

EXPLORING

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HORIZONS

Financial Statements

Standalone Financial Statements

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Standalone Balance Sheet as at March 31, 2022

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2022	As at March 31, 2021
A. ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	3a	192	2336.34	2426.16
(b) Capital work-in-progress	3b	192	422.32	403.21
(c) Intangible assets	4a	193	62.12	62.16
(d) Intangible assets under development	4b	193	8.66	16.35
(e) Financial assets				
(i) Investments	5	201	669.71	670.00
(ii) Trade receivables	6	202	3203.84	3179.74
(iii) Other financial assets	7	204	86.73	97.39
(f) Deferred tax assets (net of liabilities)	8	204	3530.08	3659.77
(g) Other non-current assets	9	206	18526.54	16852.44
Total non-current assets			28846.34	27367.22
2. Current assets				
(a) Inventories	10	207	6560.21	7191.23
(b) Financial assets				
(i) Trade receivables	6	202	3024.75	4033.63
(ii) Cash and cash equivalents	11	208	732.62	1527.18
(iii) Bank balances other than cash and cash equivalents	12	208	6421.07	5174.25
(iv) Loans	13	208	-	-
(v) Other financial assets	7	204	211.56	228.18
(c) Current tax assets (net)	14	209	119.24	403.59
(d) Other current assets	9	206	10792.53	9775.96
Total current assets			27861.98	28334.02
TOTAL ASSETS			56708.32	55701.24
B. EQUITY AND LIABILITIES				
3. Equity				
(a) Equity share capital	15	209	696.41	696.41
(b) Other equity	15a	210	26274.75	25787.64
Total equity			26971.16	26484.05

Standalone Balance Sheet as at March 31, 2022

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2022	As at March 31, 2021
4. Liabilities				
4.1 Non-current liabilities				
(a) Financial liabilities				
(i) Lease Liabilities	16	210	35.12	53.41
(ii) Trade payables	17	211		
(i) Total outstanding dues of micro enterprises and small enterprises			127.45	157.92
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			2004.48	1725.85
(iii) Other financial liabilities	18	212	215.10	216.72
(b) Provisions	19	212	3771.21	3912.78
(c) Other non-current liabilities	20	213	2212.65	2831.54
Total non-current liabilities			8366.01	8898.22
4.2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	213	4745.00	4833.78
(ia) Lease Liabilities	16	210	49.81	48.20
(ii) Trade payables	17	211		
(i) Total outstanding dues of micro enterprises and small enterprises			745.82	751.57
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			7003.77	5923.48
(iii) Other financial liabilities	18	212	1124.09	917.65
(b) Provisions	19	212	3066.70	3164.25
(c) Other current liabilities	20	213	4635.96	4680.04
Total current liabilities			21371.15	20318.97
Total liabilities			29737.16	29217.19
TOTAL EQUITY AND LIABILITIES			56708.32	55701.24
Basis of preparation, measurement & significant accounting policies	2	188		
The accompanying notes are an integral part of these financial statements				

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



(Shrey Gupta)
Partner
M.No. 522315

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(Devender Magoo)
Partner
M. No. 085739

For S.L. Chhajed & Co. LLP
Chartered Accountants
FRN - 000709C/C400277



(Vijit Baidmutha)
Partner
M. No. 406044

Place : New Delhi
Date : May 21, 2022



Standalone Statement of Profit and Loss

For the year ended March 31, 2022

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME				
Revenue from operations	22	214	21211.09	17308.44
Other income	23	215	367.81	369.84
TOTAL INCOME			21578.90	17678.28
EXPENSES				
Cost of raw materials consumed			5055.63	4346.62
Purchases of Bought out items			4141.75	3811.94
Civil, erection and engineering expenses			4792.61	2912.47
Consumption of stores & spares			271.44	288.74
Changes in inventories of finished goods, work in progress and Scrap	24	215	532.41	510.86
Employee benefits expense	25	216	5516.84	5372.26
Other Expenses	26	216	162.49	3200.85
Finance costs	27	219	354.72	373.09
Depreciation & amortisation expense	3.1 4.1	195 200	314.06	473.05
TOTAL EXPENSES			21141.95	21289.88
PROFIT BEFORE TAX			436.95	(3611.60)
Tax expenses	28	219		
a) Current tax			(77.13)	15.82
b) Deferred tax			103.84	26.71
PROFIT FOR THE YEAR (A)			410.24	(2717.14)

Standalone Statement of Profit and Loss

For the year ended March 31, 2022

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2022	For the year ended March 31, 2021
OTHER COMPREHENSIVE INCOME	29	219		
Items that will not be reclassified to profit or loss (net of tax)				
-Remeasurement of defined employee benefits			76.87	19.98
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)			76.87	19.98
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)			487.11	(2697.16)
Earnings per equity share	30	220		
(1) Basic [Face value of ₹ 2 each]			1.18	(7.80)
(2) Diluted [Face value of ₹ 2 each]			1.18	(7.80)
Basis of preparation, measurement and significant accounting policies	2	188		
The accompanying notes are an integral part of these financial statements				

For and on behalf of Board of Directors

(Rajeev Kalra)
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(Subodh Gupta)
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DIN: 08113460

(Dr. Nalin Shinghal)
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(Vijit Baidmutha)
Partner
M. No. 406044

Place : New Delhi

Date : May 21, 2022



Standalone Statement of Changes in Equity (SOCIE)

For the year ended March 31, 2022

A. Equity Share Capital

(₹ in Crore)

Equity shares of ₹ 2 each issued, subscribed and fully paid	Number of shares		Amount	
	2021-22	2020-21	2021-22	2020-21
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, 2022

(₹ 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, 2021	35.18	37.87	30476.66	(4366.94)	(395.13)	25787.64
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Reinstated balance as at April 01, 2021	35.18	37.87	30476.66	(4366.94)	(395.13)	25787.64
Add: Total comprehensive Income for the year	-	-	-	410.24	76.87	487.11
Balance as at March 31, 2022	35.18	37.87	30476.66	(3956.70)	(318.26)	26274.75

Standalone Statement of Changes in Equity (SOCIE)

For the year ended March 31, 2022

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
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Reinstated 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

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
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(Vijit Baidmutha)
Partner
M. No. 406044

Place : New Delhi
Date : May 21, 2022

Standalone Statement of Cash Flows

For the year ended March 31, 2022

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before tax	436.95	(3611.60)
Adjustments for :		
Provision and write off	(1120.06)	1236.15
Depreciation and amortisation	314.06	473.05
Finance cost (including unwinding of interest)	354.72	373.09
Interest & dividend income	(333.14)	(342.28)
Unrealised Foreign Exchange loss/(gain)	19.26	5.80
Others	(6.61)	(3.79)
Cash generated / (used) in operations before working capital changes	(334.82)	(1869.58)
Adjustment for changes in working capital:		
Trade Receivables	1881.12	4020.21
Contract Assets	(2594.15)	(1310.38)
Inventories	603.40	1537.16
Loans, advances & other assets	143.49	(246.26)
Sub total	33.86	4000.73
Trade payable	1300.85	(1305.64)
Advances from customers, deposits and others	(389.90)	(101.39)
Provisions	(358.60)	26.33
Sub total	552.35	(1380.70)
Net cash (used in) / from working capital	586.21	2620.03
Cash generated / (used) in operations	251.39	750.45
Income Tax paid	(258.00)	(216.65)
Refund of income taxes	666.88	26.26
Net cash (used in) / from operating activities	660.27	560.06
B. CASH FLOW FROM INVESTING ACTIVITIES		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	(1251.12)	(160.00)
Interest received	257.93	343.11
Income received from mutual funds	-	1.42
Dividend received from joint ventures	30.35	21.42
Sale of property, plant and equipment & Intangible Assets	6.90	1.88
Purchase of property, plant and equipment & Intangible Assets	(169.39)	(250.38)
Net cash (used in) / from investing activities	(1125.33)	(42.55)

Standalone Statement of Cash Flows

for the year ended March 31, 2022

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	(88.78)	(97.95)
Proceeds / (repayment) of lease obligation (Principal)	(48.79)	(60.30)
Proceeds / (repayment) of lease obligation (Interest)	(9.57)	(12.95)
Dividend paid	(0.30)	(0.68)
Interest paid	(182.06)	(221.31)
Net cash (used in) / from financing activities (refer point 4)	(329.50)	(393.19)
D. Net increase/(decrease) in cash and cash equivalents	(794.56)	124.32
Opening balance of cash and cash equivalents	1527.18	1402.86
Closing balance of cash and cash equivalents [Refer Note 11]	732.62	1527.18

(1) Statement of cash flow has been prepared under the indirect method as set out in the Ind AS 7 - Statement of Cash flow.

(2) Previous year's figures have been regrouped/reclassified wherever applicable

(3) Closing balance of Cash & Cash Equivalents includes exchange variation loss of ₹ 0.15 Cr on March 31, 2022 (Previous year ₹ Nil).

(4) Changes in liabilities arising from financing activities are available at Note [21 vi] and Note 36 b)

(5) The overall Cash & Bank Balance (including fixed deposits) net of borrowings as on March 31, 2022 stands at ₹ 2408.69 Cr, higher by ₹ 541.04 Cr as compared to previous year balance of ₹ 1867.65 Cr as on March 31, 2021.

For and on behalf of Board of Directors



(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



(Dr. Nalin Shinghal)
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(Vijit Baidmutha)
Partner
M. No. 406044

Place : New Delhi

Date : May 21, 2022

Notes to the Standalone financial statements for the year ended March 31, 2022

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 Defence & 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 as amended.

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)
Plant & Equipment	15-30
Buildings	5-60
Electrical installations & Equipments	10-30
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 ₹ 10,000/- or less and those whose written down value as at the beginning of the year is ₹ 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 customer 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

- 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.
- The Company provides for anticipated costs for warranties when it recognizes revenues on the related products or contracts and maintain the same throughout the warranty period. The provision is based on historical experience / technical assessment.
- When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.
- 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, 2022	As at March 31, 2021
Gross block	6330.89	6172.41
Less: Accumulated depreciation	3994.55	3746.25
Net block (details refer to note 3.1)	2336.34	2426.16

The Net block includes ₹ 154.83 Cr (Previous Year ₹ 164.19 Cr) in respect of RoU assets.

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, 2022	As at March 31, 2021
Plant & machinery and other equipments:		
Under Erection/ Fabrication/awaiting erection	131.43	171.60
In transit	9.37	0.63
Construction work-in-progress -Civil	280.12	228.77
Construction stores (including in transit)	1.40	2.21
Total	422.32	403.21

CWIP Ageing schedule - As at March 31, 2022

(₹ in Crore)

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	115.39	127.88	115.41	51.31	409.99
Projects temporarily suspended	0.59	0.07	2.36	9.31	12.33

CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2022

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
New Building - Noida	217.38	-	-	-	217.38
Selective Catalyst Reduction Plant - Bengaluru	62.12	-	-	-	62.12
Other Projects less than ₹ 10 Crore (Total Nos - 25)	37.83	-	-	-	37.83
Projects temporarily suspended					
Equipment Fabrication Plant - Bhandara	-	-	-	7.74	7.74
Other Projects less than ₹ 1 Crore (Total Nos - 4)	0.07	-	-	1.58	1.65

CWIP Ageing schedule - As at March 31, 2021

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	174.88	141.71	46.90	27.98	391.47
Projects temporarily suspended	-	2.42	-	9.32	11.74

CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2021

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<i>Projects in progress</i>					
New Building - Noida	173.01	-	-	-	173.01
Selective Catalyst Reduction Plant - Bengaluru	57.62	-	-	-	57.62
Upgradation of UHV Lab Test Plant	22.73	-	-	-	22.73
CNC Horizontal Machine - Hyderabad	18.47	-	-	-	18.47
Other Projects less than ₹ 10 Crore (Total Nos - 12)	16.94	6.78	-	-	23.72
<i>Projects temporarily suspended</i>					
Equipment Fabrication Plant - Bhandara	-	-	-	7.74	7.74
Other Projects less than ₹ 1 Crore (Total Nos - 5)	0.59	-	-	1.65	2.24

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, 2022	As at March 31, 2021
Gross block	308.92	290.83
Less: Accumulated amortisation	246.80	228.67
Net block (details refer to note 4.1)	62.12	62.16

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, 2022	As at March 31, 2021
Intangible assets under development	8.66	16.35
Total	8.66	16.35

Intangible Assets under development ageing schedule - As at March 31, 2022

Particulars	Amount of Intangible Asset under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	1.39	-	1.18	6.09	8.66
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development Completion schedule (which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2022

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<i>Projects in progress</i>		-	-	-	-
SCR Project Know how (overdue)	4.71	-	-	-	4.71
<i>Projects temporarily suspended</i>	-	-	-	-	-

Intangible Assets under development ageing schedule - As at March 31, 2021

Particulars	Amount of Intangible Asset under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	9.09	1.18	3.54	2.54	16.35
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development Completion schedule (which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2021

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<i>Projects in progress</i>					
SCR Project Know how (overdue)	4.71	-	-	-	4.71
<i>Projects temporarily suspended</i>	-	-	-	-	-

NOTE 3.1 - Detail of property, plant & equipment

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as at 01.04.2021	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2022	Accumulated Depreciation as at 01.04.2021	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2022	Net Block as at 31.03.2022	Net Block as at 31.03.2021
Land - Freehold land (including development expenses)	27.71	-	-	27.71	-	-	-	-	27.71	27.71
Buildings - Freehold Buildings	1707.08	37.93	(1.36)	1743.65	606.56	63.94	(0.91)	669.59	1074.06	1100.52
Roads, bridges & culverts	15.85	-	-	15.85	13.56	0.60	-	14.16	1.69	2.30
Drainage, Sewerage & water supply	31.17	0.32	-	31.49	7.04	1.17	-	8.21	23.28	24.13
Plant & Equipment	3097.21	117.42	(4.83)	3209.81	2265.93	128.89	(4.62)	2390.20	819.61	831.28
Railway Siding	8.85	-	-	8.85	4.87	0.44	-	5.31	3.54	3.98
Locomotives & Wagons	28.33	-	-	28.33	15.90	1.66	-	17.57	10.76	12.43
Furniture & fixtures	61.96	1.33	(1.21)	62.09	39.96	5.11	(0.99)	44.08	18.01	21.99
Vehicles	14.37	-	(0.04)	14.33	8.81	1.47	(0.03)	10.24	4.09	5.56
Office and Other equipments	138.37	4.27	(1.54)	141.10	110.32	11.16	(1.36)	120.11	20.99	28.05
Electronic Data Processing Equipment	133.20	0.62	19.01	152.83	97.46	24.70	19.81	141.97	10.86	35.74
Electrical Installations	241.20	10.93	(0.45)	251.67	174.16	6.66	(0.38)	180.44	71.23	67.04
Construction Equipment	71.12	0.64	0.09	71.85	67.47	1.58	0.17	69.22	2.63	3.65
Fixed Assets costing upto ₹ 10,000/-	21.08	1.55	(0.58)	22.05	21.08	1.55	(0.58)	22.05	-	-
Solar power generation	119.54	-	-	119.54	21.97	4.51	-	26.48	93.06	97.58
Right-of-use Assets	455.37	33.18	(58.80)	429.75	291.18	42.35	(58.61)	274.92	154.83	164.19
Total	6172.41	208.19	(49.71)	6330.89	3746.26	295.79	(47.50)	3994.55	2336.34	2426.15
Previous Year	6050.80	139.94	(18.32)	6172.41	3315.33	446.25	(15.32)	3746.26	2426.15	2735.47

Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2022 ₹ 13507.29 Crore and as at 31.03.2021 ₹ 13436.30 Crore

Gross Block as at 31.03.2022 includes assets condemned and retired from active use ₹ 7.03 Crore (Previous year ₹ 14.11 Crore)

Net Block as at 31.03.2022 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 ₹ 259.64 Crore (Previous year ₹ 244.43 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 01.04.2021	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2022	Accumulated Depreciation as at 01.04.2021	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2022	Net Block as at 31.03.2022	Net Block as at 31.03.2021
Land (including development expenses)	114.78	4.08	-	118.86	10.39	3.74	-	14.13	104.73	104.39
Buildings	1.63	-	-	1.63	0.31	0.05	-	0.36	1.27	1.32
Plant & Equipment	22.14	15.67	-	37.81	8.85	14.25	-	23.10	14.71	13.29
Office & other equipment	16.47	0.76	(0.39)	16.84	14.83	0.55	(0.37)	15.02	1.82	1.64
EDP Equipment	278.40	0.01	(48.90)	229.51	238.31	19.34	(48.91)	208.73	20.78	40.10
Vehicle	4.50	2.00	(1.00)	5.50	2.63	1.27	(0.83)	3.08	2.42	1.87
Others	17.45	10.66	(8.50)	19.61	15.86	3.15	(8.50)	10.51	9.10	1.59
Total	455.37	33.18	(58.80)	429.75	291.18	42.35	(58.61)	274.92	154.83	164.19

Additional disclosure of Note [3.1] details of property, plant and equipment

1. (A) Title deeds of Immovable Property not held in the name of BHEL (As on 31/03/2022)

Description of item of property (under the line item of B/S)	Gross Carrying value (₹ in Crore)	Lease/ Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE:-					
Land- Freehold	1.64	State Govt. of Tamil Nadu	No	24-11-2010	Assignment deed is yet to be issued by Land Administration Authorities
Land- Freehold	1.24	State Govt. of Tamil Nadu	No	Various dates between 13.01.1981 to 17.02.1986	Land transfer documents (Handing over by state govt and taken over by BHEL) are available indicating area and Survey Numbers. Assignment deed is yet to be issued by State Government in favour of BHEL.
Land- Freehold	0.52	State Govt of Telangana	No	1974 onwards	Transfer of title deed in progress, matter taken up with state govt. through TSIIIC
Land- Freehold	0.18	State Govt. of Madhya Pradesh	No	Since 1957	Land provided through gazette of Government of India, title deed not available in the name of BHEL.
Land- Freehold	0.11	State Govt of Telangana	No	30-01-1961	Gazette Notification issued for acquisition of Land for setting up of Heavy Electrical Plant (Ref No:171,192,92-A,61,202 in the year 1961 & 63)
Land- Freehold	0.08	Bachha Lal S/O Late Ram Kishore	No	08-06-1983	Due to dispute in enhanced compensation Matter is sub judice in Hon'ble High court at Allahabad. Appeal no. 659 of 1995
Land- Freehold	0.0022	B Saroja Devi	No	01-04-1965	There is a dispute between Mrs. B Saroja Devi and M/s BHEL in supreme court. The Supreme Court has referred the case back to High Court for disposal and the same is pending.
Land- Leasehold (Right-of-use of assets)	68.38	464.8287 Acres in the name of Maharashtra Industrial Development Corporation 9.0688 Acres in the name of State Govt. of Maharashtra 2.7676 Acres in the name of Private owners of Land	No	24-11-2010	Full acquisition of proposed land not yet completed.
Building - Freehold	0.11	JB Construction (Builder)	No	33 YEARS	Title in respect of 4 Flats are in dispute between builder & Land Owner
Building - Freehold	0.05	Maharashtra Cooperative Society	No	33 YEARS	6 Flats in name of Cooperative Society. There is no dispute.
Building - Leasehold (Right-of-use of assets)	2.56	State Govt. of Maharashtra	No	01-02-1991	Maharashtra Govt. has not executed the lease of land with MVIRDC, thus MVIRDC can not execute the lease deed for 2 Floors with BHEL.

Additional disclosure of Note [3.1] details of property, plant and equipment

1. (B) Title deeds of Immovable Property not held in the name of BHEL (As on 31/03/2021)

Description of item of property (under the line item of B/S)	Gross Carrying value (₹ in Crore)	Lease/ Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE:-					
Land- Freehold	1.64	State Govt. of Tamil Nadu	No	24-11-2010	Assignment deed is yet to be issued by Land Administration Authorities
Land- Freehold	1.24	State Govt. of Tamil Nadu	No	Various dates between 13.01.1981 to 17.02.1986	Land transfer documents (Handing over by state govt and taken over by BHEL) are available indicating area and Survey Numbers. Assignment deed is yet to be issued by State Government in favour of BHEL .
Land- Freehold	0.52	State Govt of Telangana	No	1974 onwards	Transfer of title deed in progress, matter taken up with state govt. through TSIIIC
Land- Freehold	0.18	State Govt. of Madhya Pradesh	No	Since 1957	Land provided through gazette of Government of India, title deed not available in the name of BHEL.
Land- Freehold	0.11	State Govt of Telangana	No	30-01-1961	Gazette Notification issued for acquisition of Land for setting up of Heavy Electrical Plant (Ref No:171,192,92-A,61,202 in the year 1961 & 63
Land- Freehold	0.08	Bachha Lal S/O Late Ram Kishore	No	08-06-1983	Due to dispute in enhanced compensation Matter is sub judice in Hon'ble High court at Allahabad. Appeal no. 659 of 1995
Land- Freehold	0.0022	B Saroja Devi	No	01-04-1965	There is a dispute between Mrs. B Saroja Devi and M/s BHEL in supreme court. The Supreme Court has referred the case back to High Court for disposal and the same is pending.
Land- Leasehold (Right-of-use of assets)	68.38	464.8287 Acres in the name of Maharashtra Industrial Development Corporation 9.0688 Acres in the name of State Govt. of Maharashtra 2.7676 Acres in the name of Private owners of Land	No	24-11-2010	Full acquisition of proposed land not yet completed.
Building - Freehold	0.11	JB Construction (Builder)	No	33 YEARS	Title in respect of 4 Flats are in dispute between builder & Land Owner
Building - Freehold	0.05	Maharashtra Cooperative Society	No	33 YEARS	6 Flats in name of Cooperative Society. There is no dispute.
Building - Leasehold (Right-of-use of assets)	2.56	State Govt. of Maharashtra	No	01-02-1991	Maharashtra Govt. has not executed the lease of land with MVIRDC, thus MVIRDC can not execute the lease deed for 2 Floors with BHEL.

Additional disclosure of Note [3.1] Details of Property, Plant and Equipment

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
2. Land and buildings includes		
a i) Acres of land for which formal transfer/lease deed have not been executed (in acres)	8169.53	8169.53
Net Block	65.68	66.40
ii) Number of flats for which formal transfer/lease deed have not been executed (in nos.)	12	12
Net Block	1.06	1.11
iii) Acres of land for which the cost paid is provisional (in acres)	480.04	480.04
[registration charges and stamp duty (net of provision) would be accounted for on payment]		
Net Block	61.98	62.70
b. Acres of land leased to Ministry of Defence, Govt. of India Departments & others (in acres)	29.78	30.37
c. Acres of land is under adverse possession/ encroachment (in acres)	757.16	751.49
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 IOCI /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, 2022	As at March 31, 2021
3. i) Total Area of Land in acres	16409.23	16409.03
ii) Free hold land (Sale Deed) / Possessory Rights/license out of 2(i) in acres	15735.89	15735.69
iii) Leasehold land out of 2(i) in acres	673.34	673.34

4. 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, 2022	As at March 31, 2021
100% depreciation on PPE upto ₹ 10,000/- charged off	6.50	5.34
Less: Normal depreciation on above.	(3.53)	(1.19)
Excess amount charged to depreciation for the year	2.97	4.15

5. The impact on depreciation, consequent to revision in the estimated useful life of certain items of PPE, based on review done in F.Y. 2021-22 in line with para 51 of Ind AS 16 is reduction of ₹ 126.36 Cr.

6. Summary Status of capital expenditure:

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Addition to PPE & Intangible Assets	226.44	150.29
Increase/ (Decrease) in CWIP	19.11	96.47
Increase/ (Decrease) in Intangible Assets under development	(7.69)	9.09
Increase/ (Decrease) in Capital Advance	(6.77)	-
Total	231.09	255.85

NOTE 4.1 - Detail of intangible assets

(₹ in Crore)

Description	Gross block				Depreciation / Amortization				Net block	
	Opening Balance as at 01.04.2021	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2022	Accumulated Depreciation as at 01.04.2021	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2022	Net Block as at 31.03.2022	Net Block as at 31.03.2021
Internally Developed										
Others	69.78	1.24	-	71.02	61.49	5.16	-	66.66	4.37	8.29
Others										
Software	50.92	2.28	(0.15)	53.05	46.92	3.75	(0.14)	50.52	2.52	4.00
Technical Know-how	170.13	14.72	-	184.85	120.26	9.36	-	129.62	55.23	49.87
Total	290.83	18.25	(0.15)	308.92	228.67	18.27	(0.14)	246.80	62.12	62.16
Previous year	280.48	10.35	-	290.83	201.87	26.80	-	228.67	62.16	78.61

Gross Block (as per earlier IGAAP) as at 31.03.2022 ₹ 584.11 Crore and as at 31.03.2021 ₹ 575.15 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, 2022		As at March 31, 2021	
	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
		666.42		666.42
(b) Investment in subsidiary company (at cost)				
BHEL- Electrical Machine Limited		-	5355000 (10)	5.36
Less: Provision for impairment		-		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
Add / (Less) : Fair Value Adjustment		(5.00)		(5.00)
(ii) AP Gas Power Corporation Ltd.	728960 (10)	0.91	728960 (10)	0.91
Add / (Less) : Fair Value Adjustment		2.38		2.67
(iii) Engineering Projects (India) Ltd.	1892 (10)	*	1892 (10)	*
Share in Co-operative Societies #		-		-
Total		669.71		670.00
*Value of less than ₹ 1 lakh				
Aggregate amount of unquoted investment		724.33		729.69
Aggregate amount of impairment in value of investments		54.62		59.69

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, 2022	As at March 31, 2021
(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)		22.14%	27.97%
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 NBPPL Board in its meeting held on 29.08.2019.
- (ii) Reduction in % of ownership in RPCL is due to subscription of Right issue by the other shareholder M/s KPCL.
- (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, 2022	As at March 31, 2021
(B) Name of the subsidiary company		Proportion (%) of ownership	
BHEL Electrical Machines Limited (BHEL EML)	India	Nil	51%

BHEL's stake in BHEL EML has been transferred to Govt of Kerela on 11th August 2021.

Note [6] - 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, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Unsecured, considered good	3538.39	3340.61	3535.85	4485.39
Credit impaired (included in allowances for B&D debts)	11599.09	277.54	12598.54	425.72
	15137.48	3618.15	16134.39	4911.11
Less: Allowances for bad and doubtful debts	11933.64	593.40	12954.65	877.48
Total Trade Recievable (Net)	3203.84	3024.75	3179.74	4033.63

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	-	-	-	-

Non current Trade receivable ageing schedule - As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Unbilled	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
i) Undisputed Trade receivables - considered good	39.02	38.13	172.50	288.06	1063.63	-	-	1601.34
ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
iii) Disputed Trade receivables - considered good	0.89	5.28	16.95	66.50	1847.41	-	-	1937.03
iv) Disputed Trade receivables - credit Impaired	95.20	100.67	395.44	630.60	10377.20	-	-	11599.11

Current Trade receivable ageing schedule - As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Unbilled	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
i) Undisputed Trade receivables - considered good	2214.21	237.21	337.62	197.02	354.55	-	-	3340.61
ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
iv) Disputed Trade receivables - credit Impaired	11.23	0.88	35.77	35.58	194.08	-	-	277.54

Non current Trade receivable ageing schedule - As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Unbilled	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
i) Undisputed Trade receivables - considered good	134.78	114.88	286.89	202.41	307.61	-	-	1046.57
ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
iii) Disputed Trade receivables - considered good	12.67	5.91	95.57	138.71	2236.42	-	-	2489.28
iv) Disputed Trade receivables - credit Impaired	279.37	238.81	822.05	688.67	10569.64	-	-	12598.54

Current Trade receivable ageing schedule - As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Unbilled	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
i) Undisputed Trade receivables - considered good	2121.42	434.87	613.07	659.49	656.53	-	-	4485.38
ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
iv) Disputed Trade receivables - credit Impaired	3.32	0.74	31.61	24.63	365.43	-	-	425.73

Note [7] - Financial assets - Others

Refer point 14 of Note [2] for accounting policy on impairment of financial assets

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Security deposits				
Deposits with SEBs, port trust & others				
Unsecured, considered good	81.80	112.86	84.64	128.32
Credit impaired	2.87	11.69	2.92	12.01
	84.67	124.55	87.56	140.33
Less: Allowances for bad & doubtful deposits	2.87	11.69	2.92	12.01
	81.80	112.86	84.64	128.32
Bank deposits with more than 12 months maturity	4.93		12.75	
Interest accrued on banks deposits	-	76.62		77.14
Advance to Employees		22.19		22.80
Less: Allowance for bad and doubtful advances	-	0.11		0.08
		22.08		22.72
Total	86.73	211.56	97.39	228.18
Includes:				
Due from Directors	-	-	-	-
Dues from Officers	-	0.01	-	0.01

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, 2022	As at March 31, 2021
Deferred tax assets		
Provisions	1629.68	1754.90
Dues allowed on payment basis	440.00	487.11
Depreciation (PP&E and Intangible assets)	46.04	78.26
On account of taxable loss	1311.74	1278.30
Others	102.62	61.20
Sub-Total	3530.08	3659.77
Less : Deferred tax liabilities	-	-
Deferred tax assets (net of liabilities)	3530.08	3659.77

Movement of deferred tax balances

(₹ in Crore)

Particulars	Balance as at April 01, 2021	Recognized in retained earnings	Recognized in statement of profit & loss a/c	Recognized in OCI	Balance as at March 31, 2022
Deferred tax assets					
Provisions	1754.90	-	(125.22)	-	1629.68
Dues allowed on payment basis	487.11	-	(21.26)	(25.85)	440.00
Depreciation (PP&E and Intangible assets)	78.26	-	(32.22)	-	46.04
On account of taxable loss	1278.30	-	33.44	-	1311.74
Others	61.20	-	41.42	-	102.62
Sub-total	3659.77	-	(103.84)	(25.85)	3530.08
Less: Deferred tax liabilities	-	-	-	-	-
Deferred tax assets (net of liabilities)	3659.77	-	(103.84)	(25.85)	3530.08

Note [9] - Other Assets

Refer point 14 of Note [2] for accounting policy on impairment

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Contract assets (including unbilled revenue)				
Unsecured, considered good	18248.24	8691.63	16584.91	7494.34
Credit impaired	2768.53	663.72	3545.45	76.46
	21016.77	9355.35	20130.36	7570.80
Less: Allowances for bad and doubtful debts	2768.53	663.72	3545.45	76.46
Sub-total (A)	18248.24	8691.63	16584.91	7494.34
Security deposits				
Deposits with tax authorities and others				
Unsecured, considered good	79.96	443.32	106.80	497.11
Unsecured, considered doubtful	30.45	89.74	12.85	79.41
	110.41	533.06	119.65	576.52
Less: Provision for bad & doubtful deposits	30.45	89.74	12.85	79.41
Sub-total (B)	79.96	443.32	106.80	497.11
Loans & advances				
Unsecured, considered good				
Advances towards purchases (Vendors & sub - Contractors)	41.54	56.42	99.58	152.16
Input Tax credit receivable	-	958.31	-	1031.00
Claims recoverable and others	139.76	642.85	37.34	601.11
Capital advances	17.04	-	23.81	-
Advances to subsidiary	-	-	-	0.24
Unsecured, considered doubtful	-	-	-	-
Advances towards purchases (Vendors & sub - Contractors)	11.50	35.69	11.71	6.93
Input Tax credit receivable	-	5.38	-	-
Claims recoverable and others	49.67	111.92	28.14	129.77
Capital advances	4.69	-	-	-
	264.20	1810.57	200.58	1921.21
Less: Provision for bad & doubtful loans & advances	65.86	152.99	39.85	136.70
Sub-total (C)	198.34	1657.58	160.73	1784.51
Total (A+B+C)	18526.54	10792.53	16852.44	9775.96
Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
i) Undisputed Contract Assets - considered good	13874.67	8691.63	12764.34	7494.34
ii) Undisputed Contract Assets - credit impaired	-	-	-	-
iii) Disputed Contract Assets - considered good	4373.57	-	3820.57	-
iv) Disputed Contract Assets - credit Impaired	2768.53	663.72	3545.45	76.46
Total	21016.77	9355.35	20130.36	7570.80
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, 2022		As at March 31, 2021	
Raw material & components	2799.87		2809.70	
Material-in-transit	129.30	2929.17	199.83	3009.53
Work-in-progress (including items with sub-contractors)		3334.54		3778.22
Finished goods	518.09		628.72	
Inter - division transfers in transit	89.85	607.94	63.75	692.47
Stores & spare parts				
Production	151.94		166.37	
Fuel stores	5.70		2.58	
Miscellaneous	50.32	207.96	51.24	220.19
Other Inventory				
Materials with fabricators/contractors	60.10		39.80	
Loose tools	24.32		23.02	
Scrap (at estimated realisable value)	143.26	227.68	147.46	210.28
		7307.29		7910.69
Less: Provision for non-moving inventory		747.08		719.46
Total		6560.21		7191.23
Note :				
Write down of inventories		76.77		219.35
Less : reversal thereof		49.15		42.27
Net		27.62		177.08

Note [11] - 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, 2022		As at March 31, 2021	
Balances with banks :				
EEFC a/c	28.20		202.69	
Current / cash credit a/c	687.82	716.02	1324.32	1527.01
Cheques, demand drafts on hand		13.06		0.08
Cash & stamps on hand		0.08		0.07
Remittances in transit		3.46		0.02
Total		732.62		1527.18

Note [12] - Current assets

Financial assets - Bank balances

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
Fixed deposits having maturity more than 3 months but not more than 12 months	6411.12		5160.00	
Fixed deposits against margin money for BG issued	2.65		2.54	
Balances with banks (earmarked):				
Charging station project	3.94		7.88	
Unclaimed dividend a/c	1.81		2.11	
Non-repatriable a/c	1.52		1.69	
Sale proceeds of fractional shares on bonus issue	0.03	7.30	0.03	11.71
Total		6421.07		5174.25
Total Cash and Bank Balances [11 + 12]		7153.69		6701.43

Note [13] - 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, 2022		As at March 31, 2021	
Loans				
Loan to Subsidiary*				
Credit impaired	-		3.70	
Less: Allowances for bad & doubtful loans	-	-	3.70	-
Loan to PSU (BP&CL) **				
Credit impaired	-		13.32	
Less: Allowances for bad & doubtful loans	-	-	13.32	-
Total		-		-

*Loan and interest thereon of ₹ 3.70 Cr has been waived on transfer of BHEL's stake to Govt of Kerala.

** Loan & interest thereon which had been impaired as on March 31, 2021 has been paid by BP&CL during the year.

Note [14] - 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, 2022	As at March 31, 2021
Advance tax & TDS	180.71	1062.15
Less: Provisions for taxation	61.47	658.56
Total	119.24	403.59

Note [15] - Equity

Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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%
Percentage change of Promoter holding during the year	-	Nil	-	Nil
Life Insurance Corporation of India	350769757	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 [15a] - Other Equity

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	35.18	35.18
Capital redemption reserve	37.87	37.87
General reserves	30476.66	30476.66
Retained earnings	(3956.70)	(4366.94)
OCI (Re-measurements of defined benefit plans)	(318.26)	(395.13)
Total	26274.75	25787.64

For additions and deduction under each of the above specific heads, SOCIE (Statement of Changes in Equity) may be referred.

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 [16] - Financial liabilities- Lease Liabilities

Refer point 3 of Note [2] for accounting policy on lease.

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Lease Liabilities	35.12	49.81	53.41	48.20
Total	35.12	49.81	53.41	48.20
Further disclosures available at Note [36] on lease				

Note [17] - Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	127.45	745.82	157.92	751.57
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2004.48	6881.11	1725.85	5809.57
(iii) Acceptances	-	122.66	-	113.91
Total	2131.93	7749.59	1883.77	6675.05

Micro and small enterprises disclosure

- (i) The principal amount remaining unpaid to supplier as at the end of the accounting year *
- (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.

886.81

914.99

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* The amount shown here as outstanding includes amount shown in Note 17 & 18 to Micro and Small enterprises. The amount shown here is not due for payment contractually as on March 31, 2022.

Non current Trade Payable ageing schedule - As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
i) MSME	-	-	-	-	0.03	103.96	103.99
ii) Others	-	-	-	-	0.21	1368.24	1368.45
iii) Disputed dues - MSME	-	-	-	-	-	23.46	23.46
iv) Disputed dues - Others	-	-	-	-	-	636.03	636.03

Current Trade Payable ageing schedule - As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
i) MSME	-	-	-	-	160.27	572.45	732.72
ii) Others	2.41	-	-	-	1435.21	4861.89	6299.51
iii) Disputed dues - MSME	-	-	-	-	-	13.11	13.11
iv) Disputed dues - Others	-	-	-	-	-	704.25	704.25

Non current Trade Payable ageing schedule - As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
i) MSME	-	-	-	-	-	149.39	149.39
ii) Others	-	-	-	-	-	1308.15	1308.15
iii) Disputed dues - MSME	-	-	-	-	-	8.53	8.53
iv) Disputed dues - Others	-	-	-	-	-	417.70	417.70

Current Trade Payable ageing schedule - As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
i) MSME	27.85	-	0.06	0.01	209.19	421.84	658.95
ii) Others	418.01	7.38	9.68	0.15	1414.18	2487.62	4337.02
iii) Disputed dues - MSME	-	-	-	-	-	92.62	92.62
iv) Disputed dues - Others	-	-	-	-	-	1586.46	1586.46

Note [18] - Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Deposits from contractors & others	206.45	431.36	211.01	447.75
Liabilities :				
- Employee dues	-	214.05	-	117.61
- Capital Expenditure~	8.65	80.83	5.71	57.49
- Others*	-	386.92	-	291.72
Unpaid Dividend**	-	1.81	-	2.11
Interest accrued on borrowings	-	9.12	-	0.97
Total	215.10	1124.09	216.72	917.65

* Other Includes ₹ 0.03 Cr for sales proceeds of fractional shares arising out of bonus shares.

~ includes MSME ₹ 13.54 cr for FY 2021-22 & ₹ 5.50 cr for FY 2020-21

**No amount is due and outstanding to be transferred to Investor Education & Protection Fund at the year end.

Note [19] - Provisions

Refer point 10 & 11 of Note [2] for accounting policy on employee benefits and provisions.

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Contractual obligation	2620.03	1235.45	2505.89	1486.56
Provision for employee benefits*	856.82	1060.62	1092.78	826.79
Provision others	292.69	760.14	312.02	831.72
Corporate social responsibility **	1.67	10.49	2.09	19.18
Total	3771.21	3066.70	3912.78	3164.25

*Further disclosure available at note (25) on employee benefits

**Disclosure as per point viii of Note 26 on CSR expense

Note [20] - Other liabilities

Refer point 12 of Note [2] for accounting policy on Government Grants

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Contract liabilities (Advances received from customers incl. excess of billing over revenue)	2193.43	3854.33	2806.50	4057.18
Liabilities towards statutory dues	-	775.55	-	616.41
Deferred income- Govt. grant #	19.22	6.08	25.04	6.45
Total	2212.65	4635.96	2831.54	4680.04

#Govt. grant is received for setting up of solar PV plant and manufacturing of modules

Note [21] - Current Financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Loans from banks	4745.00	201.01
Pre shipment packing credit	-	299.36
Buyer's Credit	-	45.71
(secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)		
Sub-total (A)	4745.00	546.08
Unsecured		
Commercial papers	-	4287.70
Sub-total (B)	-	4287.70
Total borrowings (A+B)	4745.00	4833.78

(i) Details of sanctioned limits

Description	Sanctioned Limit	Utilization			
		As at March 31, 2022		As at March 31, 2021	
		Value (₹/ Cr)	% Utilisation	Value (₹/ Cr)	% Utilisation
Non Fund Based Limits	54000	33936	62.84%	41026	75.97%
Bank Guarantees#	51000	31369	61.51%	39343	77.14%
Letter of Credit (inc. Buyer's Credit)	3000	2567	85.57%	1683	56.10%
Fund Based Limits	6000	4745	79.08%	300	5.01%
WCDL	-	4745	-	1.01	
PCFC	-	NIL	-	299.36	
Commercial Paper	5000	NIL	-	4287.70	85.75%

Total Consortium limit (fund based + non fund based) of ₹ 60000 Cr 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.

Commercial Papers are in the nature of unsecured short term borrowings.

Outstanding Bank Guarantees include ₹ 439 Crores (P.Y. ₹ 630 Cr.) on a/c of BGs already replaced but pending vacation as on March 31, 2022. Excluding this, the outstanding BGs as on 31.03.2022 is ₹ 30930 Cr. (Previous Year 38713 Cr.)

(ii) Loan from Banks in FY 2021-22 represents WCDL (Working Capital Demand Loan) & for Previous Year, ₹ 200 Cr Loans against Fixed Deposit and balance for WCDL.

(iii) The company has not been declared wilful defaulter by any Bank / Financial Institution.

(iv) The quarterly returns or statements of current assets filed by the Company with Banks or Financial Institutions are in agreement with Books of accounts.

(v) Corporate Guarantees given for own obligations outstanding as on 31.03.2022 is ₹ 1165 crore (previous year ₹ 1799 crore).

(vi) Changes in Borrowings arising from Financing activities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	4833.78	4933.39
Cash Flow during the year	(88.78)	(97.95)
Unrealised Foreign Exchange Loss / (Gain)	-	(1.66)
Closing Balance	4745.00	4833.78

For changes in lease liability arising from financing activities, refer Note 36(b)

Note [22]

Revenue from operations

Refer point 8 of Note [2] for accounting policy on revenue recognition.

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contracts with customers		
Revenue from Construction and Project related activity	14107.10	10581.15
Sale of Product & Other services	6046.28	5714.40
Sub-total (A)	20153.38	16295.55
Other operational income		
Freight & insurance	129.35	93.32
Scrap sales	273.63	141.97
Recoveries from suppliers	113.98	112.88
Liabilities written back	239.95	211.83
Insurance claims	76.51	163.48
Export incentives	50.50	156.88
Others	173.79	132.53
Sub-total (B)	1057.71	1012.89
Revenue from operations (A + B)	21211.09	17308.44
Revenue from Operations excludes Goods and service tax	2970.00	2392.35

Note [23]

Other income

Refer point 8 of Note [2] for accounting policy on revenue recognition.

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income *		
From banks	246.75	313.61
Others	56.04	7.25
Sub-total (A)	302.79	320.86
Dividend income		
Dividend on investment in joint ventures (long term trade)	30.35	21.42
Sub-total (B)	30.35	21.42
Other income		
Profit on sale of units of mutual funds	-	1.42
Government grants on Solar PV Plant for Captive Use.	6.20	6.45
Profit from sale of PPE & capital stores (Net)	6.90	1.88
Others	21.57	17.81
Sub-total (C)	34.67	27.56
Total other income (A+B+C)	367.81	369.84
*Includes TDS	18.92	20.99

Note [24]

Changes in Inventories of Finished goods, Work in progress and Scrap

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Work -in -progress		
Closing balance	3334.54	3778.22
Opening balance	3778.22	4119.71
Finished goods		
Closing balance	518.09	628.72
Opening balance	628.72	822.94
Scrap		
Closing balance	143.26	147.46
Opening balance	147.46	117.76
Inter-division transfer in transit	(26.10)	4.85
(Increase)/Decrease	532.41	510.86



Note [25] Employee benefits expense

Refer point 10 of Note [2] for accounting policy on employee benefits.

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages, bonus, allowances & other benefits	4710.99	4695.04
Contribution to provident and other funds	460.01	372.65
Staff welfare expenses	239.89	194.86
Contribution to gratuity fund	95.78	101.66
Group insurance	10.17	8.05
Total	5516.84	5372.26

Note [26] Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power & fuel	415.08	319.42
Expenditure on other sub contracts	243.72	267.49
Carriage outward	241.23	216.71
Payment to security agencies	148.93	203.25
Repairs & maintenance:		
Buildings	27.32	26.55
Plant & machinery	26.44	29.59
Others	74.05	67.50
Insurance	95.88	128.51
Travelling & conveyance	84.89	65.15
Bank charges	92.17	92.54
R&D expense	12.10	29.48
Hire charges	48.22	46.38
Expenditure on collaborations & royalty	45.21	34.92
Rates & taxes	23.04	25.06
Office expense	27.32	31.00
Expenditure on skill development	12.83	15.22
Legal, audit & certification expense	32.45	34.61
EDP, software & lease line expense	17.40	25.57
Water charges	20.50	34.19
Rent non-residential	12.77	15.88
Expenditure in connection with exports	8.01	11.92

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Entertainment & courtesy expenses	2.73	2.29
Environmental protection	4.59	5.72
Seminar, development and training expense	1.28	1.16
Unrealised loss in investment of equity share	0.29	-
Publicity & public relation expense	1.94	1.55
Corporate social responsibility	-	20.18
Miscellaneous expense	49.97	47.38
Exchange variation [Net (gain) / loss]	(81.62)	(65.83)
Provisions & Write off (Details at point no. vii below)	(1526.25)	1467.46
Total	162.49	3200.85

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Further details:		
(i) Legal, audit & certification expense includes :		
Payment to Statutory Auditors:		
Audit fees	0.97	0.94
Tax audit	0.21	0.20
Quarterly limited review & others	0.60	0.56
Audit expense	0.08	0.03
Payment to Cost Auditors Fees:	0.15	0.15
(ii) Director's fees	0.25	0.21
(iii) Expenditure on departmental repair & maintenance:		
Plant & machinery	159.08	175.27
Buildings	33.06	29.65
Others	33.09	32.88
(iv) Expenditure on research & development	122.83	146.01
(v) Expenditure on foreign travel		
No. of tours	127	77
Expenditure	1.92	1.28

(vi) BHEL from own contribution has spent cumulative ₹ 190 crore (upto previous year ₹ 189 crore) on AUSC project and accounted as R&D expenditure.



(vii) **Provisions & Write offs :**

(Refer Note 11 & 14 of Note 2 on provision and impairment of assets)

(₹ in Crore)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Doubtful debts, liquidated damages and loans, advances & deposits				
Created during the year	729.55		2583.68	
Less: withdrawal during the year	2209.16	(1479.61)	1773.13	810.55
Contractual obligations				
Created during the year	151.95		240.96	
Less: withdrawal during the year	526.44	(374.49)	501.81	(260.85)
Others				
Created during the year	367.26		768.16	
Less: withdrawal during the year	389.38	(22.12)	128.75	639.41
Investment written off		5.36		4.93
Bad debts written off		98.34		77.55
Liquidated damages & contractual charges charged off		233.59		170.98
Losses written off		12.68		24.89
Total Provisions and Write off		(1526.25)		1467.46

(viii) **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, 2022	As at March 31, 2021
A. Amount required to be spent during the year	-	20.18
B. Amount available from previous year	21.27	15.51
C. Total (A+B)	21.27	35.69
D. Amount spent during the year on-		
(i) Construction/ acquisition of any asset	-	0.14
(ii) On purposes other than (i) above	9.11	14.28
Total	9.11	14.42
Amount carried forward:	12.16	21.27
Current	10.49	19.18
Non-current	1.67	2.09

(₹ in Crore)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	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	6.14	2.97	11.25	3.03
Total	6.14	2.97	11.39	3.03

Type of CSR activities

Health, Cleanliness, Education, Responsibility & Inclusivity, Disaster Relief , Water, Biodiversity, Carbon and Waste Management

Unspent amount on ongoing projects ₹ 21.27 Cr. was transferred last year to a separate bank account as per Companies (CSR policy) Amendment Rules, 2021 and being used for the purpose.

Note [27]

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, 2022		For the year ended March 31, 2021	
Discount on commercial papers		137.41		163.68
Unwinding of provisions		156.01		141.74
Interest cost:				
Banks / Financial Institutions	46.65		29.34	
Foreign Financial Institutions	0.74		10.77	
On lease obligation	8.50		12.79	
Others	4.01	59.90	13.80	66.70
Other expenses on issuance of Commercial paper		1.40		0.97
Sub-total		354.72		373.09
Less: Borrowing cost capitalised		-		-
Total		354.72		373.09

Note [28]

Tax expenses

Refer point 13 of Note [2] for accounting policy on income taxes

(₹ in Crore)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Current tax				
For current year	48.86		32.83	
For earlier years	(125.99)	(77.13)	(17.01)	15.82
Deferred tax				
For current year	108.96		(907.85)	
For earlier years	(5.12)	103.84	(2.43)	(910.28)
Total		26.71		(894.46)

Note [29]

Other comprehensive income / expenditure

(₹ in Crore)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Income / (Expenditure)				
Re-measurement of defined employee benefits		102.72		26.70
Less: Income tax related to above items *		25.85		6.72
Total		76.87		19.98
* Includes				
Current tax		-		-
Deferred tax		25.85		6.72

Reconciliation of Income tax expense and accounting profit (TCI) multiplied by income tax rate.

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Total Comprehensive Income / (Loss) before tax (A)	539.67	(3584.90)
Statutory income tax rate (B)	25.168%	25.168%
Tax expense C = (AXB)	135.82	(902.25)
Difference due to: (D)		
Expenses not deductible for tax purposes	48.61	33.95
Difference in tax due to Income chargeable to tax at special rate	(0.76)	-
Change in tax rate	-	-
Change in tax expense - earlier years	(131.11)	(19.44)
Subtotal (D)	(83.26)	14.51
Net Tax Expense E = (C+D)	52.56	(887.74)

Note [30]

Earnings per share

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit / (loss) attributable to equity shareholders	410.24	(2717.14)
Weighted average number of equity shares	348.21	348.21
Basic and diluted earnings per share of ₹ 2 each	1.18	(7.80)

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 [31]

Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Proposed dividend on equity shares not recognised as liability		
Proposed final dividend of ₹ 0.40 per share for FY 2021-22 (FY 2020-21 ₹ NIL per share).	139.28	-

Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

Note [32] - Contingent liabilities and commitments

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Contingent liabilities		
Claims against the company not acknowledged as debt :		
(a) Sales tax matters	1279.61	894.74
(b) Service tax matters	920.46	696.04
(c) Court & arbitration matters	592.77	516.18
(d) Excise duty matters	162.18	161.76
(e) Customs duty and others	880.06	834.51
(f) Other matters (incl. disputed staff cases)	48.37	40.51
(g) Claim towards Liquidated damages (LD)	2872.25	2901.75
Total	6755.70	6045.49

(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 of cash outflow are 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, 2022	As at March 31, 2021
Balance at the beginning of the year	6045.49	8068.47
Less: Reduction out of opening balance	129.84	3342.01
Add: Additions (net) during the year	840.05	1319.03
Balance at the end of the year	6755.70	6045.49

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
B. Commitments		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for.	209.20	229.15
(The above includes related to acquisition of intangible assets)	7.56	8.65
(b) Investment in the Joint Venture entity (NBPPL) 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. This investment has been fully provided for.	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 [33]

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. Since there was no stipulation for payment of such guarantee fee at the time the loans (guaranteed by Government) were taken by the company, the matter is being reviewed for appropriate action.

Note [34]

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 [35]

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 ₹ **7593 crore** (previous year ₹ 7882 crore). Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹ **6376 crore** (previous year ₹ 6299 crore).

Note [36]

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 conferencing 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, maintenance 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Not later than 1 year #	54.51	54.01	6.60	8.77	47.91	45.24
Later than 1 year and not later than 5 years	40.52	60.33	5.40	6.92	35.12	53.41
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 31,2022 is less than 12 months is ₹ **7.56 cr** (Previous year ₹ 9.54cr).

b) Movement in lease liabilities during the FY year 2021-2022

(₹ in Crore)

Particulars	As at	
	March 31, 2022	March 31, 2021
Lease Liabilities As at April 1*	101.61	132.04
Add: Additions	33.18	30.03
Add: Accretion of interest	8.50	12.79
Less : Payments/Adjustment	58.36	73.25
Lease Liabilities as at March 31*	84.93	101.61

* includes interest accrued of ₹ 1.90 crore (PY ₹ 2.96 crore) & ₹ 2.96 crore (PY ₹ 3.12 crore) as at March 31,2022 & March 31,2021 respectively

c) Amounts recognised in profit or loss:

(₹ in Crore)

Particulars	For the Year Ended	
	March 31,2022	March 31,2021
Expense relating to Short-term leases (Refer Note No.34)	2.27	2.25
Expense relating to low value assets leases (Refer Note 34)	1.23	1.03
Depreciation charge of right-of-use assets	42.35	64.26
Interest expense (included in finance cost)	8.50	12.79

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 31,2022	March 31,2021
Not later than 1 year	-	0.07
Later than 1 year and not later than 5 years	-	0.05
Later than 5 years	-	-

Note [37] - Disclosure on 'Employee benefits' - Ind AS 19

A. The Company has following Schemes in the nature of Defined Benefits plans :

- Gratuity Scheme
- Post Retirement Medical Scheme
- Provident Fund Scheme
- 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Opening balance	2005.26	2068.33	1697.44	1696.77	307.82	371.56
Included in Profit for the Year :						
Current Service Cost	95.78	101.66	-	-	95.78	101.66
Past Service Cost	-	-	-	-	-	-
Interest cost /(income)	135.35	139.61	135.35	139.61	-	-
Total amount recognised in Profit for the Year	231.13	241.27	135.35	139.61	95.78	101.66
Included in Other Comprehensive income (OCI) :						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Change in Demographic Assumption	-	-	-	-	-	-
Change in Financial Assumption	(47.57)	-	-	-	(47.57)	-
Experience Adjustment	(19.22)	(32.61)	(15.35)	(21.21)	(3.87)	(11.40)
Total amount recognised in other comprehensive income	(66.79)	(32.61)	(15.35)	(21.21)	(51.44)	(11.40)
Others						
Contributions paid by the Employer	-	-	-	154.00	-	(154.00)
Benefits paid	(236.00)	(271.73)	(236.00)	(271.73)	-	-
Unpaid Benefits paid	-	-	-	-	-	-
Closing balance	1933.60	2005.26	1581.44	1697.44	352.16	307.82

Details of Plan assets

Particulars	As at March 31,2022	As at March 31,2021
Funds managed by Insurer*	76.96%	70.80%
High quality corporate bonds (quoted)	19.55%	18.23%
State Government securities (quoted)	2.80%	2.46%
ETF (quoted)	-	0.97%
Bank balance	0.69%	7.54%
Total	100.00%	100.00%

*Insurer is Life Insurance Corporation of India

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	As at March 31,2022	As at March 31,2021
Economic assumptions:		
Discount rate	7.00%	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%

The sensitivity of the defined benefit obligation to changes in the significant principal assumptions is:

(₹ in Crore)

Particulars	Gratuity			
	As at March 31, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(91.26)	99.51	(92.13)	100.65
Change in Salary escalation rate (0.50% movement)	43.70	(47.40)	51.60	(53.83)

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 31,2022	As at March 31,2021
Less than 1 year	213.13	230.35
Between 1-2 years	149.43	193.21
Between 2-3 years	134.26	140.89
Between 3-4 years	112.14	125.91
Between 4-5 years	98.80	103.76
Between 5-6 years	87.74	91.67
Over 6 years	1138.10	1119.47
Total	1933.60	2005.26

Expected contributions to gratuity plans for the year ending 31 March 2023 are ₹ 109.78 crore

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.81 years (31 March 2021: 14.95 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 31,2022	March 31,2021	March 31,2022	March 31,2021	March 31,2022	March 31,2021
Opening balance	2255.85	2285.20	1948.34	1933.72	307.51	351.48
Included in Profit for the Year :						
Current service cost	39.26	39.92	-	-	39.26	39.92
Past service Cost	-	(49.95)	-	-	-	(49.95)
Interest cost / (income)	152.27	154.25	152.27	154.25	-	-
Total amount recognised in Profit for the Year	191.53	144.22	152.27	154.25	39.26	(10.03)
Included in Other Comprehensive Income (OCI):						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(54.57)	-	-	-	(54.57)	-
Experience adjustment	(16.96)	(9.57)	(16.27)	(17.25)	(0.69)	7.68
Total amount recognised in other comprehensive income	(71.53)	(9.57)	(16.27)	(17.25)	(55.26)	7.68
Others						
Contributions paid by the employer	-	-	-	41.62	-	(41.62)
Benefits paid	(165.00)	(164.00)	(165.00)	(164.00)	-	-
Closing balance	2210.85	2255.85	1919.34	1948.34	291.51	307.51

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 31,2022	As at March 31,2021
Economic assumptions:		
Discount rate	7.00%	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 31,2022		As at March 31,2021	
	Increase	Decrease	Increase	Decrease
Change in discount rate (0.50% movement)	(100.44)	101.60	(100.99)	103.12
Change in cost (0.50% movement)	101.79	(100.97)	103.96	(101.57)

Sensitivity due to mortality and withdrawals 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 31,2022	As at March 31,2021
Less than 1 year	133.39	147.94
Between 1-2 years	140.73	149.62
Between 2-3 years	149.11	153.04
Between 3-4 years	158.65	158.33
Between 4-5 years	169.44	165.65
Between 5-6 years	181.98	175.29
Over 6 years	1277.55	1305.98
Total	2210.85	2255.85

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2023 are ₹ 38.66 crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.78 years (31 March 2021: 12.42 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	
	2021-22	2020-21
Excess / (Shortfall) in PF interest liability based on actuarial valuation for the year	1.26	15.68
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	13.20	14.46
Remeasurement gain/(loss) recognised through other comprehensive income statement	(1.39)	25.16
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	(2.65)	9.48

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 31,2022	March 31,2021	March 31,2022	March 31,2021	March 31,2022	March 31,2021
BHEL EPF Trust,Ranipur,Hardwar	1664.32	1574.05	1680.03	1581.86	15.71	7.81
BHEL Employee Provident Fund-Trichy	935.88	986.73	929.35	984.73	(6.53)	(2.00)
BHEL Employee Provident Fund Bhopal	1394.81	1317.70	1395.61	1313.87	0.80	(3.83)
BHEL New Delhi Employees Provident Fund Trust	1375.80	1291.26	1386.09	1297.88	10.29	6.62
BHEL Employee Provident Fund-Hyderabad	823.06	833.30	853.42	853.68	30.36	20.38
BHEL PPD EPF Trust,Chennai	854.23	786.92	847.56	778.29	(6.67)	(8.63)
BHEL Employee Provident Fund-Bengaluru	620.46	635.51	627.07	644.53	6.61	9.02
BHEL (BAP Unit) EPF Trust,Ranipet	357.05	390.16	359.84	390.62	2.79	0.46
BHEL Employee Provident Fund Trust Jhansi	455.36	437.95	468.66	447.68	13.30	9.73
Bharat Heavy Plates & Vessels Limited Employee Contributory Provident Fund-Vizag	145.91	141.46	179.46	172.72	33.55	31.26
Total	8626.88	8395.04	8727.09	8465.86	100.21	70.82

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			
	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021
Opening balance	8395.04	8160.39	8465.86	8194.12
Included in Profit for the Year :				
Current service cost	337.15	327.61	-	-
Interest cost / (income)	657.45	665.66	657.45	665.66
Total amount recognised in Profit for the Year	994.60	993.27	657.45	665.66
Included in Other Comprehensive Income (OCI):				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions	-	-	-	-
Financial assumptions	(1.65)	-	-	-
Experience adjustment	3.54	(17.87)	31.28	19.22
Total amount recognised in other comprehensive income	1.89	(17.87)	31.28	19.22
Others				
Contributions paid by the employer	-	-	337.15	327.61
Employee Contribution	725.84	777.25	725.84	777.25
Benefits paid	(1904.95)	(1804.50)	(1904.95)	(1804.50)
Settlements/Transfer-in	414.46	286.50	414.46	286.50
Closing balance	8626.88	8395.04	8727.09	8465.86

Note: Interest shortfall in respect of PF trusts having deficit and defaulted investments (₹ 42.10 cr) have been accounted through Statement of profit and loss and other Comprehensive Income Statement.

Details of Plan assets

(₹ in Crore)

Particulars	As at March 31,2022	As at March 31,2021
Govt. of India securities [Quoted]	1026.09	1153.72
State Government securities [Quoted]	4061.08	3694.89
Corporate bonds [Quoted]	3062.28	3027.71
Special Deposit [Unquoted]	384.27	417.43
Liquid Fund [Quoted]	14.25	2.11
Short term deposit [Unquoted]	13.07	10.89
Mutual Fund & Equity shares [Quoted]	166.05	159.11
Total	8727.09	8465.86

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	As at March 31,2022	As at March 31,2021
Economic assumptions:		
Discount rate	7.00%	6.75%
Expected statutory interest rate on the ledger balance	8.10%	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 31,2022		As at March 31,2021	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(1.30)	1.38	(1.23)	1.28

Sensitivity due to mortality and withdrawals are not material and hence impact of change not calculated.

Expected maturity analysis in future years

(₹ in Crore)

Particulars	Provident Fund	
	As at March 31,2022	As at March 31,2021
Within the next 12 months	916.15	832.06
Between 2-5 years	1681.13	2009.34
Between 5-10 years	2150.37	1984.72
Beyond 10 years	3879.23	3568.92
Total	8626.88	8395.04

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 investment risk, discount rate, mortality, disability and withdrawals.

(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, 2022	As at March 31, 2021
Opening balance	10.30	9.56
Current service cost	0.69	0.63
Interest cost / (income)	0.69	0.65
Included in Profit for the Year	1.38	1.28
Actuarial loss / (gain)	2.60	2.16
Total amount recognised in TCI for the Year	3.98	3.44
Others		
Contributions paid by the employer	-	-
Benefits paid	(2.65)	(2.70)
Closing balance	11.63	10.30

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	Settlement Allowance	
	As at March 31, 2022	As at March 31, 2021
Economic assumptions:		
Discount rate	7.00%	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 31,2022	As at March 31,2021
Opening balance	1241.74	1392.37
Included in Profit for the Year :		
Current service cost	142.00	157.77
Interest cost / (income)	83.82	93.98
Actuarial loss / (gain)	(181.51)	(130.95)
Total amount recognised in Profit for the Year	44.31	120.80
Benefits paid	255.33	271.43
Closing balance	1030.72	1241.74

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	Long Term Leave Liability	
	As at March 31,2022	As at March 31,2021
Economic assumptions:		
Discount rate	7.00%	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 recognised ₹ **254 cr** [PY ₹ 280 cr] as contribution in respect of pension scheme [defined contribution plan] for the FY 2021-22

Note [38] - Disclosure as per Ind AS 24 - Related Parties**A. List of related parties**

(i)	Subsidiary company	BHEL Electrical Machines Limited (BHEL-EML)*
	Joint venture companies	BHEL-GE Gas Turbine Services Pvt. Ltd. (BGGTS) NTPC-BHEL Power Projects Pvt. Ltd. (NBPPL) Raichur Power Corporation Ltd. (RPCL) Powerplant Performance Improvement Ltd. (PPIL)
	Post employment benefit plans	Provident fund trusts Gratuity trust PRMB Trust Pension Trust
	Others	Central Government controlled entities

* BHEL has transferred its stake in BHEL EML to Govt. of Kerala on 11th August, 2021

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.

(ii) Other related parties**a. Key Management Personnel [KMP]**

Particulars	Designation	Position Held [w.e.f /upto]
Functional Directors		
Shri [Dr.] Nalin Shinghal	Chairman & Managing Director	
Shri Subodh Gupta	Director (Finance)	
Shri Kamalash Das	Director (Engineering, R&D)	upto July 31,2021
Shri Anil Kapoor	Director (Human Resources)	upto January 31, 2022
Ms. Renuka Gera	Director (IS & P)	
Shri Upinder Singh Matharu	Director (Power)	w.e.f March 21, 2022
Company Secretary		
Shri Rajeev Kalra	Company Secretary	

(₹ in Crore)

Particulars	For the year ended	
	March 31,2022	March 31,2021
Compensation to Key management personnel		
-Short term employee benefits	3.15	3.76
- Post employment benefits	0.36	0.49
- Other long term benefits	-	-
- Termination benefits	-	-
- Share based payment	-	-
Total	3.51	4.25

b. Government Director/Independent Director

Name	Government/Independent	Held [w.e.f /upto]
Shri Shashank Priya	Government Director	
Shri Amit Mehta	Government Director	upto 18.06.2021
Shri Jeetendra Singh	Government Director	w.e.f. 18.06.2021 & upto 25.03.2022
Shri Vijay Mittal	Government Director	w.e.f. 25.03.2022
Shri Rajesh Sharma	Independent Director	upto 13.02.2022
Shri Raj Kamal Bindal	Independent Director	
Shri Manish Kapoor	Independent Director	
Shri (Dr.) Raj K. Agarwal	Independent Director	w.e.f. 09.11.2021
Shri (Dr.) K. Sivaprasad	Independent Director	w.e.f. 09.11.2021
Smt.(Dr.) Lekhasri Samantsinghar	Independent Director	w.e.f. 09.11.2021
Shri Aditya Prasad Sahu	Independent Director	w.e.f. 29.12.2021

(₹ in Crore)

Particulars	For the year ended	
	March 31,2022	March 31,2022
Sitting Fees -- Independent Directors	0.25	0.21

B. 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	
		2022	2021
PRMB Trust	Post Retirement medical scheme	-	41.62
Gratuity Trust	Gratuity	-	154.00
Employees Superannuation Fund	Pension Fund	115.00	280.00
BHEL EPF Trust,Ranipur,Hardwar	Provident Fund	55.13	52.21
BHEL Employee Provident Fund-Trichy	Provident Fund	53.43	52.97
BHEL Employee Provident Fund Bhopal	Provident Fund	53.03	50.86
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	41.46	39.25
BHEL Employee Provident Fund-Hyderabad	Provident Fund	40.56	39.36
BHEL PPD EPF Trust,Chennai	Provident Fund	28.21	26.34
BHEL Employee Provident Fund-Bengaluru	Provident Fund	27.75	29.16
BHEL (BAP Unit) EPF Trust,Ranipet	Provident Fund	18.58	19.24
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	13.19	12.77
Bharat Heavy Plates & Vessels Limited Employee Contributory Provident Fund-Vizag	Provident Fund	5.81	5.45

C. Details of Transactions With Joint Ventures and Balances

(₹ in Crore)

Particulars	For the year ended	
	March 31,2022	March 31,2021
Sales of Goods and services		
BGGTS	281.48	215.85
RPCL	3.27	7.80
NBPPL	3.83	10.86
Dividend income		
BGGTS	30.35	21.42
Royalty income		
BGGTS	1.80	1.46
Purchase of Goods and Services		
BGGTS	1.04	1.96
NBPPL	1.52	0.75
Amounts due to BHEL at the end of the year		
BGGTS	143.55	68.79
RPCL	550.90	552.00
NBPPL	263.89	195.56
Amounts due from BHEL (incl. advances) at the end of the year		
BGGTS	0.11	0.15
RPCL	20.95	7.67
NBPPL	67.95	56.79
Provision for Doubtful debts & advances		
RPCL	20.17	20.10
NBPPL	188.70	187.98

Note: refer note [5] for provision for dimunition in value of investments**D. Details of Transactions with Subsidiary Company and Balances**

(₹ in Crore)

Subsidiary Company	For the year ended	
	March 31,2022	March 31,2021
Amounts due to BHEL at the end of the year	-	3.94
Amounts due from BHEL (incl. advances) at the end of the year	-	0.77
Provision for Doubtful advances	-	3.70

BHEL has transferred its stake in BHEL EML to Govt. of Kerala on 11th August, 2021.

Note [39] - Disclosure [Movement in provisions] - Ind AS - 37

(₹ in Crore)

a. Liquidated Damages	As at March 31,2022	As at March 31,2021
Opening Balance	9511.80	8467.67
Add: Additions	152.07	1546.68
Less: Usage/ Write off/payment	111.76	98.36
Less: Withdrawal/adjustments	992.91	404.19
Closing Balance	8559.20	9511.80

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 32.

(₹ in Crore)

b. Contractual Obligation	As at	
	As at March 31,2022	As at March 31,2021
Opening Balance		
As disclosed in Note (19)	3992.45	4319.11
As disclosed in Note (6)	723.45	736.93
As disclosed in Note (9)	699.86	483.12
Add: Borrowing Cost	155.78	141.68
Add: Additions	277.50	447.20
Less: PV Adjustment	107.45	194.95
Less: Usage/ Write off/payment	88.78	87.56
Less: Withdrawal/adjustments	438.94	418.48
Add/(Less): Change in estimate and rates	(18.11)	(11.29)
Closing Balance		
As disclosed in Note (19)	3855.48	3992.45
As disclosed in Note (6)	708.05	723.45
As disclosed in Note (9)	632.23	699.86

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. Contractual obligation, pertaining to dues from projects fully provided for, disclosed in Non Current Allowances for B&D Debts in Note 6 and 9.

Based on the historical experience/technical assessment and in line with Significant accounting policy no. 11 (ii) duly approved by the Board, the Company has reassessed the anticipated cost for warranties. Consequently, the additions to Contractual obligation provision is less by ₹ 293.51 cr. in FY 2021-22.

Note [40] - Disclosure - Revenue from Contracts with Customers - Ind AS-115**a. Movement in impairment provisions**

(₹ in Crore)

Particulars	2021-22		2020-21	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	4887.12	1142.25	5427.64	822.98
Add: Additions	344.18	146.78	677.99	337.37
Less: Write off	216.42	-	49.34	-
Less: Reversal/adjustments	700.09	98.49	1169.17	18.10
Closing balance	4314.79	1190.54	4887.12	1142.25

b. Disaggregation of revenue from contracts with customers

(₹ in Crore)

Particulars	Power		Industry		Total
	Within India	Outside India	Within India	Outside India	

2021-22**Revenue from customers****Timing of revenue recognition**

(a) At a point in time (product/services)	2035.30	22.46	3952.87	35.65	6046.28
(b) Over time (projects)	11844.60	1458.89	802.88	0.73	14107.10

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

(₹ in Crore)

Particulars	2021-22		2020-21	
	Power	Industry	Power	Industry
Revenue from customers				
CPSUs	3807.92	1405.00	2824.59	1791.55
TSGENCO	2644.40	-	1664.61	-
TANGEDCO	1669.85	-	692.45	-
BIFPCL [Bangladesh]	1381.44	-	1653.65	-

c. Contract Balances (net of provisions)

(₹ in Crore)

Particulars	As at March 31,2022	As at March 31,2021
Trade Receivables	6228.59	7213.37
Contract assets (incl. unbilled revenue)	26939.87	24079.25
Contract liabilities	6047.76	6863.68

d. Contract revenue recognised

(₹ in Crore)

Particulars	As at March 31,2022	As at March 31,2021
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	3592.89	3591.86
Revenue recognised against performance obligation satisfied in previous year (impact due to change in contract revenue)	94.41	92.96

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 [41]

The spread of Covid 19 pandemic globally caused disturbance & slow down of the economic activity. This impacted the Company's operations during the FY 2021-22, 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 [42] - 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 31,2022	As at March 31,2021
Financial Assets at amortised cost		
Trade receivables	6228.59	7213.37
Cash & cash equivalent	732.62	1527.18
Other bank balances	6421.07	5174.25
Other financial assets	298.29	325.57
Financial assets at fair value through profit & loss		
Investments (Equity Instruments)	3.29	3.58
Financial liabilities at amortised cost		
Trade payables	9881.52	8558.82
Other financial liabilities	1339.19	1134.37
Lease Liabilities	84.93	101.61
Short term borrowings	4745.00	4833.78

(₹ in Crore)

Financial assets and liabilities measured at fair value- recurring fair value measurements	Level 3 Hierarchy	
	As at March 31,2022	As at March 31,2021
Financial assets:		
Investment in unquoted equity instruments	3.29	3.58

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 31,2021	3.58
Changes in fair value	(0.29)
As at March 31,2022	3.29

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:

- Credit risk
- Liquidity risk
- 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 (including intermediate) payments and also retentions which are released on completion of such projects. Since majority customers' profile pertains to Government sector, constituting 79% of total receivables coupled with the fact that the company itself is a CPSE, credit risk is relatively low. In respect of private sector 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 31,2022	As at March 31,2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	732.62	1527.18
Other bank balances	6421.07	5174.25
Other financial assets	298.29	325.57
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss		
Trade receivables	6228.59	7213.37

Concentration of credit risk- Geographical	Percentage of total receivables	
	As at March 31,2022	As at March 31,2021
Within India	93%	92%
Outside India	7%	8%
Total	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 receivables	
	As at March 31,2022	As at March 31,2021
Central Public Sector Undertakings incl Railways and Govt Deptt	37%	36%
State Electricity Boards	42%	43%
Private Customers and others	14%	13%
Exports	7%	8%
Total	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 31,2022	As at March 31,2021
Balance as at April 1	31.95	32.38
Impairment loss recognised / write off/ withdrawal	(17.39)	(0.43)
Balance as at March 31	14.56	31.95

(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 31,2022	As at March 31,2021
Balance as at April 1	6029.37	6250.62
Impairment loss recognised	490.97	1015.36
Amounts written off/ withdrawal	(1015.01)	(1236.61)
Balance as at March 31	5505.33	6029.37

The company makes investments out of surplus funds as per 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 financially strong banks and financial institutions.

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 for better treasury management operations.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(₹ in Crore)

Financial Liabilities	As at March 31,2022		As at March 31,2021	
Non-derivative financial liabilities	Within 1 year	Exceeding 1 year	Within 1 year	Exceeding 1 year
Trade payables	7749.59	2131.93	6675.05	1883.77
Deposits from contractors and others	431.36	206.45	447.75	211.01
Lease liabilities	49.81	35.12	48.20	53.41
Other Payables/liabilities				
Employee dues	214.05	-	117.61	-
Other dues	397.85	-	294.80	-
Capex dues	80.83	8.65	57.49	5.71
Short term borrowings	4745.00	-	4833.78	-
Total	13668.49	2382.15	12474.68	2153.90

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 31.03.2022 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		As at		As at	
	March 31, 2022		March 31, 2021		March 31, 2022	March 31, 2021
	Euro	Equivalent INR	Euro	Equivalent INR	Others (in INR)	Others (in INR)
Assets						
Trade receivable	61.72	520.18	101.84	871.66	3.16	1.35
Contract assets	327.57	2753.33	239.80	2056.26	35.27	66.87
Other assets	0.93	7.56	13.68	110.08	21.98	144.71
Sub Total (A)	390.22	3281.07	355.32	3038.00	60.41	212.93
Liabilities						
Advances from customer	36.42	242.50	41.03	281.34	39.47	40.97
Trade payables and others	101.40	869.73	39.42	343.91	131.99	107.92
Sub Total (B)	137.82	1112.23	80.45	625.25	171.46	148.89
Assets Net of Liabilities (A-B)	252.40	2168.84	274.87	2412.75	(111.05)	64.04

Particulars	USD	Equivalent INR	USD	Equivalent INR
Assets				
Trade receivable	64.88	489.70	79.62	582.87
Contract assets	333.77	2517.59	316.33	2315.32
Other assets	6.08	45.30	0.90	6.79
Sub Total (A)	404.73	3052.59	396.85	2904.99
Liabilities				
Advances from customer	78.92	457.24	115.93	675.39
Trade payables and others	161.30	1231.18	144.50	1070.18
Short term borrowings	-	-	46.68	345.06
Sub Total (B)	240.22	1688.42	307.11	2090.63
Assets Net of Liabilities (A-B)	164.51	1364.17	89.74	814.36

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, 2022		March 31, 2021	
Effect on Profit/(loss)	Strengthening	Weakening	Strengthening	Weakening
1% movement				
Euro	21.69	(21.69)	24.13	(24.13)
USD	13.64	(13.64)	8.14	(8.14)
Others	(1.11)	1.11	0.64	(0.64)

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 monitors 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 [43] - 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 March 31, 2022			For the year ended March 31, 2021		
	Power	Industry	Total	Power	Industry	Total
I. Segment Revenue						
Operating Revenue-External	15361.25	4792.13	20153.38	11386.05	4909.50	16295.55
II. Segment Results						
a. Segment Results	1949.24	(39.02)	1910.22	(1246.16)	(850.48)	(2096.64)
b. Unallocated expenses (Net of income)			1118.55			1141.87
c. Profit / (loss) before finance cost & Income tax (a) - (b)			791.67			(3238.51)
d. Finance cost (Including unwinding of Interest)			354.72			373.09
e. Net Profit / (loss) before Income Tax (c) - (d)			436.95			(3611.60)
f. Income Tax			26.71			(894.46)
g. Net Profit / (loss) after Income Tax (e) - (f)			410.24			(2717.14)
III. Assets & Liabilities						
a. Segment Assets	37196.23	8194.28	45390.51	35954.72	8417.10	44371.82
b. Common Assets			11317.81			11329.42
c. Total Assets			56708.32			55701.24
d. Segment Liabilities	20096.06	4754.42	24850.48	19221.65	4444.28	23665.93
e. Common Liabilities			4886.68			5551.26
f. Total Liabilities			29737.16			29217.19
IV. Other Information						
a. Capital Expenditure	140.56	55.40		112.23	38.05	
b. Depreciation & Amortization	209.45	71.29		306.68	118.48	
c. Non Cash Expenses (other than depreciation & amortization)	(1241.57)	(62.11)		1302.02	499.07	

(₹ in Crore)

Geographical Segments	Within India	Outside India	Total	Within India	Outside India	Total
1. Net Sales / Revenue from Operations	18635.65	1517.73	20153.38	14440.47	1855.08	16295.55
2. Non- Current Assets (PPE & Intangible Assets)	2812.21	17.23	2829.44	2881.46	26.42	2907.88
3. Capital Expenditure	225.32	5.77	231.09	253.40	2.45	255.85

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
CPSUs	3807.92	1405.00	5212.92	2824.59	1791.55	4616.14
TSGENCO	2644.40	-	2644.40	1664.61	-	1664.61

Note [44] - Ratios

Particulars	Numerator	Denominator	2021-22	2020-21	% Variance	Reason for variance
(a) Current ratio	Total Current Assets	Total Current Liabilities	1.30	1.39	6.51	Consistent focus on working capital management led to improvement in ratio by more than 6%.
(b) Debt-equity ratio	The company does not have any long term debt and hence these ratios are not applicable.					
(c) Debt service coverage ratio						
(d) Long term Debt to Working Capital						
(e) Interest service coverage ratio						
(f) Total Debt to Total Assets ratio	Total Borrowings	Total Assets	0.085	0.089	3.87	Improved ratio is reflective of lower borrowings and improved treasury management
(g) Inventory turnover ratio	Revenue from contracts with customers	Average Inventory (Net)	2.93	2.02	44.77	Company's approach towards better inventory management, linking procurement with lead time and manufacturing process time has led to significant improvement in ratio.
(h) Trade receivables turnover ratio	Revenue from contracts with customers	Average Trade receivable (net)	3.00	1.73	73.47	The ratio has improved due to focussed approach towards sequential supplies and liquidation of customer dues leading to trade receivable figure reaching its lowest levels in the last 10 years.
(i) Bad debts to accounts receivable ratio	Bad debts written off	Gross Trade Receivables	0.012	0.007	64.51	To improve the quality of Assets in the Balance Sheet
(j) Current Liability Ratio	Current Liabilities	Total Liabilities	0.72	0.70	3.34	Marginal change through improved vendor payment terms & reduction in non-current contract liabilities due to better project execution.
(k) Trade payables turnover ratio	Purchases and Subcontracting	Average Trade Payables	1.54	1.17	31.71	Improved liquidity management, and alignment of vendor payment terms with customer payment terms and increase in material consumption due to increase in operations has led to increase in ratio. Large part of the trade payables were contractually not due for payment as on 31st March 2022.
(l) Net capital turnover ratio	Revenue from contracts with customers	Total Current Assets - Total Current Liabilities	3.10	2.03	52.72	Increase in Revenue and efficient overall treasury management with focus on trade receivables and inventory has yielded significantly improved ratio.
(m) Return on equity ratio	Profit for the year (PAT)	Average Total Equity - OCI	1.51%	(9.62%)	115.74	Major reasons for overall improved profitability paramete are as under :- (i) Increase in Revenue (ii) Strengthened balance sheet in the last couple of years
(n) Operating profit ratio	Profit Before Interest, Depreciation & Tax - Other Income	Revenue from operations	3.48%	(18.11%)	119.21	(iii) Focus on enhancing other operational income (iv) Settlement of pending customer issues
(o) Net profit ratio	Profit for the year (PAT)	Revenue from operations	1.93%	(15.70%)	112.32	(v) Strategic budgetary control measures
(p) Return on capital employed	Earning before interest and taxes	Capital Employed = Total Equity - CWIP - Intangible assets under development - Deferred tax assets	3.44%	(14.45%)	123.80	(vi) Vehement follow-up with tax authorities leading to settlement of past cases in favour of the company & also leading to receipt of refunds.
(q) Return on investment	NA					
(r) Net worth (₹ / Cr.)	Share Capital + Reserve and Surplus		26971.16	26484.05	1.84	Improved profitability as explained above has led to higher net worth
(s) Profit After Tax (₹ / Cr.)	Profit after Tax		410.24	(2,717.14)	115.10	Improved profitability as explained above
(t) Earning Per Share (₹)	Profit for the year (PAT)	Weighted average no. of shares	1.18	(7.80)	115.10	
(u) Capital redemption reserve (₹ / Cr.)			37.87	37.87	-	

On 23rd March, 2022, Ministry of Corporate Affairs notified the **Companies (Indian Accounting Standards) Amendment Rules, 2022**, effective from 1st April, 2022. The amendment is not expected to have a material impact on the standalone financial statements of the Company.

Note [45] - Note - Additional Disclosures

(₹ in Crore)

A. Category of Imports	For the year ended	
	2021-22	2020-21
Imports on CIF basis		
Raw materials	620.73	918.13
Components and spare parts	1182.34	578.88
Capital goods	4.75	35.39
Total Imports	1807.82	1532.40

(₹ in Crore)

B. Types of Expenditure (incurred in foreign currency)	For the year ended	
	2021-22	2020-21
i) Royalty	38.19	26.36
ii) Know-how	6.57	12.50
iii) Professional consultation fee	3.48	0.90
iv) Interest and others (incl. on foreign sites)	30.06	26.13

(₹ in Crore)

C. Classification of Consumption [raw materials, components, stores & spare parts]	For the year ended	
	2021-22	2020-21
i) Imported (including custom duty)	2016.33	2400.61
ii) Indigenous	7452.49	6046.69
iii) Percentage of total consumption		
Imported	21.29	28.42
Indigenous	78.71	71.58

(₹ in Crore)

D. Earnings in foreign exchange	For the year ended	
	2021-22	2020-21
Physical Export of goods (FOB basis)	775.33	1101.64
Erection & other services	608.29	389.69
Foreign exchange on deemed exports (incl. domestic contracts and SEZ export)	1093.21	347.80
Total	2476.83	1839.13

(₹ in Crore)

E. Statement for raw materials and components consumed	For the year ended	
	2021-22	2020-21
Group of materials		
i) Ferrous materials	1868.83	1450.34
ii) Non-ferrous materials	260.50	137.96
iii) Insulating materials	106.15	129.51
iv) Insulated cables and Magnet wires	4.46	0.66
v) Bought Outs - components & goods	4141.75	3811.94
vi) Other Components	2450.89	2426.60
vii) Others	364.80	201.55
Total	9197.38	8158.56

Note [46]

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 31,2022	March 31,2021
BHEL Electrical Machines Ltd.		
Loans and advances in the nature of loans outstanding	-	3.00
Maximum amount of loans and advances in the nature of loans outstanding during the year	-	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 [47]

Assets and Liabilities are classified between Current and Non-current considering 12 months period as operating Cycle.

Note [48]

The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

Note [49]

There were no charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

Note [50]

The Company is complying with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (restriction on number of layers) Rules, 2017.

Note [51]

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Note [52]

The Company has no transactions that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which is unrecorded in the books of accounts.

Note [53]

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

Note [54]

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 [55]

Figures have been rounded off nearest to ₹ in crore with two decimal.

Note [56]

Previous year's figures have been regrouped/ rearranged wherever considered necessary.

Note [57]

The Board of Directors has authorised to issue the Financial Statements 2021-22 in its meeting held on May 21 , 2022.

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



(Shrey Gupta)
Partner
M.No. 522315

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(Devender Magoo)
Partner
M. No. 085739

For S.L. Chhajed & Co. LLP
Chartered Accountants
FRN - 000709C/C400277



(Vijit Baidmutha)
Partner
M. No. 406044

Place : New Delhi
Date : May 21, 2022



Financial Statements

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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, 2022, 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, 2022, 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
<p>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.</p> <p>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.</p> <p>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.</p> <p>Refer Note 43 to the consolidated financial statements.</p>	<p>Principal Audit Procedures</p> <p>Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows:</p> <ul style="list-style-type: none"> 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.
<p>Assessment and recoverability of Trade Receivables and Contract Assets</p> <p>The Company has trade receivables outstanding (net) of Rs 6228.59 crore and contract assets (net) of Rs. 26939.87 crore at the end of March 31, 2022</p> <p>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</p> <p>Refer Notes 6, 9, 43 to the consolidated financial statements.</p>	<p>Principal Audit Procedures</p> <p>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:</p> <ul style="list-style-type: none"> 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.
<p>Assessment of Contingent Liability</p> <p>There are a number of litigations pending before various forums against the Company and the management's judgement is required for estimating the amount to be disclosed as contingent liability.</p> <p>We determined the above area as a Key Audit Matter in view of associated uncertainty relating to the outcome of these matters which requires application of judgment in interpretation of law. Accordingly, our audit was focused on analysing the facts of subject matter under consideration and judgments/ interpretation of law involved.</p> <p>(Refer Note 33 to the Consolidated statements)</p>	<p>Principal Audit Procedures</p> <p>The audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> Obtaining a detailed understanding processes and controls of the Management with respect to claims or disputes Performing following procedures on samples selected: Understanding the matters by reading the correspondences, communications, minutes of the management meeting Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Company, and perusing legal opinions, if any, obtained by the Management. Obtaining direct confirmation from the legal attorneys of the company and considering their opinions /probability assessment of the outcomes. Evaluating the evidence supporting the judgement of the management about possible outcomes and the reasonableness of the estimates. Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.

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 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 statements of which we are the independent auditors. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para 1 to para 4 of the section titled "Other Matters" in this Audit report.

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. We did not audit the financial statements of one BHEL-GE Gas Turbine Services Pvt. Ltd. (jointly controlled entity). The accompanying statements include the unaudited financial results/statements of this associate whose financial statements/results reflect the group's share of net profit of Rs 50.42 crore and other comprehensive income of Rs 0.03 crore for the year ended 31st March, 2022 as considered in the consolidated financial statements in respect of this jointly controlled entity. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this 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 such unaudited financial statements.

2. We did not audit the financial statements of Raichur Power Corporation Ltd. & NTPC-BHEL Power Projects Pvt. Ltd. (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. The consolidated unaudited financial results include the results of subsidiary BHEL -EML upto 11th August 21 (full 51% stake transferred by the company to Govt. of Kerala on 11th August 21), which have not been audited. The financial results upto 11th August 2021 reflect total revenue & net cash flow of Rs. Nil, total net loss after tax of Rs. 2.69 crore and total comprehensive loss of Rs. 2.69 crore. 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 this 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 Power plant 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

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 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 unaudited financial statements certified by the management 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 management certified financials;

- (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 management certified financial statements including 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 33 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 42 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 company and jointly controlled companies incorporated in India.
2. With respect to the matter of paras 3 (xxi) and 4 of the Companies (Auditor's Report) Order 2020, the subsidiary and three joint entities remains unaudited as mentioned in the section titled "Other Matters" and no CARO report has been issued by the Auditors of such entities as on the date of issue of this report. Based on the CARO report issued by us for the company for the year ended 31st March 2022, we report that there are no qualification or adverse remarks in the CARO report.

For Raj Har Gopal & Co.

Chartered Accountants

FRN - 002074N



(Shrey Gupta)

Partner

M.No. 522315

UDIN : 22522315AJJEYW8336

For Tiwari & Associates

Chartered Accountants

FRN - 002870N



(Devender Magoo)

Partner

M. No. 085739

UDIN : 22085739AJIRJO6893

For S.L. Chhajed & Co. LLP

Chartered Accountants

FRN - 000709C/C400277



(Vijit Baidmutha)

Partner

M. No. 406044

UDIN : 22406044AJJETI8200

Place : New Delhi

Date : May 21, 2022

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, 2022, 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 all three Jointly Control Entities and one subsidiary (upto date 11th August 2021) 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 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 management certificate of these three jointly controlled entities and one subsidiary company incorporated in India.

Opinion

In our opinion, the Holding Company, its one subsidiary company (upto 11th August 2021) 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, 2022, 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



(Shrey Gupta)

Partner

M.No. 522315

UDIN : 22522315AJJEYW8336

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(Devender Magoo)

Partner

M. No. 085739

UDIN : 22085739AJIRJO6893

For S.L. Chhajed & Co. LLP
Chartered Accountants
FRN - 000709C/C400277



(Vijit Baidmutha)

Partner

M. No. 406044

UDIN : 22406044AJJETI8200

Place : New Delhi

Date : May 21, 2022



No. PGM (E) / 101-157 / 10/15-BHEL-CFS/2022-23/226

गोपनीय

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: 21/08/2022

सेवा में,

अध्यक्ष एवं प्रबंध-निदेशक,
भारत हेवी इलेक्ट्रिकल्स लिमिटेड,
नई दिल्ली

विषय:- 31 मार्च 2022 को समाप्त वर्ष के लिए भारत हेवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के समेकित वित्तीय विवरण (Consolidated Financial Statement) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।


महोदय,

मैं भारत हेवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के 31 मार्च 2022 को समाप्त वर्ष के समेकित वित्तीय विवरण (Consolidated Financial Statement) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रहा हूँ।

कृपया इस पत्र की संलग्नकों सहित प्राप्त की पावती भेजी जाए।

भवदीय,

संलग्नक:- यथोपरि।


(दीपक कपूर)
महानिदेशक

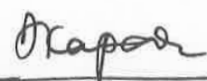
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES
ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT
HEAVY ELECTRICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of consolidated financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2022 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 21 May 2022.

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 2022 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 NTPC-BHEL Power Projects Private Limited and Raichur Power Corporation Limited 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 P. 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



(Deepak Kapoor)

Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 21 July 2022



Consolidated Balance sheet as at March 31, 2022

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2022	As at March 31, 2021
A. ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	3a	275	2336.34	2428.98
(b) Capital work-in-progress	3b	275	422.32	403.21
(c) Intangible assets	4a	276	62.12	62.16
(d) Intangible assets under development	4b	276	8.66	16.35
(e) Investment accounted for using equity method	5	281	201.86	181.76
(f) Financial assets				
(i) Investments	5a	282	3.29	3.58
(ii) Trade receivables	6	283	3203.84	3179.74
(iii) Other financial assets	7	285	86.73	97.39
(g) Deferred tax assets (net of liabilities)	8	285	3530.08	3671.24
(h) Other non-current assets	9	286	18526.54	16852.44
Total non-current assets			28381.78	26896.85
2. Current assets				
(a) Inventories	10	287	6560.21	7194.45
(b) Financial assets				
(i) Trade receivables	6	283	3024.75	4035.07
(ii) Cash and cash equivalents	11	288	732.62	1527.19
(iii) Bank balances other than cash and cash equivalents	12	288	6421.07	5174.26
(iv) Loans	13	289	-	-
(v) Other financial assets	7	285	211.56	232.65
(c) Current tax assets (net)	14	289	119.24	403.60
(d) Other current assets	9	286	10792.53	9776.14
Total current assets			27861.98	28343.36
TOTAL ASSETS			56243.76	55240.21
B. EQUITY AND LIABILITIES				
3. Equity				
(a) Equity share capital	15	290	696.41	696.41
(b) Other equity	15a	291	25810.19	25287.25
			26506.60	25983.66
Non controlling interest			-	(11.66)
Total Equity			26506.60	25972.00

Consolidated Balance sheet as at March 31, 2022

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2022		As at March 31, 2021	
4. Liabilities						
4.1 Non-current liabilities						
(a) Financial liabilities						
(i) Lease Liabilities	16	291	35.12		53.41	
(ii) Trade payables	17	292				
(i) Total outstanding dues of micro enterprises and small enterprises			127.45		157.92	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			2004.48		1725.85	
(iii) Other financial liabilities	18	293	215.10	2382.15	216.72	2153.90
(b) Provisions	19	293		3771.21		3925.56
(c) Other non-current liabilities	20	293		2212.65		2831.54
Total non-current liabilities				8366.01		8911.00
4.2 Current liabilities						
(a) Financial liabilities						
(i) Borrowings	21	294	4745.00		4849.28	
(ia) Lease Liabilities	16	291	49.81		48.20	
(ii) Trade payables	17	292				
(i) Total outstanding dues of micro enterprises and small enterprises			745.82		751.57	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			7003.77		5929.26	
(iii) Other financial liabilities	18	293	1124.09	13668.49	929.58	12507.89
(b) Provisions	19	293		3066.70		3168.52
(c) Other current liabilities	20	293		4635.96		4680.80
Total current liabilities				21371.15		20357.21
Total liabilities				29737.16		29268.21
TOTAL EQUITY AND LIABILITIES				56243.76		55240.21
Basis of preparation, measurement and significant accounting policies	2	270				

The accompanying notes are an integral part of these financial statements

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



(Shrey Gupta)
Partner
M.No. 522315

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(Devender Magoo)
Partner
M. No. 085739

For S.L. Chhajed & Co. LLP
Chartered Accountants
FRN - 000709C/C400277



(Vijit Baidmutha)
Partner
M. No. 406044

Place : New Delhi
Date : May 21, 2022



Consolidated Statement of Profit and Loss

For the year ended March 31, 2022

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2022	For the year ended March 31, 2021
INCOME				
Revenue from operations	22	295	21211.09	17308.69
Other income	23	296	354.54	348.42
TOTAL INCOME			21565.63	17657.11
EXPENSES				
Cost of raw materials consumed			5055.63	4346.62
Purchases of Bought out items			4141.75	3811.94
Civil, erection and engineering expenses			4792.61	2912.47
Consumption of stores & spares			271.44	288.74
Changes in inventories of finished goods, work in progress and Scrap	24	296	532.41	510.86
Employee benefits expense	25	297	5519.05	5378.15
Other Expenses	26	297	162.62	3201.20
Finance costs	27	299	355.96	373.95
Depreciation & amortisation expense	3.1/4.1	278/280	314.12	473.25
TOTAL EXPENSES			21145.59	21297.18
Profit / (loss) before share of net profits / loss of investments accounted for using equity method and tax			420.04	(3640.07)
Share of net profit / (loss) of joint venture accounted for using equity method			50.42	44.14
PROFIT BEFORE TAX			470.46	(3595.93)
Tax expenses	28	300		
a) Current tax			(77.13)	15.82
b) Deferred tax			102.88	25.75
PROFIT FOR THE YEAR (A)			444.71	(2699.70)
OTHER COMPREHENSIVE INCOME	29	300		
Items that will not be reclassified to profit or loss (net of tax)				
-Remeasurement of defined employee benefits			76.87	19.98
-Share of OCI of JV accounted using equity method			0.03	0.07
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)			76.90	20.05
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)			521.61	(2679.65)
Attributable to:				
Equity holders of the parent			522.93	(2677.06)
Non-controlling interest			(1.32)	(2.59)
Total			521.61	(2679.65)

Consolidated Statement of Profit and Loss

For the year ended March 31, 2022

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2022	For the year ended March 31, 2021
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR				
Attributable to:				
Equity holders of the parent			76.90	20.05
Non-controlling interest			-	-
Total			76.90	20.05
TOTAL PROFIT FOR THE YEAR				
Attributable to:				
Equity holders of the parent			446.03	(2697.11)
Non controlling interest			(1.32)	(2.59)
Total			444.71	(2699.70)
Earnings per equity share	30	300		
(1) Basic [Face value of ₹ 2 each]			1.28	(7.75)
(2) Diluted [Face value of ₹ 2 each]			1.28	(7.75)
Basis of preparation, measurement and significant accounting policies	2	270		

The accompanying notes are an integral part of these financial statements

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



(Shrey Gupta)
Partner
M.No. 522315

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(Devender Magoo)
Partner
M. No. 085739

For S.L. Chhajer & Co. LLP
Chartered Accountants
FRN - 000709C/C400277



(Vijit Baidmutha)
Partner
M. No. 406044

Place : New Delhi
Date : May 21, 2022

Consolidated Statement of changes in Equity (SOCIE)

For the year ended March 31, 2022

A. Equity Share Capital

(₹ in Crore)

Equity shares of ₹2 each issued, subscribed and fully paid	Number of shares		Amount	
	2021-22	2020-21	2021-22	2020-21
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, 2022

(₹ 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, 2021	35.18	37.87	30476.66	(4867.48)	(394.98)	25287.25	(11.66)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Reinstated balance as at April 01, 2021	35.18	37.87	30476.66	(4867.48)	(394.98)	25287.25	(11.66)
Add: Total comprehensive Income for the year	-	-	-	428.95	76.90	505.85	(1.32)
Less: Liquidation of Subsidiary Equity & Minority interest	-	-	-	(17.08)	-	(17.08)	(12.98)
Balance as at March 31, 2022	35.18	37.87	30476.66	(4421.45)	(318.08)	25810.19	-

Consolidated Statement of changes in Equity (SOCIE)

For the year ended March 31, 2022

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)
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Reinstated balance as at April 01, 2020	35.18	37.87	30,476.66	(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)

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
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For S.L. Chhajed & Co. LLP
Chartered Accountants
FRN - 000709C/C400277



(Vijit Baidmutha)
Partner
M. No. 406044

Place : New Delhi
Date : May 21, 2022

Consolidated Statement of Cashflows

For the year ended March 31, 2022

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit /(Loss) before tax	470.46	(3595.93)
Adjustments for :		
Provision and write off	(1120.06)	1241.08
Depreciation and amortisation	314.12	473.25
Finance cost (including unwinding of interest)	355.96	373.95
Interest & dividend income	(302.79)	(320.86)
share of loss /(profit) in joint venture	(50.42)	(44.14)
Divestment of stake in subsidiary	(17.08)	-
Unrealised Foreign Exchange loss/(gain)	19.26	5.80
Others	(6.61)	(3.79)
Cash generated / (used) in operations before working capital changes	(337.16)	(1870.64)
Adjustment for changes in working capital:		
Trade Receivables	1881.12	4014.80
Contract Assets	(2594.15)	(1310.61)
Inventories	603.40	1536.71
Loans, advances & other assets	143.49	(246.86)
Sub total	33.86	3994.04
Trade payable	1300.96	(1305.40)
Advances from customers, deposits and others	(387.69)	(94.08)
Provisions	(358.60)	26.38
Sub total	554.67	(1373.10)
Net cash (used in) / from working capital	588.53	2620.94
Cash generated / (used) in operations	251.37	750.30
Income taxes paid	(258.00)	(216.65)
Refund of income taxes	666.88	26.30
Net cash (used in) / from operating activities	660.25	559.95
B. CASH FLOW FROM INVESTING ACTIVITIES		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	(1251.12)	(159.98)
Interest received	257.93	343.11
Income received from mutual funds	-	1.42
Dividend received from joint ventures	30.35	21.42
Sale of property, plant and equipment & Intangible Assets	6.90	1.88
Purchase of property, plant and equipment & Intangible Assets	(169.38)	(250.35)
Net cash (used in) / from investing activities	(1125.32)	(42.50)

Consolidated Statement of Cash flows

For the year ended March 31, 2022

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	(87.53)	(98.01)
Proceeds / (repayment) of lease obligation (Principal)	(48.79)	(60.30)
Proceeds / (repayment) of lease obligation (Interest)	(9.57)	(12.95)
Dividend paid	(0.30)	(0.68)
Interest paid	(183.30)	(222.21)
Net cash (used in) / from financing activities (refer point 4)	(329.49)	(394.15)
D. Net increase/(decrease) in cash and cash equivalents	(794.56)	123.30
Opening balance of cash and cash equivalents (excluding cash credit of subsidiary)	1519.90	1396.60
Adjustment of Cash credit of subsidiary - BHEL EML from opening balance	7.28	0.00
Closing balance of cash and cash equivalents [Refer Note 11]	732.62	1519.90

- (1) Statement of cash flow has been prepared under the indirect method as set out in the Ind AS 7 - Statement of Cash flow.
- (2) Previous year's figures have been regrouped/reclassified wherever applicable.
- (3) Closing balance of Cash & Cash Equivalents includes exchange variation loss of ₹ 0.15 cr as on March 31, 2022 (Previous year ₹ NIL cr).
- (4) Changes in liabilities arising from financing activities are available at Note [21(vi)] and Note [39 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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(Shrey Gupta)
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Chartered Accountants
FRN - 000709C/C400277



(Vijit Baidmutha)
Partner
M. No. 406044

Place : New Delhi
Date : May 21, 2022

Notes to the Consolidated financial statements for the year ended March 31, 2022

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.

BHEL has transferred stake in its subsidiary - BHEL EML to Govt. of Kerala on 11th August, 2021.

The Company has 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 as amended.

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 straightline 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 :-

Particulars	Years
Plant & Equipment	15-30
Buildings	5-60
Electricals Installations & Equipments	10-30
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 ₹ 10,000/- or less and those whose written down value as at the beginning of the year is ₹ 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	2-25
Electrical installations	2-10
Furniture and fixtures	3-10
Computers	2-5
Office equipment	2-10

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

In the case of Raichur Power Corporation Limited

Depreciation is provided on straight line method at the rates specified in the CERC/KERC Regulation 2009.

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 on a pro-rata basis i.e. from / (upto) the date of the assets are available for its intended use (disposed off). 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 GST 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.
- Revenue 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 CERC / 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) The Company provides for anticipated costs for warranties when it recognizes revenues on the related products or contracts and maintain the same throughout the warranty period. The provision is based on historical experience / technical assessment.
- (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, 2022	As at March 31, 2021
Gross block	6330.89	6179.47
Less: Accumulated depreciation	3994.55	3750.49
Net block (details refer to note 3.1)	2336.34	2428.98

The Net Block includes ₹ 154.83 Cr (Previous Year ₹ 164.19 Cr) in respect of RoU assets.

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, 2022	As at March 31, 2021
Plant & machinery and other equipments:		
Under Erection/ Fabrication/awaiting erection	131.43	171.60
In transit	9.37	0.63
Construction work-in-progress -Civil	280.12	228.77
Construction stores (including in transit)	1.40	2.21
Total	422.32	403.21

CWIP Ageing schedule - As at March 31, 2022

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	115.39	127.88	115.41	51.31	409.99
Projects temporarily suspended	0.59	0.07	2.36	9.31	12.33

CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2022

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
New Building - Noida	217.38	-	-	-	217.38
Selective Catalyst Reduction Plant - Bengaluru	62.12	-	-	-	62.12
Other Projects less than Rs. 10 Crore (Total Nos - 25)	37.83	-	-	-	37.83
Projects temporarily suspended					
Equipment Fabrication Plant - Bhandara	-	-	-	7.74	7.74
Other Projects less than Rs. 1 Crore (Total Nos - 4)	0.07	-	-	1.58	1.65

CWIP Ageing schedule - As at March 31, 2021

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	174.88	141.71	46.90	27.98	391.47
Projects temporarily suspended	-	2.42	-	9.32	11.74

CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2021

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
New Building - Noida	173.01	-	-	-	173.01
Selective Catalyst Reduction Plant - Bengaluru	57.62	-	-	-	57.62
Upgradation of UHV Lab Test Plant	22.73	-	-	-	22.73
CNC Horizontal Machine - Hyderabad	18.47	-	-	-	18.47
Other Projects less than Rs. 10 Crore (Total Nos - 12)	16.94	6.78	-	-	23.72
Projects temporarily suspended					
Equipment Fabrication Plant - Bhandara	-	-	-	7.74	7.74
Other Projects less than ₹ 1 Crore (Total Nos - 5)	0.59	-	-	1.65	2.24

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, 2022	As at March 31, 2021
Gross block	308.92	290.83
Less: Accumulated amortisation	246.80	228.67
Net block (details refer to note 4.1)	62.12	62.16

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, 2022	As at March 31, 2021
Intangible assets under development	8.66	16.35
Total	8.66	16.35

Intangible Assets under development ageing schedule - As at March 31, 2022

Particulars	Amount of Intangible Asset under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	1.39	-	1.18	6.09	8.66
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development Completion schedule (which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2022

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
SCR Project Know how	4.71	-	-	-	4.71
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development ageing schedule - As at March 31, 2021

Particulars	Amount of Intangible Asset under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	9.09	1.18	3.54	2.54	16.35
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under development Completion schedule (which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2021

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
SCR Project Know how	4.71	-	-	-	4.71
Projects temporarily suspended	-	-	-	-	-



Note [3.1] Detail of Property, Plant & Equipment

(₹ in Crore)

Description	Gross Block				Depreciation/Amortisation				Net Block	
	Opening Balance as at 01.04.2021	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2022	Accumulated Depreciation as at 01.04.2021	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2022	Net Block as at 31.03.2022	Net Block as at 31.03.2021
Land - Freehold land (including development expenses)	28.02	-	(0.31)	27.71	-	-	-	-	27.71	28.02
Buildings - Freehold Buildings	1710.01	37.93	(4.29)	1743.65	607.16	63.98	(1.55)	669.59	1074.06	1102.85
Roads, bridges & culverts	15.85	-	(0.00)	15.85	13.56	0.60	-	14.16	1.69	2.30
Drainage, Sewerage & water supply	31.17	0.32	(0.00)	31.49	7.05	1.17	-	8.21	23.28	24.13
Plant & Equipment	3100.77	117.42	(8.39)	3209.81	2269.28	128.90	(7.98)	2390.20	819.61	831.49
Railway Siding	8.85	-	-	8.85	4.87	0.44	-	5.31	3.54	3.98
Locomotives & Wagons	28.30	-	0.03	28.33	15.90	1.66	-	17.57	10.76	12.40
Furniture & fixtures	61.96	1.33	(1.21)	62.09	39.96	5.11	(0.99)	44.08	18.01	21.99
Vehicles	14.37	-	(0.04)	14.33	8.81	1.47	(0.03)	10.24	4.09	5.56
Office and Other equipments	138.42	4.27	(1.59)	141.10	110.37	11.16	(1.42)	120.11	20.99	28.05
Electronic Data Processing Equipment	133.21	0.62	19.00	152.83	97.47	24.70	19.79	141.97	10.86	35.74
Electrical Installations	241.42	10.93	(0.67)	251.67	174.36	6.67	(0.58)	180.44	71.23	67.06
Construction Equipment	71.12	0.64	0.09	71.85	67.48	1.58	0.17	69.22	2.63	3.64
Fixed Assets costing upto ₹ 10,000/-	21.09	1.55	(0.59)	22.05	21.09	1.55	(0.59)	22.05	-	-
Solar power generation	119.54	-	-	119.54	21.97	4.51	-	26.48	93.06	97.58
Right-of-use Assets	455.37	33.18	(58.80)	429.75	291.18	42.35	(58.61)	274.92	154.83	164.19
Total	6179.47	208.19	(56.77)	6330.89	3750.49	295.85	(51.79)	3994.55	2336.34	2428.98
Previous Year	6057.86	139.94	(18.32)	6179.47	3319.35	446.45	(15.32)	3750.49	2428.98	2738.51

Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2022 ₹ 13507.29 Crore and as at 31.03.2021 ₹ 13447.26 Crore

Gross Block as at 31.03.2022 includes assets condemned and retired from active use ₹ 7.03 Crore (Previous year ₹ 14.11 Crore)

Net Block as at 31.03.2022 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 ₹ 259.64 Crore (Previous year ₹ 244.43 Crore)

There is no impairment loss during the year.

Table 3.1(a): Right-of-use assets includes:

(₹ in Crore)

Description	Gross Block				Depreciation/Amortisation				Net Block	
	Opening Balance as at 01.04.2021	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2022	Accumulated Depreciation as at 01.04.2021	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2022	Net Block as at 31.03.2022	Net Block as at 31.03.2021
Land (including development expenses)	114.78	4.08	-	118.86	10.39	3.74	-	14.13	104.73	104.39
Buildings	1.63	-	-	1.63	0.31	0.05	-	0.36	1.27	1.32
Plant & Equipment	22.14	15.67	-	37.81	8.85	14.25	-	23.10	14.71	13.29
Office & other equipment	16.47	0.76	(0.39)	16.84	14.83	0.55	(0.37)	15.02	1.82	1.64
EDP Equipment	278.40	0.01	(48.90)	229.51	238.31	19.34	(48.91)	208.73	20.78	40.10
Vehicle	4.50	2.00	(1.00)	5.50	2.63	1.27	(0.83)	3.08	2.42	1.87
Others	17.45	10.66	(8.50)	19.61	15.86	3.15	(8.50)	10.51	9.10	1.59
Total	455.37	33.18	(58.80)	429.75	291.18	42.35	(58.61)	274.92	154.83	164.19

Additional disclosure of Note [3.1] Details of Property, Plant and Equipment

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
1. Land and buildings includes		
a i) Acres of land for which formal transfer/lease deed have not been executed (in acres)	8169.53	8169.53
Net Block	65.68	66.40
ii) Number of flats for which formal transfer/lease deed have not been executed (in nos.)	12	12
Net Block	1.06	1.11
iii) Acres of land for which the cost paid is provisional; (in acres)	480.04	480.04
[registration charges and stamp duty, (net of provision) would be accounted for on payment]		
Net Block	61.98	62.70
b. Acres of land leased to Ministry of Defence, Govt. of India Departments & others (in acres)	29.78	30.37
c. Acres of land is under adverse possession/encroachment. (in acres)	757.16	751.49
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, 2022	As at March 31, 2021
2. i) Total Area of Land in acres	16409.23	16409.03
ii) Free hold land (Sale Deed) / Possessory Rights/license out of 2(i) in acres	15735.89	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, 2022	As at March 31, 2021
100% depreciation on PPE upto ₹ 10,000/- charged off	6.50	5.34
Less: Normal depreciation on above.	(3.53)	(1.19)
Excess amount charged to depreciation for the year	2.97	4.15

4. The impact on depreciation, consequent to revision in the estimated useful life of certain items of PPE, based on review done in F.Y. 2021-22 in line with para 51 of Ind AS 16 is reduction of ₹ 126.36 Cr.

Note 4.1 - Detail of Intangible Assets

(₹ in Crore)

Description	Gross Block				Depreciation/Amortisation				Net Block	
	Opening Balance as at 01.04.2021	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2022	Accumulated Depreciation as at 01.04.2021	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2022	Net Block as at 31.03.2022	Net Block as at 31.03.2021
Internally Developed										
Others	69.78	1.24	-	71.02	61.49	5.16	-	66.66	4.37	8.29
Other than Internally Developed										
Software	50.92	2.28	(0.15)	53.05	46.92	3.75	(0.14)	50.52	2.52	4.00
Technical Know-how	170.13	14.72	-	184.85	120.26	9.36	-	129.62	55.23	49.87
Total	290.83	18.25	(0.15)	308.92	228.67	18.27	(0.14)	246.80	62.12	62.16
Previous Year	280.48	10.35	-	290.83	201.87	26.80	-	228.67	62.16	78.61

Gross Block (as per earlier IGAAP) as at 31.03.2022 ₹ 584.11 Crore and as at 31.03.2021 ₹ 575.15 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, 2022	As at March 31, 2021
BHEL-GE Gas Turbine Services Private Limited		
Opening net assets	181.76	158.97
Profit / (loss) for the year	50.42	44.14
Other comprehensive income	0.03	0.07
Less: Dividend paid	30.35	21.42
Closing net assets	201.86	181.76

- (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, 2022.
- (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 ₹ 100 crore as per their unaudited financial statement for the year ended March 31, 2022.

Note [5a] - Non-current assets

Financial assets - Investment

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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		<u>2.00</u>		<u>2.00</u>
(b) Investment in equity instruments fully paid up (at FVTPL)				
(i) Neelachal Ispat Nigam Ltd.	5000000 (10)	5.00	5000000 (10)	5.00
Add / (less) Fair Value Adjustment		<u>(5.00)</u>		<u>(5.00)</u>
(ii) AP Gas Power Corporation Ltd.	728960 (10)	0.91	728960 (10)	0.91
Add / (less) Fair Value Adjustment		<u>2.38</u>		<u>2.67</u>
(iii) Engineering Projects (India) Ltd.	1892 (10)	*	1892 (10)	*
Share in Co-operative Societies #				
Total		3.29		3.58
*Value of less than ₹ 1 lakh				
Aggregate amount of unquoted investment		7.91		7.91
Aggregate amount of impairment in value of investments		4.62		4.33

Equity shares held in various employees cooperatives societies, valuing less than ₹ 1 lakh/-

Information about joint ventures

(₹ in Crore)

Particulars	Country of incorporation	As at March 31, 2022	As at March 31, 2021
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)		22.14%	27.97%
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 NBPPL Board in its meeting held on 29.08.2019.
- (ii) Reduction in % of ownership in RPCL is due to subscription of Right issue by the other shareholder M/s KPCL.
- (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.

Note [6] - 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, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Unsecured, considered good	3538.39	3340.61	3535.85	4490.18
Credit impaired (included in allowances for B&D debts)	11599.09	277.54	12598.54	425.72
	15137.48	3618.15	16134.39	4915.90
Less: Allowances for bad and doubtful debts	11933.64	593.40	12954.65	880.83
Total Trade Receivables (net)	3203.84	3024.75	3179.74	4035.07

Simplified approach is followed for impairment of trade receivables, the classification is done in line with Ind AS 109.

Trade receivable includes:

- (a) Due from Directors
- (b) Due from Officers

-	-	-	-
-	-	-	-

(₹ in Crore)

Non current Trade receivable ageing schedule - As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Unbilled	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
i) Undisputed Trade receivables - considered good	39.02	38.13	172.50	288.06	1063.63	-	-	1601.34
ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
iii) Disputed Trade receivables - considered good	0.89	5.28	16.95	66.50	1847.43	-	-	1937.05
iv) Disputed Trade receivables - credit Impaired	95.20	100.67	395.44	630.60	10377.18	-	-	11599.09

Current Trade receivable ageing schedule - As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Unbilled	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
i) Undisputed Trade receivables - considered good	2214.21	237.21	337.62	197.02	354.55	-	-	3340.61
ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
iv) Disputed Trade receivables - credit Impaired	11.23	0.88	35.77	35.58	194.08	-	-	277.54

Non current Trade receivable ageing schedule - As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Unbilled	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
i) Undisputed Trade receivables - considered good	134.78	114.88	286.89	202.41	307.61	-	-	1046.57
ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
iii) Disputed Trade receivables - considered good	12.67	5.91	95.57	138.71	2236.42	-	-	2489.28
iv) Disputed Trade receivables - credit Impaired	279.37	238.81	822.05	688.67	10569.64	-	-	12598.54

Current Trade receivable ageing schedule - As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment					Unbilled	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
i) Undisputed Trade receivables - considered good	2121.42	434.87	613.07	659.49	661.33	-	-	4490.18
ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
iii) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
iv) Disputed Trade receivables - credit Impaired	3.32	0.74	31.61	24.63	365.42	-	-	425.72

Note [7] -Financial assets - Other

Refer point 13 of Note [2] for accounting policy on impairment of financial assets

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Security deposits				
Deposits with SEBs, port trust & others				
Unsecured, considered good	81.80	112.86	84.64	128.57
Credit impaired	<u>2.87</u>	<u>11.69</u>	<u>2.92</u>	<u>12.01</u>
	84.67	124.55	87.56	140.58
Less: Allowances for bad & doubtful deposits	<u>2.87</u>	<u>11.69</u>	<u>2.92</u>	<u>12.01</u>
	81.80	112.86	84.64	128.57
Bank deposits with more than 12 months maturity	4.93	-	12.75	-
Interest accrued on banks deposits	-	76.62	-	77.14
Advance to Employees	-	22.19	-	27.02
Less: Allowance for bad and doubtful advances	-	<u>0.11</u>	-	<u>0.08</u>
	-	22.08	-	26.94
Total	86.73	211.56	97.39	232.65
Includes:				
Due from Directors	-	-	-	-
Dues from Officers	-	0.01	-	0.01

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, 2022	As at March 31, 2021
Deferred tax assets		
Provisions	1629.68	1766.37
Dues allowed on payment basis	440.00	487.11
Depreciation (PP&E and Intangible assets)	46.04	78.26
On account of taxable loss	1311.74	1278.30
Others	<u>102.62</u>	<u>61.20</u>
Sub-total	3530.08	3671.24
Deferred tax liabilities	-	-
Deferred tax assets (net of liabilities)	3530.08	3671.24

Note [9] - Others

Refer point 13 of Note [2] for accounting policy on impairment of financial assets.

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Contract assets (including unbilled revenue)				
Unsecured, considered good	18248.24	8691.63	16584.91	7494.57
Credit impaired	2768.53	663.72	3545.45	76.46
	21016.77	9355.35	20130.36	7571.03
Less: Allowances for bad and doubtful debts	2768.53	663.72	3545.45	76.46
Sub-total (A)	18248.24	8691.63	16584.91	7494.57
Security deposits				
Deposits with tax authorities and others				
Unsecured, considered good	79.96	443.32	106.80	497.11
Unsecured, considered doubtful	30.45	89.74	12.85	79.41
	110.41	533.06	119.65	576.52
Less: Provision for bad & doubtful deposits	30.45	89.74	12.85	79.41
Sub-total (B)	79.96	443.32	106.80	497.11
Loans & advances				
Unsecured, considered good				
Advances towards purchases (Vendors & sub - Contractors)	41.54	56.42	99.58	152.23
Input Tax credit receivable	-	958.31	-	1031.11
Claims recoverable and others	139.76	642.85	37.34	601.11
Capital advances	17.04	-	23.81	-
Unsecured, considered doubtful				
Advances towards purchases (Vendors & sub - Contractors)	11.50	35.69	11.71	6.93
Input Tax credit receivable	-	5.38	-	8.61
Claims recoverable and others	49.67	111.92	28.14	121.16
Capital advances	4.69	-	-	-
	264.20	1810.57	200.58	1921.16
Less: Provision for bad & doubtful loans & advances	65.86	152.99	39.85	136.70
Sub-total (C)	198.34	1657.58	160.73	1784.46
Total (A+B+C)	18526.54	10792.53	16852.44	9776.14
Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
i) Undisputed Contract Assets - considered goods	13874.67	8691.63	12764.34	7494.57
ii) Undisputed Contract Assets - credit impaired	-	-	-	-
iii) Disputed Contract Assets - considered good	4373.57	-	3820.57	-
iv) Disputed Contract Assets - credit Impaired	2768.53	663.72	3545.45	76.46
Total	21016.77	9355.35	20130.36	7571.03
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, 2022		As at March 31, 2021	
Raw material & components	2799.87		2811.03	
Material-in-transit	<u>129.30</u>	<u>2929.17</u>	<u>199.83</u>	3010.86
Work-in-progress (including items with sub-contractors)		<u>3334.54</u>		3779.72
Finished goods	518.09		629.11	
Inter - division transfers in transit	<u>89.85</u>	<u>607.94</u>	<u>63.75</u>	692.86
Stores & spare parts				
Production	151.94		166.42	
Fuel stores	5.70		2.58	
Miscellaneous	<u>50.32</u>	<u>207.96</u>	<u>51.24</u>	220.24
Other inventory				
Materials with fabricators/contractors	60.10		39.80	
Loose tools	24.32		23.02	
Scrap (at estimated realisable value)	<u>143.26</u>	<u>227.68</u>	<u>147.46</u>	210.28
		<u>7307.29</u>		7913.97
Less: Provision for non-moving inventory		<u>747.08</u>		719.52
Total		6560.21		7194.45
Note :				
Write down of inventories		<u>76.77</u>		219.35
Less : reversal thereof		<u>49.21</u>		42.27
Net		27.56		177.08

Note [11] - 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, 2022		As at March 31, 2021	
Balances with banks				
EEFC a/c	28.20		202.69	
Current / cash credit a/c	687.82	716.02	1324.33	1527.02
Cheques, demand drafts on hand		13.06		0.08
Cash & stamps on hand		0.08		0.07
Remittances in transit		3.46		0.02
Total		732.62		1527.19

Note [12] - Current assets

Financial assets - Bank balances

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
Fixed deposits having maturity more than 3 months but not more than 12 months		6411.12		5160.01
Fixed deposits against margin money for BG issued		2.65		2.54
Balances with banks (earmarked):				
Charging station project	3.94		7.88	
Unclaimed dividend a/c	1.81		2.11	
Non-repatriable a/c	1.52		1.69	
Sale proceeds of fractional shares on bonus issue	0.03	7.30	0.03	11.71
Total		6421.07		5174.26
Total Cash and Bank Balances [11 + 12]		7153.69		6701.45

Note [13] - 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, 2022	As at March 31, 2021
Loans		
Loan to PSU (BP&CL)*		
Credit impaired	-	13.32
Less: Allowances for bad & doubtful loans	-	<u>13.32</u>
Total	-	-

*Loan & interest thereon which has been impaired as on March 31, 2021 has been paid by BP&CL during the year

Note [14] - 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, 2022	As at March 31, 2021
Advance tax & TDS	180.71	1062.15
Less: Provisions for taxation	61.47	658.55
Total	119.24	403.60



Note [15] - Equity Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	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%
Percentage change of Promoter holding during the year		Nil		Nil
Life Insurance Corporation of India	350769757	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 [15a] - Other Equity

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve	35.18	35.18
Capital redemption reserve	37.87	37.87
General reserves	30476.66	30476.66
Retained earnings	(4421.45)	(4867.48)
OCI (Re-measurements of defined benefit plans)	(318.08)	(394.98)
Total	25810.19	25287.25

For additions and deduction under each of the above specific heads, SOCIE (Statement of Changes in Equity) may be referred.

Nature and purpose of reserves:

- 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.
- 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.
- General reserve:** This represents accumulation of profits retained by Company to meet future (known/unknown) obligations.
- Retained earnings:** Retained earnings are profits that Company has earned till date, less transfer to general reserve, dividends or other distributions to shareholders.
- 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 [16] - Financial liabilities - Lease Liabilities

Refer point 3 of Note [2] for accounting policy on lease.

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Lease Liabilities	35.12	49.81	53.41	48.20
Total	35.12	49.81	53.41	48.20

Further disclosures available at Note [39] on lease

Note [17] - Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	127.45	745.82	157.92	751.57
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2004.48	6881.11	1725.85	5815.34
(iii) Acceptances	-	122.66	-	113.91
Total	2131.93	7749.59	1883.77	6680.82

Non current Trade Payable Ageing schedule - As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
i) MSME	-	-	-	-	0.03	103.96	103.99
ii) Others	-	-	-	-	0.21	1368.24	1368.45
iii) Disputed dues - MSME	-	-	-	-	-	23.46	23.46
iv) Disputed dues - Others	-	-	-	-	-	636.03	636.03

Current Trade Payable Ageing schedule - As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
i) MSME	-	-	-	-	160.27	572.45	732.72
ii) Others	2.41	-	-	-	1435.21	4861.89	6299.51
iii) Disputed dues - MSME	-	-	-	-	-	13.11	13.11
iv) Disputed dues - Others	-	-	-	-	-	704.25	704.25

Non current Trade Payable Ageing schedule - As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
i) MSME	-	-	-	-	-	149.39	149.39
ii) Others	-	-	-	-	-	1308.15	1308.15
iii) Disputed dues - MSME	-	-	-	-	-	8.53	8.53
iv) Disputed dues - Others	-	-	-	-	-	417.70	417.70

Current Trade Payable Ageing schedule - As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
i) MSME	27.85	-	0.06	0.01	209.19	421.84	658.95
ii) Others	418.01	7.38	9.68	0.15	1414.18	2493.39	4342.79
iii) Disputed dues - MSME	-	-	-	-	-	92.62	92.62
iv) Disputed dues - Others	-	-	-	-	-	1586.46	1586.46

Note [18] - Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Deposits from contractors & others	206.45	431.36	211.01	447.92
Liabilities :				
- Employee dues	-	214.05	-	126.88
- Capital Expenditure	8.65	80.83	5.71	57.49
- Others*	-	386.92	-	294.20
Unpaid Dividend**	-	1.81	-	2.11
Interest accrued on borrowings	-	9.12	-	0.97
Total	215.10	1124.09	216.72	929.58

* Other Includes ₹ 0.03 Cr for sales proceeds of fractional shares arising out of bonus shares.

**No amount is due and outstanding to be transferred to Investor Education & Protection Fund at the year end.

Note [19] - Provisions

Refer point 9 & 10 of Note [2] for accounting policy on employee benefits and provisions.

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Contractual obligation	2620.03	1235.45	2505.89	1486.56
Provision for employee benefits*	856.82	1060.62	1098.20	831.06
Provision others	292.69	760.14	319.38	831.72
Corporate social responsibility	1.67	10.49	2.09	19.18
Total	3771.21	3066.70	3925.56	3168.52

*[Further disclosure available at note (25) on employee benefits].

Note [20] - Other liabilities

Refer point 11 of Note [2] for accounting policy on Government grants

(₹ in Crore)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non Current	Current	Non Current	Current
Contract liabilities (Advances received from customers incl.excess of billing over revenue)	2193.43	3854.33	2806.50	4057.85
Liabilities towards statutory dues	-	775.55	-	616.50
Deferred income- Govt. grant #	19.22	6.08	25.04	6.45
Total	2212.65	4635.96	2831.54	4680.80

#Govt. grant is received for setting up of solar PV plant and manufacturing of modules

Note [21] - Current Financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Cash Credit (by BHEL EML)	-	7.29
Loans from banks	4745.00	201.01
Pre shipment packing credit	-	299.36
Buyer's Credit	-	45.71
(secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)		
Sub-total (A)	4745.00	553.37
Unsecured		
Commercial papers	-	4287.70
Loan from companies (by BHEL EML)	-	8.21
Sub-total (B)	-	4295.91
Total borrowings (A+B)	4745.00	4849.28

(i) Details of Sanctioned Limits

Description	Sanctioned Limit	Utilization			
		As at March 31, 2022		As at March 31, 2021	
		Value (₹/ Cr)	% Utilisation	Value (₹/ Cr)	% Utilisation
Non Fund Based Limits	54000	33936	62.84%	41026	75.97%
Bank Guarantees#	51000	31369	61.51%	39343	77.14%
Letter of Credit (inc. Buyer's Credit)	3000	2567	85.57%	1683	56.10%
Fund Based Limits	6000	4745	79.08%	300	5.01%
WCDL		4745		1.01	
PCFC		NIL		299.36	
Commercial Paper	5000	NIL		4287.70	85.75%

Total Consortium limit (fund based + non fund based) of ₹ 60000 Cr 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.

Commercial Papers are in the nature of unsecured short term borrowings.

Outstanding Bank Guarantees include ₹ 439 Crores (P.Y. ₹ 630 Cr.) on a/c of BGs already replaced but pending vacation as on March 31, 2022. Excluding this, the outstanding BGs as on 31.03.2022 is ₹ 30930 Cr. (Previous Year 38713 Cr.)

- (ii) Loan from Banks in FY 2021-22 represents WCDL (Working Capital Demand Loan) & for Previous Year, ₹ 200 Cr Loans against Fixed Deposit and balance for WCDL.
- (iii) The company has not been declared wilful defaulter by any Bank / Financial Institution.
- (iv) The quarterly returns or statements of current assets filed by the Company with Banks or Financial Institutions are in agreement with Books of accounts.
- (v) Corporate Guarantees given for own obligations outstanding as on 31.03.2022 is ₹ 1165 crore (previous year ₹ 1799 crore).

(vi) Change in Borrowings arising from Financing activities

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance (excl cash credit)	4841.99	4941.66
Less : Adj of Unsecured loan by BHEL EML consequent to divestment	8.21	-
Cash Flow during the year	(88.78)	(98.01)
Less : ERV	-	(1.66)
Closing Balance (excl. cash credit)	4745.00	4841.99

For changes in lease liability arising from financing activities, refer note no [b] of Note 39

Note [22]**Revenue from operations**

Refer point 7 of Note [2] for accounting policy on revenue recognition.

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contracts with customers		
Revenue from Construction and Project related activity	14107.10	10581.40
Sale of Product & other services	6046.28	5714.40
Sub-total (A)	20153.38	16295.80
Other operational income		
Freight & insurance	129.35	93.32
Scrap sales	273.63	141.97
Recoveries from suppliers	113.98	112.88
Liabilities written back	239.95	211.83
Insurance claims	76.51	163.48
Export incentives	50.50	156.88
Others	173.79	132.53
Sub-total (B)	1057.71	1012.89
Revenue from operations (A+B)	21211.09	17308.69
Revenue from Operations excludes Goods and service tax	2970.00	2392.35

Note [23] Other income

Refer point 7 of Note [2] for accounting policy on revenue recognition.

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income *		
From banks	246.75	313.61
Others	56.04	7.25
Sub-total (A)	302.79	320.86
Other income		
Profit on sale of units of mutual funds	-	1.42
Government grants on Solar PV Plant for captive use	6.20	6.45
Profit from sale of PPE & capital stores (Net)	6.90	1.88
Others	38.65	17.81
Sub-total (B)	51.75	27.56
Total other income (A+B)	354.54	348.42
*Includes TDS	18.92	20.99

Note [24] Changes in inventories of finished goods, work in progress and Scrap

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Work -in -progress		
Closing balance	3334.54	3779.72
Opening balance	3778.22	4121.21
Finished goods		
Closing balance	518.09	629.11
Opening balance	628.72	823.33
Scrap		
Closing balance	143.26	147.46
Opening balance	147.46	117.76
Inter-division transfer in transit	(26.10)	4.85
(Increase)/Decrease	532.41	510.86

Note [25]

Employee benefits expense

Refer point 9 of Note [2] for accounting policy on employee benefits.

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages, bonus, allowances & other benefits	4713.20	4699.90
Contribution to provident and other funds	460.01	373.16
Staff welfare expenses	239.89	195.03
Contribution to gratuity fund	95.78	102.02
Group insurance	10.17	8.05
Total	5519.05	5378.15

Note [26]

Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Power & fuel	415.08	319.57
Expenditure on other sub contracts	243.72	267.60
Carriage outward	241.23	216.71
Payment to security agencies	148.93	203.25
Repairs & maintenance:		
Buildings	27.32	26.55
Plant & machinery	26.44	29.59
Others	74.05	67.50
Insurance	95.88	128.51
Travelling & conveyance	84.89	65.15
Bank charges	92.17	92.61
R&D expense	12.10	29.48
Hire charges	48.22	46.38
Expenditure on collaborations & royalty	45.21	34.92
Rates & taxes	23.04	25.07
Office expense	27.32	31.00
Expenditure on skill development	12.83	15.22
Legal, audit & certification expense	32.45	34.62
EDP, software & lease line expense	17.40	25.57
Corporate social responsibility	-	20.18

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Water charges	20.50	34.19
Expenditure in connection with exports	8.01	11.92
Rent non residential	12.77	15.88
Entertainment & courtesy expenses	2.73	2.29
Environmental protection	4.59	5.72
Seminar, development and training expense	1.28	1.16
Unrealised loss in investment of equity share	0.29	-
Publicity & public relation expense	1.94	1.55
Miscellaneous expense	50.10	47.38
Exchange variation [Net (gain) / loss]	(81.62)	(65.83)
Provision and Write off (Details at point no vi below)	(1526.25)	1467.46
Total	162.62	3201.20

Further Details

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Director's fees	0.25	0.21
(ii) Expenditure on departmental repair & maintenance:		
Plant & machinery	159.08	175.27
Buildings	33.06	29.65
Others	33.09	32.88
(iii) Expenditure on research & development	122.83	146.01
(iv) Expenditure on foreign travel		
No. of tours	127	77
Expenditure	1.92	1.28

(v) BHEL from own contribution has spent cumulative ₹ 190 crore (upto previous year ₹ 189 crore) on AUSC project and accounted as R&D expenditure.

(vi) Provisions and write off

Refer Point 10, 13 of Note [2] for accounting policy on provision and impairment of assets.

(₹ in Crore)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Doubtful debts, liquidated damages and loans, advances & deposits				
Created during the year	729.55		2583.68	
Less: withdrawal during the year	2209.16	(1479.61)	1773.13	810.55
Contractual obligations				
Created during the year	151.95		240.96	
Less: withdrawal during the year	526.44	(374.49)	501.81	(260.85)
Other Provisions				
Created during the year	367.26		768.16	
Less: withdrawal during the year	389.38	(22.12)	128.75	639.41
Investment written off		5.36		4.93
Bad debts written off		98.34		77.55
Liquidated damages & contractual charges charged off		233.59		170.98
Losses written off		12.68		24.89
Total		(1526.25)		1467.46

Note [27]**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, 2022		For the year ended March 31, 2021	
Discount on commercial papers		137.41		164.06
Unwinding of provisions		156.01		141.74
Interest cost:				
Banks / Financial Institutions	47.89		29.34	
Foreign Financial Institutions	0.74		10.77	
On lease Obligations	8.50		12.79	
Others	4.01	61.14	14.27	67.17
Other expenses on issuance of Commercial paper		1.40		0.97
Sub-total		355.96		373.95
Less: Borrowing cost capitalised		-		-
Total		355.96		373.95

Note [28] Tax expenses

Refer point 12 of Note [2] for accounting policy on income taxes.

(₹ in Crore)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Current tax				
For current year	48.86		32.83	
For earlier years	(125.99)	(77.13)	(17.01)	15.82
Deferred tax				
For current year	108.00		(909.62)	
For earlier years	(5.12)	102.88	(2.43)	(912.05)
Total		25.75		(896.23)

Note [29] Other comprehensive income / expenditure

(₹ in Crore)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Income / (expenditure)				
Re measurement of defined employee benefits	102.72		26.70	
Less: Income tax related to above items*	25.85		6.72	
Total	76.87		19.98	
* Includes				
Current tax	-		-	
Deferred tax	25.85		6.72	

Reconciliation of Income tax expense and accounting profit (TCI) multiplied by income tax rate

(₹ in Crore)

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
Total Comprehensive Income / Loss (TCI) before tax (A)	573.21		(3569.16)	
Statutory income tax rate (B)	25.168%		25.168%	
Tax expense C = (AXB)	144.27		(898.29)	
Difference due to: (D)				
Expenses not deductible for tax purposes	51.90		39.35	
Difference in tax due to income chargeable to tax at special rate	(0.76)		-	
Tax effect on share of JVs Profit / Loss	(12.70)		(11.13)	
Change in tax expense - earlier years	(131.11)		(19.44)	
Sub-total (D)	(92.67)		8.78	
Net Tax Expense E = (C+D)	51.60		(889.51)	

Note [30] Earnings per share

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit/(loss) attributable to equity shareholders	446.03	(2697.11)
Weighted average number of equity shares	348.21	348.21
Basic and diluted earnings per share of ₹ 2 each	1.28	(7.75)

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 [31] Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Proposed dividend on equity shares not recognised as liability		
Proposed final dividend of ₹ 0.40 per share for FY 2021-22 (FY 2020-21 ₹ NIL per share).	139.28	-

Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as liability as at the Balance Sheet date.

Note [32] Notes to Accounts

The Consolidated financial statements relate 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

- The financial Statements of the subsidiary company and interest in joint ventures in the consolidation are drawn upto the date of sale of stake in subsidiary and upto the same reporting date as of the parent company respectively.
- 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

- Subsidiary is entity controlled by the Company. Pursuant to sale of stake in BHEL EML to Govt. of Kerala on 11th August, 2021 the consolidation has been done upto the date of transfer of stake.
- 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.

- 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.
- 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.
- 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	
		2021-22	2020-21
Subsidiary Company			
BHEL Electrical Machines Limited (BHEL EML)	India	-	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	22.14%	27.97%

- The financial statements of BHEL EML are consolidated upto 11th August 2021 being the date of sale of stake by BHEL EML to Govt. of Kerala.
- Interest in Joint Ventures in respect of BHEL-GE Gas Turbine Services Ltd. is considered based on unaudited financial statements for the year ended on 31.03.2022.
- 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 31.03.2022.
- 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.

Note [33] - Contingent liabilities and commitments

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
A. Contingent liabilities		
Claims against the company not acknowledged as debt :		
(a) Sales tax matters	1279.61	894.74
(b) Service tax matters	920.46	696.04
(c) Court & arbitration matters	592.77	516.18
(d) Excise duty matters	162.18	161.76
(e) Customs duty and others	880.06	834.51
(f) Other matters (incl. disputed staff cases)	48.37	40.51
(g) Claim towards Liquidated damages (LD)	2872.25	2901.75
	6755.70	6045.49

- 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.
- 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 of cash outflow are contingent.
- 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, 2022	As at March 31, 2021
Balance at the beginning of the year	6045.49	8068.47
Less: Reduction out of opening balance	129.84	3342.01
Add: Additions (net) during the year	840.05	1319.03
Balance at the end of the year	6755.70	6045.49

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
B. Commitments		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for.	209.20	229.15
- (The above includes related to acquisition of intangible assets)	7.56	8.65
(b) Investment in the Joint Venture entity (NBPL) 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. This investment has been fully provided for.	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 [34]

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. Since there was no stipulation for payment of such guarantee fee at the time the loans (guaranteed by Government) were taken by the company, the matter is being reviewed for appropriate action.

Note [35]

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 [36]

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 ₹ 7593 crores (previous year ₹ 7882 crore) . Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹ 6376 crore (previous year ₹ 6299 crore).

Note [37] - 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
BHEL Electrical Machines Limited	India	-	51%	-	49%

BHEL has transferred its stake in BHEL EML to Govt. of Kerala on 11th August, 2021.

(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, 2022	March 31, 2021
Non-current assets	-	14.3
Current assets	-	10.34
Total Assets	-	24.64
Non-current liabilities	-	5.42
Current liabilities	-	42.94
Total Liabilities	-	48.36
Net Assets	-	(23.72)
Accumulated Non Controlling Interest (NCI)	-	(11.62)

(₹ in Crore)

Summarized statement of profit and loss	For the Year	
	2021-22*	2020-21
Revenue	-	0.25
Profit/ (loss) for the year	(2.69)	(5.28)
Other Comprehensive Income/Expenses	-	-
Total Comprehensive Income/Expenses	(2.69)	(5.28)
Profit/ (loss) attributable to NCI	(1.32)	(2.59)

* upto 11th August, 2021

(₹ in Crore)

Summarized Cash flows	For the Year	
	2021-22*	2020-21
Cash flows from operating activities	(0.02)	(6.44)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	(0.84)
Net increase/ (decrease) in cash and cash equivalents	(0.02)	(7.28)

BHEL has transferred its stake in BHEL EML to Govt. of Kerala on 11th August, 2021.

Note [38] - 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:

(₹ in Crore)

a) 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	
		2022	2021	2022	2021
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	22.14%	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 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 NBPPL Board in its meeting held on 29.08.2019."
- (c) Raichur Power Corporation Limited, a joint venture company of BHEL & Karnataka Power Corporation Ltd(KPCL), 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. During the year the change in proportion of ownership is due to subscription of rights issue by M/s KPCL.
- (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.

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, 2022	March 31, 2021
Non-current assets	394.11	318.50
Current assets	358.55	297.94
Cash and Cash Equivalent (incl.bank balances) included in Current assets	41.97	42.66
Non-current liabilities	19.06	22.19
Non-Current financial liabilities (excluding Trade Payables)	7.46	10.59
Current liabilities	330.40	231.27
Current financial liabilities (excluding Trade Payables)	10.31	9.58

Statement of Profit and Loss	For the year ended	
	March 31,2022	March 31,2021
Revenue from operations	801.18	791.76
Interest Income	17.54	13.81
Depreciation and amortization	9.65	9.28
Interest expense	1.08	1.27
Income tax expense	34.27	29.94
Profit / (loss) for the year	100.84	88.29
Other comprehensive income/(Expenses)	(0.06)	(0.15)
Total Comprehensive Income/(Expenses)	100.90	88.44

Raichur Power Corporation Ltd.

(₹ in Crore)

Balance Sheet	As at	
	March 31,2022	March 31,2021
Non-current assets	9832.21	10411.71
Current assets	3020.90	2240.70
Cash and Cash Equivalent included in Current assets	(136.93)	(66.47)
Non-current liabilities	13859.00	13033.96
Non-Current financial liabilities (excluding Trade Payables)	13859.00	13033.96
Current liabilities	2969.62	3654.96
Current financial liabilities (excluding Trade Payables)	2018.60	3459.23

Statement of Profit and Loss	For the Year	
	March 31,2022	March 31,2021
Revenue from operations	3027.00	2029.79
Depreciation and Amortization	660.19	660.19
Interest Expense	1460.00	1753.90
Income tax Expense	-	-
Profit / (loss) for the year	(565.00)	(1431.84)
Total Comprehensive Income/(Expenses)	(565.00)	(1431.84)

NTPC-BHEL Power Projects Pvt. Ltd.

(₹ in Crore)

Balance Sheet	As at	
	March 31,2022	March 31,2021
Non-current assets	205.92	341.24
Current assets	364.76	255.33
Cash and Cash Equivalent [incl. bank balances] included in Current assets	6.67	9.96
Non-current liabilities	197.57	175.93
Current liabilities	571.86	578.87
Current financial liabilities (excluding Trade Payables)	25.19	25.31

Statement of Profit and Loss	For the year ended	
	March 31,2022	March 31,2021
Revenue from operations	24.06	42.93
Depreciation and Amortization	5.81	5.84
Interest Expense	0.94	3.00
Income tax Expense	(13.57)	(4.57)
Profit / (loss) for the year	(40.52)	(12.61)
Total Comprehensive Income/(Expenses)	(40.52)	(12.67)

Note [39] - 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 conferencing 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, maintenance 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 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021	As at March 31,2022	As at March 31,2021
Not later than 1 year #	54.51	54.01	6.60	8.77	47.91	45.24
Later than 1 year and not later than 5 years	40.52	60.33	5.40	6.92	35.12	53.41
Later than 5 years	-	-	-	-	-	-

The amount of future minimum lease payments in respect of leases where remaining lease term as at the end of March 31, 2022 is less than 12 months is ₹ 7.56 cr (Previous year ₹ 9.54cr).

b. Movement in lease liabilities during the FY

(₹ in Crore)

Particulars	For the year	
	2021-22	2020-21
Lease Liabilities As at April 1*	101.61	132.04
Add: Additions	33.18	30.03
Add: Accretion of interest	8.50	12.79
Less : Payments/Adjustment	58.36	73.25
Lease Liabilities as at March 31*	84.93	101.61

* includes interest accrued of ₹ 1.90 crore (PY ₹ 2.96 crore) & ₹ 2.96 crore (PY ₹ 3.12 crore) as at March 31, 2022 & March 31, 2021 respectively

c. Amounts recognised in profit or loss:

(₹ in Crore)

Particulars	For the Year Ended	
	March 31,2022	March 31,2021
Expense relating to Short-term leases (Refer Note No.34)	2.27	2.25
Expense relating to low value assets leases (Refer Note 34)	1.23	1.03
Depreciation charge of right-of-use assets	42.35	64.26
Interest expense (included in finance cost)	8.50	12.79

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 31,2022	March 31,2021
Not later than 1 year	-	0.07
Later than 1 year and not later than 5 years	-	0.05
Later than 5 years	-	-

Note [40] - Disclosure on 'Employee benefits' - Ind AS 19
A. The Company has following schemes in the nature of Defined Benefits Plans:

- Gratuity Scheme
- Post Retirement Medical Scheme
- Provident Fund Scheme
- 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					
	2022	2021	2022	2021	2022	2021
Opening Balance	2011.42	2074.13	1697.44	1696.77	313.98	377.36
Add/(less) Adjustment on sale of stake in subsidiary	(6.16)	-	-	-	(6.16)	-
Included in profit for the year :						
Current service cost	95.78	101.79	-	-	95.78	101.79
Past service cost	-	-	-	-	-	-
Interest cost /(income)	135.35	139.84	135.35	139.61	-	0.23
Total amount recognised in profit for the year	231.13	241.63	135.35	139.61	95.78	102.02

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					
	2022	2021	2022	2021	2022	2021
Included in other comprehensive income (OCI) :						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Change in Demographic assumptions	-	-	-	-	-	-
Change in Financial Assumption	(47.57)	-			(47.57)	-
Experience Adjustment	(19.22)	(32.61)	(15.35)	(21.21)	(3.87)	(11.40)
Total amount recognised in other comprehensive income	(66.79)	(32.61)	(15.35)	(21.21)	(51.44)	(11.40)
Others						
Contributions paid by the employer	-	-	-	154.00	-	(154.00)
Benefits paid	(236.00)	(271.73)	(236.00)	(271.73)	-	-
Unpaid Benefits paid	-	-			-	-
Closing balance	1933.60	2011.42	1581.44	1697.44	352.16	313.98

Details of Plan assets

Particulars	As at March 31, 2022	As at March 31, 2021
Funds managed by Insurer*	76.96%	70.80%
High quality Corporate bonds (quoted)	19.55%	18.23%
State Government securities (quoted)	2.80%	2.46%
Equity shares of listed Companies (quoted)	-	0.97%
Bank Balance	0.69%	7.54%
Total	100.00%	100.00%

*Insurer is Life Insurance Corporation of India

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	As at March 31, 2022	As at March 31, 2021
Economic assumptions		
Discount rate	7.00%	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 2022		As at March, 31 2021	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(91.26)	99.51	(92.13)	100.65
Change in Salary escalation rate (0.50% movement)	43.70	(47.40)	51.60	(53.83)

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, 2022	As at March 31, 2021
Less than 1 year	213.13	230.44
Between 1-2 years	149.43	193.53
Between 2-3 years	134.26	141.35
Between 3-4 years	112.14	126.36
Between 4-5 years	98.80	104.26
Between 5-6 years	87.74	91.67
Over 6 years	1138.10	1123.81
Total	1933.60	2011.42

Expected contributions to gratuity plans for the year ending 31 March 2023 are ₹ 109.78 crore

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.81 years (31 March 2021: 14.95 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,					
	2022	2021	2022	2021	2021	2021
Opening balance	2255.85	2285.20	1948.72	1933.72	307.13	351.48
Add/(less) Adjustment on sale of stake in subsidiary	-	-	(0.38)	-	0.38	-
Included in Profit for the Year :						
Current service cost	39.26	39.92	-	-	39.26	39.92
Past service Cost	-	(49.95)	-	-	-	(49.95)
Interest cost / (income)	152.27	154.25	152.27	154.25	-	-
Total amount recognised in Profit for the Year	191.53	144.22	152.27	154.25	39.26	(10.03)
Included in other comprehensive income (OCI):						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(54.57)	-	-	-	(54.57)	-
Experience adjustment	(16.96)	(9.57)	(16.27)	(17.25)	(0.69)	7.68
Total amount recognised in other comprehensive income	(71.53)	(9.57)	(16.27)	(17.25)	(55.26)	7.68
Others						
Contributions paid by the employer	-	-	-	42.00	-	(42.00)
Benefits paid	(165.00)	(164.00)	(165.00)	(164.00)	-	-
Closing balance	2210.85	2255.85	1919.34	1948.72	291.51	307.13

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, 2022	As at March 31, 2021
Economic assumptions:		
Discount rate	7.00%	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, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Change in discount rate (0.50% movement)	(100.44)	101.60	(100.99)	103.12
Change in cost (0.50% movement)	101.79	(100.97)	103.96	(101.57)

Sensitivity due to mortality and withdrawals 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, 2022	As at March 31, 2021
Less than 1 year	133.39	147.94
Between 1-2 years	140.73	149.62
Between 2-3 years	149.11	153.04
Between 3-4 years	158.65	158.33
Between 4-5 years	169.44	165.65
Between 5-6 years	181.98	175.29
Over 6 years	1277.55	1305.98
Total	2210.85	2255.85

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2023 are ₹ 38.66 crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.78 years (31 March 2021: 12.42 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	
	2021-22	2020-21
Excess / (shortfall) in PF interest liability based on actuarial valuation for the year	1.26	15.68
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	13.20	14.46
Remeasurement gain/(loss) recognised through other comprehensive income statement	(1.39)	25.16
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	(2.65)	9.48

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					
	2022	2021	2022	2021	2022	2021
BHEL EPF Trust,Ranipur,Hardwar	1664.32	1574.05	1680.03	1581.86	15.71	7.81
BHEL Employee Provident Fund-Trichy	935.88	986.73	929.35	984.73	(6.53)	(2.00)
BHEL Employee Provident Fund Bhopal	1394.81	1317.70	1395.61	1313.87	0.80	(3.83)
BHEL New Delhi Employees Provident Fund Trust	1375.80	1291.26	1386.09	1297.88	10.29	6.62
BHEL Employee Provident Fund-Hyderabad	823.06	833.30	853.42	853.68	30.36	20.38
BHEL PPD EPF Trust,Chennai	854.23	786.92	847.56	778.29	(6.67)	(8.63)
BHEL Employee Provident Fund-Bengaluru	620.46	635.51	627.07	644.53	6.61	9.02
BHEL (BAP Unit) EPF Trust,Ranipet	357.05	390.16	359.84	390.62	2.79	0.46
BHEL Employee Provident Fund Trust Jhansi	455.36	437.95	468.66	447.68	13.30	9.73
Bharat Heavy Plates & Vessels Limited Employee Contributory Provident Fund-Vizag	145.91	141.46	179.46	172.72	33.55	31.26
Total	8626.88	8395.04	8727.09	8465.86	100.21	70.82

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Opening Balance	8395.04	8160.39	8465.86	8194.12
Included in Profit for the year :				
Current service cost	337.15	327.61	-	-
Interest cost / (income)	657.45	665.66	657.45	665.66
Total amount recognised in profit for the year	994.60	993.27	657.45	665.66
Included in other comprehensive income (OCI):				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions	-	-	-	-
Financial assumptions	(1.65)	-	-	-
Experience adjustment	3.54	(17.87)	31.28	19.22
Total amount recognised in other comprehensive income	1.89	(17.87)	31.28	19.22
Others				
Contributions paid by the employer	-	-	337.15	327.61
Employee Contribution	725.84	777.25	725.84	777.25
Benefits paid	(1904.95)	(1804.50)	(1904.95)	(1804.50)
Settlements/Transfer-in	414.46	286.50	414.46	286.50
Closing balance	8626.88	8395.04	8727.09	8465.86

Note: Interest shortfall in respect of PF trusts having deficit and defaulted investments (₹ 42.10 cr) have been accounted through Statement of profit and loss and other Comprehensive Income Statement.

Details of plan assets

(₹ in Crore)

Particulars	As at March 31,2022	As at March 31,2021
Govt. of India securities (Quoted)	1026.09	1153.72
State Government securities [Quoted]	4061.08	3694.89
Corporate bonds (Quoted)	3062.28	3027.71
Special deposit (Unquoted)	384.27	417.43
Liquid fund (Quoted)	14.25	2.11
Short term deposit [Unquoted]	13.07	10.89
Mutual Fund & Equity shares[Quoted]	166.05	159.11
Total	8727.09	8465.86

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Economic assumptions:		
Discount rate	7.00%	6.75%
Expected statutory interest rate on the ledger balance	8.10%	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, 2022		As at March 31, 2021	
	Increase	Decrease	Increase	Decrease
Change in discount rate (0.50% movement)	(1.30)	1.38	(1.23)	1.28

Sensitivity due to mortality and withdrawals are not material and hence impact of change not calculated.

Expected maturity analysis in future years

Particulars	Provident Fund	
	As at March 31, 2022	As at March 31, 2021
Within the next 12 months	916.15	832.06
Between 2-5 years	1681.13	2009.34
Between 5-10 years	2150.37	1984.72
Beyond 10 years	3879.23	3568.92
Total	8626.88	8395.04

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 investment risk, discount rate, mortality, disability and withdrawals.

(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, 2022	As at March 31, 2021
Opening balance	10.30	9.56
Current service cost	0.69	0.63
Interest cost / (income)	0.69	0.65
Included in Profit for the Year :	1.38	1.28
Actuarial loss (gain)	2.60	2.16
Total amount recognised in TCI for the Year	3.98	3.44
Others		
Contributions paid by the employer	-	-
Benefits paid	(2.65)	(2.70)
Closing balance	11.63	10.30

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	Settlement Allowance	
	As at March 31, 2022	As at March 31, 2021
Economic assumptions:		
Discount rate	7.00%	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, 2022	As at March 31, 2021
Opening Balance	1242.08	1392.73
Add/(less) Adjustment of sale of stake in subsidiary	(0.34)	-
Included in profit for the year :		
Current service cost	142.00	157.75
Interest cost/(income)	83.82	93.98
Actuarial loss/(gain)	(181.51)	(130.95)
Total amount recognised in profit for the year	44.31	120.78
Benefits paid	255.33	271.43
Closing Balance	1030.72	1242.08

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

Particulars	Long Term Leave Liability	
	As at March 31, 2022	As at March 31, 2021
Economic assumptions:		
Discount rate	7.00%	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 recognised ₹ 254 cr [PY ₹ 280 cr] as contribution in respect of pension scheme [defined contribution plan] for the FY 2021-22

Note [41] - Disclosure as per Ind AS 24 - Related Parties

A List of related parties

(i) Joint venture companies	BHEL-GE Gas Turbine Services Pvt. Ltd. (BGGTS) NTPC-BHEL Power Projects Pvt. Ltd. (NBPPL) Raichur Power Corporation Ltd. (RPCL) Powerplant Performance Improvement Ltd.
Post employment benefit plans	Provident fund trusts Gratuity trust PRMB Trust Pension Trust
Others	Central Government controlled entities

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.

(ii) Other related parties

a. Key Management Personnel [KMP]

Particulars	Designation	Position Held [w.e.f /upto]
Functional Directors		
Shri [Dr.] Nalin Shinghal	Chairman & Managing Director	
Shri Subodh Gupta	Director (Finance)	
Shri Kamalesh Das	Director (Engineering, R&D)	upto July 31,2021
Shri Anil Kapoor	Director (Human Resources)	upto January 31, 2022
Ms. Renuka Gera	Director (IS & P)	
Shri Upinder Singh Matharu	Director (Power)	w.e.f March 21, 2022
Shri TS Chakravarthy	Managing Director BHEL-EML	upto August 11, 2021
Company Secretary		
Shri Rajeev Kalra	Company Secretary	

(₹ in Crore)

Particulars	For the year ended	
	March 31,2022	March 31,2022
Compensation to Key management personnel		
-Short term employee benefits	3.29	4.16
- Post employment benefits	0.38	0.56
- Other long term benefits	-	-
- Termination benefits	-	-
- Share based payment	-	-
Total	3.67	4.72

b. Government Director/Independent Director

Name	Government /Independent	Position Held [w.e.f /upto]
Shri Shashank Priya	Government Director	
Shri Amit Mehta	Government Director	upto 18.06.2021
Shri Jeetendra Singh	Government Director	w.e.f. 18.06.2021 & upto 25.03.2022
Shri Vijay Mittal	Government Director	w.e.f. 25.03.2022
Shri Rajesh Sharma	Independent Director	upto 13.02.2022
Shri Raj Kamal Bindal	Independent Director	
Shri Manish Kapoor	Independent Director	
Shri (Dr.) Raj K. Agarwal	Independent Director	w.e.f. 09.11.2021
Shri (Dr.) K. Sivaprasad	Independent Director	w.e.f. 09.11.2021
Smt.(Dr.) Lekhasri Samantsinghar	Independent Director	w.e.f. 09.11.2021
Shri Aditya Prasad Sahu	Independent Director	w.e.f. 29.12.2021

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2022	March 31, 2022
Sitting Fees -- Independent Directors	0.25	0.21

B. Transactions with Post Employment Benefit Plans managed through separate trust

(₹ in Crore)

Name of Trust	Post Employment benefit plan	Contribution by employer For the year ended March 31	
		2022	2021
PRMB Trust	Post Retirement medical scheme	-	41.62
Gratuity Trust	Gratuity	-	154.00
Employees Superannuation Fund	Pension Fund	115.00	280.00
BHEL EPF Trust,Ranipur,Hardwar	Provident Fund	55.13	52.21
BHEL Employee Provident Fund-Trichy	Provident Fund	53.43	52.97
BHEL Employee Provident Fund Bhopal	Provident Fund	53.03	50.86
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	41.46	39.25
BHEL Employee Provident Fund-Hyderabad	Provident Fund	40.56	39.36
BHEL PPD EPF Trust,Chennai	Provident Fund	28.21	26.34
BHEL Employee Provident Fund-Bengaluru	Provident Fund	27.75	29.16
BHEL (BAP Unit) EPF Trust,Ranipet	Provident Fund	18.58	19.24
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	13.19	12.77
Bharat Heavy Plates & Vessels Limited Employee Contributory Provident Fund-Vizag	Provident Fund	5.81	5.45



iii. Details of Transactions With Joint Ventures and Balances

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2022	March 31, 2021
Sales of Goods and services		
BGGTS	281.48	215.85
RPCL	3.27	7.80
NBPPL	3.83	10.86
Dividend income		
BGGTS	30.35	21.42
Royalty income		
BGGTS	1.80	1.46
Purchase of Goods and Services		
BGGTS	1.04	1.96
NBPPL	1.52	0.75
Amounts due to BHEL at the end of the year		
BGGTS	143.55	68.79
RPCL	550.90	552.00
NBPPL	263.89	195.56
Amounts due from BHEL (incl. advances) at the end of the year		
BGGTS	0.11	0.15
RPCL	20.95	7.67
NBPPL	67.95	56.79
Provision for Doubtful debts & advances		
RPCL	20.17	20.10
NBPPL	188.70	187.98

Note: Refer Note[5a] for provision for dimunition in value of investment

Note [42] - Disclosure [Movement in provisions] - Ind AS - 37

(₹ in Crore)

a. Liquidated Damages	As at March 31,2022	As at March 31,2021
Opening Balance	9511.80	8467.67
Add: Additions	152.07	1546.68
Less: Usage/ Write off/payment	111.76	98.36
Less: Withdrawal/adjustments	992.91	404.19
Closing Balance	8559.20	9511.80

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 33.

(₹ in Crore)

b. Contractual Obligation	As at	
	March 31, 2022	March 31, 2021
Opening Balance		
As disclosed in Note (19)	3992.45	4319.11
As disclosed in Note (6)	723.45	736.93
As disclosed in Note (9)	699.86	<u>483.12</u>
Add: Borrowing Cost	155.78	141.68
Add: Additions	277.50	447.20
Less: PV Adjustment	107.45	194.95
Less: Usage/ Write off/payment	88.78	87.56
Less: Withdrawal/adjustments	438.94	418.48
Add/(Less): Change in estimate and rates	(18.11)	(11.29)
Closing Balance		
As disclosed in Note (19)	3855.48	3992.45
As disclosed in Note (6)	708.05	723.45
As disclosed in Note (9)	632.23	<u>699.86</u>

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. Contractual obligation, pertaining to dues from projects fully provided for, disclosed in Non Current Allowances for B&D Debts in Note 6 and 9.

Based on the historical experience/technical assessment and in line with Significant accounting policy no. 10 (ii) duly approved by the Board, the Company has reassessed the anticipated cost for warranties. Consequently, the additions to Contractual obligation provision is less by ₹ 293.51 cr. in FY 2021-22.

Note [43] - Disclosure - Revenue from Contracts with Customers - Ind AS-115

a. Movement in impairment provisions

(₹ in Crore)

Particulars	2021-22		2020-21	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	4890.48	1142.25	5431.00	822.98
Add: Additions	344.18	146.78	677.99	337.37
Less: Write off	216.42	-	49.34	-
Less: Reversal*	703.45	98.49	1169.17	18.10
Closing balance	4314.79	1190.54	4890.48	1142.25

* Incl. adjustment on sale of stake in subsidiary ₹ 3.36 cr.

b. Disaggregation of revenue from contracts with customers

(₹ in Crore)

Particulars	Power		Industry		Total
	Within India	Outside India	Within India	Outside India	

2021-22

Revenue from customers

Timing of revenue recognition

(a) At a point in time (product/services)	2035.30	22.46	3952.87	35.65	6046.28
(b) Over time (Projects)	11844.60	1458.89	802.88	0.73	14107.10

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	1107.53	-	10581.40

(₹ in Crore)

Particulars	2021-22		2020-21	
	Power	Industry	Power	Industry
Revenue from customers				
CPSUs	3807.92	1405.00	2824.59	1791.55
TSGENCO	2644.40	-	1664.61	-
TANGEDCO	1669.85	-	692.45	-
BIFPCL [Bangladesh]	1381.44	-	1653.65	-

c. Contract Balances (net of provisions)

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	6228.59	7214.81
Contract assets (incl. unbilled revenue)	26939.87	24079.48
Contract liabilities	6047.76	6864.35

d. Contract revenue recognised

(₹ in Crore)

Particulars	As at March 31, 2022	As at March 31, 2021
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	3592.89	3591.86
Revenue recognised against performance obligation satisfied in previous year (impact due to change in contract revenue)	94.41	92.96

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 [44]

The spread of Covid 19 pandemic globally caused disturbance & slow down of the economic activity. This impacted the Company's operations during the FY 2021-22, 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 [45] - 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, 2022	As at March 31, 2021
Financial Assets at amortised cost		
Trade receivables	6228.59	7214.81
Cash & cash equivalent	732.62	1527.19
Other bank balances	6421.07	5174.26
Loans	-	-
Other financial assets	298.29	330.04
Financial assets at fair value through profit & loss		
Investments (Equity Instruments)	3.29	3.58
Financial liabilities at amortised cost		
Trade payables	9881.52	8564.59
Other financial liabilities	1339.19	1146.31
Finance lease obligation	84.93	101.61
Short term borrowings	4745.00	4849.28

(₹ in Crore)

Financial assets and liabilities measured at fair value- recurring fair value measurements	Level 3 Hierarchy	
	As at March 31, 2022	As at March 31, 2021
Financial assets:		
Investment in unquoted equity instruments	3.29	3.58

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, 2021	3.58
Changes in fair value	(0.29)
As at March 31, 2022	3.29

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 (including intermediate) payments and also retentions which are released on completion of such projects. Since majority customers' profile pertains to Government sector, constituting 79% of total receivables coupled with the fact that the company itself is a CPSE, credit risk is relatively low. In respect of private sector 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, 2022	As at March 31, 2021
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	732.62	1527.19
Other bank balances	6421.07	5174.26
Other financial assets	298.29	330.04
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss		
Trade receivables	6228.59	7214.81

Concentration of credit risk- Geographical	Percentage of total receivable	
	As at March 31, 2022	As at March 31, 2021
Within India	93%	92%
Outside India	7%	8%
Total	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, 2022	As at March 31, 2021
Central Public Sector Undertakings incl Railways and Govt Deptt	37%	36%
State Electricity Boards	42%	43%
Private Customers and others	14%	13%
Exports	7%	8%
Total	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, 2022	As at March 31, 2021
Balance as at April 1	31.95	32.38
Impairment loss recognised / write off/ withdrawal	(17.39)	(0.43)
Balance as at March 31	14.56	31.95

(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, 2022	As at March 31, 2021
Balance as at April 1	6032.73	6250.62
Impairment loss recognised	490.97	1015.36
Amounts written off/ withdrawal (Incl. adj.)	(1018.37)	(1233.25)
Balance as at March 31	5505.33	6032.73

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 for better treasury management operations.

The following are the contractual maturities of non-derivative financial liabilities, based on contractual cash flows:

(₹ in Crore)

Financial Liabilities	As at March 31, 2022		As at March 31, 2021	
	Within 1 year	Exceeding 1 year	Within 1 year	Exceeding 1 year
Non-derivative financial liabilities				
Trade payables	7749.59	2131.93	6680.82	1883.77
Deposits from contractors and others	431.36	206.45	447.92	211.01
Finance lease obligations	49.81	35.12	48.20	53.41
Other Payables/liabilities				
Employee dues	214.05	-	126.88	-
Other dues	397.85	-	297.30	-
Capex dues	80.83	8.65	57.49	5.71
Short term borrowings	4745.00	-	4849.28	-
Total	13668.49	2382.15	12507.89	2153.90

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 31.03.2022 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		As at		As at	
	March 31, 2022		March 31, 2021		March 31, 2022	March 31, 2021
	Euro	Equivalent INR	Euro	Equivalent INR	Others (in INR)	Others (in INR)
Assets						
Trade receivable	61.72	520.18	101.84	871.66	3.16	1.35
Contract assets	327.57	2753.33	239.80	2056.26	35.27	66.87
Other assets	0.93	7.56	13.68	110.08	21.98	144.71
Sub Total (A)	390.22	3281.07	355.32	3038.00	60.41	212.93
Liabilities						
Advances from customer	36.42	242.50	41.03	281.34	39.47	40.97
Trade payables and others	101.40	869.73	39.42	343.91	131.99	107.92
Sub Total (B)	137.82	1112.23	80.45	625.25	171.46	148.89
Assets Net of Liabilities (A-B)	252.40	2168.84	274.87	2412.75	(111.05)	64.04

Particulars	As at March 31, 2022		As at March 31, 2021	
	USD	Equivalent INR	USD	Equivalent INR
Assets				
Trade receivable	64.88	489.70	79.62	582.87
Contract assets	333.77	2517.59	316.33	2315.32
Other assets	6.08	45.30	0.90	6.79
Sub Total (A)	404.73	3052.59	396.85	2904.99
Liabilities				
Advances from customer	78.92	457.24	115.93	675.39
Trade payables and others	161.30	1231.18	144.50	1070.18
Short term borrowings	-	-	46.68	345.06
Sub Total (B)	240.22	1688.42	307.11	2090.63
Assets Net of Liabilities (A-B)	164.51	1364.17	89.74	814.36

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, 2022		March 31, 2021	
Effect on Profit / (loss)	Strengthening	Weakening	Strengthening	Weakening
1% movement				
Euro	21.69	(21.69)	24.13	(24.13)
USD	13.64	(13.64)	8.14	(8.14)
Others	(1.11)	1.11	0.64	(0.64)

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 monitors 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 [46] - 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 March 31, 2022			For the year ended March 31, 2021		
	Power	Industry	Total	Power	Industry	Total
I. Segment Revenue						
Operating Revenue-External	15361.25	4792.13	20153.38	11386.05	4909.75	16295.80
II. Segment Results						
a. Segment Results	1949.24	(41.42)	1907.82	(1246.16)	(856.62)	(2102.78)
b. Unallocated expenses (Net of income)			1081.40			1119.20
c. Profit / (loss) before finance cost & Income tax (a) - (b)			826.42			(3221.98)
d. Finance cost (Including unwinding of Interest)			355.96			373.95
e. Net Profit / (loss) before Income Tax (c) - (d)			470.46			(3595.93)
f. Income Tax			25.75			(896.23)
g. Net Profit /(loss) after Income Tax (e) - (f)			444.71			(2699.70)
III Assets & Liabilities						
a. Segment Assets	37196.23	8194.28	45390.51	35954.72	8441.74	44396.46
b. Common Assets			10853.25			10843.75
c. Total Assets			56243.76			55240.21
d. Segment Liabilities	20096.06	4754.42	24850.48	19221.65	4492.64	23714.29
e. Common Liabilities			4886.68			5553.92
f. Total Liabilities			29737.16			29268.21
IV Other Information						
a. Capital Expenditure	140.56	55.40		112.23	38.05	
b. Depreciation & Amortization	209.45	71.29		306.68	118.68	
c. Non Cash Expenses (other than depreciation & amortization)	(1241.57)	(62.11)		1302.02	499.07	

Geographical Segments	Within India	Outside India	Total	Within India	Outside India	Total
1. Net Sales / Revenue from Operations	18635.65	1517.73	20153.38	14440.72	1855.08	16295.80
2. Non- Current Assets (PPE & Intangible Assets)	2812.21	17.23	2829.44	2884.28	26.42	2910.70
3. Capital Expenditure	225.32	5.77	231.09	253.40	2.45	255.85

Major Customer- Details of Revenue from Single Customer exceeding 10% of total revenue of the BHEL

Particulars	Power	Industry	Total	Power	Industry	Total
CPSUs	3807.92	1405.00	5212.92	2824.59	1791.55	4616.14
TSGENCO	2644.40	-	2644.40	1664.61	-	1664.61

Note [47] - 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	2021-22	99.24	26304.74	89.27	396.98	99.96	76.87	90.84	473.85
	2020-21	99.39	25813.96	101.44	(2738.56)	99.65	19.98	101.45	(2718.58)

Subsidiary

BHEL Electrical Machines Limited (BHEL EML)	2021-22	-	-	(0.31)	(1.37)	-	-	(0.26)	(1.37)
	2020-21	(0.05)	(12.10)	0.10	(2.69)	-	-	0.10	(2.69)
Non-controlling Interests in BHEL EML	2021-22	-	-	(0.30)	(1.32)	-	-	(0.25)	(1.32)
	2020-21	(0.04)	(11.62)	0.10	(2.59)	-	-	0.10	(2.59)

Joint Ventures (investment as per the equity method)-

BHEL-GE Gas Turbine Services Private Limited	2021-22	0.76	201.86	11.34	50.42	0.04	0.03	9.67	50.45
	2020-21	0.70	181.76	(1.63)	44.14	0.35	0.07	(1.65)	44.21
NTPC-BHEL Power Projects Private Limited	2021-22	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-
Raichur Power Corporation limited	2021-22	-	-	-	-	-	-	-	-
	2020-21	-	-	-	-	-	-	-	-
Total	2021-22	100.00	26506.60	100.00	444.71	100.00	76.90	100.00	521.61
	2020-21	100.00	25972.00	100.00	(2699.70)	100.00	20.05	100.00	(2679.65)

On 23rd March, 2022, Ministry of Corporate Affairs notified the **Companies (Indian Accounting Standards) Amendment Rules, 2022**, effective from 1st April, 2022. The amendment is not expected to have a material impact on the consolidated financial statements of the Company.

**Note [48]**

Assets and Liabilities are classified between Current and Non-current considering 12 months period as operating Cycle.

Note [49]

The Company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956.

Note [50]

The Company is complying with the number of layers prescribed under clause(87) of section 2 of the Act read with Companies(restriction on number of layers) Rules, 2017.

Note [51]

No Scheme of Arrangements has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

Note [52]

The Company has no transactions that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 which is unrecorded in the books of accounts.

Note [53]

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year.

Note [54]

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 [55]

Figures have been rounded off nearest to ₹ in crore with two decimal.

Note [56]

Previous year's figures have been regrouped/ rearranged wherever considered necessary.

Note [57]

The Board of Directors has authorised to issue the Financial Statements 2021-22 in its meeting held on May 21 , 2022

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

(Shrey Gupta)
Partner
M.No. 522315

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(Devender Magoo)
Partner
M. No. 085739

For S.L. Chhajed & Co. LLP
Chartered Accountants
FRN - 000709C/C400277

(Vijit Baidmutha)
Partner
M. No. 406044

Place : New Delhi
Date : May 21, 2022