499.07**		820.48	74.51	

Geographical Segments		Within India	Outside India	Total	Within India	Outside India	Total
1	Net Sales / Revenue from Operations	**14440.72**	**1855.08**	**16295.80**	16673.56	3821.03	20494.59
2.	Non- Current Assets (PPE & Intangible Assets)	**2884.28**	**26.42**	**2910.70**	3089.00	42.12	3131.12
3.	Capital Expenditure	**235.07**	**2.45**	**237.52**	402.62	12.71	415.33

Major Customer- Details of Revenue from Single Customer exceeding 10% of total revenue of the BHEL

Particulars	Power	Industry	Total	Power	Industry	Total
BIFPCL [Bangladesh]	**1653.65**	**-**	**1653.65**	3277.17	-	3277.17
CPSUs	**2824.59**	**1791.55**	**4616.14**	3007.04	2324.72	5331.76
Railways	**-**	**1497.64**	**1497.64**	-	1434.87	1434.87
TSGENCO	**1664.61**	**-**	**1664.61**	2178.63	-	2178.63

Note [56] - Additional information

(₹ in Crore)

Name of the entity in the Group	Financial Year	Net Assets, i.e., total assets minus total Liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
		As % of Consolidated Net results	Amount	As % of Consolidated Profit or loss	Amount	As % of Total Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
BHEL	**2020-21**	**99.39**	**25813.96**	**101.44**	**(2738.56)**	**99.65**	**19.98**	**101.45**	**(2718.58)**
	2019-20	99.51	28651.65	101.43	(1489.28)	100.05	(273.88)	101.21	**(1763.16)**
Subsidiary-									
BHEL Electrical Machines Limited (BHEL EML)	**2020-21**	**(0.05)**	**(12.10)**	**0.10**	**(2.69)**	**0.00**	**0.00**	**0.10**	**(2.69)**
	2019-20	(0.03)	(9.44)	0.17	(2.44)	(0.00)	0.01	0.14	**(2.43)**
Non-controlling Interests in BHEL EML	**2020-21**	**(0.04)**	**(11.62)**	**0.10**	**(2.59)**	**0.00**	**0.00**	**0.10**	**(2.59)**
	2019-20	(0.03)	(9.07)	0.16	(2.35)	0.00	0.00	0.13	**(2.35)**
Joint Ventures(investment as per the equity method)									
BHEL-GE Gas Turbine Services Private Limited	**2020-21**	**0.70**	**181.76**	**(1.63)**	**44.14**	**0.35**	**0.07**	**(1.65)**	**44.21**
	2019-20	0.55	158.97	(1.75)	25.72	(0.05)	0.13	(1.48)	**25.85**
NTPC-BHEL Power Projects Private Limited	**2020-21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	-	-	-	-	-	-	-	**-**
Raichur Power Corporation limited	**2020-21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	2019-20	-	-	-	-	-	-	-	**-**
Total	**2020-21**	**100.00**	**25972.00**	**100.00**	**(2699.70)**	**100.00**	**20.05**	**100.00**	**(2679.65)**
	2019-20	100.00	28651.65	100.00	(1468.35)	100.00	(273.74)	100.00	**(1742.09)**

Note [57]

Assets and Liabilities are classified between Current and Non-current considering 12 months period as operating Cycle.

Note [58]

Weighted average cost of borrowing at 7.07% (previous year @ 7.07%) as at the year end has been considered for working out present value of long term provisions and expected credit loss.

Note [59]

Prior period errors which are material are corrected retrospectively by restating the comparative amount for the prior periods presented in which such error occurred.For the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented are restated.

Note [60]

Figures have been rounded off nearest to ₹ in Crore with two decimal.

Note [61]

Previous year's figures have been regrouped/ rearranged wherever considered necessary.

Note [62]

The Board of Directors has authorised to issue the Financial Statements 2020-21 in its meeting held on June 11 , 2021.

For and on behalf of Board of Directors

(Rajeev Kalra)	**(Subodh Gupta)**	**(Dr. Nalin Shinghal)**
Company Secretary	Director (Finance)	Chairman and Managing Director
M.No. 14567	**DIN: 08113460**	**DIN: 01176857**

As per our report of even date attached

For Raj Har Gopal & Co.	**For Tiwari & Associates**	**For Mahesh C. Solanki & Co.**
Chartered Accountants	Chartered Accountants	Chartered Accountants
FRN - 002074N	**FRN - 002870N**	**FRN - 006228C**
(CA Gopal Krishan)	**(CA. Sandeep Sandill)**	**(CA.Priyanka Jajoo)**
Partner	Partner	Partner
M.No. 081085	**M. No. 085747**	**M. No. 411739**

Place : New Delhi
Date : June 11, 2021

Additional Information
for Stakeholders



Financial Performance Trend	320
Year-wise Capital Expenditure	323
Value Added Statement	323
Product Profile	324
Glossary & Abbreviation	331
Glossary (Financial Terms)	332



Financial Performance Trend

Sl. No.	Particulars	Units	2020-21	2019-20	2018-19	2017-18	2016-17
	Orders Received	₹ in crore	**13472**	23547	23859	40932	23489
	Orders Outstanding	₹ in crore	**102090**	108443	108680	118000	105200
A.	**Operating Results**						
I	**Total Income**						
	Revenue	₹ in crore	**16296**	20491	29423	27850	27740
	Other operational income	₹ in crore	**1013**	969	1000	963	859
	Revenue from operations (a)	₹ in crore	**17308**	21459	30423	28813	28599
	Other income (b)	₹ in crore	**370**	581	678	694	766
	Total (I= a+b)	₹ in crore	**17678**	22040	31101	29507	29365
II	**Operating expenses**						
	Material consumption, erection and engg. expenses	₹ in crore	**11360**	15080	19249	15793	16542
	Changes in inventories of FG , WIP & scrap	₹ in crore	**511**	(1042)	(991)	736	994
	Employee benefits expenses	₹ in crore	**5372**	5427	5502	5911	6360
	Other expenses	₹ in crore	**1799**	2429	2760	2522	2844
	Exchange variation (gain) / loss (net)	₹ in crore	**(66)**	(435)	(67)	(520)	270
	Provisions	₹ in crore	**1467**	233	1837	2438	528
	Depreciation & amortisation expenses	₹ in crore	**473**	503	475	786	849
	Finance costs	₹ in crore	**373**	507	287	255	351
	Total (II)	₹ in crore	**21290**	22702	29053	27922	28737
III	**Operating Profit/(loss) (a-II)**	₹ in crore	**(3982)**	(1243)	1370	891	(138)
IV	**Profit / (Loss) before tax (I-II)**	₹ in crore	**(3612)**	(662)	2048	1585	628
	Tax expense (Net)	₹ in crore	**(894)**	811	839	778	132
V	**Profit /(Loss) after tax**	₹ in crore	**(2717)**	(1473)	1209	807	496
	Other Comprehensive Income	₹ in crore	**20**	(274)	(120)	83	(29)
VI	**Total comprehensive income**	₹ in crore	**(2697)**	(1747)	1089	890	467
	Dividend payout	₹ in crore	**-**	-	696	668	387
	Dividend distribution tax	₹ in crore	**-**	-	143	136	79
	EBIT	₹ in crore	**(3239)**	(155)	2335	1840	979
	EBITDA	₹ in crore	**(2765)**	348	2810	2626	1828
	Cash Flow:						
	From Operating Activities	₹ in crore	**562**	(2892)	(3856)	991	562
	From Investing Activities	₹ in crore	**(43)**	1877	1915	964	(566)
	From Financing Activities	₹ in crore	**(395)**	1622	(32)	(671)	(470)

Financial Performance Trend

Sl. No.	Particulars	Units	2020-21	2019-20	2018-19	2017-18	2016-17
B.	**Financial Position (Assets, Equity & Liabilities)**						
VII	**Assets**						
	Property, plant & equipment and intangible assets	₹ in crore	**2488**	2814	2967	3069	3596
	Capital WIP and intangible assets under development	₹ in crore	**420**	314	235	203	168
	Non-current investments	₹ in crore	**670**	670	669	691	661
	Other non current assets	₹ in crore	**365**	321	362	291	282
	Trade Receivables (Net)	₹ in crore	**7213**	11641	15796	17303	12779
	Contract Assets (Net)	₹ in crore	**24079**	23794	22819	18491	19084
	Cash & Bank Balances	₹ in crore	**6701**	6419	7503	11176	10492
	Inventory	₹ in crore	**7191**	8905	7797	6025	7372
	Deferred tax assets(Net)	₹ in crore	**3660**	2756	3497	3605	3841
	Other Current assets	₹ in crore	**2913**	2601	2784	2911	2954
	Total Assets	₹ in crore	**55701**	60236	64431	63764	61230
VIII	**Equity**						
	Equity share capital	₹ in crore	**696**	696	696	734	490
	Other equity	₹ in crore	**25788**	28485	30735	31905	31805
	Total Equity	₹ in crore	**26484**	29181	31432	32640	32294
IX	**Liabilities**						
	Borrowings	₹ in crore	**4834**	4933	2432	-	-
	Trade Payables	₹ in crore	**8559**	9900	12078	11066	9340
	Contract Liablities	₹ in crore	**6864**	6718	6839	7573	8245
	Other Non current liabilities	₹ in crore	**295**	266	225	199	199
	Non current provisions	₹ in crore	**3913**	4212	5463	4923	5001
	Other Current liabilities	₹ in crore	**1589**	1943	3477	3574	1958
	Current provisions	₹ in crore	**3164**	3082	2486	3790	4192
	Total liabilities	₹ in crore	**29217**	31054	32999	31125	28936
X	**Total Equity & Liabilities (VIII+IX)**	₹ in crore	**55701**	60236	64431	63764	61230
	Equity shares (Face Value of ₹ 2 each)	No. in crore	**348**	348	348	367	245
	Market Capitalisation as at year end	₹ in crore	**16975**	7243	26081	29885	39920
	Net worth	₹ in crore	**26484**	29181	31432	32640	32294
	Net worth (excl. OCI)	₹ in crore	**26879**	29596	31573	32662	32400
	Capital employed	₹ in crore	**22405**	26111	27699	28832	28285
XI	**Human Resources**	No.	**32131**	33752	35471	37540	39821
	Executives	No.	**9742**	10075	10400	10943	11525
	Non Executives	No.	**22389**	23677	25071	26597	28296

Financial Performance Trend

Sl. No.	Particulars	Units	2020-21	2019-20	2018-19	2017-18	2016-17
XII	**Financial Performance Ratios**						
1	Return on Net worth	**%**	**(9.62)**	(4.82)	3.76	2.48	1.54
2	Return on capital Employed	**%**	**(14.45)**	(0.59)	8.43	6.38	3.46
3	EBIDTA margin	**%**	**(16.97)**	1.70	9.55	9.43	6.59
4	Operating Profit margin	**%**	**(23.01)**	(5.79)	4.50	3.09	(0.48)
5	Revenue per employee	₹ in lakh	**51**	61	83	74	70
6	Revenue per rupee of employee benefit expenses	₹	**3.03**	3.78	5.35	4.71	4.36
XIII	**Balance Sheet Ratios**						
1	Current ratio	Ratio	**1.39**	1.45	1.67	1.92	2.13
2	Cash Collection as % of Revenue (excl. Advances)	%	**123**	120	91	85	97
3	% liquidation of current year net billing	%	**82**	73	59	56	71
4	Trade receivable (no. of days)	Days	**134**	175	165	192	154
5	Inventory (no. of days)	Days	**161**	159	97	79	97
6	Assets Turnover	Times	**0.29**	0.34	0.46	0.44	0.45
XIV	**Contribution to exchequer**	₹ in crore	**2948**	3999	5732	4682	3213
XV	**Per Share data**						
1	Earning per share	(₹)	**(7.80)**	(4.23)	3.33	2.20	1.35
2	Net worth per share	(₹)	**76.06**	83.80	90.27	88.90	87.96
3	Market Price per share (BSE) as at year end	(₹)	**48.75**	20.80	74.90	81.40	163.10
4	Market Price to Book Value	Ratio	**0.64**	0.25	0.83	0.92	1.24
XVI	**Segment Revenue**						
	Power Segment	₹ in crore	**11386**	14960	23474	22881	22795
	Industry Segment	₹ in crore	**4910**	5530	5949	4969	6046
	Total	₹ in crore	**16296**	20491	29423	27850	28840
	Segment Share						
	Power Segment	%	**70**	73	80	82	79
	Industry Segment	%	**30**	27	20	18	21

I Previous year's figures have been regrouped / rearranged, wherever considered necessary.
II Turnover and Revenue from operations excludes Goods & Services Tax.
III Dividend payout is interim dividend and proposed final dividend for the year.
IV Equity share capital at the end of FY 2018-19 is post buyback in January 2019.
V Bonus shares were issued in 2017-18 in the ratio of 1:2. Earning per share & Net worth per share for 2016-17 have been reinstated post bonus issue.

Notes:

1 EBIT = PBT+Finance cost
2 EBITDA = EBIT+Depreciation & Amortisation
3 Capital employed=Net Worth-capital WIP & Intangible Assets under development -Deferred tax
4 Return on Net worth = (PAT/Average Net Worth excld. OCI)*100
5 Return on capital Employed = EBIT/Capital Employed*100
6 EBIDTA Margin % = EBIDTA/Revenue *100
7 Operating Profit Margin = Operating profit/Revenue from operations*100
8 Current ratio = Current Assets/Current liabilities
9 Cash Collection as % of Revenue = Cash Collection excl. Advances/ Revenue
10 Trade receivable (no. of days) = Trade receivable *365/Revenue from operations (incl. GST)
11 Inventory (no. of days) = Inventory *365/Revenue
12 Assets Turnover = Revenue/Total Assets

Year-wise Capital Expenditure

(₹ in Crore)

Category of Investment	2020-21	2019-20	2018-19	2017-18	2016-17
Schemes	**129**	137	112	19	210
Modernisation and Rationalisation, Others	**36**	136	61	164	51
Customer Project Related Capital Investment	**23**	63	99	66	33
Total	**188**	336	272	249	294

Value Added Statement

(₹ in Crore)

Particulars	2020-21		2019-20	
Revenue (incl GST)	18688		23328	
Other revenues	1383	**20071**	1549	**24877**
Less:				
Cost of Material, Erection & Engineering Expenses	11871		14038	
Power & fuel	319		459	
Other operational expenses	2882	**15072**	1769	**16265**
Total Value Added		**4999**		**8612**
Distribution:				
To employees:				
Employee benefits expenses		**5372**		**5427**
To Provider of capital				
Finance Cost	373		507	
Dividend	-	**373**	418	**925**
To Government:				
Goods & Services Tax	2392		2837	
Income Tax	16		2	
Dividend distribution Tax	-	**2408**	86	**2925**
Retained in business:				
Depreciation & Amortisation	473		503	
Deferred Income Tax (Assets) / Liabilities	(910)		809	
Transfer to Other Equity - (Loss) / Profit	(2717)	**(3154)**	(1977)	**(665)**
Total		**4999**		**8612**

BHEL's Product Profile

THERMAL POWER PLANTS

- Capability for manufacture and supply of Steam Generators, Steam Turbines, Turbo Generators with auxiliary systems along with regenerative feed cycle upto 1000 MW capacities for fossil-fuel and upto 350 MW for combined-cycle applications
- Air and water cooled Condensers, Condensate Extraction Pumps, Boiler Feed Pumps, Duplex Heaters, Valves and Heat Exchangers meeting above requirement of TG Sets upto 1000 MW
- Energy Efficient Renovation and Modernisation (EE R&M) and Life Extension (LE) of old thermal power plants and Residual Life Assessment (RLA) studies

NUCLEAR POWER PLANTS

- Reactor side components like Steam generators, Reactor headers, End shields, special purpose Heat Exchangers, Pressure Vessels, Motors etc. for Nuclear Power plants.
- TG island equipment of PHWRs (Pressurised Heavy Water Reactors), FBRs (Fast Breeder Reactors) and AHWRs (Advanced Heavy Water Reactors) covering Steam Turbine, Turbo Generators, MSRs (Moisture Separator Reheaters), other heat exchangers and pumps including 'EPC' solutions.

GAS-BASED POWER PLANTS

- Gas turbines and matching generators ranging from 26 MW to 299 MW (ISO) rating with following features:
  - Gas turbine based co-generation and combined-cycle systems for industry and utility applications
  - Capability to burn a variety of fuels (both gaseous and liquids) along with mixed firing in different combinations of fuels
  - Low exhaust emission levels upto 15ppm of NOx with Dry Low NOx (DLN) combustors & noise requirement.

HYDRO POWER PLANTS

- Turnkey Contract with custom-built conventional hydro turbines of Kaplan, Francis and Pelton types with matching generators upto 300 MW
- Pump turbines with matching motor-generators upto 250 MW
- Bulb turbine with matching generators upto 10 MW
- High capacity pumps along with matching motors for Lift Irrigation Schemes (upto 150 MW)
- Mini/Micro and small hydro power plants upto 25 MW unit rating
- Microprocessor based Digital Governing system for all types of Hydro Power plants
- Renovation, Modernization and uprating of Hydro power plants
- Spherical (rotary) valves, butterfly valves and auxiliaries for hydro stations
- Balance of Plant & System Integration

SOLAR POWER SYSTEM

- EPC solutions of Solar PV Power Plants:
  - Grid Interactive systems with & without BESS (Battery Energy Storage System)
  - Standalone systems
  - Roof Top systems
  - Hybrid systems
  - Canal Top Systems
  - Floating Solar power plants
  - Solar PV System feeding to Railway Traction power network
- Solar based water pumping systems

DG POWER PLANTS

- HSD, LDO, FO, LSHS, natural gas based diesel generator power plants, unit rating of upto 20 MW and voltage upto 11 kV, for emergency, peaking as well as base load operations on turnkey basis.

DESALINATION AND WATER TREATMENT PLANTS

- Complete Water Management Solutions for Power Plants, Industrial applications and Municipal applications with different treatment technologies:
  - Pre Treatment Plants (PT)
  - Desalination Plants
  - Demineralization Plants (DM)
  - Electro Deionization plants
  - Effluent Treatment Plants (ETP)
  - Sewage Treatment Plants (STP)
  - Zero Liquid Discharge (ZLD) System
  - Cooling water treatment plants
  - Tertiary Treatment Plants
  - Membrane Based Treatment Systems like Ultrafiltration for Pre-treatment (UF), Reverse Osmosis (RO) & Electro Deionisation (EDI).
  - Electro-dialysis plants for Drinking water.

SYSTEMS AND SERVICES

- Power Generation Systems
  - Turnkey power stations/ EPC contracts
  - Combined-cycle power plants
  - Cogeneration systems
  - Captive power plants
  - Modernization and renovation of power stations and RLA studies.
  - Software packages including simulators for utilities
  - Erection, commissioning, support services, spares management and consultancy services for all the above systems
- Railway Track Electrification

INDUSTRIAL SYSTEMS

- Coal Handling Plant and Ash Handling Plant including Civil & Structural, Mechanical, Electrical works and Automation systems
- Mine Winder systems
- Electrics, Drives, Controls & Automation Systems for Processing & Compacting of Raw Materials, Iron Making, Primary & Secondary Steel Making, Casters & steel Finishing like Mills & process Lines for both long products & flat products
- Raw Material Handling System including Civil & Structural, Mechanical, Electrical and Automation systems for Steel and other industries
- Electrics & Automation Systems for High Current Rectifiers of Smelters and Processing Mills for Aluminium Plants
- Automated Storage & Retrieval Systems (ASRS)

BOILERS

- Steam generators for utilities, ranging from 30 to 800 MW capacity, using coal, lignite, oil, natural gas or a combination of these fuels; capability to manufacture boilers with supercritical parameters upto 1000 MW unit size
- Fuel Flexible boilers capable of all combination of blending / co-firing diverse qualities of imported/ indigenised coals, blending of lignite, petcoke, etc
- Steam Generators for Nuclear Power Plant
- Steam generators for industrial applications of the following types ranging from 40 to 450 T/Hour capacity, using coal, natural gas, industrial gases, biomass, lignite, oil, Bagasse or a combination thereof
  - Pulverized coal / lignite fired boilers
  - Stoker fired boilers
  - Bubbling fluidized bed combustion (BFBC)boilers
  - Circulating fluidized bed combustion (CFBC)boilers
  - Heat-recovery steam generators (HRSG)
  - Chemical recovery boilers for paper industry, ranging from capacity of 100 to 1000 T/Day of dry solids
- Gravimetric feeder/ Volumetric feeder
- Acoustic Tube leak Detection systems

BOILER AUXILIARIES

- **Fans**
  - Axial reaction fans of single stage and double stage for clean air application and dust laden hot gases applications upto 200°C, with capacity ranging from 40 to 1300m^3/s and pressure ranging from 225 to 1,500 mmwc
  - Axial impulse fans for both clean air and flue gas applications upto 200°C, with capacity ranging from 25 to 300 m^3/s and pressure from 300 to 700 mmwc
  - Single and double-suction radial fans (plate aerofoil bladed) for clean air and dust-laden hot gases applications upto 400°C, with capacity ranging from 4 to 660m^3/s and pressure ranging from 200 to 3000 mmwc
- Air Preheaters
  - Tubular Air Preheaters for industrial, utility boilers and CFBC boilers
  - Rotary regenerative Air-Preheaters (different types like Bisector, Tri Sector and Quad Sector) for utilities of capacity upto 1000 MW
  - Air PreHeater for boilers with Selective Catalytic Reduction (SCR) for De-NOx application
- Pulverizers
  - Bowl mills of slow and medium speed (for both pressurized & suction environment) for coal fired thermal stations with capacity from 10 T /Hr to 120 T/ Hr suitable upto 1000 MW thermal power stations.
  - Ball Tube mills for pulverizing low-grade coal with high ash content from 30 T/ Hr to 110 T/ Hr catering to 110 MW to 500 MW thermal power stations
  - Bowl Mills for Blast Furnace Application with capacity from 15 T /Hr to 120 T/ Hr.
  - Bowl Mills for grinding of Pond Ash, Steel Plant Blast Furnace Slag & Clinker
  - Wet Ball Milling System for grinding of Lime stone for FGD Application with Day Silo and its structure.
- Electrostatic Precipitators (ESP)
  - Electrostatic precipitators with outlet emission as low as 17 mg/Nm^3 (efficiency upto 99.97%) for coal fired utility, captive and industrial applications including Bio mass fired boilers, cement plants, steel plants, soda recovery boilers etc
  - Bag Filters for utility and industrial applications
  - Mechanical Dust Collector for SCR application
  - Ammonia Flue Gas Conditioning System
- Guillotine Gates & Dampers
  - Guillotine gates with electric/ pneumatic actuator. 100% leak proof with seal air width: 7 m & duct height: 14.5 meters
  - Bi-plane dampers with electric/ pneumatic actuator. 100% leak proof with seal air Type -1: width: 7 m & duct height: 14.5, Type -2 : width 12 m & duct height 10.5 m
  - Louver dampers (open close/ regulating) with electric/ pneumatic actuator: Type -1: width: 7 m & duct height: 14.5, Type -2 : width 12 m & duct height 10.5 m
  - Control dampers (regulating) with electric/ pneumatic actuator Type -1: width: 7 m & duct height: 14.5, Type -2: width 12 m & duct height 10.5 m
- Flue Gas Desulphurization (FGD) systems
  - Wet Limestone & Seawater based FGD systems to Power plants and any other Industrial applications
- Steel Chimneys
  - Steel Chimneys for Heat Recovery Steam Generators (HRSG), Industrial Boilers, auxiliary boilers and other flue gas exhaust applications
- Selective Catalytic Reduction (SCR) systems

  - SCR System (Honeycomb & Plate type) with anhydrous Ammonia/ Aqueous Ammonia/ Urea reagent for NOx emission control
- Selective Non-Catalytic Reduction (SNCR) systems
  - Selective Non- Catalytic Reduction (SNCR) systems with Urea & Ammonia handling systems

SOOT BLOWERS

- Long retractable soot blowers (LRSB) for travel upto 12.2m
- Furnace temperature probe (FTP) for travel length 10 m
- Long retractable Non-rotating (LRNR) soot blowers with forward blowing for Air heaters
- Ash discharge valve for CFBC boiler application
- Soot blowers with sequential PLC, control panel and integral starter
  - Rack type Long retractable soot blowers
  - Rotary soot blowers
- Wall blowers

VALVES

- High and Low-pressure Turbines Bypass Valves & hydraulic system for utilities and industrial application
- High and medium-pressure Valves, Cast and Forged Steel Valves of Gate, Globe, Non-Return (Swing-Check and Piston Lift-Check) types for steam, oil and gas duties upto 950 mm diameter, maximum pressure class 4500 (791 kg/cm^2) and 650°C temperature
- Hot reheat and cold reheat Isolating Devices upto 900 mm pipe size class 1500 and steam temp upto 650°C
- High capacity Spring Loaded Safety Valves for set pressure upto 372 kg/cm^2 and temperature upto 630°C,
- Automatic electrically operated pressure relief valves for set pressure upto 210 kg/cm^2 and temperature upto 593°C
- Safety relief valves for applications in power, process and other industries for set pressure upto 421 kg/cm^2 and temperature upto 537°C
- Reactive cum absorptive type vent Silencers maximum diameter of 2700 mm.
- Direct Water Level Gauges
- Angle Drain Valves - Single & Multi Stage for Turbine Drain Application
- Severe Service Control Valves for RH & SH Spray Lines
- Quick Closing Non return Valves for Extraction lines and Cold Reheat Non Return valves, upto 800 mm diameter, 158 kg/cm^2 pressure and 540°C temperature
- Butterfly valves upto 2800 NB for water application

PIPING SYSTEMS

- Power cycle piping, Constant load Hangers, Variable spring Hangers, Hanger components, Low Pressure piping including circulating water piping for power stations upto 1000 MW capacity including Super Critical sets
- Piping systems for Nuclear Power Stations, Combined Cycle Power Plants & Industrial boilers and process industries
- Prefabricated piping/ duck spools to cater to refinery segment complying with National Association of Corrosion Engineers (NACE) requirements

SEAMLESS STEEL TUBES

- Hot-finished and cold-drawn seamless steel tubes with a range varying from outer diameter of 21 to 133 mm and wall thickness of 2 to 12.5 mm, in carbon steel and low-alloy steels to suit ASTM/ASME and other international specifications.
- Rifled tubes (ribbed) with a range varying from tube outer diameter of 38.1 to 63.5 mm and wall thickness of 5.6mm to 7.1mm, in carbon steel and low-alloy steels to suit ASME and other international specifications.
- Spiral finned Tubes with a range varying from tube outer diameter of 31.8 to 114.3 mm and wall thickness of 2.4mm to 9.5mm and with fin height of 12.5mm to 21mm and fin density ranges from 40 to 240 fins per metre, in carbon steel and alloy steels to suit ASME standards.

STEAM TURBINES

- Steam Turbines upto 1000 MW rating for thermal sets and upto 700 MW ratings for Nuclear Power Plants.

TURBOGENERATORS

- Turbogenerators of higher rating upto 1000 MW for Thermal and Nuclear Power Plants and upto 195 MW for Combined Cycle plant.

INDUSTRIAL SETS

- Steam Turbine based Captive Power Plants
  - STGSTG/Boilers/BTG/EPC: Unit rating upto 200 MW
  - Non Reheat upto 120 MW unit rating
  - Reheat upto 200 MW unit rating
  - Single Stage Drive Turbines for Pump and other Industrial Drives
  - Marine Turbines for marine propulsion upto 36MW.
- Gas Turbine based Captive Power Plants GTG/HRSG/EPC: Fr-5 (26 MW) to Fr-9E (126 MW)

CASTINGS AND FORGINGS

- Heavy castings and forgings of creep resistant alloy steels, stainless steel and other grades of alloy steels meeting stringent international specifications for components of sub critical, supercritical and Ultra-super critical technology.

CONDENSER AND HEAT EXCHANGERS

- Surface Condenser:
  - For thermal power plants upto 800 MW
  - For Nuclear power plants
  - 12.5 MW Marine applications
  - Industrial Condensers

  - Condensers for defence application
- Feed Water Heaters (HP Heaters, LP Heaters, Drain Coolers, Duplex Heater, De-Super Heaters, etc.)
  - Thermal : 7 to 500 MW (sub-critical) & 300-800 MW (super critical with single stream)
  - Moisture Separator & Reheater (MSR) and other Feed Water Heaters for Nuclear Power Plants (236 MW, 500 MW & 700 MW Nuclear sets).
  - Replacement feed water heaters for Non BHEL sets
- Live Steam Reheater (LSR):
  - 500 MW Fast Breeder Reactor (FBR) Nuclear sets
- Auxiliary Heat Exchangers for Turbo and Hydro Generators :
  - Air Coolers (Frame & Tube Type)
  - Oil Coolers (Shell & Tube Type and Plug in Type)
  - Hydrogen Coolers (Frame & Tube Type)
- Auxiliary Heat Exchangers for Transformers :
  - Oil Coolers (Shell & Tube Type Single Tube or Concentric Double Tube Type) (Frame & Tube Type)
- Auxiliary Heat Exchangers for general application
  - Water - Water Coolers (Shell & Tube Type)
- Gland steam condensers
  - Industrial applications upto 7 MW to 150 MW
  - Thermal Plants upto 500 MW
  - Nuclear Plants upto 700 MW
- Air-cooled heat exchangers for GTG upto Fr-9E, and Compressor applications of all ratings
- Steam jet air ejectors for condensers upto 150 MW
- Deaerators from 7 MW to 800 MW
- Gas coolers for compressor applications
- Oil coolers- STG upto 150 MW, GTG upto Fr-9E
- Generator Air coolers upto 150 MW STG and GTG upto 9 FA
- D2O and Moderator Heat Exchangers for Nuclear primary cycle
- Air cooled Lube oil cooler for refinery application
- Heat exchangers for downstream Oil and Gas application.

PUMPS

- Pumps for various utility power plant applications upto a capacity of 1000 MW:
  - Boiler feed pumps (motor or steam turbine driven) and Boiler feed booster pumps.
  - Condensate extraction pumps including Drip Pumps
  - Circulating water pumps (also known as Cooling water Pumps)
  - Concrete Volute Cooling Water Pumps
  - Pumps for Secondary Side of Nuclear Power Plants

COMPRESSORS

- Multi stage Centrifugal compressors along with Drives (Steam Turbine, Electric Motor and Gas Turbine) and auxiliary system with capacity upto 300000 m^3/hr for various gases (Air, CO_2, N_2, H_2, NH_3, Natural Gas, Wet Gas, Propylene etc.) for applications in Refineries, Fertilizers, Petrochemicals, Oil & Gas, Steel, Power & Natural Gas Transportation sectors and oxidation blowers for FGD applications in power plants.
  - Horizontally split type upto 40 bar design pressure
  - Vertically split type upto 350 bar design pressure

SOLAR PHOTOVOLTAICS

- Mono/ Multi Crystalline Solar cells
- Mono/ Multi Crystalline PV Modules (upto 330 Wp)
- Power Conditioning Unit (upto 1.25 MW)
- Single phase Power Conditioning Unit for Traction Grid application (0.85 MW)
- Outdoor, Dry type 1 MVA/25kV Single Phase Inverter Transformer
- Power Transformers (15 MVA and above)
- Passive Solar Tracking System
- Space grade solar panels

AUTOMATION AND CONTROL SYSTEMS

- Automation and Control Systems for
  - Steam Generator/ Boiler Controls including Boiler Protection
  - Steam Turbine Controls
  - Boiler Feed Pump (BFP) Drive Turbine Control
  - Station Control and Instrumentation/ DCS
  - Offsite/Off base controls/ Balance of Plant Controls
    - Ash Handling Plant (AHP)
    - Coal Handling Plant(CHP)
    - Water System for power plant
    - Mill Reject System (MRS)
    - Condensate On-Load Tube Cleaning system (COLTCS)
    - Gas Booster Compressor (GBC)
    - Condensate Polishing Unit (CPU)
    - Heating, Ventilation & Air conditioning (HVAC)
    - Fuel Oil Unloading System (FOUS)
  - Hydro Power Plant Control System
  - Gas Turbine Control System
  - Nuclear Power Plant Primary Cycle Control Centre Instrumentation Package (CCIP)
  - Nuclear Power Plant Turbine & Secondary Cycle control system
  - Power block of solar thermal power plant
  - Industrial Automation
  - Sub-Station Automation (SAS)
  - Non-FST HVDC control panels
  - Electrical Control System (ECS) for Refineries
  - Energy Management System (EMS) for Power Plant
  - Electrical Interface System for MV/LV Switchgear

TRANSMISSION SYSTEMS CONTROL

- EHV & UHV Sub-stations/switchyards both AIS & GIS type ranging from 33kV to 765kV.
- HVDC transmission systems.
- Flexible AC Transmission system (FACTS) solutions

- Fixed Series Compensation(FSC)
- Static VAR Compensation (SVC)
- STATCOM
- Controlled Shunt Reactor (CSR)
- Phase Shifting Transformer (PST)

- Converter Valves and controls for HVDC & FACTS.

SOFTWARE SYSTEM SOLUTION

- Merit Order Rating
- Performance Analysis, Diagnostics & Optimization (PADO) for Thermal Utilities
- Performance Calculation & Optimization system and Real Time Performance Data Monitoring system
- OPC connectivity from DCS to third party systems
- Enterprise Asset Management System (EAMS)
- Operator Training Simulator

SWITCHGEAR

Medium Voltage Vacuum Switchgear for indoor and outdoor applications for voltage ratings upto 36 kV and Gas insulated switchgears upto 420kV.

- Indoor switchgears
  - Upto 12 kV, 50 kA, 4000 Amp for thermal, nuclear, hydro and combined cycle Power Plant Projects
  - Upto 36 kV, 31.5 kA, 2500 Amp for Industries, solar power plants and refineries
  - Compact switchgear 12 kV, 25 kA, 2000 Amp for distribution system
- Outdoor Vacuum circuit breakers
  - 12 kV, 25 kA, 1250 Amp for distribution segment
  - 36 kV, 25 kA, 1600 Amp for transmission and distribution segment
  - Upto 25 kV, 20 kA, 2000Amp for track side railway application
  - 36 kV, 31.5 kA, 2500 Amp Outdoor Metalclad switchgear for Solar Power Plants
- Gas insulated switchgears
  - 36 kV, 40kA, 2000 Amp for Refineries, Urban Sector
  - 145 kV, 31.5 kA, 2500 Amp for transmission & distribution network
  - 420 kV, 40kA, 3150 Amp for transmission sector (hydro station / EHV SS).

ON LOAD TAP CHANGERS (OLTC)

- On Load Tap Changer upto 765 kV class Transformer & Off Circuit Tap Switch upto 765 kV class Transformer for various application like Power Transformer, Furnace Transformer, Station Transformer, Rectifier Transformer etc.

LT SWITCHGEAR & BUS DUCTS

- Bus-ducts with associated equipment to suit generator power output of utilities of upto 800 MW capacity.
- 415 V LT Switchgear for Thermal Power Plant, Hydro, Nuclear, CPP & Steel industry.

TRANSFORMERS & REACTORS

- Power transformers for voltage upto 1200 kV
  - Generator transformers (upto 600 MVA, 420 kV, 3 Ph / 400 MVA, 765 kV, 1 Ph/500 MVA, 420 kV, 1 Ph)
  - Auto transformers (upto 1000 MVA, 400 kV, 3 Ph / 600 MVA, 400 kV, 1 Ph / 500 MVA, 765 kV, 1 Ph / 1000 MVA, 1200 kV, 1 Ph)
- Converter Transformers / Smoothing Reactors (upto 600 MVA, ±800 kV) / (upto 254 MVAr, ± 500 kV) for HVDC transmission.
- Shunt Reactors (upto 150 MVAr, 420 kV, 3 Ph / 110 MVAr, 765 kV, 1 Ph)
- Controlled Shunt Reactors (upto 200 MVAr, 420 kV, 3 Ph/ 200 MVAr, 420 kV, 1 Ph / 200 MVAr, 765 kV, 1 Ph) for Flexible AC Transmission system applications.
- Phase Shifting Transformers (upto 500 MVA, 400 kV, 3 Ph/ Upto 500 MVA 400 kV 1 Ph) for transmission lines
- Instrument transformers
  - Current transformers upto 400 kV
  - Electro-magnetic voltage transformers upto 220 kV
  - Capacitor voltage transformers (33KV to 1200 kV)
  - 24kV PR class Current Transformer for HVDC Projects
- Special Transformers
  - Rectifier transformer (upto 120 kA, 132 kV)
  - Furnace transformer (upto 33 kV, 60 MVA)
- ESP transformers upto 95 kvp, 1600 mA
- Smoothing reactors upto 3.3 mH , 2700 Amp.
- Dry Type reactor upto 300 mH , 120 Amp.
- DC Choke upto 0.5 mH , 4600 Amp.
- Dry type transformers upto 15 MVA 33 kV.
- Composite Monitoring System for Power Transformers & Reactors

CAPACITORS

- H.T. Capacitors
  - Motors Capacitors for Power factor correction (3.3 to 11 kV delta connected Capacitor banks)
  - Shunt, Series & SVC (Static VAR compensation), Harmonic filter & HVDC applications (3.3 kV to 500 kV, 1 Ph/ 3 Ph capacitor banks)
- Capacitor Divider for CVT
- Coupling Capacitor (33 kV to 800 kV, 4400 pF to 13200 pF) for transmission lines
- Surge Capacitor for protection of Generators & Transformers (11kV to 40 kV)
- Roof Capacitor for traction locomotive
  - Capacitor Divider for CVT upto 1200 kV
  - Coupling Capacitor for PLCC upto 400kV
  - Fuse-less capacitor

BUSHINGS

- Oil Impregnated Paper (OIP) condenser bushings 52 to 525 kV for transformer applications

- 25 kV Locomotive bushings

CONTROL GEAR

- Electronic controllers for ESPs in industries/ power plants
- Digital Static Excitation control system (2000 A, 400 V DC with redundant thyristor stacks & DC field breaker)
- Large current rectifiers with PLC Based digital controls
- Control & Protection Panels (upto 400 kV) For EHV Transmission projects
- SCAP, Thyristor, RAPCON and STATCON Panels.

INSULATORS

- Porcelain Insulators
  - High-tension Porcelain Disc insulators for AC/DC applications, ranging from 70kN to 420 kN electro-mechanical strength, for clean and polluted atmospheres, Suitable for application upto 1200kV AC & ±800kV HVDC transmission line & Sub-stations.
  - Hollow insulators upto 765 kV for Transformers & SF_6 circuit breakers.
  - Solid core insulators upto 400 kV for Bus Post & Isolators for substation applications.
- Composite Long Rod Insulators
  - Upto ±800kV, 420kN for HVDC application
  - Upto 765kV, 210kN for HVAC application.
  - Traction Insulators Stayarm, Bracket & 9 Tonne Insulators for Indian railways.
- Ceramic Lining (CERALIN) wear resistant material for Thermal Power Plant & Ash Slurry Application.
- Industrial and Special Ceramics
  - EWLI –Electronic Water Level Indicators used in Boiler Drum Water Level Monitoring (BHELVISION system)
  - Ceramic and Tungsten Carbide Flow Beans for Christmas tree valves.
  - Grinding Media for Pulverizing in Thermal Power Plant.

ELECTRICAL MACHINES

- AC Machines for Safe Area Application
  - Squirrel cage induction motors -150 kW to 22000 kW
  - Slip ring induction motors - 150 kW to 10000 kW
  - Synchronous motors- 1000 kW to 25000 kW
  - Variable speed Motors- 150 kW to 22000 kW (Squirrel cage motors)
  - Variable speed Motors- 1000 kW to 25000 kW (Synchronous motors)
- AC Machines for Hazardous Area Application (Fixed speed or with VFD)
  - Flame-proof squirrel cage Induction motors (Ex 'd') (150 kW to 1500 kW)
  - Non-sparking squirrel cage Induction motors (Ex 'n') (150 kW to 4000 kW (higher ratings on request))
  - Increased safety squirrel cage Induction motors (Ex 'e') (150 kW to 4000 kW (higher ratings on request))
  - Pressurized Squirrel cage induction motors (Ex 'p') (150 kW to 22000 kW)
  - Pressurized Synchronous motors (Ex 'p') (1000 kW to 25000 kW)
- Industrial Alternators (Steam turbine, Gas turbine and Diesel engine driven) (3000 kVA to 25000 kVA)
- Vertical Motors for Primary Coolant Pumps for nuclear power plants
- Induction Generators (300 kVA to 6000 kVA) for mini/ micro hydro plant.
- 2 Pole Air cooled Steam/ Gas Turbine driven Generators (3 MW to 160 MW)
- 4 Pole Air cooled Steam/ Gas Turbine driven Generators (3 MW to 40 MW)
- 2 Pole Hydrogen cooled Steam/ Gas Turbine driven Generators from 36 MW to 270 MW
- Permanent Magnet Based Generators upto 5 MW.
- Gas Turbine generators upto 270 MW.
- Alternators for industrial applications with single bearing upto 2 MW.

RAIL TRANSPORATION

Transportation Systems

- AC electric locomotives (upto 6000 HP, 25 kV AC)
- AC-DC dual voltage electric locomotives
- ACEMU Coaches
- Metro Coaches
- Traction Propulsion Systems for:
  - 9000 HP IGBT based AC Locomotives
  - 6000 HP IGBT based AC Locomotives
  - IGBT based Composite Propulsion Systems for 6000-HP Locomotives
  - 3-phase IGBT based AC Electrical Multiple Units (EMUs)
  - Air-conditioned ACEMU
  - ACEMU electrics for DC drives
  - 1600HP IGBT based DEMU
  - 3-phase IGBT based MEMU
  - 1600HP Multi-Genset Locomotive
- Regeneration system for DC Propulsion system of WAG7 Locomotive
- Diesel Electric Tower Car
- Diesel-Electric Shunting Locomotives (upto 1400 HP)
- Battery powered Locomotive
- OHE recording-cum-test car
- Battery Powered Road Vehicles
- Dynamic track stabilizers
- Rail cum Road vehicle

TRANSPORTATION EQUIPMENT

- Traction Converter & Auxiliary Converter
- Vehicle Control Electronics
- Hotel Load Converter
- Composite Converter comprising Traction Converter and Hotel Load Converter
- Traction Transformer
  - Upto 5400 kVA for conventional locomotives
  - Upto 7775 KVA for 3 phase drive locomotives.
  - Upto 1050 KVA conventional AC EMU/ MEMUs
  - Upto 1578 kVA for 3 phase EMU
- 3- phase AC Traction Motors (upto 1200 kW) for Locomotives & EMUs
- DC Traction Motors (upto 630 kW) for Locomotives & EMUs
- AC Traction Alternators (upto 3860 kW) for Locomotives & EMUs
- DC Traction Generators upto 2000 kW
- DC Blower motors (upto 50kW) for dynamic braking system
- Motor Generator sets (upto 25 kW) for auxiliary requirements
- Traction gears and pinions for Locomotives & EMUs
- Wagon (upto 28 axle, 296 Tonne)

DEFENCE AND AEROSPACE

- Super Rapid Gun Mount (SRGM) 76/62 gun for naval ships
- Integrated Platform Management system (IPMS) for naval ships
- Integrated Bridge System (IBS)
- Static Main Motor Generator (SMMG)
- Rotary Main Motor Generator with Controls (RMMG)
- Training Simulator for Vehicles, platforms, radars, weapons, missiles and Computer Based Training (CBT) for all defence and para-military forces
- Turret Casting for T-72 Tanks
- Casting and Forgings for ships
- Compact Heat Exchangers for various aircraft platforms
- Permanent Magnet Frequency converters with drive unit
- Reserve Propulsion motor with drive unit
- Compact Brushless Alternators
- Fuel Tanks and other components for Launch Vehicles and Satellites.
- Space grade Batteries for launch vehicles and Satellites
- Space grade Solar panels

ENERGY STORAGE SYSTEM & E- MOBILITY

- Electric Bus
- Powertrains for Electric Vehicles including motors
- Charging Infrastructure for Electric Vehicles
- Battery Energy Storage System including Power conditioning unit (PCU) and SCADA

OIL FIELD EQUIPMENT

- Oil Rigs – On-shore drilling rigs with AC-VFD and AC-SCR technology for drilling upto depths of 9,000 metres, work-over rigs for servicing upto depths of 6,100 metres, mobile rigs for drilling upto depths of 3,000 metres, complete with matching draw-works and hoisting equipment including:
  - Mast and substructure
  - Rotating equipment : Draw works ; Rotary ; Swivels; Travelling Blocks
  - Independent Rotary drive unit
  - Mud storage and handling Systems, Mud agitators
  - Triplex Mud pumps
  - Air Utility Systems (Utility House), Water system and Fuel systems
  - Dead line anchors
  - Vacuum Degassers, Mud gas separators
  - Refurbishment and up gradation of BHEL and Non BHEL make Oil Rigs
  - 3-phase Oil rig motor upto 1150 HP
  - DC Oil rig motors upto 1000 HP (Draw works, mud pump, drilling)
  - Oil rig alternators upto 1750 KVa
  - AC/ DC Power Control Room for E760, E1400, E2000 & E3000 Rig
  - AC Acoustic Power Pack upto 1430 kVA Rating as per applicable CPCB Norms
    - AC Control Module
    - DC Control Module
  - Driller's Console upto 3 mud pumps, IRD & draw work control & monitoring, load rating (0-1800 A, 0-1000V)
  - Mobile lightening Tower, Rig Lightening Tower
  - AC- VFD Controls for AC Rigs
  - STATCOM for power Factor improvement in AC SCR Rigs
- Well heads and X-mas Trees upto 10,000 psi, Mud Line Suspension, Choke and Kill manifold, CBM Wellheads, DSPM H- Manifold Assembly, Mud valves.

FABRICATED EQUIPMENT AND MECHANICAL PACKAGES

- Cryogenic Air Separation Units
- Cryogenic storage tanks, Mounded storage systems and storage spheres
- Pressure Vessels, Columns, Reactors/Separators, Heat Exchangers
- Fired Heaters
- Purge Gas Recovery Unit

Glossary

ACS	Auxiliary Control System
APGENCO	Andhra Pradesh Power Generation Corporation
ARAI	Automotive Research Association of India
AUSC	Advanced Ultra Super Critical
BPCL	Bharat Petroleum Corporation Limited
BRBCL	Bhartiya Rail Bijlee Company Ltd
BSE	Bombay Stock Exchange
BTG	Boiler Turbine Generator
C&I	Control & Instrumentation
CEA	Central Electricity Authority
CPP	Captive Power Plant
CFBC	Circulating Fluidised Bed Combustion
CLW	Chittaranjan Locomotive Works
CMIE	Centre for Monitoring Indian Economy
CPSE	Central Public Sector Enterprise
CSIR	Council of Scientific & Industrial Research
CSPGCL	Chhattisgarh State Power Generation Company
CSR	Corporate Social Responsibility
CVC	Central Vigilance Commission
DEMU	Diesel Electric Multiple Unit
DETC	Diesel Electric Tower Car
DHI	Department of Heavy Industries
DLW	Diesel Locomotive Works
DMW	Diesel-Loco Modernisation Works
DPE	Department of Public Enterprises
DSIR	Department of Scientific and Industrial Research
ED	Executive Director
EHV	Extra High Voltage
EMU	Electric Multiple Unit
EPC	Engineering, Procurement & Construction
ESP	Electrostatic Precipitator
EV	Electric Vehicle
FACTS	Flexible Alternating Current Transmission System
FGD	Flue Gas Desulphurization
GIS	Gas Insulated Substation
GTG	Gas Turbine Generator
GTO	Gate turn-off Thyristor
GSECL	Gujarat State Electricity Corporation Limited
GST	Goods & Services Tax
HEP	Hydro Electric Plant
HP Turbine	High Pressure Turbine
HRSG	Heat Recovery Steam Generator
HVDC	High Voltage Direct Current
ICAI	The Institute of Chartered Accountants of India
ICF	Integral Coach Factory
IGBT	Insulated-Gate Bipolar Transistor
IGCAR	Indira Gandhi Centre for Atomic Research
IIT	Indian Institute of Technology
IOCL	Indian Oil Corporation Ltd
IPMS	Integrated Platform Management system
IPR	Intellectual Property Right
IR	Indian Railway
ISMS	Information Security Management System
ISO	International Organization for Standardization
ISRO	Indian Space Research Organisation
KBUNL	Kanti Bijlee Utpadan Nigam Limited
KPCL	Karnataka Power Corporation Limited
LCA	Light Combat Aircraft
LIS	Lift Irrigation Scheme
LP Turbine	Low Pressure Turbine
LSTK	Lump sum turnkey
M&A	Merger & Acquisitions
MEIL	Megha Engineering & Infrastructures Limited
MEMU	Mainline Electric Multiple Unit
MHI&PE	Ministry of Heavy Industries & Public Enterprises
MoU	Memorandum of Understanding
MUs	Manufacturing Units
MSME	Micro, Small and Medium Enterprises
MSR	Molten Salt Reactor
NIT	National Institute of Technology
NPCIL	Nuclear Power Corporation of India Limited
NPGCL	Nabinagar Power Generating Company Private Limited
NSE	National Stock Exchange
OEM	Original Equipment Manufacturer
ONGC	Oil and Natural Gas Corporation Limited
PCU	Power Conditioning Unit
PCP	Power Cycle Piping
PGCIL	Power Grid Corporation of India Limited
PLM	Product Lifecycle Management
PPGCL	Prayagraj Power Generation Co. Ltd
PSEs	Public Sector Enterprises
R&D	Research & Development
R&M	Renovation & Modernisation
RDSO	Research Designs & Standards Organisation
RPCL	Raichur Power Company Limited
SCADA	Supervisory Control and Data Acquisition
SCCL	Singareni Collieries Company Limited
SCOPE	Standing Conference of Public Enterprises
SCR	Selective Catalytic Reduction
SD	Sustainable Development
SEBI	Securities and Exchange Board of India
SG	Steam Generator
SOP	Standard Operating Procedure
SPV	Solar Photo Voltaic
SRGM	Super Rapid Gun Mount
STG	Steam Turbine Generator
STPP	Super Thermal Power Plant
TANGEDCO	Tamil Nadu Generation and Distribution Corporation
TCMS	Train Control & Management system
TETV	Totally Enclosed Tube Ventilated
TEFC	Totally Enclosed Fan Cooled
TG	Turbine & Generator
TPS	Thermal Power Station
UB	Utility Boiler
UHV	Ultra High Voltage
UHVAC	Ultra High Voltage AC
UPRVUNL	Uttar Pradesh Rajya Vidyut Utpadan Nigam
VC	Video Conference
VCU	Vehicle Control Unit
VFD	Variable Frequency Drive
WAG	W (broad gauge), A (AC traction), G (goods duty)
WBPDCL	West Bengal Power Development Corporation Limited

Glossary (Financial Terms)

Accounting policies: Accounting policies are the specific accounting principles and the method of applying those principles adopted by the company in preparation and presentation of the financial statements.

Accrual: Financial statement is prepared on mercantile system. The effects of transaction and other events are recognised when they occur and they are recorded in the accounting records and reported in the financial statement of that period to which they relate.

Amortization: Amortisation is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

Balance sheet: A balance sheet is a statement of the financial position of an entity which states the assets, liabilities, and owners' equity at a particular point of time

Bonus shares: Bonus shares are additional shares given to the shareholders without any additional cost out of free reserves, based upon the number of shares that a shareholder owns.

Book value: The amount at which an item appears in the books of account or in financial statements.

Buy back of shares : A buyback, also known as a share repurchase, is when a company buys its own outstanding shares to reduce the number of shares available in the open market.

Capital employed is calculated by subtracting Capital WIP, Intangible assets under development and Deferred tax assets from the entity's net worth.

Capital reserve: A reserve of an entity which is not available for distribution as dividend.

Capital redemption reserve: The Company has recognised Capital Redemption Reserve on buy back of equity shares from its general reserve. The amount in capital redemption reserve is equal to nominal amount of equity shares bought back.

Cash & cash equivalent: Cash comprises cash in hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

Contract assets : Contract assets (deferred debts and unbilled revenue) represent the amount not yet due for payment as per contract terms / agreed schedule with customers. The same will be contractually due on completion of related activities / milestones.

Contract liability: An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Contingent liability is:

(a) possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

Consolidated financial statements (CFS): Consolidated financial statements - are the "Financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent company and its subsidiaries are presented as those of a single economic entity.

Credit risk: The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Current ratio: The current ratio is a liquidity ratio that measure ability to pay short term obligation or dues within one year. It is calculated by dividing current assets to current liabilities.

Current asset: An asset shall be classified as current when:

a) it is expected to realise the asset, or intended to sell or consume it, in its normal operating cycle;

b) it is held primarily for the purpose of trading;

c) it is expected to realise the asset within twelve months after the reporting period; or

d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

Current liability: A liability shall be classified as current when:

a) it is expected to settle the liability in its normal operating cycle;

b) it is held primarily for the purpose of trading;

c) the liability is due to be settled within twelve months after the reporting period; or

d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

Current tax expense: Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

Deferred debts: Deferred debts are those debts which will become payable on completion of identified milestone like trial operation, PG test, etc. in terms of the contract.

Deferred tax: Deferred tax is calculated using the rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax asset: Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred tax liability: Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

Defined benefits plans: Defined benefit plans are post-employment benefit plans other than defined contribution plans. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Dividend per share : It is calculated by dividing the total dividend (excl. dividend distribution tax) for the year to total number of outstanding equity shares.

Depreciation: Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Dividend distribution tax: This is an additional income tax paid by the company on any amount declared, distributed or paid by the company by way of dividends.

EBIDTA means Earnings before interest, taxes, depreciation and amortization. Operational EBIDTA is determined after excluding other income from EBIDTA.

Earnings per share (EPS): It represent profit earned during the year to each share, calculated by dividing profit after tax to total number of outstanding equity shares.

Equity method: The equity method of accounting is used to determine the net income generated from the joint venture in proportion to the size of a company's investment in the venture. The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets.

Expected credit loss: The difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

Fair value: Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial asset: Any asset that is (a) cash, (b) equity instrument of another entity, (c) a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liability with another entity (d) a contract that will or may be settled in the entity's own equity instruments.

Financial liability: Any liability that is (a) contractual obligation to deliver cash or another financial asset to another entity or exchange financial assets or financial liabilities with another entity or (b) a contract that will or may be settled in the entity's own equity instruments.

Financial instrument: Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financing activities: Activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

General reserves: General reserves are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

Going concern: It means that entity has no intention for discontinuing the operation in foreseeable future.

Holding company: "holding company", in relation to one or more other companies, means a company of which such companies are subsidiary companies.

Impairment loss: An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

Indian Accounting Standard (abbreviated as Ind-AS): Ind AS is the applicable accounting standard for preparation of financial statements as notified by Ministry of Corporate Affairs.

Intangible assets: An intangible asset is an identifiable non-monetary asset without physical substance.

Inventory in number of days : It is calculated by dividing inventory to revenue multiplying by number of days in a year.

Investing activities: Investing activities are the acquisition and

disposal of long-term assets and other investments not included in cash equivalents.

Joint venture: A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Liquidity risk: The risks that an entity may encounter in meeting obligation associated with financial liabilities as an when due.

Market risk: The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Net profit/(loss) margin (%): It represents profit generated as a percentage to revenue from operations, calculated by dividing profit after tax (PAT) to revenue operations.

Net realisable value: Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Net worth: The excess of the book value of total assets of an entity over its liabilities. This is also referred to as shareholders' funds.

Net worth per share : Net worth per share is calculated by dividing net worth with total number of outstanding equity shares.

Non-controlling interest (NCI): is the portion of equity ownership in a subsidiary not attributable to the parent company, who has a controlling interest (greater than 50% but less than 100%) and consolidates the subsidiary's financial results with its own.

Non-current asset: A non-current asset is an asset that is not likely to turn to unrestricted cash within one year of the balance sheet date.

Non-current liability: Non-current liabilities are those obligations not due for settlement within one year.

Other comprehensive income (OCI): Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Ind ASs.

Operating activities: Operating activities are the principal revenue-producing activities of the entity and other activities that are not investing or financing activities.

Operating profit margin (%): Profitability performance ratio used to calculate the percentage of profit generated by Company from its operations. It is calculated by dividing earnings before tax (PBT) excluding other income to revenue from operations.

Property, plant and equipment (PPE): Property, plant and equipment are tangible items that:

(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and

(b) are expected to be used during more than one period.

Revenue from operations: Gross inflow of economic benefits during the period arising in the course of ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

Return on net worth (%): Return on net worth is a measure of profitability of a Company, calculated by dividing net profit to average net worth (excl. OCI).

Right of Use Assets: An asset that represents a lessee's right to use an underlying asset for the lease term.

Subsidiary: Subsidiary company is a company that is owned or controlled by another company, which is called the parent company or holding company.

Trade receivables: A receivable is an entity's right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Cautionary Statement

Statement in the Annual Report, describing the Company objective, expectation or estimates are forward looking within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied, depending upon economic development, government policies and other incidental factors.

Bharat Heavy Electricals Limited

(CIN: L74899DL1964GOI004281)

Regd. Office: BHEL House, Siri Fort, New Delhi-110049

Phone: 011-66337000, Fax: 011-66337428

Website: www.bhel.com, E-mail: shareholderquery@bhel.in

Notice

Notice is hereby given that the 57th Annual General Meeting of the Members of BHARAT HEAVY ELECTRICALS LIMITED will be held on Thursday, September 23, 2021 at 10 A.M. IST through Video Conferencing/ Other Audio-Visual Means (VC), to transact the following businesses: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2021 together with the Directors' Report and Auditors' Report thereon.

2. To appoint a Director in place of Shri Subodh Gupta (DIN: 08113460), who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Shri Shashank Priya (DIN: 08538400), who retires by rotation and being eligible, offers himself for re-appointment.

4. To authorize the Board of Directors to fix the remuneration of the Auditors for the year 2021-22.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending on 31st March, 2022 as set out in the statement annexed to the Notice convening this Meeting, be and is hereby ratified by the shareholders of the Company."

   "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper or expedient to give effect to this resolution."

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Ms. Renuka Gera (DIN: 08970501), who was appointed as an Additional Director pursuant to Article 67(iv) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 01.12.2020 to hold Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director herself pursuant to the provisions of Section 160 (1) of the Companies Act, 2013, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Shri Jeetendra Singh (DIN: 09207792), who was appointed as an Additional Director pursuant to Article 67(iv) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 18.06.2021 to hold Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 160 (1) of the Companies Act, 2013, be and is hereby appointed as a Director of the Company."

By Order of the Board of Directors



(Rajeev Kalra)
Company Secretary

Place: New Delhi
Date: July 30, 2021

NOTES: -

1. The Ministry of Corporate Affairs (MCA) has, vide its circular dated 13.01.2021 read together with circulars dated 08.04.2020, 13.04.2020 and 05.05.2020 (collectively referred to as "MCA Circulars") allowed convening the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means, without the physical presence of the Members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the AGM of the Company is being held through VC. The deemed venue for the AGM shall be the registered office of the Company.
2. In compliance with the aforementioned MCA Circulars and SEBI circular dated 15.01.2021 read with circular 12.05.2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on websites of the Company (www.bhel.com), BSE Limited (www.bseindia.com), National Stock Exchange of India Limited (www.nseindia.com) and on the website of the evoting agency, National Securities Depository Limited (NSDL) at https://www.evoting.nsdl.com.
3. For receiving all communication (Notice, Annual Report and the e-voting instructions along with the User ID & Password) from the Company electronically please refer to the instructions annexed to the Notice.
4. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Since the AGM will be held through VC, the route map of the venue of the Meeting is not annexed hereto.
6. Participation of Members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
7. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at sachin@companylawworld.com with a copy marked to evoting@nsdl.co.in.
8. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
9. Relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
10. S/shri Subodh Gupta and Shashank Priya, Directors, retire by rotation and being eligible, offer themselves for re-appointment. However, as per the terms of their appointment, the tenure of Shri Subodh Gupta will expire on 17.04.2023 (five years from the date of his appointment) while the tenure of Shri Shashank Priya being a Part-time Official (Nominee) Director is till the withdrawal of his nomination by the Government of India. Brief resume of each of the Directors proposed for re-appointment is given at Annexure to the Notice.
11. Pursuant to Section 124 read with Section 125 of the Companies Act, 2013, the dividend amounts which remain unpaid/ unclaimed for a period of 7 years, are required to be transferred to the Investor Education and Protection Fund constituted by the Central Government. Accordingly, the final dividend for the financial year 2013-14 and interim dividend for financial year 2014-15, which remains unclaimed, are proposed to be transferred to the said account on 19.10.2021 and 15.03.2022 respectively.

    Members who have not claimed/ encashed their Dividend so far for the financial year ended on 31.03.2014 or any subsequent financial year(s) may approach the Company for obtaining payments thereof before expiry of the stipulated 7 years period.
12. Pursuant to SEBI Listing Regulations, all listed companies shall use any of the electronic modes of payment facility approved by RBI such as ECS/ NECS/ Direct Credit etc. for payment of dividend. Members are advised to submit their National Electronic Clearing Service/ Electronic Clearing Service (NECS/ ECS) mandate in the form (given elsewhere in the Annual Report) duly filled in and signed, to enable the Company to make remittance by means of NECS/ ECS.
13. Members are requested to notify immediately any change of address and other relevant correspondence including NECS/ ECS details and submission of Permanent Account Number (PAN): -

i. to their Depository Participants (DPs) in respect of their demat share accounts; and

ii. to the Company at its registered office or the Registrar & Transfer Agent, M/s Alankit Assignments Limited (4E/2, Alankit House, Jhandewalan Extension, New Delhi-110055) in respect of their physical shares, if any, quoting their folio number, Banker's name and account number to ensure prompt and safe receipt of dividend warrants.

14. Members may avail facility of nomination in terms of Section 72 of the Companies Act, 2013, by nominating any person to whom their shares in the Company shall vest in the event of their death.

15. Pursuant to Section 139 (5) read with Section 142 (1) of the Companies Act, 2013, the Auditors of a Government Company are appointed by the Comptroller and Auditor General of India and their remuneration is fixed by the Company in the Annual General Meeting. The shareholders may authorize the Board to fix up an appropriate remuneration of Auditors for the year 2021-22 as may be deemed fit by the Board.

16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Act and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM.

17. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to shareholderquery@bhel.in.

18. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company is providing to its Members the facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means (remote e-voting) through NSDL. Members whose names appear in the Register of Members/ list of Beneficial Owners as on Thursday, September 16, 2021 (cut-off date) will be eligible to vote for the purpose of e-voting/ AGM and a person who is not a Member as on the cut-off date should treat this notice for information purposes only. The e-voting period will commence from Monday, September 20, 2021 at 9.00 A.M. and will end on Wednesday, September 22, 2021 at 5.00 P.M. The e-voting module will be blocked on September 22, 2021 at 5.00 P.M. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. September 16, 2021.

19. Members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting by VC but shall not be entitled to cast their vote again.

20. The facility for voting through electronic voting system will also be made available at the AGM and Members attending the AGM who have not cast their vote by remote e-voting will be able to vote at the Meeting through this electronic voting system.

21. The Company has appointed Shri Sachin Agarwal of M/s Agarwal S. & Associates, Practising Company Secretary, to act as a Scrutinizer, to scrutinize the process of remote e-voting and electronic voting at the AGM, in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman. The results along with the Scrutinizer's Report will be declared within two working days of the conclusion of the Meeting and the same shall be available on the Company's website (www.bhel.com) and on the website of the e-voting agency (https://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman/ person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

22. The procedures for joining the AGM through VC, remote e-voting and voting at the AGM alongwith the contact details for addressing the grievances in this regard are provided in the instructions annexed to the Notice.

By order of the Board of Directors



(Rajeev Kalra)
Company Secretary

Place: New Delhi
Date: July 30, 2021

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following explanatory statement sets out the material facts relating to the business mentioned in Item Nos. 5 to 7 of the accompanying Notice dated July 30, 2021.

ITEM NO. 5

Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 requires remuneration of the cost auditors as approved by the Board to be ratified by shareholders subsequently.

Based on the recommendation of the Audit Committee, the Board of Directors in its meeting held on July 30, 2021 has approved the names of seven Cost Accountants/ Firms for appointment for a total remuneration of ₹15.01 Lakhs as detailed under:

(₹ in Lakhs)

Sl. No.	Name of the Cost Auditors	Unit	Remuneration for FY 2021-22
1	M/s Shome & Banerjee, Delhi (Lead Cost Auditor)	Consolidation Audit Report	0.96
		Jhansi	0.77
		HERP Varanasi	0.38
		Bhopal	1.91
2	M/s R.J. Goel & Co., Delhi	HEEP Haridwar	1.91
		CFFP Haridwar	0.38
3	M/s KRJ & Associates, Hyderabad	Hyderabad	1.91
4	M/s M. Krishnaswamy & Associates, Chennai	Trichy	2.54
		BAP Ranipet	1.27
5	M/s J. H & Associates, Bengaluru	SBD Bangalore	0.50
		EDN Bangalore	0.64
6	M/s K.B. Saxena & Associates, Lucknow	IVP Goindwal	0.38
		FSIP Jagdishpur	0.58
		CFP Rudrapur	0.38
7	M/s Uppalapati & Associates, Visakhap-atnam	HPVP Visakhapatnam	0.50
		Total	**15.01**

The above fee is exclusive of applicable taxes and out-of-pocket expenses which are payable extra.

Accordingly, Members are requested to ratify the remuneration payable to the Cost Auditors for the Financial Year ending on 31st March, 2022.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 5.

The Board of Directors commends the resolution for approval of the Shareholders.

ITEM NO. 6

Ms. Renuka Gera (DIN: 08970501), aged 57 years, was inducted as Director (Industrial Systems & Products) on the Board of BHEL w.e.f. December 1, 2020.

She is an Electronics & Communication engineering graduate from Delhi College of Engineering.

Prior to this, she was heading Industry Sector as Executive Director.

Starting her career with BHEL in 1984 as Engineer Trainee in Transmission Business Group, she has over 36 years of holistic and hands on experience in various verticals of Industry Sector driving business development and diversification initiatives in Energy Storage Systems, Electric Mobility, Railway Electrification, Transportation, Defence, Transmission Systems including High Voltage Direct Current Transmission (HVDC), Renewable Energy & Water Management Systems.

She has headed various functions in BHEL viz. Marketing, Business Development, Engineering, Contract & Project Management, HR, Administration, Planning, Finance and Legal besides serving in Bhopal manufacturing unit for 5 years. During her career span, she had extensive involvement with HVDC projects in the country and was Project Manager for one of the largest HVDC Multi-Terminal projects in India.

Significantly, she is the first women employee of BHEL to reach the level of Director. She had earlier been sponsored by BHEL for International Certification Programme in Business Management conducted under the aegis of Department of Public Enterprises.

Ms. Renuka Gera is Chairperson of Steering Committee for "Study of Wireless Opportunities Charging of Electric Buses using Solar Energy" - constituted by TIFAC - an autonomous body of Deptt. of S&T, GOI. She is also Member of Research Council CSIR-NEERI (National Environmental Engineering Research Institute) and Vice President of the Governing Council of 'The Committee for International Council on Large Electric Systems (CIGRE), India'.

Appointment of Ms. Renuka Gera is upto 31.08.2023 or until further orders, whichever event occurs earlier, in the pay scale of ₹1,80,000 – ₹3,40,000 p.m. on terms and conditions approved by the Government of India.

Ms. Renuka Gera does not hold any shares in BHEL and she does not have any relationship with other Directors/ Manager/ Key Managerial Personnel of the Company.

Ms. Renuka Gera attended two Board Meetings which were held during her tenure in FY 2020-21.

By virtue of Section 161 of the Companies Act, 2013 read with Article 67(iv) of the Articles of Association of the Company, Ms. Renuka Gera holds office till the date of ensuing Annual General Meeting and is eligible for appointment. As per requirement of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing, proposing candidature of Ms. Renuka Gera for the Office of Director of the Company.

Except Ms. Renuka Gera, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 6.

The Board of Directors commends the resolution for approval of the Shareholders.

ITEM NO. 7

Shri Jeetendra Singh (DIN: 09207792), aged 50 years, was inducted as Part-time Official Director on the Board of BHEL w.e.f. June 18, 2021.

Shri Jeetendra Singh belongs to the Indian Railway Service of Electrical Engineers. He has done B.E in Electrical Engineering from VNIT, Nagpur and PGDM for Executives from IIM Calcutta.

He is presently posted as Joint Secretary in Ministry of Heavy Industries (MHI), Government of India. Prior to joining MHI, he was posted as Executive Director Corporate Coordination in Railway Board.

Earlier he worked as Director in NITI Aayog on Urban Development and in erstwhile Planning Commission in areas of PPP & Infrastructure creation. As Director (Planning) in Ministry of Railways his responsibilities included long term planning and modernization of Railways, development of Dedicated Freight Corridors and Heavy Haul operations. In his initial career he worked in areas of electric traction, locomotive maintenance & operations in various Railway units.

Shri Jeetendra Singh holds the position of Part-time Official Director on the Boards of Andrew Yule & Co. Limited, HMT Limited, HMT Machine Tools Limited, HMT (I) Limited and Heavy Engineering Corporation Limited.

Being a Government of India nominee on the Board of BHEL, Shri Jeetendra Singh does not receive any remuneration from BHEL.

Shri Jeetendra Singh does not hold any shares in BHEL and he does not have any relationship with other Directors/ Manager/ Key Managerial Personnel of the Company.

Since Shri Jeetendra Singh was appointed as Director on 18.06.2021, he did not attend any Board Meeting during FY 2020-21.

By virtue of Section 161 of the Companies Act, 2013 read with Article 67(iv) of the Articles of Association of the Company, Shri Jeetendra Singh holds office till the date of ensuing Annual General Meeting and is eligible for appointment. As per requirement of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing, proposing candidature of Shri Jeetendra Singh for the Office of Director of the Company.

Except Shri Jeetendra Singh, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7.

The Board of Directors commends the resolution for approval of the Shareholders.

By Order of the Board of Directors



(Rajeev Kalra)
Company Secretary

Place: New Delhi
Date: July 30, 2021

DETAILS OF DIRECTORS PROPOSED FOR RE-APPOINTMENT

SHRI SUBODH GUPTA

Shri Subodh Gupta (DIN: 08113460), aged 57 years, was appointed as Director (Finance) on the Board of BHEL w.e.f. April 18, 2018.

Shri Gupta is a Fellow member of the Institute of Cost Accountants of India (ICAI) and a Commerce (Honours) Graduate from University of Delhi. Prior to his appointment to the board of Directors, he was General Manager (Corporate Finance) handling Financial Planning and Strategy, Treasury Management and Taxation. In addition, he was also heading the Finance function of Strategic Business Units under the company's "Industry Sector" Business Segment.

An accomplished finance professional, Shri Gupta brings with him more than 35 years of diverse experience in the financial operations of BHEL. He started his career with BHEL as Trainee (Finance) in 1985 and during his career progression, equipped himself with all facets of Financial Management to take challenging responsibilities.

Under the dynamic leadership of Shri Gupta, BHEL has been bestowed with the Maiden ICWAI National Award for Excellence in Cost Management 2005 and Maiden prestigious CII-Exim Bank Award for Business Excellence 2006. As a certified TQM assessor from European Foundation for Quality Management, he has significantly contributed in improvement of business processes and conducted several internal and external TQM assessments. He was conferred with CMA Achiever's Award - Certificate of Merit 2016, for his significant contribution to Corporate Management practices, under the category "PSU Manufacturing – Large" by the Institute of Cost Accountants of India. He was also conferred with the 'Top Rankers Excellence Award 2020' for best finance professional of the year.

Shri Subodh Gupta has played a catalytic role in embedding new perspectives in financial strategy in terms of driving excellence in financial reporting, enhancement in quality of assets in Balance Sheet, efficient treasury management and mitigation of financial risks. He has been fostering strategic planning, reinforcing budgetary discipline and aligning the systems and processes to function as an instrument of addressing the crucial challenges and improving operating efficiency. He has maintained close oversight on cost trajectories of various components and pioneered effective cost reduction measures in various spheres in the organization, resulting in significant improvement in financial performance, profitability and liquidity. He has led various initiatives for building effective internal financial controls and imbibed the culture of adopting best financial practices to create a robust framework of internal controls and risk management.

Despite the prolonged liquidity crunch triggered by the spread of global pandemic he played a pivotal role in enabling generation of operating cash surplus and registering the lowest level of trade receivables in the last decade by resolute focus on holistic receivables management. His initiatives of adoption of prudent financial policies, adherence to cash conservation for augmenting liquidity and steering sound financial management helped in mitigating the operational losses in the face of prevailing challenges of subdued operations amidst disruptions caused by the spread of pandemic.

He is strong proponent of systemic improvements through digitalization of the financial processes and driven development and integration of various digitalized systems enabling attainment of higher levels of efficiency and enhanced levels of financial controls and transparency.

Under his financial leadership, BHEL, after nearly four decades, has been conferred 'ICAI Award for Excellence in Financial Reporting' for FY 2019-20 in the 'Infrastructure and Construction Sector' category in recognition of compliances, comprehensiveness and quality of financial information presented in the financial statements.

Shri Subodh Gupta holds the position of Part-time Nominee Director on the Board of Raichur Power Corporation Limited. He has also been elected as member of the 'SCOPE' Executive Board 2021-23 w.e.f. 01.04.2021. Apart from it, he is also functioning as Chairman of the 'SCOPE Committee on Financial management' and member of 'SCOPE Policy Advisory Group' and 'SCOPE Committee on Digital Transformation' w.e.f. 22.06.2021.

Shri Subodh Gupta's appointment is upto 17.04.2023 or until further orders, whichever event occurs earlier, in the pay scale of ₹1,80,000 - ₹3,40,000 p.m. on terms and conditions approved by the Government of India.

Shri Subodh Gupta does not hold any shares of BHEL and he does not have any relationship with other Directors/ Manager/ Key Managerial Personnel of the Company.

Shri Subodh Gupta has attended all the Board Meetings (eight) held in FY 2020-21.

SHRI SHASHANK PRIYA

Shri Shashank Priya (DIN: 08538400), aged 55 years, was inducted as Part-time Official Director on the Board of BHEL w.e.f. October 4, 2019.

Shri Shashank Priya is a civil servant belonging to 1988 batch of the Indian Revenue Service (Customs and GST). He is presently working as Additional Secretary and Financial Advisor in Ministry of Commerce & Industry.

He has more than 32 years of experience of dealing with issues relating to indirect tax and WTO. He has worked on GST issues in various capacities like Joint Secretary, GST Council, Additional Director General (GST) and Commissioner, GST.

He has a decade of experience of working on WTO issues. He worked for five years as a Professor in the Centre for WTO Studies in the Indian Institute of Foreign Trade and dealt extensively with issues relating to WTO and Trade Facilitation. He also worked for 5 years in the Trade Policy Division of the Department of Commerce as Deputy Secretary/ Director. He has represented India in negotiations in WTO Ministerial Conferences in Cancun, Geneva and Hong Kong as well as in numerous WTO Committee meetings.

He has also worked in different field formations of Customs and Central Excise such as Central Excise Division, Anti-Smuggling, Appraising, Vigilance and Export Promotion.

He has acted as a resource person for several reputed institutions and made numerous presentations on GST and WTO issues before national and international audience in India and abroad. He was the Academic Coordinator for long term WTO Regional Trade Policy Course for Asia Pacific Countries organized by the Centre for WTO Studies in collaboration with WTO, Geneva in 2011 and 2012.

He has contributed articles on WTO issues in newspapers/journals and has written two books, namely 'Review of Trade Policies of India's Major Trading Partners' and 'Trade Facilitation Gap Analysis for Border Clearance Procedures in India'. He also wrote a paper for UN ESCAP, Bangkok on 'Cross-Border Paperless Trade'.

Shri Shashank Priya holds the position of Part-time Official Director on the Boards of MMTC Limited, India Trade Promotion Organisation, Invest India, State Trading Corporation of India Limited, India International Convention & Exhibition Centre Limited and HMT Limited. He is a member of the Audit Committees of MMTC Limited & India Trade Promotion Organisation and Chairperson of the Audit Committee & Stakeholders Relationship Committee of State Trading Corporation of India.

Being a Government of India nominee on the Board of BHEL, Shri Shashank Priya does not receive any remuneration from BHEL.

Shri Shashank Priya does not hold any shares in BHEL and he does not have any relationship with other Directors/ Manager/ Key Managerial Personnel of the Company.

Shri Shashank Priya has attended all the Board Meetings (eight) held in FY 2020-21.

By Order of the Board of Directors



(Rajeev Kalra)
Company Secretary

Place: New Delhi
Date: July 30, 2021

PROCEDURES FOR JOINING THE AGM THROUGH VC, REMOTE E-VOTING AND VOTING AT THE AGM

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-voting facility provided by listed entities, the Members are provided with the facility to cast their vote electronically, through the e-voting facility provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

The remote e-voting period will be as under: -

Commencement of remote e-voting:	9:00 A.M. on Monday, September 20, 2021
End of remote e-voting:	5:00 P.M. on Wednesday, September 22, 2021

Members holding shares either in physical form or in dematerialized form, as on Thursday, September 16, 2021 i.e. cut-off date, may cast their vote electronically during the above period. The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility either during the period commencing from September 20, 2021 and ending on September 22, 2021 or e-voting during the AGM. Members who have cast their vote by remote e-voting prior to the AGM may attend/participate in the AGM through VC but shall not be entitled to cast their vote on such resolution again.

The Board of Directors of the Company have appointed Shri Sachin Agarwal of M/s Agarwal S. & Associates, Practicing Company Secretary as Scrutinizer to scrutinize the process of remote e-voting and electronic voting at the AGM in a fair and transparent manner.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company (www.bhel.com) and on the website of the e-voting agency (www.evoting.nsdl.com). The result will simultaneously be communicated to the stock exchanges.

Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., on September 23, 2021.

INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS AND JOINING VIRTUAL MEETING

A. Process and manner for remote e-voting, and voting during the AGM are explained below:

Step-1: Access to the NSDL e-voting system and casting vote electronically on NSDL e-voting system

A.1) Login method for Individual shareholders holding securities in demat mode

In terms of the SEBI Circular dated December 9, 2020 on the e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting process has been enabled for all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email-id in their demat accounts in order to access e-voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	**I. NSDL IDeAS Facility:** ▪ **If you are already registered for the NSDL IDeAS facility:** 1. Please visit the e-services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a personal computer or mobile phone. 2. Once the homepage of e-services is launched, click on the **'Beneficial Owner'** icon under **'Login'**, available under the **'IDeAS'** section. 3. A new screen will open. You will have to enter your User ID and password. After successful authentication, you will be able to see e-voting services. 4. Click on **'Access to e-voting'** under e-voting services and you will be able to see the e-voting page. 5. Click on options available against Company name or **e-voting service provider – NSDL** and you will be re-directed to the NSDL e-voting website for casting your vote during the remote e-voting period or voting during the meeting.

	▪ **If you are not registered for IDeAS e-Services:** 1. The option to register is available at https://eservices.nsdl.com 2. Select **'Register Online for IDeAS'** or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Upon successful registration, please follow steps given in points 1 - 5 above. **II. E-voting website of NSDL:** 1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a personal computer or mobile phone. 2. Once the homepage of e-voting system is launched, click on the **'Login'** icon, available under the **'Shareholder / Member' section.** 3. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), password / OTP and a verification code as shown on the screen. 4. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page. Click on options available against Company name or e-voting service provider – NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting. III. Shareholders/Members can also download NSDL Mobile App **'NSDL Speed-e'** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their User ID and password. The option to reach e-voting page will be made available without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on **'New System Myeasi'.** 2. After successful login of Easi/Easiest, you will be also able to see the E Voting Menu. The Menu will have links of **e-voting service provider (ESP) i.e. NSDL portal.** Click on NSDL to cast your vote. 3. If you are not registered for Easi/Easiest, the option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, you can directly access e-voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also log in using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for the e-voting facility. 2. Once logged in, you will be able to see the e-voting option. Once you click on the e-voting option, you will be redirected to the NSDL / CDSL depository site after successful authentication, wherein you can see e-voting feature. 3. Click on the options available against Company name or e-voting service provider-NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800-1020-990 and 1800-22-4430
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542/43

A.2) Login Method for shareholders, other than Individual shareholders, holding securities in demat mode and shareholders holding securities in physical mode

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon **'Login'** which is available under **'Shareholder/Member'** section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

4. Alternatively, if you are registered for NSDL e-Services i.e. IDeAS, you can login at https://eservices.nsdl.com/ with your existing IDeAS login. Once you login to NSDL e-Services after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically on NSDL e-voting system.

5. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8-Character DP ID followed by 8- Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16- Digit Beneficiary ID For example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 116681 then user ID is 116681001***

6. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the **'initial password'** which was communicated to you. Once you retrieve your **'initial password',** you need to enter the **'initial password'** and the system will prompt you to change your password.

   c) How to retrieve your **'initial password'?**

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your **'User ID'** and your **'initial password'.**

      (ii) If your email ID is not registered, please follow steps mentioned below in **'General Guidelines for shareholders'.**

7. If you are unable to retrieve or have not received the **'initial password'** or have forgotten your password:

   a) Click on **'Forgot User Details/Password?'** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com .

   b) Click on **'Physical User Reset Password?'** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

8. After entering your password, tick on **'Agree to Terms and Conditions'** by selecting on the check box.

9. Now, you will have to click on **'Login'** button.

10. After you click on the **'Login'** button, Home page of e-voting will open.

Step 2: Cast your vote electronically on NSDL e-voting system

1. After successful login at Step 1, you will be able to see all the companies **'EVEN'** in which you are holding shares and whose voting cycle is in active status.
2. Select **'EVEN 116681'** of Company to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on **'VC/OAVM'** link placed under **'Join General Meeting'.**
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on **'Submit'** and also **'Confirm'** when prompted.
5. Upon confirmation, the message **'Vote cast successfully'** will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from the depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

B. Instructions For Members for attending the AGM through VC & Voting on the day of AGM:

1. Members will be provided with the facility to attend the AGM through VC through the NSDL e-voting system. Members may access the same by following the steps mentioned above for 'Access to NSDL e-voting system'. After successful login, Members should click **'VC/OAVM link'** placed under **'Join General meeting'** menu against Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.
2. The members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned elsewhere in the Notice.
3. Members are encouraged to join the Meeting through Laptops for better experience. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-102-0990 and 1800-22-4430 or contact Ms. Soni Singh- NSDL at sonis@nsdl.co.in.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number & prospective questions (if any) at shareholderquery@bhel.in from September 17, 2021 (9:00 a.m. IST) to September 18, 2021 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, subject to availability of sufficient time for smooth conduct of the AGM.
7. Members may also ask questions in writing by sending mail in advance at shareholderquery@bhel.in, mentioning their name, demat account number/folio number, email id, mobile number and the requisite views/ questions. The same will be replied by the Company suitably.
8. Facility to join the meeting shall be opened 15 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
9. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
10. Only those Members/ shareholders, who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.
11. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

C. General Guidelines for shareholders

1. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at sachin@companylawworld.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **'Forgot User Details/Password?'** or **'Physical User Reset Password?'** option available on www.evoting.nsdl.com to reset the password.
3. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the Cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-voting then he /she can use his / her existing User ID and

password for casting the vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the Cut-off date may follow steps mentioned above under **'Login method for Individual shareholders holding securities in demat mode'.**

4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-1020-990 and 1800-22-4430 or send a request to Ms. Soni Singh at evoting@nsdl.co.in.

5. Members whose email IDs are not registered with the depositories / Company may send a request to evoting@nsdl.co.in for procuring user ID and password for e-voting:

   i) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (Self-attested Scanned copy of PAN card), AADHAR (Self-attested Scanned copy of Aadhar Card).

   ii) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, Client Master or Copy of Consolidated Account statement, PAN (Self-attested Scanned copy of PAN card), AADHAR (Self-attested Scanned copy of Aadhar Card).

   iii) If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at (point no. A.1) i.e., Login method for Individual shareholders holding securities in demat mode.

   iv) In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

6. To register/ update your email address with the Company permanently and to keep receiving all communication (Notice, Annual Report and the e-voting instructions along with the User ID & Password) electronically in future, please follow the below process:

   a) Members holding shares in physical mode may send an e-mail request addressed to shareholderquery@bhel.in or to M/s Alankit Assignments Limited, Registrar & Share Transfer Agent of the company at rta@alankit.com alongwith scanned copy of the request letter duly signed by the first shareholder, providing the email address, Mobile No., self-attested copy of PAN and a copy of the share certificate to enable RTA to register their e-mail address.

   b) Members holding shares in dematerialized mode are requested to register/ update their email addresses with their respective Depository Participant.

   c) In case of queries in the matter, members are requested to write to rta@alankit.com or call at 011-42541234.

BHARAT HEAVY ELECTRICALS LIMITED
(CIN: L74899DL1964GOI004281)
Regd. Office: BHEL House', Siri Fort, New Delhi-110049
Phone: 011-66337000, Fax: 011-66337428
Website: www.bhel.com, Email: shareholderquery@bhel.in

Dear Shareholder(s),

Re: Payment of dividend through National Electronic Clearing Services (NECS)/ Electronic Clearing Services (ECS)

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, all listed companies shall use any of the electronic modes of payment facility approved by RBI such as ECS/ NECS/Direct Credit etc. for payment of dividend.

In case you have not already sent the NECS/ ECS/ Bank Account particulars to our Registrar, viz. M/s Alankit Assignments Limited or to your Depository Participant (DP) (in case of demat holding), we would request you to provide the said particulars in the format given below to facilitate prompt, safe & correct payment of dividend as and when declared by the Company.

Please ensure that the details submitted by you to the Registrars/ Depository Participant are correct as any error therein could result in the dividend amount being credited to wrong account.

Kindly help us in this endeavour to serve you better.

Yours faithfully



(Rajeev Kalra)

Company Secretary

P.S. In case you are holding shares in demat form, kindly advice your Depository Participant to take note of your Bank account particulars/ NECS/ ECS/ Direct Credit mandate.

FORM FOR NECS/ ECS MANDATE/ BANK ACCOUNT PARTICULARS

I / We..... do hereby authorise BHEL/ my Depository Participant to

☐ Print the following details on my/ our dividend warrant

☐ Credit my dividend amount to my Bank account by NECS/ ECS/ Direct Credit

(Strike out whichever is not applicable)

My/ our Folio No ..... or DP ID No ..... Client A/c No .....

Particulars of Bank Account:

A.	Bank Name	: .....
B.	Branch Name	: .....
	(Address for Mandate only)	.....
C.	9 digit code number of the bank & branch as appearing on the MICR cheque	: .....
		: .....
D.	IFSC Code	: .....
E.	Account Type (Saving/ Current)	: .....
F.	Account No as appearing on the cheque book	: .....
G.	STD code & Telephone No. of Shareholder	: .....

I / we shall not hold the Company responsible if the NECS/ ECS could not be implemented or the Bank discontinues the NECS/ ECS, for any reason.

Mail to

M/s Alankit Assignments Limited
UNIT: BHEL
4E/2, Alankit House, Jhandewalan Extension,
New Delhi-110055

.....
Signature of the Shareholder

Please attach (i) photocopy of a cheque or a blank cancelled cheque issued by your bank relating to your above account for verifying the accuracy of the 9 digit code number AND (ii) a copy of your PAN card with this form.

Bankers, Auditors & Share Transfer Agent

Bankers	Auditors
Axis Bank	Raj Har Gopal & Co, New Delhi
Bank of Baroda	Tiwari & Associates, New Delhi
Canara Bank	Mahesh C Solanki & Co, Bhopal
Central Bank of India	Ponraj & Co, Trichy
CITI Bank N.A	Rao & Emmar, Bengaluru
Deutsche Bank AG	Rao & Kumar, Hyderabad
Export-Import Bank of India	Gopalaiyer and Subramanian, Chennai
HDFC Bank Limited	
ICICI Bank Limited	**Cost Auditors**
IDBI Bank	Shome & Banerjee, Delhi
Indian Bank	R. J. Goel & Co., Delhi
Indian Overseas Bank	KRJ & Associates, Hyderabad
Indusind Bank	M. Krishnaswamy & Associates, Chennai
Kotak Mahindra Bank	J. H & Associates, Bengaluru
Punjab National Bank	K. B Saxena & Associates, Lucknow
RBL Bank Ltd.	Uppalapati & Associates, Visakhapatnam
Standard Chartered Bank	
State Bank of India	
The Federal Bank Limited	
The Hongkong and Shanghai Banking Corporation Limited	**Share Transfer Agent**
Union Bank of India	Alankit Assignments Limited Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055 Tel : 011-4254 1234 Fax : 011-2355 2001
Yes Bank Limited	

Registered Office

BHEL House, Siri Fort, New Delhi-110049 (India)

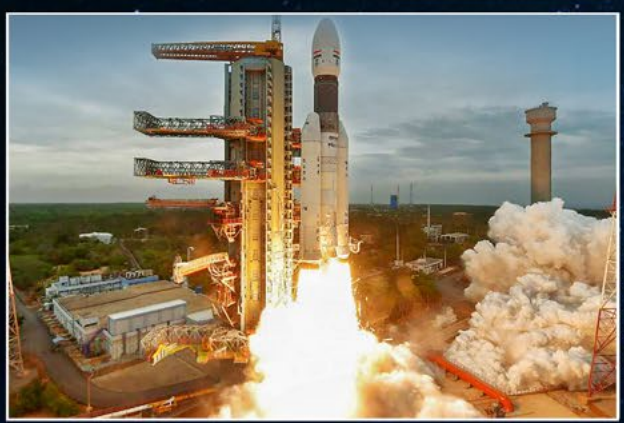
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Phone: 011-66337000, Fax: 011-66337428

Website : www.bhel.com E-mail: shareholderquery@bhel.in

Crossing Milestones in *Defence & Aerospace!*





BHEL continues to be a reliable supplier of strategic equipment and services to the defence and aerospace sector for over three decades.

Contributing strongly to Nation's space programme, BHEL is one of the long-standing partners of Indian Space Research organisation (ISRO), since 1992. BHEL takes immense pride in its association with all space programmes of ISRO. Missions of national importance including the INSAT, GSAT, IRNSS series, and RISAT series have been powered by BHEL manufactured space grade solar panels and lithium-ion batteries. BHEL has also been supplying Titanium alloy based spacecraft propellant tank components to ISRO.

Achieving new milestones in 2020-21, commitment towards country's critical mission Chandrayaan 3 was further strengthened. During the year, BHEL reached the unique distinction of supplying the 100th space grade battery to ISRO for this mission and also completed the manufacturing of Central Rings for Chandrayaan 3 in a record time.

Bharat Heavy Electricals Limited

Registered Office : BHEL House, Siri Fort, New Delhi - 110049, India

Corporate Identity Number : L74899DL1964GOI004281

www.bhel.com

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