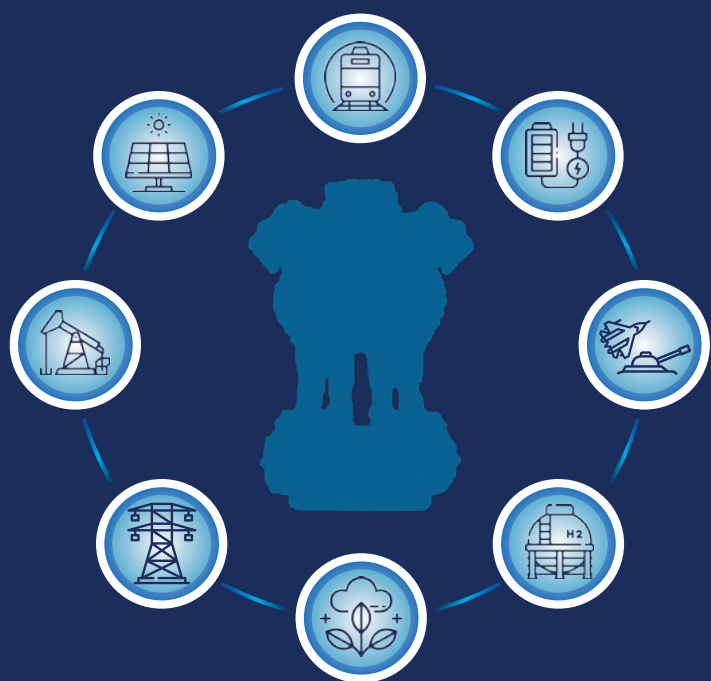


Financial Statements



Standalone Financial Statements

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Standalone Balance Sheet as at March 31, 2021

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2021	As at March 31, 2020
A. ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	3a	178	2426.16	2735.47
(b) Capital work-in-progress	3b	178	403.21	306.74
(c) Intangible assets	4a	178	62.16	78.61
(d) Intangible assets under development	4b	178	16.35	7.26
(e) Financial assets				
(i) Investments	5	182	670.00	669.51
(ii) Trade receivables	6	184	3179.74	4533.50
(iii) Other financial assets	7	184	97.39	83.17
(f) Deferred tax assets (net of liabilities)	8	185	3659.77	2756.21
(g) Other non-current assets	9	186	16852.44	16361.66
Total non-current assets			27367.22	27532.13
2. Current assets				
(a) Inventories	10	187	7191.23	8905.46
(b) Financial assets				
(i) Trade receivables	11	188	4033.63	7107.62
(ii) Cash and cash equivalents	12	188	1527.18	1402.86
(iii) Bank balances other than cash and cash equivalents	13	188	5174.25	5015.70
(iv) Loans	14	189	-	-
(v) Other financial assets	15	189	228.18	258.84
(c) Current tax assets (net)	16	189	403.59	229.02
(d) Other current assets	17	190	9775.96	9784.03
Total current assets			28334.02	32703.53
TOTAL ASSETS			55701.24	60235.66
B. EQUITY AND LIABILITIES				
3. Equity				
(a) Equity share capital	18	191	696.41	696.41
(b) Other equity	18a	192	25787.64	28484.80
Total equity			26484.05	29181.21

Standalone Balance Sheet as at March 31, 2021

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2021	As at March 31, 2020
4. Liabilities				
4.1 Non-current liabilities				
(a) Financial liabilities				
(i) Lease Liabilities	19	192	53.41	75.37
(ii) Trade payables	20	193		
(i) Total outstanding dues of micro enterprises and small enterprises			157.92	72.91
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			1723.16	1003.32
(iii) Other financial liabilities	21	193	216.72	159.02
(b) Provisions	22	193	3912.78	4212.13
(c) Other non-current liabilities	23	194	2831.54	2952.65
Total non-current liabilities			8895.53	8475.40
4.2 Current liabilities				
(a) Financial liabilities				
(i) Borrowings	24	194	4833.78	4933.39
(ia) Lease Liabilities	19	192	48.20	56.67
(ii) Trade payables	25	195		
(i) Total outstanding dues of micro enterprises and small enterprises			662.94	611.12
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			6014.80	8212.50
(iii) Other financial liabilities	26	196	917.65	1426.05
(b) Provisions	27	196	3164.25	3081.78
(c) Other current liabilities	28	196	4680.04	4257.54
Total current liabilities			20321.66	22579.05
Total liabilities			29217.19	31054.45
TOTAL EQUITY AND LIABILITIES			55701.24	60235.66
Basis of preparation, measurement & significant accounting policies	2	174		
The accompanying notes are an integral part of these financial statements	41-60	204		

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567

(Subodh Gupta)
Director (Finance)
DIN: 08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739

Standalone Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in crore)

Particulars	Note	Page	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME				
Revenue from operations	29	197	17308.44	21459.19
Other income	30	197	369.84	580.58
TOTAL INCOME			17678.28	22039.77
EXPENSES				
Material consumption, erection and engineering expenses	31	198	11359.77	15079.94
Changes in inventories of finished goods, work in progress and Scrap	32	198	510.86	(1042.40)
Employee benefits expense	33	198	5372.26	5426.64
Other Expenses	34	199	1799.22	2429.34
Exchange variation [Net (gain) / loss]			(65.83)	(434.73)
Provisions	35	201	1467.46	233.28
Finance costs	36	202	373.09	506.95
Depreciation & amortisation expense	3.1/4.1	179/181	473.05	502.86
TOTAL EXPENSES			21289.88	22701.88
PROFIT BEFORE TAX			(3611.60)	(662.11)
Tax expenses	37	202		
a) Current tax			15.82	1.52
b) Deferred tax			(910.28)	(894.46)
PROFIT FOR THE YEAR (A)			(2717.14)	(1472.97)

Standalone Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in crore)

Particulars	Note	Page	For the year ended March 31, 2021	For the year ended March 31, 2020
OTHER COMPREHENSIVE INCOME	38	202		
Items that will not be reclassified to profit or loss (net of tax)				
-Remeasurement of defined employee benefits			19.98	(273.88)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)			19.98	(273.88)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)			(2697.16)	(1746.85)
Earnings per equity share	39	203		
(1) Basic [Face value of ₹ 2 each]			(7.80)	(4.23)
(2) Diluted [Face value of ₹ 2 each]			(7.80)	(4.23)
Basis of preparation, measurement and significant accounting policies	2	174		
The accompanying notes are an integral part of these financial statements	41-60	204		

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567

(Subodh Gupta)
Director (Finance)
DIN: 08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

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For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021

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Standalone Statement of changes in Equity (SOCIE)

For the year ended March 31, 2021

A. Equity Share Capital

(₹ in Crore)

Equity shares of ₹ 2 each issued, subscribed and fully paid	Number of shares		Amount	
	2020-21	2019-20	2020-21	2019-20
Balance at the beginning of the year	3482063355	3482063355	696.41	696.41
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	3482063355	3482063355	696.41	696.41

B. Other Equity

(₹ in Crore)

For the year ended March 31, 2021

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings		
Balance as at April 01, 2020	35.18	37.87	30476.66	(1649.80)	(415.11)	28484.80
Add: Total comprehensive Income for the year	-	-	-	(2717.14)	19.98	(2697.16)
Balance as at March 31, 2021	35.18	37.87	30476.66	(4366.94)	(395.13)	25787.64

Standalone Statement of changes in Equity (SOCIE)

For the year ended March 31, 2021

For the year ended March 31, 2020

(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings		
Balance as at April 01, 2019	35.18	37.87	30476.66	294.97	(141.23)	30703.45
Add: Change in Accounting Practice (Ind AS 115)				31.94		31.94
Restated balance as at April 01, 2019	35.18	37.87	30476.66	326.91	(141.23)	30735.39
Add: Total Comprehensive Income for the year				(1472.97)	(273.88)	(1746.85)
Less: Final dividend for FY 2018-19 [Note 40]				417.85		417.85
Less: Dividend distribution tax [Note 40]				85.89		85.89
Balance as at March 31, 2020	35.18	37.87	30476.66	(1649.80)	(415.11)	28484.80

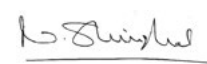
For and on behalf of Board of Directors



(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N



(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
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(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C



(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021

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Standalone Statement of Cash flows

For the year ended March 31, 2021

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before tax	(3611.60)	(662.11)
Adjustments for :		
Provision and write off	1241.08	244.43
Depreciation and amortisation	473.05	502.86
Finance cost (including unwinding of interest)	373.09	506.95
Interest & dividend income	(342.28)	(525.48)
Others	(3.79)	(16.15)
Cash generated / (used) in operations before working capital changes	(1870.45)	50.50
Adjustment for changes in working capital:		
Trade Receivables	3984.43	3370.09
Contract Assets	(1281.38)	(1618.53)
Inventories	1537.16	(1095.10)
Loans, advances & other assets	(211.16)	392.45
Sub total	4029.05	1048.91
Trade payable	(1341.03)	(2178.24)
Advances from customers, deposits and others	(90.17)	(1843.56)
Provisions	24.71	352.62
Sub total	(1406.49)	(3669.18)
Net cash (used in) / from working capital	2622.56	(2620.27)
Cash generated / (used) in operations	752.11	(2569.77)
Income taxes paid	(190.39)	(321.94)
Net cash (used in) / from operating activities	561.72	(2891.71)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	(160.00)	1700.00
Interest received	343.11	538.74
Proceeds from joint ventures	-	0.27
Income received from mutual funds	1.42	6.43
Dividend received from joint ventures	21.42	16.30
Sale of property, plant and equipment	1.88	9.30
Purchase of property, plant and equipment	(250.38)	(394.02)
Net cash (used in) / from investing activities	(42.55)	1877.02

Standalone Statement of Cash flows

for the year ended March 31, 2021

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	(99.61)	2501.65
Proceeds / (repayment) of lease obligation (Principal)	(60.30)	(65.46)
Proceeds / (repayment) of lease obligation (Interest)	(12.95)	(17.32)
Dividend paid (Incl. dividend distribution tax)	(0.68)	(504.56)
Interest paid	(221.31)	(292.36)
Net cash (used in) / from financing activities (refer point 4)	(394.85)	1621.95
D. Net increase/(decrease) in cash and cash equivalents	124.32	607.26
Opening balance of cash and cash equivalents	1402.86	795.60
Closing balance of cash and cash equivalents [Refer Note 12]	1527.18	1402.86

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

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

(3) Closing balance of Cash & Cash Equivalents excludes exchange variation loss of ₹ Nil as on March 31, 2021 (Previous year ₹. 0.54 cr).

(4) Changes in liabilities arising from financing activities are available at Note [24 (vii)] and Note [45 b]

For and on behalf of Board of Directors



(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



(Dr. Nalin Shinghal)
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(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
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Notes to the standalone financial statements for the year ended March 31, 2021

Note [1] – Company Information

Bharat Heavy Electricals Limited ("BHEL or "the Company") is a public limited company domiciled in India and has its registered office at BHEL House, Siri Fort, New Delhi - 110049

The Company is an integrated power plant equipment manufacturer and is engaged in design, engineering, manufacture, construction, testing, commissioning and servicing of a wide range of products and services for the core sectors of the economy, viz, Power, Transmission, Industry, Transportation, Renewable Energy, Water, Oil & Gas and 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 and amendment thereof.

b) Basis of measurement

The financial statements have been prepared on a going concern basis and on an accrual method of accounting. Historical cost is used in preparation of the financial statements except as otherwise mentioned in the policy.

c) Functional and presentation currency

The financial statements are prepared in INR, which is the Company's functional currency.

d) Use of Estimates and Judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgements in applying accounting policies

Estimates and judgements made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

i) Revenue

The Company uses input method based on cost approach in accounting for the revenue in respect of construction contracts. Use of input method requires the Company to estimate its costs relative to the total expected costs in the satisfaction of its performance obligation. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each

reporting period.

Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

ii) Property, plant and equipment

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by management at the time the asset is acquired and reviewed during each financial year.

iii) Employee benefit plans

Employee defined benefit plans and long term benefit plans are measured on the basis of actuarial assumptions. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses.

iv) Provisions and contingencies

Assessments undertaken in recognising provisions and contingencies have been made as per the best judgement of the management based on the current available information.

2. Property Plant & Equipment (PPE)

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property, plant and equipment (other than those used abroad under contract) is charged on straight-line method as per the useful life prescribed in Schedule II of the Companies Act, 2013, except in the following items where estimated useful life is based on technically assessed estimated useful life :-

Asset Category	(Years)
Erection equipment, Capital tools & tackles	5
Drainage, sewerage & water supply	30
Servers and networks	5
Solar Power Generation Plant	25

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively. Right-of-use assets are amortised over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term

Property Plant & Equipment costing Rs.10,000/- or less and those whose written down value as at the beginning of the year is Rs.10,000/- or less, are depreciated fully.

At erection/project sites: The cost of roads, bridges and culverts is fully amortized over the tenure of the contract, while sheds, railway sidings, electrical installations and other similar enabling works (other than temporary structures) are depreciated over

the tenure of the contract after retaining residual value, if any.

Assets used outside India pursuant to long term contracts are depreciated over the duration of the initial contract.

Temporary structures are fully depreciated in the year of construction.

Significant components with different useful lives are accounted for and depreciated separately.

3. Leases

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease.

Upon initial recognition, assets taken on lease are capitalized under right-of-use assets at cost which comprises initial measurement of lease liability at present value, initial lease payments less incentives, initial direct costs and estimated cost of dismantling and removing the underlying assets, if any.

Lease payments made under leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

For assets given on finance lease, the Company recognizes finance income over the lease term using effective interest rate method. Initial direct costs incurred are included in the initial measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

Lease income arising from operating lease is recognized as income over the lease period on a straight line basis except where the periodic increase in lease rentals is in line with expected general inflation.

4. Intangible assets

Intangible items costing more than ₹10000/- are evaluated for capitalization and are carried at cost less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortised in Statement of Profit and Loss on a straight-line method over the estimated useful lives from the date that they are available for use. The estimated useful lives for the intangible assets are as follows:

Software	3 years
Others	10 years

Intangible assets having WDV ₹ 10000/- or less at the beginning of the year are amortized fully.

Amortization period and amortization methods are reviewed in each financial year and changes, if any, are accounted for prospectively.

Expenditure on research activities is recognized in statement of profit and loss as incurred. Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure

capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs, if any.

Assets acquired for purposes of research and development are capitalized.

5. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of such assets.

An asset that necessarily takes a substantial period of time, considered as more than twelve months, to get ready for its intended use or sale is a qualifying asset for the purpose.

All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

6. Investments in Subsidiaries & Joint ventures

Investments in subsidiaries and joint ventures are accounted at cost less impairment losses, if any.

If the intention of the management is to dispose the investment in near future, it is classified as held for sale and measured at lower of its carrying amount and fair value less costs to sell.

7. Inventories

Inventory is valued at cost or net realizable value, whichever is lower. In respect of valuation of finished goods and work-in-progress, cost means factory cost. In respect of raw material, components, loose tools, stores and spares cost means weighted average cost.

8. Revenue Recognition

Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In relation to construction and long term service contracts, the company transfers control of goods or services to the customer and recognizes revenue over the time. Revenue is recognized using input method based on the cost approach. Progress towards complete satisfaction of performance obligation satisfied over time is remeasured at reporting period end.

Revenue from sale of goods and services is recognized on the transfer of control to the customer and upon the satisfaction of performance obligations under the contract.

Other Income

- Dividend income is recognized in statement of profit and loss on the date on which the Company's right to receive payment is established.
- Interest Income is recognized using effective interest rate method.
- Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted for on accrual basis.

9. Foreign currency Translation/Transaction

Transaction in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the end of each reporting period. Foreign exchange gains or losses arising from settlement and translations are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevailing at the date of transaction.

10. Employee Benefits

Defined Contribution Plans

The Company's contribution to Pension fund including Family Pension Fund for the employees is covered under defined contribution plan and is recognized as employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.

Defined benefit plans

The Company's gratuity scheme, provident fund scheme, travel claims on retirement and post-retirement medical facility scheme are in the nature of defined benefit plans.

The liability recognized in the balance sheet in respect of these defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using an appropriate government bond rate that have terms to maturity approximating to the terms of the related liability.

Remeasurements comprising actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefits liability (asset) are recognized in other comprehensive income (net of income tax).

Other expenses related to defined benefit plans are recognized in statement of profit and loss.

Long Term Leave Liability

The Company measures the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. The Company records a liability for accumulated balance based on actuarial valuation determined using projected unit credit method. Remeasurements and other expenses related to long term benefit plans are recognized in statement of profit and loss.

11. Provisions

- (i) Claims for liquidated damages against the Company are recognized in the financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.
- (ii) For construction contracts the company provides warranty cost at 2.5% of the revenue progressively as and when it recognises the revenue and maintain the same throughout the warranty period. For other contracts, provision for contractual obligations in respect of contracts under warranty at the year end is maintained at 2.5% of the value of contract. In the case of contracts for supply of more than a single product 2.5% of the value of each completed product is provided.
- (iii) When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.
- (iv) Other provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

However, where the effect of time value of money is material, provisions are determined and maintained by discounting the expected future cash flows, wherever applicable.

12. Government Grants

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Non monetary grants are accounted at Fair Value of assets and are treated as deferred income. Deferred income is recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

13. Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (tax laws) enacted or substantively enacted by the end of the reporting period and includes adjustment on account of tax in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is measured at the tax rates that are expected to apply when the temporary differences are either realised

or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional Income tax that arise from the distribution of dividends are recognized at the same time when the liability to pay the related dividend is recognized.

14. Impairment of Assets

Impairment of financial assets

The loss allowance in respect of trade receivables and lease receivables are measured at an amount equal to lifetime expected credit losses.

The loss allowance in respect of all other financial assets, which are required to be impaired, are measured at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses.

Impairment of Non- Financial Assets

The carrying amount of cash generating units is reviewed at each reporting date where there is any indication of impairment. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

15. Segment Reporting

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

16. Financial Instruments

i) Non-derivative financial instruments

Non derivative financial instruments are classified as :

- Financial assets, measured at (a) amortized cost and (b)

fair value through Profit and Loss ("FVTPL").

- Financial liabilities carried at amortized cost.

Initially, all financial instruments are recognized at their fair value. Transaction costs are included in determining the carrying amount, if the financial instruments are not measured at FVTPL. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset. Financial liabilities are derecognized when contractual obligations are discharged or cancelled or expired.

Non-derivative financial assets are subsequently measured as below:

A. Amortized cost –

"Financial Instruments at amortized cost" are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

B. FVTPL Category –

Financial instruments classified in this category are subsequently carried at fair value with changes recorded in the statement of profit and loss. Directly attributable transaction costs are recognised in statement of profit and loss as incurred.

Non-derivative financial liabilities are subsequently measured as below:

Subsequent to initial recognition, non – derivative financial liabilities are measured at amortised cost using the effective interest method.

ii) Derivative financial instruments

Embedded derivatives, if any, having material impact, are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit and loss.

Derivatives are recognized and measured initially at fair value. Attributable transaction cost are recognized in statement of profit and loss as cost. Subsequent to initial recognition, derivatives are measured at fair value through profit and loss.

17. Cash and Cash Equivalent

Cash and cash equivalents comprise cash at bank and on hand. It includes term deposits and other short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note [3a] - Non-current assets Property, plant and equipment

Refer point 2 of Note [2] for accounting policy on property, plant and equipment (PPE)

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross block	6172.41	6050.80
Less: Accumulated depreciation	3746.25	3315.33
Net block (details refer to note 3.1)	2426.16	2735.47

Company had opted for exemption under IndAS 101, and accordingly carrying value as on 31.03.2015 was considered as deemed cost on IndAS transition date.

Note [3b] - Non-current assets Capital work in progress

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Plant & machinery and other equipments:		
Under Erection/ Fabrication/awaiting erection	171.60	166.34
In transit	0.63	0.54
Construction work-in-progress -Civil	228.77	137.98
Construction stores (including in transit)	2.21	1.88
Total	403.21	306.74

Note [4a] - Non-current assets Intangible assets

Refer point 4 of Note [2] for accounting policy on intangible assets

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross block	290.83	280.48
Less: Accumulated amortisation	228.67	201.87
Net block (details refer to note 4.1)	62.16	78.61

Company had opted for exemption under IndAS 101, and accordingly carrying value as on 31.03.2015 was considered as deemed cost on IndAS transition date.

Note [4b] - Non-current assets Intangible assets under development

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets under development	16.35	7.26
Total	16.35	7.26

NOTE 3.1 - Detail of property, plant & equipment

(₹ in Crore)

Description	Gross Block				Depreciation / Amortisation				Net Block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
LAND - Freehold land (including development expenses)	27.71	-	-	27.71	-	-	-	-	27.71	27.71
Buildings - Freehold Buildings	1668.18	39.73	(0.83)	1707.08	514.58	92.01	(0.04)	606.56	1100.52	1153.60
Roads, bridges & culverts	15.24	0.61	-	15.85	12.82	0.73	-	13.56	2.30	2.41
Drainage, Sewerage & water supply	28.66	2.52	-	31.17	5.96	1.09	-	7.04	24.13	22.70
Plant & Equipment	3060.41	37.10	(0.30)	3097.21	2063.72	202.52	(0.32)	2265.93	831.28	996.69
Railway Siding	8.85	-	-	8.85	4.20	0.67	-	4.87	3.98	4.65
Locomotives & Wagons	28.36	-	(0.03)	28.33	13.74	2.16	-	15.90	12.43	14.63
Furniture & fixtures	61.18	2.06	(1.28)	61.96	34.64	6.27	(0.95)	39.96	21.99	26.54
Vehicles	13.97	0.40	-	14.37	7.21	1.60	-	8.81	5.56	6.76
Office and Other equipments	132.26	6.51	(0.40)	138.37	97.17	13.28	(0.13)	110.32	28.05	35.09
Electronic Data Processing Equipment	109.10	4.31	19.79	133.20	50.84	25.30	21.31	97.46	35.74	58.26
Electrical Installations	229.55	11.73	(0.08)	241.20	149.74	24.48	(0.06)	174.16	67.04	79.80
Construction Equipment	72.23	0.70	(1.80)	71.12	66.62	2.66	(1.80)	67.47	3.65	5.61
Fixed Assets costing upto ₹ 10,000/-	18.38	3.34	(0.63)	21.08	18.37	3.34	(0.63)	21.08	-	-
Solar power generation	119.46	0.09	-	119.54	16.09	5.88	-	21.97	97.58	103.37
Right-of-use Assets	457.27	30.84	(32.74)	455.37	259.62	64.26	(32.70)	291.18	164.19	197.65
TOTAL	6050.80	139.94	(18.32)	6172.41	3315.33	446.25	(15.32)	3746.26	2426.15	2735.47
Previous Year	5766.25	299.56	(15.02)	6050.80	2862.23	467.96	(13.69)	3315.33	2735.47	2904.02

Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2021 ₹ 13436.30 Crore and as at 31.03.2020 ₹ 13336.52 crore

Gross Block as at 31.03.2021 includes assets condemned and retired from active use ₹ 14.11 crore (Previous year ₹ 14.98 crore)

Net Block as at 31.03.2021 includes assets condemned and retired from active use ₹ 0.12 Crore (Previous year ₹ 0.12 Crore)

Gross Block excludes cost of assets purchased out of grant received from Govt of India for research as executing agency since the property does not vest with the Company ₹ 244.43 crore (Previous year ₹ 238.45 crore)

There is no impairment loss during the year.

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

(₹ in Crore)

Description	Gross Block				Depreciation / Amortization				Net Block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
Land (including development expenses)	110.85	3.92	-	114.78	6.40	3.99	-	10.39	104.39	104.46
Buildings	1.63	-	-	1.63	0.26	0.05	-	0.31	1.32	1.37
Plant & equipment	4.07	18.07	-	22.14	1.83	7.68	(0.66)	8.85	13.29	2.23
Office & other equipment	16.29	0.18	-	16.47	13.27	1.99	(0.43)	14.83	1.64	3.02
EDP Equipment	301.64	8.49	(31.73)	278.40	225.70	42.42	(29.81)	238.31	40.10	75.93
Vehicle	5.30	0.17	(0.97)	4.50	1.69	1.53	(0.58)	2.63	1.87	3.61
Others	17.50	0.00	(0.05)	17.45	10.48	6.61	(1.23)	15.86	1.59	7.02
TOTAL	457.27	30.84	(32.74)	455.37	259.62	64.26	(32.70)	291.18	164.19	197.65

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

(₹ in crore)

Particulars	As at March 31, 2021	As at March 31, 2020
1. Land and buildings includes		
a i) Acres of land for which formal transfer/lease deed have not been executed (in acres)	8196.93	8196.93
Net Block	70.77	71.49
ii) Number of flats for which formal transfer/lease deed have not been executed (in nos.)	12	12
Net Block	1.11	1.15
iii) Acres of land for which the cost paid is provisional (in acres)	506.46	506.46
[registration charges and stamp duty (net of provision) would be accounted for on payment]		
Net Block	63.35	64.07
b. Acres of land leased to Ministry of Defence, Govt. of India Departments & others (in acres)	30.37	30.37
c. Acres of land is under adverse possession/ encroachment (in acres)	751.49	757.47
d. 1297.86 acres (PY 1297.86 acres) of land pending mutation at Haridwar plant for which legal action is in process. It includes land measuring 934 acres (PY 934 acres) which is in BHEL's possession but has been wrongly got mutated in the name of SIDCUL Government of Uttarakhand in the year 2004 & 2007.		
e. Further at Haridwar plant, 8 Acres of land is pending transfer to 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, 2021	As at March 31, 2020
2. i) Total Area of Land in acres	16409.03	16409.03
ii) Free hold land (Sale Deed) / Possessory Rights/license out of 2(i) in acres	15735.69	15735.69
iii) Leasehold land out of 2(i) in acres	673.34	673.34

3. The company provides 100% depreciation on an item of PPE having cost / opening net block up to ₹ 10000/- each. The impact of providing 100% depreciation on an item of PPE on profit, without considering the impact of earlier years is as under :

Particulars	As at March 31, 2021	As at March 31, 2020
100% depreciation on PPE upto ₹10,000/- charged off	5.34	6.14
Less: Normal depreciation on above.	(1.20)	(1.11)
Excess amount charged to depreciation for the year	4.15	5.03

NOTE 4.1 - Detail of intangible assets

(₹ in Crore)

Description	Gross block				Depreciation / Amortization				Net block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
Internally Developed										
Others	66.55	3.24	-	69.78	53.86	7.63	-	61.49	8.29	12.69
Others										
Software	50.71	0.21	-	50.92	42.21	4.61	0.10	46.92	4.00	8.50
Technical Know-how	163.23	6.90	-	170.13	105.80	14.56	(0.10)	120.26	49.87	57.43
Total	280.48	10.35	-	290.83	201.87	26.80	-	228.67	62.16	78.61
Previous year	250.00	30.50	-	280.48	166.93	34.90	0.03	201.87	78.61	83.07

Gross Block (as per earlier IGAAP) as at 31.03.2021 ₹ 575.15 Crore and as at 31.03.2020 ₹ 564.81 crore

There is no impairment loss during the year.

Note [5] - Non-current assets

Financial assets - Investment

Refer point 6 of Note [2] for accounting policy on investment in subsidiaries and joint ventures

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
I Quoted equity instruments	-	-	-	-
II Unquoted equity instruments (fully paid up shares)				
(a) Investment in joint ventures (at cost)				
(i) Raichur Power Corporation Ltd.	664040000 (10)	664.04	664040000 (10)	664.04
(ii) BHEL-GE Gas Turbine Services Pvt. Ltd.	2379999 (10)	2.38	2379999 (10)	2.38
(iii) NTPC-BHEL Power Projects Pvt. Ltd.	50000000 (10)	50.00	50000000 (10)	50.00
Less: Provision for impairment		50.00		50.00
(iv) Powerplant Performance Improvement Ltd.	1999999 (10)	2.00	1999999 (10)	2.00
Less: Provision for impairment		2.00		2.00
(v) Dada Dhuniwale Khandwa Power Ltd.	-	-	22500000 (10)	5.20
Less: Amount received	-	-		0.27
Less: Provision for impairment	-	-		4.93
		666.42		666.42
(b) Investment in subsidiary company (at cost)				
BHEL- Electrical Machine Limited	5355000 (10)	5.36	5355000 (10)	5.36
Less: Provision for impairment		5.36		5.36
(c) Investment in equity instruments fully paid up (at FVTPL)				
(i) Neelachal Ispat Nigam Ltd	5000000 (10)	5.00	5000000 (10)	5.00
(ii) AP Gas Power Corporation Ltd.	728960 (10)	0.91	728960 (10)	0.91
(iii) Engineering Projects (India) Ltd.	1892 (10)	*	1892 (10)	*
		5.91		5.91
Less: Fair value adjustment		2.33		2.82
Share in Co-operative Societies #		-		-
Total		670.00		669.51
*Value of less than ₹ 1 lakh				
Aggregate amount of unquoted investment		729.69		734.62
Aggregate amount of impairment in value of investments		59.69		65.11

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

Information about joint ventures and subsidiary

(₹ in Crore)

Particulars	Country of incorporation	As at March 31, 2021	As at March 31, 2020
(A) Name of the joint ventures (JVC)		Proportion (%) of ownership	
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	One share less than 50%	One share less than 50%
NTPC-BHEL Power Projects Private Limited (NBPPL)		50%	50%
Raichur Power Corporation Limited (RPCL)		27.97%	27.97%
Dada Dhuniwale Khandwa Power Limited (DDKPL)		-	50%
Power Plant Performance Improvement Limited (PPIL)		One share less than 50%	One share less than 50%

- (i) The provision for impairment in value of investment in NTPC-BHEL Power Projects Private Limited has been made to the extent of ₹ 50.00 crore (upto previous year ₹ 50.00 crore) based on the net financial position. The Board of Directors in its meeting held on February 08, 2018 has accorded in-principle approval for pursuing the winding up of NBPPL. Ministry of Power (MoP) has advised NTPC to consider buying out the stake of BHEL and decide either to continue it as an in-house EPC arm or close it after completion of present work. This advise was noted by NBPPL Board in its meeting held on 29.08.2019.
- (ii) Dada Dhuniwale Khandwa Power Limited (DDKPL) stands dissolved vide NCLT order dated 2nd November, 2020. Against the investment of ₹ 22.50 cr, ₹ 17.57 cr was received (₹ 17.30 cr in FY 2018-19 & ₹ 0.27 cr in FY 2019-20). Balance ₹ 4.93 cr has been written off during the year and corresponding provision withdrawn.
- (iii) The provision for impairment in value of investment in Powerplant Performance Improvement Limited amounting to ₹ 2.00 crore (previous year ₹ 2.00 crore) has been made since the JVC is under liquidation and the amount paid as equity is not recoverable.

Particulars	Country of incorporation	As at March 31, 2021	As at March 31, 2020
(B) Name of the subsidiary company		Proportion (%) of ownership	
BHEL Electrical Machines Limited (BHEL EML)	India	51%	51%

The proposal for transfer of 51% stake in BHEL EML, sent by BHEL to Department of Heavy Industry, Govt. of India for approval, has been approved on 11th May 2021. Appropriate action to execute the Agreement with Govt of Kerela and to complete the necessary activities for transfer of Company's 51% stake in BHEL EML to Govt of Kerela at a consideration of ₹ 1 only and waiver of working capital loan of ₹ 3 cr alongwith interest accrued thereon given by BHEL to BHEL EML (refer note 14) is being taken.

Note [6] - Non-current assets

Financial assets - Trade receivables

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	3535.85	5166.95
Credit impaired (included in allowances for B&D debts)	12598.54	11570.83
	16134.39	16737.78
Less: Allowances for bad and doubtful debts	12954.65	12204.28
Total Trade receivable (Net)	3179.74	4533.50
Trade receivable (Net) includes ₹ 1773 cr (Previous year ₹ 1712 cr) in respect of projects under litigation or arbitration.		
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	-	-

Note [7] - Non-current assets

Financial assets - Other

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits		
Deposits with SEBs, port trust & others		
Unsecured, considered good	84.64	83.17
Credit impaired	2.92	1.93
	87.56	85.10
Less: Allowances for bad & doubtful deposits	2.92	1.93
	84.64	83.17
Bank deposits with more than 12 months maturity	12.75	-
Total	97.39	83.17
Security Deposits Includes:		
Due from Directors	-	-
Dues from Officers	-	-

Note [8] - Non-current assets

Deferred tax assets (net of liabilities)

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Provisions	1754.90	1724.36
Dues allowed on payment basis	487.11	576.14
Depreciation (PP&E and Intangible assets)	78.26	75.31
On account of taxable loss	1278.30	345.61
Others	61.20	34.79
Sub-total	3659.77	2756.21
Deferred tax liabilities	-	-
Deferred tax assets (net of liabilities)	3659.77	2756.21

Movement of deferred tax balances

(₹ in Crore)

Particulars	Balance as at April 01, 2020	Recognized in retained earnings	Recognized in statement of profit & loss a/c	Recognized in OCI	Balance as at March 31, 2021
Deferred tax assets					
Provisions	1724.36	-	30.54	-	1754.90
Dues allowed on payment basis	576.14	-	(82.31)	(6.72)	487.11
Depreciation (PP&E and Intangible assets)	75.31	-	2.95	-	78.26
On account of taxable loss	345.61	-	932.69	-	1278.30
Others	34.79	-	26.41	-	61.20
Sub-total	2756.21		910.28	(6.72)	3659.77
Less: Deferred tax liabilities	-	-	-	-	-
Deferred tax assets (net of liabilities)	2756.21		910.28	(6.72)	3659.77

Note [9] - Non-current assets

Other

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

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Contract assets (including unbilled revenue)				
Unsecured, considered good	16584.91		16123.76	
Credit impaired	3545.45		2755.16	
	20130.36		18878.92	
Less: Allowances for bad and doubtful debts	3545.45	16584.91	2755.16	16123.76
Security deposits				
Deposits with tax authorities and others				
Unsecured, considered good	106.80		105.97	
Unsecured, considered doubtful	12.85		29.17	
	119.65		135.14	
Less: Provision for bad & doubtful deposits	12.85	106.80	29.17	105.97
Loans & advances				
Unsecured, considered good				
Advances towards purchases	99.58		54.96	
Claims recoverable and others	37.34		53.16	
Capital advances	23.81		23.81	
Unsecured, considered doubtful				
Advances towards purchases	11.71		11.92	
Claims recoverable and others	28.14		25.85	
	200.58		169.70	
Less: Provision for bad & doubtful loans & advances	39.85	160.73	37.77	131.93
Total		16852.44		16361.66
Contract Assets (Net) include ₹1664 cr (previous year ₹1572 cr) in respect of projects under litigation or arbitration.				
Loan & advances includes :				
(a) Due from Directors		-		-
(b) Due from Officers		-		-

Note [10] - Current assets

Inventories

Refer point 7 of Note [2] for accounting policy on valuation of inventories.

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Raw material & components	2809.70		3319.22	
Material-in-transit	199.83	3009.53	647.83	3967.05
Work-in-progress (including items with sub-contractors)		3778.22		4119.71
Finished goods	628.72		822.94	
Inter - division transfers in transit	63.75	692.47	68.59	891.53
Stores & spare parts				
Production	166.37		197.59	
Fuel stores	2.58		3.40	
Miscellaneous	51.24	220.19	53.38	254.37
Other Inventory				
Materials with fabricators/contractors	39.80		59.55	
Loose tools	23.02		37.88	
Scrap (at estimated realisable value)	147.46	210.28	117.76	215.19
		7910.69		9447.85
Less: Provision for non-moving inventory		719.46		542.39
Total		7191.23		8905.46
Note :				
Write down of inventories		219.35		100.80
Less : reversal thereof		42.27		113.88
Net		177.08		(13.08)

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Note [11] - Current assets

Financial assets - Trade receivables

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	4485.39	7972.67
Credit impaired (included in allowances for B&D debts)	425.72	572.94
	4911.11	8545.61
Less: Allowances for bad and doubtful debts	877.48	1437.99
Total	4033.63	7107.62
Includes:		
(a) Due from Directors	-	-
(b) Due from Officers	-	-

Note [12] - Current assets

Financial assets - Cash & cash equivalents

Refer point 17 of Note [2] for accounting policy on cash and cash equivalent.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks :		
EEFC a/c	202.69	82.93
Current / cash credit a/c	1324.32	1285.45
	1527.01	1368.38
Cheques, demand drafts on hand	0.08	29.90
Deposits with banks having maturity 3 month or less	-	0.29
Cash & stamps on hand	0.07	0.21
Remittances in transit	0.02	4.08
Total	1527.18	1402.86

Note [13] - Current assets

Financial assets - Bank balances

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits having maturity more than 3 months but not more than 12 months	5160.00	5000.00
Fixed deposits against margin money for BG issued	2.54	2.41
Balances with banks (earmarked):		
Charging station project	7.88	10.17
Unclaimed dividend a/c	2.11	2.79
Non-repatriable a/c	1.69	0.30
Sale proceeds of fractional shares on bonus issue	0.03	0.03
	11.71	13.29
Total	5174.25	5015.70
Total Cash and Bank Balances [12 + 13]	6701.43	6418.56

Note [14] - Current assets

Financial assets - Loans

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Loans		
Loan to Subsidiary [§]		
Credit impaired	3.70	3.70
Less: Allowances for bad & doubtful loans	3.70	3.70
Loan to PSU (BP&CL*)		
Credit impaired	13.32	13.32
Less: Allowances for bad & doubtful loans	13.32	13.32
Total	-	-

[§] Loan given to subsidiary (₹3 cr) and interest accrued and due thereon (₹0.70 cr) are subject to waiver on transfer of BHEL's stake to GoK.

* Loan given to Bharat Pumps and Compressors Ltd (₹12 cr). and interest accrued & due thereon (₹1.32 cr) has been fully provided

Note [15] - Current assets

Financial assets- Others

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits		
EMD and other deposits		
Unsecured, considered good	128.32	134.99
Credit impaired	12.01	13.42
	140.33	148.41
Less: Allowances for bad & doubtful deposits	12.01	13.42
	128.32	134.99
Interest accrued on banks deposits	77.14	99.39
Advance to employees	22.80	24.53
Less: Allowances for bad & doubtful advances	0.08	0.07
	22.72	24.46
Total	228.18	258.84
Includes:		
(a) Due from Directors	-	-
(b) Due from Officers	0.01	0.05

Note [16] - Current assets

Current tax assets / liabilities (net)

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax & TDS	1062.15	2528.11
Less: Provisions for taxation	658.56	2299.09
Total	403.59	229.02

Note [17] - Current assets

Other

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

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Contract assets (including unbilled revenue)				
Unsecured, considered good	7494.34		7670.46	
Credit impaired	76.46		54.69	
	7570.80		7725.15	
Less: Allowances for bad and doubtful debts	76.46	7494.34	54.69	7670.46
Claim recoverable				
Unsecured, considered good				
Input tax credit receivable	1031.00		916.90	
Claim recoverable and others	601.11		570.94	
Unsecured, considered doubtful				
Input tax credit receivable	8.61		10.17	
Claim recoverable and others	121.16		117.49	
	1761.88		1615.50	
Less: Provision for bad & doubtful claims	129.77	1632.11	127.66	1487.84
Advances				
Unsecured, considered good				
Subsidiary company	0.24		0.24	
Vendors / subcontractors	152.16		224.23	
Unsecured, considered doubtful				
Vendors / subcontractors	6.93		7.37	
	159.33		231.84	
Less: Provision for bad & doubtful advances	6.93	152.40	7.37	224.47
Security deposits				
Deposits with tax authorities and others				
Unsecured, considered good	497.11		401.26	
Unsecured, considered doubtful	79.41		58.75	
	576.52		460.01	
Less: Provision for bad & doubtful deposit	79.41	497.11	58.75	401.26
Total		9775.96		9784.03

Note [18] - Equity

Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
A. Equity share capital				
Authorised	10000000000 (2)	2000.00	10000000000 (2)	2000.00
Issued, subscribed and fully paid up	3482063355 (2)	696.41	3482063355 (2)	696.41
a) The reconciliation of the number of equity shares outstanding				
Balance as at the beginning of the year	3482063355	696.41	3482063355	696.41
Add/(Less): Changes during the year	-	-	-	-
Balance as at the end of the year	3482063355	696.41	3482063355	696.41
b) Details of shares held by shareholders holding more than 5% of shares at the end of the year				
President of India (Promoter)	2199650402	63.17%	2199650402	63.17%
Life Insurance Corporation of India	350647914	10.07%	350647914	10.07%
Face value per share in (₹)		2.00		2.00

c) Terms / rights attached to the equity shares

The company has only one class of equity shares having par value of ₹ 2 per share (previous year ₹ 2 per share). Each holder of the equity shares is entitled to one vote per share.

d) Issue of bonus share

The Company allotted bonus share on October 03, 2017 in the ratio of 1:2 i.e. one equity share for two existing fully paid-up equity shares. Consequently, the paid-up capital was increased from ₹ 489.52 crore in FY 2016-17 to ₹ 734.28 crore in FY 2017-18 by capitalization of reserves.

e) Share buyback

The Company vide its Board approval dated October 25, 2018, bought back its 18,93,36,645 fully paid-up equity shares of the face value of ₹ 2 each representing 5.16% of the total issued and paid-up equity share capital from the eligible equity shareholders of the Company for an amount of ₹ 1628,29,51,470 at a price of ₹ 86 per equity share in FY 2018-19. Consequently, the paid-up share capital was reduced from ₹ 734.28 crore in FY 2017-18 to ₹ 696.41 crore in FY 2018-19.

Note [18a] - Other Equity

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	35.18	35.18
Capital redemption reserve	37.87	37.87
General reserves	30476.66	30476.66
Retained earnings	(4366.94)	(1649.80)
OCI (Re-measurements of defined benefit plans)	(395.13)	(415.11)
Total	25787.64	28484.80

Nature and purpose of reserves:

- 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 (incl. dividend distribution tax) 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 [19] - Financial liabilities- Lease Liabilities

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- Current		
Long term maturities of lease obligations	53.41	75.37
Current		
Current maturities of lease obligation	48.20	56.67
Total	101.61	132.04

Further disclosures available at Note [45] on lease

Note [20] - Non current liabilities

Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	157.92	72.91
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1723.16	1881.08
		1003.32
		1076.23
Total	1881.08	1076.23
Significant part of the above pertains to retention money or under dispute/arbitration		

Note [21] - Non current liabilities

Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits from contractors & others	211.01	150.99
Liability for capital expenditure	5.71	8.03
Total	216.72	159.02

Note [22] - Non current liabilities

Provisions

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contractual obligation	2505.89	2755.25
Provision for employee benefits*	1092.78	1170.42
Provision others	312.02	277.53
Corporate social responsibility **	2.09	8.93
Total	3912.78	4212.13

*Further Disclosure available at note (46) on employee benefits

**Disclosure as per point (vii) of Note 34 on CSR expense

Note [23] - Non current liabilities

Other

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Advances received from customers incl. excess of billing over revenue)	2806.50	2921.16
Deferred income- Govt. grant #	25.04	31.49
Total	2831.54	2952.65

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

Note [24] - Current liabilities

Financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Loans from banks	201.01	600.00
Pre shipment packing credit	299.36	759.22
Buyer's Credit	45.71	141.58
(secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)		
Sub-total (A)	546.08	1500.80
Unsecured		
Commercial papers	4287.70	3432.59
Sub-total (B)	4287.70	3432.59
Total borrowings (A+B)	4833.78	4933.39

- (i) The Company has a cash credit limit from banks aggregating to ₹ 6000 crore (previous year ₹ 6000 crore) and Company's counter guarantee / indemnity obligations in regard to bank guarantee / letters of credit limit aggregating to ₹ 54000 crore (previous year ₹ 54000 crore) sanctioned by the consortium banks. These are secured by first charge by way of hypothecation of raw materials, components, work in progress, finished goods, stores, trade receivables and other current assets both present and future. The outstanding bank guarantees as at 31.03.2021 is ₹ 39343 Crore (previous year ₹ 41491 Crore). This figure includes BG of ₹ 630 crore (previous year ₹ 971 Crore) issued as replacement and pending for vacation as on 31st March 2021
- (ii) Loan from Banks represents loans against Fixed deposits (₹ 200 crore) and balance for WCDL (Working Capital Demand Loan). (Previous year loan from Banks represents WCDL).
- (iii) Packing Credit in Foreign Currency (PCFC) has been availed by the Company. The outstanding amount of USD 40.50 million is repayable in parts during the months November 2021 to March 2022.
- (iv) Buyer's credit has been availed by the Company. The outstanding amount of USD 6.18 million is repayable in April 2021.

(v) Details of Commercial papers outstanding as on 31st March 2021 is as follows:

(₹ in Crore)

Issue Date	Maturity Date	Discount Rate	Face Value	Amortised cost
12th Nov, 2020	29th Oct, 2021	4.05%	575.00	562.04
30th March, 2021	28th June, 2021	3.41%	1000.00	991.85
31st March, 2021	24th June, 2021	3.47%	900.00	892.87
26th March, 2021	24th June, 2021	3.41%	700.00	694.55
22nd March, 2021	21st May, 2021	3.66%	650.00	646.76
8th Jan, 2021	9th April, 2021	3.40%	500.00	499.63
Total			4325.00	4287.70

(vi) Corporate Guarantees given for own obligations outstanding as on 31.03.2021 is ₹ 1799 crore (previous year ₹ 1422 crore).

(vii) Change in Borrowings arising from Financing activities

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	4933.39	2431.74
Cash Flow during the year	(99.61)	2501.65
Closing Balance	4833.78	4933.39

For changes in lease liability arising from financing activities, refer note no [b] of Note 45

Note [25] - Current liabilities

Financial liabilities - Trade Payables

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables:		
(i) Total outstanding dues of micro enterprises and small enterprises	662.94	611.12
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5900.89	8171.93
(iii) Acceptances	113.91 6014.80	40.57 8212.50
Total	6677.74	8823.62
Significant part of the above pertains to retention money or under dispute/arbitration.		
A. Micro and small enterprises disclosure		
(i) The principal amount remaining unpaid to supplier as at the end of the accounting year *	826.36	690.14
(ii) The interest due thereon remaining unpaid, to supplier as at the end of accounting year.	-	-
(iii) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond appointed day during the year.	-	-
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under this Act.	-	-
(v) The amount of interest accrued during the year and remaining unpaid at the end of year.	-	-
(vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure.	-	-

* The amount shown here as outstanding includes amount shown in Note 20,25,26 to Micro and Small enterprises. The amount shown here is not due for payment contractually as on March 31, 2021.

Note [26] - Current liabilities

Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Liabilities:		
Employees dues	117.61	285.65
Other dues*	291.72	559.23
Capital expenditure~	57.49	82.73
Deposits from contractors & others	447.75	491.93
Unpaid dividend **	2.11	2.79
Interest accrued on borrowings	0.97	3.72
Total	917.65	1426.05

* Other dues includes ₹ 0.03 crore for sale proceeds of fractional shares arising out of issuance of bonus shares.

~ Incl MSME ₹ 5.50 cr for FY 2020-21 & ₹ 6.11 cr for FY 2019-20

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

Note [27] - Current liabilities

Provisions

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contractual obligation	1486.56	1563.86
Provision for employee benefits#	826.79	1120.75
Corporate social responsibility ##	19.18	6.58
Provision others	831.72	390.59
Total	3164.25	3081.78

#Further Disclosure available at note (46) on employee benefits

##Disclosure as per point (vii) of Note [34] on CSR expense

Note [28] - Current liabilities

Other

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Advances received from customers incl.excess of billing over revenue)	4057.18	3797.27
Liabilities towards statutory dues	616.41	453.82
Deferred income - Govt. grant	6.45	6.45
Total	4680.04	4257.54

Note [29]

Revenue from operations

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

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from contracts with customers		
Sales	13010.53	15057.11
Income from external erection & other services	3285.02	5433.53
[For details, refer Note 49(b)]		
Sub-total (A)	16295.55	20490.64
Other operational income		
Freight & insurance	93.32	143.43
Scrap sales	141.97	142.12
Recoveries from suppliers	112.88	219.79
Liabilities written back	211.83	312.27
Insurance claims	163.48	16.42
Export incentives	156.88	14.99
Others	132.53	119.53
Sub-total (B)	1012.89	968.55
Revenue from operations (A + B)	17308.44	21459.19
Revenue from operations excludes :		
Goods and service tax	2392.35	2837.28

Note [30]

Other income

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

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income *		
From customers	1.14	-
From banks	313.61	502.21
Others	6.11	6.97
Sub-total (A)	320.86	509.18
Dividend income		
Dividend on investment in joint ventures (long term trade)	21.42	16.30
Sub-total (B)	21.42	16.30
Other income		
Profit on sale of units of mutual funds	1.42	6.43
Government grants	6.45	6.45
Profit from sale of PPE & capital stores (Net)	1.88	9.30
Others	17.81	32.92
Sub-total (C)	27.56	55.10
Total other income (A+B+C)	369.84	580.58
*Includes TDS	20.99	50.05

Note [31] Material consumption, erection and engineering expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of raw material & components	8158.56	11780.11
Civil, erection and engineering expenses	2912.47	2946.98
Consumption of stores & spares	288.74	352.85
Total	11359.77	15079.94

Note [32] Changes in inventories of finished goods, work in progress and Scrap

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Work -in -progress		
Closing balance	3778.22	4119.71
Opening balance	4119.71	3219.82
	341.49	(899.89)
Finished goods		
Closing balance	628.72	822.94
Opening balance	822.94	661.01
	194.22	(161.93)
Scrap		
Closing balance	147.46	117.76
Opening balance	117.76	90.89
	(29.70)	(26.87)
Inter-division transfer in transit	4.85	46.29
(Increase)/Decrease	510.86	(1042.40)

Note [33] Employee benefits expense

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

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages, bonus, allowances & other benefits	4695.04	4625.09
Contribution to provident and other funds	372.65	405.44
Staff welfare expenses	194.86	279.49
Contribution to gratuity fund	101.66	105.03
Group insurance	8.05	11.59
Total	5372.26	5426.64

Note [34]

Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power & fuel	319.42	459.14
Expenditure on other sub contracts	267.49	334.60
Carriage outward	216.71	287.38
Payment to security agencies	203.25	222.79
Repairs & maintenance:		
Buildings	26.55	45.03
Plant & machinery	29.59	32.28
Others	67.50	88.12
Insurance	128.51	147.02
Travelling & conveyance	65.15	124.48
Bank charges	92.54	104.22
R&D expense	29.48	74.97
Hire charges	46.38	62.34
Expenditure on collaborations & royalty	34.92	57.72
Rates & taxes	25.06	43.65
Office expense	31.00	40.29
Expenditure on skill development	15.22	39.38
Legal, audit & certification expense	34.61	35.04
EDP, software & lease line expense	25.57	29.73
Corporate social responsibility	20.18	28.80
Water charges	34.19	26.94
Expenditure in connection with exports	11.92	24.39
Rent non-residential	15.88	20.23
Entertainment & courtesy expenses	2.29	9.89
Environmental protection	5.72	7.17
Seminar, development and training expense	1.16	6.02
Publicity & public relation expense	1.55	5.43
Miscellaneous expense	47.38	72.29
Total	1799.22	2429.34

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(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Legal, audit & certification expense includes :		
Payment to Statutory Auditors:		
Audit fees	0.94	0.86
Tax audit	0.20	0.18
Quarterly limited review & others	0.56	0.55
Audit expense	0.03	0.11
	1.73	1.70
Payment to Cost Auditors:		
Audit fees	0.15	0.15
(ii) Director's fees	0.21	0.23
(iii) Expenditure on departmental repair & maintenance:		
Plant & machinery	175.27	205.73
Buildings	29.65	42.38
Others	32.88	34.96
(iv) Expenditure on research & development	146.01	221.84
(v) Expenditure on foreign travel		
No. of tours	77	323
Expenditure	1.28	6.52

(vi) BHEL from own contribution has spent cumulative ₹189 crore (upto previous year ₹170 crore) on AUSC project and accounted as R&D expenditure.

(vii) Corporate social responsibility

As per section 135 of the Companies Act, 2013 read with guidelines issued by DPE, the Company is required to spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR policy. The details of CSR expense for the year are as under:

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Amount required to be spent during the year	20.18	28.80
B. Amount available from previous year	15.51	21.83
C. Total (A+B)	35.69	50.63
D. Amount spent during the year on-		
(i) Construction/ acquisition of any asset	0.14	-
(ii) On purposes other than (i) above	14.28	35.12
Total	14.42	35.12
Amount carried forward:	21.27	15.51
Current	19.18	6.58
Non-current	2.09	8.93

The provision of ₹ 21.27 cr. represents unspent amount on ongoing projects and has been transferred to a separate Bank account within 30 days from the end of the FY 2020-21 as per Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	In cash	Yet to be paid in cash	In cash	Yet to be paid in cash
(i) Construction / acquisition of any asset	0.14	-	-	-
(ii) On purposes other than (i) above	11.25	3.03	33.96	1.16
Total	11.39	3.03	33.96	1.16

Note [35]

Provisions

Refer point 10, 11 & 14 of Note [2] for accounting policy on employee benefits, provisions and impairment of assets.

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Doubtful debts, liquidated damages and loans, advances & deposits				
Created during the year	2583.68		2335.46	
Less: withdrawal during the year	1773.13	810.55	2300.75	34.71
Contractual obligations				
Created during the year	240.96		436.35	
Less: withdrawal during the year	501.81	(260.85)	573.11	(136.76)
Others				
Created during the year	768.16		290.95	
Less: withdrawal during the year	128.75	639.41	179.14	111.81
		1189.11		9.76
Impairment of investment in JVs		-		(0.27)
Investment written off		4.93		-
Bad debts written off		77.55		57.60
Liquidated damages & contractual charges charged off		170.98		165.20
Losses written off		24.89		0.99
Total		1467.46		233.28

Note [36]

Finance costs

Refer point 5 & 11 of Note [2] for accounting policy on borrowing costs and provisions.

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Discount on commercial papers	163.68	204.12
Unwinding of provisions	141.74	195.61
Interest cost:		
Banks / Financial Institutions	29.34	45.27
Foreign Financial Institutions	10.77	26.32
On lease obligation	12.79	16.03
Others	13.80	17.24
	66.70	104.86
Other expenses on issuance of Commercial paper	0.97	2.36
Sub-total	373.09	506.95
Less: Borrowing cost capitalised	-	-
Total	373.09	506.95

Note [37]

Tax expenses

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

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
For current year	32.83	63.44
For earlier years	(17.01)	(61.92)
	15.82	1.52
Deferred tax		
For current year	(907.85)	(161.53)
For earlier years	(2.43)	970.87
	(910.28)	809.34
Total	(894.46)	810.86

Note [38]

Other comprehensive income / expenditure

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income / (Expenditure)		
Re measurement of defined employee benefits	26.70	(342.06)
Less: Income tax related to above items *	6.72	(68.18)
Total	19.98	(273.88)
* Includes		
Current tax	-	-
Deferred tax	6.72	(68.18)

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

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Comprehensive Income / (Loss) before tax (A)	(3584.90)	(1004.17)
Statutory income tax rate (B)	25.168%	25.168%
Tax expense C = (AXB)	(902.25)	(252.73)
Difference due to: (D)		
Expenses not deductible for tax purposes	33.95	72.65
Income exempt from income tax	-	(4.10)
Change in tax rate	-	974.41
Change in tax expense - earlier years	(19.44)	(47.55)
Subtotal (D)	14.51	995.41
Net Tax Expense E = (C+D)	(887.74)	742.68

**Note [39]
Earnings per share**

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit / (loss) attributable to equity shareholders	(2717.14)	(1472.97)
Weighted average number of equity shares	348.21	348.21
Basic and diluted earnings per share of ₹ 2 each	(7.80)	(4.23)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weightage average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weightage average number of equity shares considered for deriving basic earnings per equity share and also the weightage average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**Note [40]
Dividend per share**

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Dividend on equity shares declared and paid during the year		
Final dividend of ₹ Nil (previous year ₹ 1.20) per qualifying equity share	-	417.85
Dividend distribution tax on final dividend	-	85.89
Total	-	503.74
B. Proposed dividend on equity shares not recognised as liability	-	-
Proposed final dividend of ₹ Nil per share for FY 2020-21 (FY 2019-20 ₹ Nil per share)		

Note [41] - Contingent liabilities and commitments

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Contingent liabilities		
Claims against the company not acknowledged as debt :		
(a) Sales tax matters	894.74	1147.53
(b) Service tax matters	696.04	793.64
(c) Court & arbitration matters	516.18	690.01
(d) Excise duty matters	161.76	161.76
(e) Customs duty and others	834.51	5.80
(f) Other matters (incl. disputed staff cases)	40.51	38.16
(g) Claim towards Liquidated damages (LD)	2901.75	5231.57
Total	6045.49	8068.47

- (i) In view of various court cases, litigations and claims disputed by the Company, the outflow of resources is not ascertainable at this stage. Generally, contingent Liability in respect of court & arbitration cases are shown on award/court judgement and also reviewed on a case to case basis for its reporting in contingent liability.
- (ii) It is not practicable for the Company to estimate the timing of actual cash outflows in respect of items (a) to (f) , if any, due to pending resolution of the respective proceedings. However, the chances are remote and contingent.
- (iii) Liquidated damages represents likely claims or amount withheld by customer on account of delay in execution of projects which will be settled after commissioning and trial operation of project based on delay analysis and is being disclosed in line with Ind AS -37.
- (iv) **Movement in contingent liabilities**

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	8068.47	7434.64
Less: Reduction out of opening balance	3342.01	1443.71
Add: Additions (net) during the year	1319.03	2077.54
Balance at the end of the year	6045.49	8068.47

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
B. Commitments		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for.	229.15	325.72
(The above includes related to acquisition of intangible assets)	(8.65)	(12.30)
(b) Investment in the Joint Venture entities for which the company has restrictions for their disposal for five years from the date of incorporation /commercial operation of the project/first unit of the project/completion of first EPC contract, as the case may be.	50.00	50.00
(c) In view of the nature of business, being long term construction contracts there may be other commitments for purchase of material etc., which has been considered as normal business process.		

Note [42]

Current Financial liabilities includes a sum of ₹ **100.51** crore (previous year ₹ 100.51 Crore) towards guarantee fee demanded by the Government of India in respect of foreign currency loans taken by the Company at the instance of the Government upto 1990-91. The matter for its waiver has been taken up with the Government since there was no stipulation for payment of such guarantee fee at the time the loans (guaranteed by Government) were taken by the company.

Note [43]

The Company had taken over Amorphous Silicon Solar Cell Plant (ASSCP), Gurgaon on April 1, 1999 from Ministry of New and Renewable Energy (MNRE) on lease for a period of 30 years. The formal lease agreement with the Ministry of New and Renewable Energy (MNRE) is yet to be finalised.

Note [44]

Balance shown under Trade receivables, Trade payables, contractors' advances, deposits and stock / materials lying with sub-contractors/fabricators are subject to confirmation, reconciliation & consequential adjustment, if any. The Company is in the business of long term construction contracts, bills are raised on the customers as per contract in line with billing schedule approved by the customer and the reconciliation is carried out on ongoing basis & provisions made, wherever considered necessary. Final reconciliation with customer is done on completion of project (Trial Operation and PG Test completed). Trade receivable of completed projects stand at ₹**7882** crore (previous year ₹8098 crore) . Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹**6299** crore (previous year ₹6676 crore).

Note [45]**Disclosure on Leases - Ind AS 116****Lease Commitments - Company as Lessee**

The company's significant leasing agreements are in respect of land, building and EDP equipments. The company has entered into a rate contract for lease arrangement for computer items, printers, video 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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Not later than 1 year #	54.01	65.04	8.77	11.49	45.24	53.55
Later than 1 year and not later than 5 years	60.33	87.62	6.92	12.25	53.41	75.37
Later than 5 years	-	-	-	-	-	-

The amount of future minimum lease payments in respect of leases where remaining lease term as at the end of March 31, 2021 is less than 12 months is ₹ 9.54cr (Previous year ₹ 5.97cr).

b. Movement in lease liabilities during the FY year 2020-2021

(₹ in Crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Lease Liabilities As at April 1*	132.04	178.41
Add: Additions	30.03	20.38
Add: Accretion of interest	12.79	16.03
Less : Payments/Adjustment	73.25	82.78
Lease Liabilities as at March 31*	101.61	132.04

* includes interest accrued of ₹ 2.96 crore (PY ₹ 3.12 crore) & ₹ 3.12 crore (PY ₹ 4.41 crore) as at March 31,2021 & March 31,2020 respectively

c. Amounts recognised in profit or loss:

(₹ in Crore)

Particulars	For the Year Ended	
	March 31, 2021	March 31, 2020
Expense relating to Short-term leases (Refer Note No.34)	2.25	5.95
Expense relating to low value assets leases (Refer Note 34)	1.03	1.21
Depreciation charge of right-of-use assets	64.26	66.63
Interest expense (included in finance cost)	12.79	16.03

d. The company has various lease contracts that have not yet commenced. The future lease payments for these non-cancellable lease contracts are as follows:

(₹ in Crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Not later than 1 year	0.07	0.07
Later than 1 year and not later than 5 years	0.05	0.08
Later than 5 years	-	-

Note [46] - Disclosure on 'Employee benefits' - Ind AS 19

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

- i) Gratuity Scheme
- ii) Post Retirement Medical Scheme
- iii) Provident Fund Scheme
- iv) Travel claim on Retirement

(i) Gratuity (Funded Plan)

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum limit of ₹20 Lakhs. The gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The liability has been assessed using projected unit credit actuarial method.

Movement in net defined benefit (asset)/liability on Gratuity plan

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at					
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening balance	2068.33	2034.82	1696.77	1862.77	371.56	172.05
Included in Profit for the Year :						
Current Service Cost	101.66	105.03	-	-	101.66	105.03
Past Service Cost	-	-	-	-	-	-
Interest cost /(income)	139.61	157.70	139.61	157.70	-	-
Total amount recognised in Profit for the Year	241.27	262.73	139.61	157.70	101.66	105.03
Included in Other Comprehensive income (OCI) :						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Change in Demographic Assumption	-	(0.62)	-	-	-	(0.62)
Change in Financial Assumption	-	151.51	-	-	-	151.51
Experience Adjustment	(32.61)	(29.11)	(21.21)	(20.70)	(11.40)	(8.41)
Total amount recognised in other comprehensive income	(32.61)	121.78	(21.21)	(20.70)	(11.40)	142.48
Others						
Contributions paid by the Employer	-	-	154.00	48.00	(154.00)	(48.00)
Benefits paid	(271.73)	(351.00)	(271.73)	(351.00)	-	-
Unpaid Benefits paid	-	-	-	-	-	-
Closing balance	2005.26	2068.33	1697.44	1696.77	307.82	371.56

Details of Plan assets

Particulars	As at March 31,2021	As at March 31,2020
Funds managed by insurer	70.80%	56.59%
High quality corporate bonds (quoted)	18.23%	33.88%
State Government securities (quoted)	2.46%	2.74%
Equity shares of listed companies (quoted)	0.97%	0.84%
Bank balance	7.54%	5.95%
Total	100.00%	100.00%

Actuarial assumptions

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

Particulars	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	6.75%	6.75%
Salary escalation rate	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

Sensitivity analysis

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

(₹ in Crore)

Particulars	Gratuity			
	As at March, 31 2021		As at March, 31 2020	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(92.13)	100.65	(85.66)	93.53
Change in Salary escalation rate (0.50% movement)	51.60	(53.83)	53.64	(54.04)

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

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Expected maturity analysis of the gratuity plan in future years

(₹ in Crore)

Particulars	Gratuity	
	As at March 31,2021	As at March 31,2020
Less than 1 year	230.35	313.22
Between 1-2 years	193.21	206.70
Between 2-3 years	140.89	178.18
Between 3-4 years	125.91	129.93
Between 4-5 years	103.76	114.23
Between 5-6 years	91.67	93.70
Over 6 years	1119.47	1032.37
Total	2005.26	2068.33

Expected contributions to gratuity plans for the year ending 31 March 2022 are ₹ 117.75 crore

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.95 years (31 March 2020: 14.91 years.)

Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, company is exposed to various risks such as increase in salary, investment risk, discount rate, mortality, disability and withdrawals.

(ii) Post Retirement Medical Benefits (Funded Plan)

The Company has Post-Retirement Medical benefit (PRMB), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals subject to company medical rules. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same is recognised annually on the basis of actuarial valuation.

Movement in net defined benefit (asset)/liability on Post retirement Medical Benefit Plan

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at					
	March 31,2021	March 31,2020	March 31,2021	March 31,2020	March 31,2021	March 31,2020
Opening balance	2285.20	2080.78	1933.72	1935.72	351.48	145.06
Included in Profit for the Year :						
Current service cost	39.92	40.15	-	-	39.92	40.15
Past service Cost	(49.95)	-	-	-	(49.95)	-
Interest cost / (income)	154.25	161.26	154.25	161.26	-	-
Total amount recognised in Profit for the Year	144.22	201.41	154.25	161.26	(10.03)	40.15
Included in Other Comprehensive Income (OCI):						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	(0.91)	-	-	-	(0.91)
Financial assumptions	-	193.77	-	-	-	193.77
Experience adjustment	(9.57)	(31.85)	(17.25)	(5.26)	7.68	(26.59)
Total amount recognised in other comprehensive income	(9.57)	161.01	(17.25)	(5.26)	7.68	166.27
Others						
Contributions paid by the employer	-	-	41.62	-	(41.62)	-
Benefits paid	(164.00)	(158.00)	(164.00)	(158.00)	-	-
Closing balance	2255.85	2285.20	1948.34	1933.72	307.51	351.48

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company.

Actuarial assumptions

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

Particulars	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	6.75%	6.75%
Salary escalation rate	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

Sensitivity analysis

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

(₹ in Crore)

Particulars	Post Retirement Medical Benefit			
	As at March 31,2021		As at March 31,2020	
	Increase	Decrease	Increase	Decrease
Change in discount rate (0.50% movement)	(100.99)	103.12	(101.67)	104.64
Change in cost (0.50% movement)	103.96	(101.57)	105.37	(102.38)

Sensitivity due to mortality and 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 31,2021	As at March 31,2020
Less than 1 year	147.94	155.27
Between 1-2 years	149.62	172.35
Between 2-3 years	153.04	189.58
Between 3-4 years	158.33	209.49
Between 4-5 years	165.65	232.53
Between 5-6 years	175.29	259.27
Over 6 years	1305.98	1066.71
Total	2255.85	2285.20

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2022 are ₹ 38.26 crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.42 years (31 March 2020: 11.44 years).

Risk Exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks such as increase in medical cost, investment risk, discount rate, mortality, disability and withdrawals.

(iii) Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary. Wherever as per the actuarial valuation certificate liability for likely interest shortfall arises, the same has been provided in the accounts.

Details of interest shortfall in PF Trust

(₹ in Crore)

Particulars	For the year ended	
	2020-21	2019-20
Excess / (Shortfall) in PF interest liability based on actuarial valuation for the year	15.68	(23.18)
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	14.46	30.14
Remeasurement gain/(loss) recognised through other comprehensive income statement	25.16	(31.46)
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	9.48	(8.28)

The Company has PF trusts located at various places covering the employees of the Company and managed separately, the details of plan assets and obligations are as follows :

(₹ in Crore)

LOCATION	Defined benefit obligation		Fair value of plan assets		Surplus / (Shortfall)	
	As at					
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
BHEL EPF Trust,Ranipur,Hardwar	1574.05	1470.95	1581.86	1472.38	7.81	1.43
BHEL Employee Provident Fund-Trichy	986.73	1029.10	984.73	1025.27	(2.00)	(3.83)
BHEL Employee Provident Fund Bhopal	1317.70	1239.54	1313.87	1232.47	(3.83)	(7.07)
BHEL New Delhi Employees Provident Fund Trust	1291.26	1169.96	1297.88	1176.53	6.62	6.57
BHEL Employee Provident Fund-Hyderabad	833.30	835.64	853.68	853.11	20.38	17.47
BHEL PPD EPF Trust,Chennai	786.92	741.03	778.29	726.19	(8.63)	(14.84)
BHEL Employee Provident Fund-Bengaluru	635.51	723.36	644.53	721.87	9.02	(1.49)
BHEL (BAP Unit) EPF Trust,Ranipet	390.16	416.21	390.62	413.30	0.46	(2.91)
BHEL Employee Provident Fund Trust Jhansi	437.95	407.02	447.68	414.19	9.73	7.17
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	141.46	127.58	172.72	158.81	31.26	31.23
Total	8395.04	8160.39	8465.86	8194.12	70.82	33.73

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Movement in net defined benefit (asset)/liability on Provident Fund

(₹ in Crore)

Particulars	BHEL Employees Provident Fund Trust (Consolidated)			
	Defined benefit obligation		Fair value of plan assets	
	As at			
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Opening balance	8160.39	7641.62	8194.12	7734.01
Included in Profit for the Year :				
Current service cost	327.61	327.33	-	-
Interest cost / (income)	665.66	636.48	665.66	656.50
Total amount recognised in Profit for the Year #	993.27	963.81	665.66	656.50
Included in Other Comprehensive Income (OCI):				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions	-	-	-	-
Financial assumptions	-	2.30	-	-
Experience adjustment	(17.87)	30.75	19.22	(45.63)
Total amount recognised in other comprehensive income#	(17.87)	33.05	19.22	(45.63)
Others				
Contributions paid by the employer	777.25	722.01	327.61	327.33
Employee Contribution	-	-	777.25	722.01
Benefits paid	(1804.50)	(1497.98)	(1804.50)	(1497.98)
Settlements/Transfer-in	286.50	297.88	286.50	297.88
Closing balance	8395.04	8160.39	8465.86	8194.12

Note: Interest shortfall in respect of PF trust having deficit only have been accounted through Statement of profit and loss and other Comprehensive Income Statement

Details of Plan assets

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Govt. of India securities [Quoted]	1153.72	1252.00
State Government securities [Quoted]	3694.89	3305.75
Corporate bonds [Quoted]	3027.71	2920.68
Special Deposit [Unquoted]	417.43	468.86
Liquid Fund [Quoted]	2.11	18.69
Short term deposit [Unquoted]	10.89	48.04
Mutual Fund & Equity shares[Quoted]	159.11	180.11
Total	8465.86	8194.12

Actuarial assumptions

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

Particulars	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	6.75%	6.75%
Expected statutory interest rate on the ledger balance	8.50%	8.50%
Expected short fall in interest earnings on the fund	0.05%	0.05%
Demographic assumptions:		
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Sensitivity analysis

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

(₹ in Crore)

Particulars	BHEL Employees Provident Fund Trust			
	As at March 31,2021		As at March 31,2020	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(1.23)	1.28	(1.35)	1.43

Expected maturity analysis in future years

(₹ in Crore)

Particulars	Provident Fund	
	As at March 31,2021	As at March 31,2020
Within the next 12 months	832.06	836.14
Between 2-5 years	2009.34	1984.26
Between 5-10 years	1984.72	1502.75
Beyond 10 years	3568.92	3837.24
Total	8395.04	8160.39

(iv) Travel claim on retirement - (Settlement Allowance - Unfunded Plan)

The settlement allowance is the expenditure reimbursed to an employee towards travel and shifting of baggage for proceeding to home town or any place in India where he or she intends to settle after retirement or death in service for self (including members of his/her family).

Movement in Settlement Allowance liability

(₹ in Crore)

Particulars	Settlement Allowance	
	As at March 31, 2021	As at March 31, 2020
Opening balance	9.56	8.53
Current service cost	0.63	0.58
Interest cost / (income)	0.65	0.64
Included in Profit for the Year :	1.28	1.22
Actuarial loss / (gain)	2.16	1.86
Total amount recognised in TCI for the Year	3.44	3.08
Others		
Contributions paid by the employer	-	-
Benefits paid	(2.70)	(2.05)
Closing balance	10.30	9.56

Actuarial assumptions

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

Particulars	Settlement Allowance	
	As at March 31, 2021	As at March 31, 2020
Economic assumptions:		
Discount rate	6.75%	6.75%
Salary escalation rate	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

B. Long Term Leave Liability (Encashable Leave -EL /Half Pay Leave-HPL) - (Unfunded Plan)

The company provides for earned leave benefit and half pay leave to the employees of the company which accrue half yearly at 15 days (maximum) and 10 days respectively. The earned leave is encashable while in service subject to fulfilment of certain conditions. On retirement/superannuation, earned leave & half pay leave put together upto a maximum of 300 days is encashable subject to company policies & leave encashment rules. The leave liability has been treated as other long term benefits and has been assessed using projected unit credit actuarial method.

Movement in long term leave liability

(₹ in Crore)

Particulars	Long Term Leave Liability	
	As at March 31,2021	As at March 31,2020
Opening balance	1392.37	1492.06
Included in Profit for the Year :		
Current service cost	157.77	155.96
Interest cost / (income)	93.98	115.63
Actuarial loss / (gain)	(130.95)	(138.64)
Total amount recognised in Profit for the Year	120.80	132.95
Benefits paid	271.43	232.64
Closing balance	1241.74	1392.37

Actuarial assumptions

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

Particulars	Long Term Leave Liability	
	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	6.75%	6.75%
Salary escalation rate	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

C. Pension Fund

The company has contributed ₹ 280 cr in respect of pension scheme (Defined contribution plan) for the FY 2020-21

Note [47] - Related Parties Transactions

(i)	Subsidiary company:	Joint ventures:	Others :
	BHEL Electrical Machines Limited	BHEL-GE Gas Turbine Services Pvt. Ltd. (BGGTS) NTPC-BHEL Power Projects Pvt. Ltd. (NBPPL) Raichur Power Corporation Ltd. (RPCL) Dada Dhuniwale Khandwa Power Ltd. [DDKPL]* Powerplant Performance Improvement Ltd.	Central Government controlled entities Provident fund trusts Gratuity trust PRMB Trust Pension Trust

*Dissolved in November 2020

(ii) Other related parties

A. Functional Directors & Company Secretary (KMP)

(₹ in Crore)

Particulars	Short term employee Benefits		Post employment benefits		Total Remuneration	
	20-21	19-20	20-21	19-20	20-21	19-20
Shri [Dr.] Nalin Shinghal Chairman & Managing Director	0.52	0.35	0.08	0.07	0.60	0.42
Shri Subodh Gupta Director (Finance)	0.49	0.44	0.07	0.09	0.56	0.53
Shri S. Balakrishnan ¹ . Director (IS & P)	0.66	0.50	0.05	0.09	0.71	0.59
Shri Manoj Kumar Varma ² . Director (Power)	0.62	0.52	0.06	0.09	0.68	0.61
Shri Kamalesh Das Director (Engineering, R&D)	0.47	0.38	0.07	0.08	0.54	0.46
Shri Anil Kapoor ³ . Director (Human Resources)	0.46	0.20	0.07	0.04	0.53	0.24
Ms. Renuka Gera ⁴ . Director (IS & P)	0.16	-	0.03	-	0.19	-
Shri Rajeev Kalra Company Secretary	0.38	0.33	0.06	0.07	0.44	0.40

¹. upto November 30,2020

². upto January 31, 2021

³. Additional charge Director (Power) w.e.f February 1, 2021

⁴. w.e.f December 1, 2020

The company is a central Public Sector undertaking under the administrative control of Ministry of Heavy Industries and majority of its stake is held by Government of India. The significant transactions are with other PSUs, State owned utilities, Railways etc. which are also controlled by Govt. of India directly or indirectly. The transactions with such entities are normal, based on market driven rates at arms length price.

B. Government Director/Independent Director

(₹ in Lakhs)

Government/ Independent Directors	Sitting Fees	
	For the year ended	
	As at March 31,2021	As at March 31,2020
Shri Shashank Priya Government Director	-	-
Shri Amit Varadan Government Director [upto 02.09.2020]	-	-
Shri Amit Mehta Government Director [w.e.f 02.09.2020]	-	-
Shri Desh Deepak Goel Independent Director [upto 11.09.2020]	3.30	6.30
Shri Ranjit Rae Independent Director [upto 11.09.2020]	3.50	6.90
Shri Rajesh Sharma Independent Director	5.10	4.50
Shri Raj Kamal Bindal Independent Director	4.60	0.30
Shri Manish Kapoor Independent Director	4.80	0.30

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

(₹ in Crore)

Government/ Independent Directors	Post Employment benefit plan	Contribution by employer	
		For the year ended March 31	
		2021	2020
PRMB Trust	Post Retirement medical scheme	41.62	-
Gratuity Trust	Gratuity	154.00	48.00
Employees Superannuation Fund	Pension Fund	280.00	92.27
BHEL EPF Trust,Ranipur,Hardwar	Provident Fund	52.21	50.81
BHEL Employee Provident Fund-Trichy	Provident Fund	52.97	56.76
BHEL Employee Provident Fund Bhopal	Provident Fund	50.86	63.52
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	39.25	34.18
BHEL Employee Provident Fund-Hyderabad	Provident Fund	39.36	16.57
BHEL PPD EPF Trust,Chennai	Provident Fund	26.34	25.37
BHEL Employee Provident Fund-Bengaluru	Provident Fund	29.16	33.50
BHEL (BAP Unit) EPF Trust,Ranipet	Provident Fund	19.24	19.79
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	12.77	21.65
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	Provident Fund	5.45	5.18

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iii. Details of Transactions With Joint Ventures and Balances

(₹ in Crore)

Particulars	For the year ended	
	March 31,2021	March 31,2020
Sales of Goods and services		
BGGTS	215.85	169.61
RPCL	7.80	17.28
NBPPL	10.86	2.80
Dividend income		
BGGTS	21.42	16.30
Royalty income		
BGGTS	1.46	1.10
Purchase of Goods and Services		
BGGTS	1.96	0.86
RPCL	-	-
NBPPL	0.75	3.05
Amounts due to BHEL at the end of the year		
BGGTS	68.79	29.45
RPCL	552.00	541.93
NBPPL	195.56	262.51
Amounts due from BHEL (incl. advances) at the end of the year		
BGGTS	0.15	0.24
RPCL	7.67	9.30
NBPPL	56.79	79.16
Provision for Doubtful debts & advances		
NBPPL	187.98	183.90

Note: refer note[5] for provision for dimunition in value of invetments

iv) Details of Transactions with Subsidiary Company and Balances

(₹ in Crore)

Subsidiary Company	For the year ended	
	March 31,2021	March 31,2020
Amounts due to BHEL at the end of the year	3.94	3.94
Amounts due from BHEL (incl. advances) at the end of the year	0.77	0.77
Provision for Doubtful advances	3.70	3.70

Note [48] - Disclosure [Movement in provisions] - Ind AS - 37

(₹ in Crore)

a. Liquidated Damages	As at March 31,2021	As at March 31,2020
Opening Balance	8467.67	7549.65
Add: Additions	1546.68	1706.20
Less: Usage/ Write off/payment	98.36	3.88
Less: Withdrawal/adjustments	404.19	784.30
Closing Balance	9511.80	8467.67

Liquidated damages are provided in line with the Accounting Policy of the Company and the same is dealt suitably in the accounts on settlement or otherwise. Contingent liability relating to liquidated damages is shown in Para A (g) of Note 41.

(₹ in Crore)

b. Contractual Obligation	As at March 31,2021	As at March 31,2020
Opening Balance	4319.11	5295.44
Add: Borrowing Cost	141.68	195.61
Add: Additions	447.20	567.75
Less: PV Adjustment	194.95	119.83
Less: Usage/ Write off/payment	87.56	63.11
Less: Withdrawal/adjustments	621.74	1545.18
Add/(Less): Change in estimate and rates	(11.29)	(11.57)
Closing Balance	3992.45	4319.11

The provision for contractual obligation is made considering the effect of time value of money in line with significant Accounting Policy No. 11 to meet the warranty obligations as per the terms and conditions of the contract. The same is retained till the completion of the warranty obligations of the contract. The actual expenses on warranty obligation may vary from contract to contract and on year to year depending upon the terms and conditions of the respective contract. Adjustment in both the accounting periods includes Contractual obligation, pertaining to dues from projects fully provided for, disclosed in Non Current Allowances for B&D Debts.

Note [49] - Disclosure 'Revenue from Contracts with Customers' - Ind AS-115

a. Movement in impairment provisions

(₹ in Crore)

Particulars	2020-21		2019-20	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	5445.57	805.05	6398.57	654.73
Add: Additions	677.99	337.37	463.41	192.17
Less: Write off	49.34	-	57.60	-
Less: Reversal/adjustments	1169.17	18.10	1358.81	41.85
Closing balance	4905.05	1124.32	5445.57	805.05

b. Disaggregation of revenue from contracts with customers

(₹ in Crore)

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

2020-21

Revenue from customers

Timing of revenue recognition

(a) At a point in time (product/services)	1902.18	10.00	3780.92	21.30	5714.40
(b) Over time (projects)	7650.09	1823.78	1107.28	-	10581.15

2019-20

Revenue from customers

Timing of revenue recognition

(a) At a point in time (product/services)	1946.05	34.48	3603.97	1.88	5586.38
(b) Over time (projects)	9197.31	3782.60	1922.28	2.07	14904.26

(₹ in Crore)

Particulars	2020-21		2019-20	
	Power	Industry	Power	Industry
Revenue from customers				
BIFPCL [Bangladesh]	1653.65	-	3277.17	-
CPSU	2824.59	1791.55	3219.25	2324.72
Railways	-	1497.65	-	1434.87
TSGENCO	1664.61	-	2065.90	-

c. Contract Balances (net of provisions)

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Trade Receivables	7213.37	11641.12
Contract assets (incl. unbilled revenue)	24079.25	23794.22
Contract liabilities	6863.68	6718.43

d. Contract revenue recognised

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	3591.86	3140.51
Revenue recognised against performance obligation satisfied in previous year (impact due to change in contract revenue)	92.96	727.34

Construction of power projects is a long cycle business, where the contracts received by the company are either EPC contracts (Engineering, Procurement & Construction) or BTG Packages (i.e. Boiler, Turbine and Generator packages). Power projects are long gestation period projects with normal execution period of contract ranging between 3 to 5 years. BHEL scope of services includes supply of equipment, erection, commissioning, synchronizing the plant to the grid, completing the trial operation and providing the guaranteed parameters.

Although there are several components to the overall scope, such projects are generally considered one performance obligation. The control transfers simultaneously over the execution period as the entity performs rather than at discrete points in time and hence revenue is recognized over the period of time based on measure of progress (input cost method)

Note [50]

The Nationwide lockdown, consequent to spread of Covid 19 pandemic globally caused disturbance & slow down of the economic activity. This impacted the Company's operations during the FY 2020-21, which recouped progressively. Based on the internal & external information upto the date of approval of these financial statements, the company expects to recover the carrying amount of its assets, investments, trade receivables, contract assets & inventories. The company will continue to monitor the future economic conditions and assess its impact on its financial statements.

Note [51] - Disclosure pursuant to Ind AS-107 [Financial Instruments - Accounting Classifications and Fair value measurements]

- a. The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables and others reasonably approximates their carrying amount. Trade receivables are evaluated after taking into consideration for Expected Credit Losses. Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Fair value hierarchy

The fair value of financial instruments have been classified in following categories depending on the inputs used in the valuation technique.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(₹ in Crore)

b. Financial Assets / Liabilities Classification	Carrying Amount	
	As at March 31,2021	As at March 31,2020
Financial Assets at amortised cost		
Trade receivables	7213.37	11641.12
Cash & cash equivalent	1527.18	1402.86
Other bank balances	5174.25	5015.70
Other financial assets	325.57	342.01
Financial assets at fair value through profit & loss		
Investments (Equity Instruments)	3.58	3.09
Financial liabilities at amortised cost		
Trade payables	8558.82	9899.85
Other financial liabilities	1134.37	1585.07
Lease Liabilities	101.61	132.04
Short term borrowings	4833.78	4933.39

(₹ in Crore)

Financial assets and liabilities measured at fair value- recurring fair value measurements	Level 3 Hierarchy	
	As at March 31,2021	As at March 31,2020
Financial assets:		
Investment in unquoted equity instruments	3.58	3.09

c. Valuation Techniques used to determine fair value

Fair value of unquoted equity instruments is determined using Level 3 inputs which include inputs from the financial statements of the investee Company based on Net asset value per share.

Reconciliation of fair value measurement of unquoted equity shares classified as FVTPL assets

	(₹ in Crore)
As at March 31,2020	3.09
Changes in fair value	0.49
As at March 31,2021	3.58

Financial Risk Management**Objectives and Policies**

The company's activities are exposed to different financial risks arising out of natural business exposures to any company operating in the sector. The management of financial risk has always been an integral part of the company's business strategies and policies. The company reviews and aligns its policies and guidelines from time to time to address the financial risks in line with the needs and expectations of its various stakeholders. Exposure risk from the use of financial instruments can be categorized as under:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and management of Company's capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

BHEL has in place a Board approved Risk Management Charter & Policy which provides overall framework for Risk Management in the company. The objective of the charter is to ensure that the risks are being properly identified, assessed and effectively managed by adopting suitable risk mitigation measures. The company has 3-layer risk management framework. At the first level, the Board Level Risk Management Committee (BLRMC) of the company is assigned with responsibility of reviewing the company's Risk Governance structure, Risk Assessment & Risk Management framework, Guidelines, Policies and Processes thereof. Risk Management Steering Committee (RMSC) at the second level is responsible for adopting & implementing the risk management framework and leading the risk management initiative across the company. Chief Risk Officer (CRO) being the convener of BLRMC & RMSC is responsible for periodic reporting on risk management to Board/BLRMC. Key risks being faced by the company are analysed starting from Unit level for their respective areas to prepare risk mitigation plans and to ensure implementation.

a) Management of Credit Risk

Credit risk is considered as an integral part of risk reward balance of doing business. BHEL is involved in setting up of power projects pertaining to Government sector (State utilities, PSU's, Railways and other govt. departments etc.) and private sectors in India and abroad. The projects are generally funded by Financial Institutions/ banks or payments are covered by Letter of Credit (LC). The project duration ranges from 3 to 5 years and payments are generally realised in stages as per the terms of the contract including advance, progress payments, milestone payments and also retentions which are released on completion of such projects. Since majority customers profile pertains to Government sector, constituting 78% of total receivables coupled with the fact that the company itself is a CPSE, credit risk is relatively low. In respect of private sectors customers, the payment terms are mainly through LC. The company has well established review mechanism for receivables at various levels within organisation to ensure proper attention and focus for realisation in line with the company policies, procedures and guidelines. The company uses expected credit loss model to assess the impairment loss or gain and the disclosure of the same is made elsewhere. Further, adequate provisions are maintained to address any eventuality.

i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	1527.18	1402.86
Other bank balances	5174.25	5015.70
Other financial assets	325.57	342.01
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss		
Trade receivables	7213.37	11641.12

Concentration of credit risk- Geographical	Percentage of total revenue	
	As at March 31,2021	As at March 31,2020
Within India	92%	92%
Outside India	8%	8%
	100%	100%

The company's exposure to credit risk for trade receivables, contract assets and other receivables by type of counterparty are as follows –

Particulars	Percentage of total trade receivables	
	As at March 31,2021	As at March 31,2020
Central Public Sector Undertakings incl Railways and Govt Deptt	36%	34%
State Electricity Boards	43%	47%
Private Customers and others	13%	11%
Exports	8%	8%
	100%	100%

ii) Impairment losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low.

The movement in the allowance for impairment in respect of loans during the year was as follows:

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Balance as at April 1	32.38	22.34
Impairment loss recognised / write off/ withdrawal	(0.43)	10.04
Balance as at March 31	31.95	32.38

(b) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Balance as at April 1	6250.62	7053.30
Impairment loss recognised	1015.36	655.58
Amounts written off/ withdrawal	(1236.61)	(1458.26)
Balance as at March 31	6029.37	6250.62

The company makes investments out of surplus funds as per investment policy of the company duly approved by the Board and in line with the DPE guidelines. Credit risk on cash and cash equivalents and term deposits is very limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

b) Management of Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including term deposits and the availability of Funding through an adequate amount of credit facilities to meet obligations as and when due. Robust cash management system and regular monitoring of cash flows enables management to plan and maintain adequate sources to finance its funds requirement throughout the year. Besides adequate cash and bank balances, company enjoys credit facilities. The company is able to meet all its fund requirements from internal resources i.e. the funds generated from operations and also through short-term borrowings used for better treasury management operations to optimise the returns on investments.

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

(₹ in Crore)

Financial Liabilities	As at March 31,2021		As at March 31,2020	
Non-derivative financial liabilities	Within 1 year	Exceeding 1 year	Within 1 year	Exceeding 1 year
Trade payables	6677.74	1881.08	8823.62	1076.23
Deposits from contractors and others	447.75	211.01	491.93	150.99
Lease obligations	48.20	53.41	56.67	75.37
Other Payables/liabilities				
Employee dues	117.61	-	285.65	-
Other dues	294.80	-	565.74	-
Capex dues	57.49	5.71	82.73	8.03
Short term borrowings	4833.78	-	4933.39	-
Total	12477.37	2151.21	15239.73	1310.62

c. Management of Market risk

The Company is exposed to certain currency, commodity, interest rate risks arising from its operations. The company has foreign exchange risk management policy to cover the foreign exchange risks. To insulate the company against major commodity price fluctuation, framework agreements including price pass through claims are being entered regularly with supply chain partners including suppliers and customers. Surplus funds generated from operation are kept invested in short term deposits with PSU Banks or large sized private banks only and in debt based schemes of public sector mutual funds, thereby minimizing any chance of risk.

Foreign currency risk exposure -: The company's exposure to foreign currency risk at the end of reporting period, are as follows:

- (i) The derivative instruments that are hedged and outstanding as on 31.03.2021 is NIL (previous year Nil)
- (ii) The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

FC ' in Million

(₹ in Crore)

Particulars	As at		As at		As at	
	March 31, 2021		March 31, 2020		March 31, 2021	March 31, 2020
Assets	Euro	Equivalent INR	Euro	Equivalent INR	Others INR	Others INR
Trade receivable	101.84	871.66	148.34	1217.60	1.35	6.34
Contract assets	239.80	2056.26	252.85	2075.37	66.87	70.83
Other assets	13.68	110.08	15.40	122.58	144.71	245.63
Sub Total (A)	355.32	3038.00	416.59	3415.55	212.93	322.80
Liabilities						
Advances from customer	41.03	281.34	42.30	294.89	40.97	37.56
Trade payables and others	39.42	343.91	60.20	507.94	107.92	209.13
Sub Total (B)	80.45	625.25	102.50	802.83	148.89	246.69
Assets (Net of Liabilities)	274.87	2412.75	314.09	2612.72	64.04	76.11

Particulars	USD	Equivalent INR	USD	Equivalent INR
Assets				
Trade receivable	79.62	582.87	130.45	978.26
Contract assets	316.33	2315.32	335.04	2512.53
Other assets	0.90	6.79	8.20	60.41
Sub Total (A)	396.85	2904.99	473.69	3551.20
Liabilities				
Advances from customer	115.93	675.39	164.40	1037.62
Trade payables and others	144.50	1070.18	196.70	1496.11
Short term borrowings	46.68	345.06	118.67	900.79
Sub Total (B)	307.11	2090.63	479.77	3434.52
Assets (Net of Liabilities)	89.74	814.36	(6.08)	116.68

The above figures are net of provisions, if any

Sensitivity analysis

The impact of strengthening/weakening of the Indian Rupee vis a vis USD, EURO and others as at year end on profit or loss is as shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis is performed on the same basis for previous year, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below.

(₹ in Crore)

Particulars	As at			
	March 31, 2021		March 31, 2020	
Effect on Profit/(loss)	Strengthening	Weakening	Strengthening	Weakening
1% movement				
Euro	24.13	(24.13)	26.13	(26.13)
USD	8.14	(8.14)	1.17	(1.17)
Others	0.64	(0.64)	0.76	(0.76)

d. Capital Management

The company's objective, while managing capital is to continue business as a going concern, safeguard, preserve and enhance its capital to provide maximum return to shareholders, benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors also 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 [52] Operating Segment

The Segments have been identified as 'Power' and 'Industry' based on the orders booked by the respective business sectors. The order booked by International operation group is taken to Power or Industry as the case may be.

The Company's Committee of functional Directors has been identified as Chief Operating Decision maker (CODM).

(₹ in Crore)

Particulars	For the year ended 31.3.2021			For the year ended 31.3.2020		
	Power	Industry	Total	Power	Industry	Total
I. Segment Revenue						
Operating Revenue-External	11386.05	4909.50	16295.55	14960.44	5530.20	20490.64
II. Segment Results						
a. Segment Results	(1246.16)	(850.48)	(2096.64)	804.30	(205.84)	598.46
b. Unallocated expenses (Net of income)			1141.87			753.62
c. Profit / (loss) before finance cost & Income tax (a) - (b)			(3238.51)			(155.16)
d. Finance cost (Including unwinding of Interest)			373.09			506.95
e. Net Profit / (loss) before Income Tax (c) - (d)			(3611.60)			(662.11)
f. Income Tax			(894.46)			810.86
g. Net Profit / (loss) after Income Tax (e) - (f)			(2717.14)			(1472.97)
III Assets & Liabilities						
a. Segment Assets	35954.72	8417.10	44371.82	41649.31	9421.21	51070.52
b. Common Assets			11329.42			9165.14
c. Total Assets			55701.24			60235.66
d. Segment Liabilities	19221.65	4444.28	23665.93	21370.29	4739.98	26110.27
e. Common Liabilities			5551.26			4944.18
f. Total Liabilities			29217.19			31054.45
IV Other Information						
a. Capital Expenditure	112.23	38.05		243.40	107.83	
b. Depreciation & Amortization	306.68	118.48		320.44	135.73	
c. Non Cash Expenses (other than depreciation & amortization)	1302.02	499.07		820.48	73.99	

(₹ in Crore)

Geographical Segments	Within India	Outside India	Total	Within India	Outside India	Total
1 Net Sales / Revenue from Operations	14440.47	1855.08	16295.55	16669.61	3821.03	20490.64
2. Non- Current Assets (PPE & Intangible Assets)	2881.46	26.42	2907.88	3085.96	42.12	3128.08
3. Capital Expenditure	235.07	2.45	237.52	402.62	12.71	415.33

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

(₹ in Crore)

Particulars	Power	Industry	Total	Power	Industry	Total
BIFPCL [Bangladesh]	1653.65	-	1653.65	3277.17	-	3277.17
CPSUs	2824.59	1791.55	4616.14	3007.04	2324.72	5331.76
Railways	-	1497.64	1497.64	-	1434.87	1434.87
TSGENCO	1664.61	-	1664.61	2178.63	-	2178.63

Note [53] - Note - Additional Disclosures

(₹ in Crore)		
A. Value of imports	For the year	
	2020-21	2019-20
CIF basis		
Raw materials	918.13	2239.70
Components and spare parts	578.88	1629.04
Capital goods	35.39	65.15
Total	1532.40	3933.89
(₹ in Crore)		
B. Expenditure in foreign currency	For the year	
	2020-21	2019-20
i) Royalty	26.36	53.11
ii) Know-how	12.50	8.90
iii) Professional consultation fee	0.90	6.35
iv) Interest and others (incl. on foreign sites)	26.13	29.23
(₹ in Crore)		
C. Value of consumption of raw materials, components, stores & spare parts.	For the year	
	2020-21	2019-20
i) #Imported (including custom duty)	2400.61	3617.70
ii) Indigenous	6046.69	8515.26
iii) Percentage of total consumption		
Imported	28.42	29.82
Indigenous	71.58	70.18
# Includes canalised items wherever ascertained		
(₹ in Crore)		
D. Earnings in foreign exchange	For the year	
	2020-21	2019-20
Export of goods (FOB basis)	1101.64	2717.61
Erection & other services	389.69	688.67
Foreign exchange on deemed exports (incl. domestic contracts and SEZ export)	251.34	473.45
Total	1742.67	3879.73

(₹ in Crore)

E.	Statement for raw materials and components consumed	For the year	
		2020-21	2019-20
	Group of materials		
	i) Ferrous materials	1721.12	3054.31
	ii) Non-ferrous materials	137.96	217.01
	iii) Insulating materials	155.68	177.14
	iv) Insulated cables and Magnet wires	10.89	29.67
	v) Components	4702.87	6122.30
	vi) Others	1430.04	2179.68
	Total	8158.56	11780.11

Note [54]

As per SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015, the requisite details of loans and advances in the nature of loans, given by the Company are given below:

i) In respect of Subsidiary Company:

(₹ in Crore)

Particulars	As at	
	March 31,2021	March 31,2020
BHEL Electrical Machines Ltd.		
Loans and advances in the nature of loans outstanding	3.00	3.00
Maximum amount of loans and advances in the nature of loans outstanding during the year	3.00	3.00

ii) No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven years; and

iii) There are no loans and advances in the nature of loans, to firms/companies, in which directors are interested.

Note [55]

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

Note [56]

Weighted average cost of borrowing at 7.07 % (previous year @ 7.07%) as at the year end has been considered for working out present value of long term provisions and expected credit loss.

Note [57]

Prior period errors which are material are corrected retrospectively by restating the comparative amount for the prior periods presented in which such error occurred. For the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented are restated.

Note [58]

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

Note [59]

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

Note [60]

The Board of Directors has authorised to issue the Financial Statements 2020-21 in its meeting held on June 11, 2021

For and on behalf of Board of Directors


(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N



(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



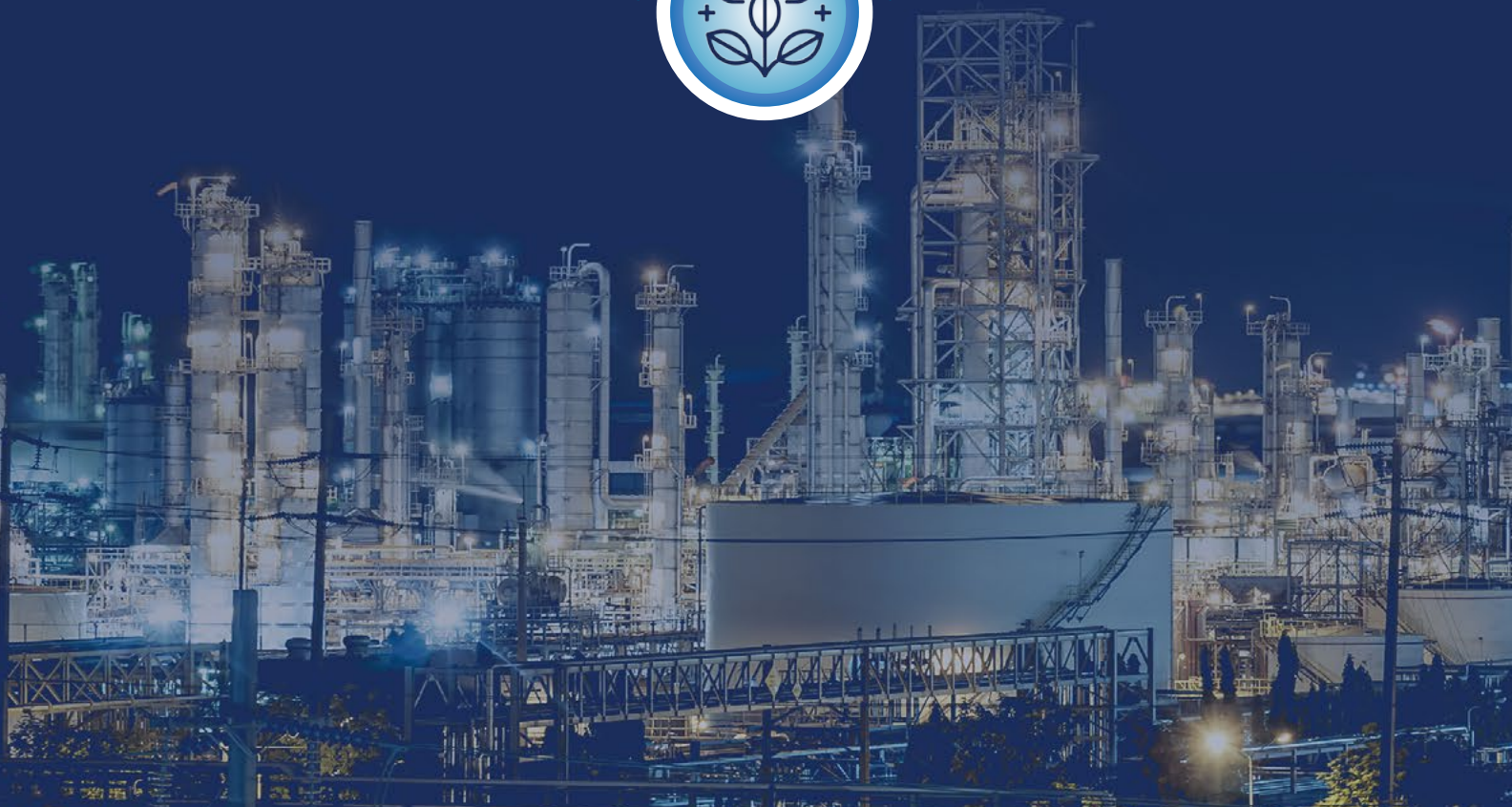
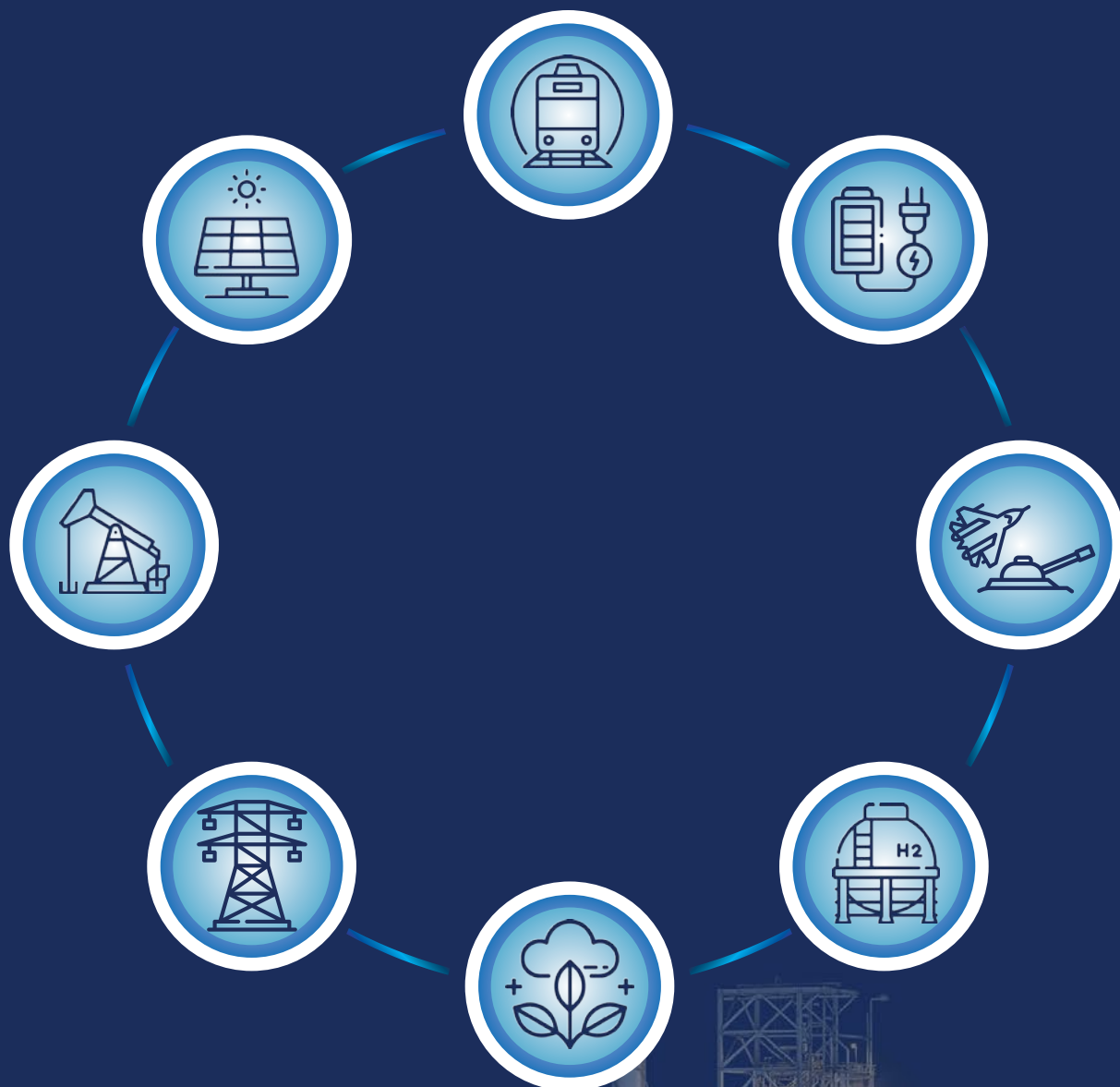
(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN- 006228C



(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi
Date : June 11, 2021



Financial Statements



Consolidated 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, 2021, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the consolidated profit and total consolidated comprehensive income, consolidated statement of change in equity and its consolidated cash flow statement for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements

in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<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 52 to the standalone 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 ₹7214.81 crore and contract assets of ₹24079.48 crore at the end of March 31, 2021</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 6,9,11,17,51 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.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated statement of change in equity and consolidated cash flow statement of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company included in the group are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the companies have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities of business activities

within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. The accompanying statements include the audited financial results/statements of an Associate whose financial statements/results reflect the group's share of net profit of ₹44.14 crore and other comprehensive income of ₹0.07 crore for the year ended 31st March, 2021 as considered in the consolidated financial statements in respect of one jointly controlled entity. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity, is based solely on the report of the other auditor.
2. We did not audit the financial statements of two jointly controlled entities. The consolidated financial statements does not include the group's share of net loss and other comprehensive loss of these jointly controlled entities as the Group has already recognised accumulated losses equal to the cost of investment in its financial statements in respect of these jointly controlled entities. These financial statements are unaudited and have been furnished to us by the management

and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited financial statements. These financial statements are not material to the group.

3. We did not audit the financial statements of one subsidiary. The consolidated financial statements include the unaudited financial results/statements of an Subsidiary whose financial statements/results reflect total assets of ₹24.63 crore and net assets of negative ₹23.73 crore as at 31st March, 2021, total revenues of ₹0.25 crore and net cash flows amounting to negative ₹7.28 crore for the year ended on that date as considered in the consolidated financial statements. These financial information is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. These financial statements are not material to the group.
4. The accounts of Powerplant Performance Improvements Ltd. a Joint Venture of BHEL have not been consolidated as the said company is under liquidation and full amount of equity investment has been provided. The accounts of Dada Dhuniwale Khandwa Power Limited also have not been consolidated as the said company has been dissolved during the year.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor and the unaudited financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act based on our audit and on the consideration of audit report of subsidiary, jointly controlled entities as referred in "Other Matters" paragraph, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India;
- (e) In terms Notification no. G.S.R. 463(E) dtd. 05-06-2015 issued by the Ministry of Corporate Affairs, the provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of directors are not applicable to the Company;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the holding company, its subsidiary company and jointly controlled entities incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 to the extent applicable, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditors on separate financial statements as also the other financial information of the subsidiary company and jointly controlled entities, as noted in "Other Matters" paragraph;
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities— Refer Note 42 to the consolidated financial statements;
- ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer Note 51 to the consolidated financial statements in respect of such items as it relates to the Group and jointly controlled entities and
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and its subsidiary companies and jointly controlled companies incorporated in India.

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N



(CA. Gopal Krishan)
Partner
M. No. 081085
UDIN:21081085AAAAJ5214

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(CA. Sandeep Sandill)
Partner
M. No. 085747
UDIN: 21085747AAAABB3291

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C



(CA. Priyanka Jajoo)
Partner
M. No. 411739
UDIN: 21411739AAAADI2053

Place : New Delhi
Date : June 11, 2021

ANNEXURE "A"

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF BHARAT HEAVY ELECTRICALS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Bharat Heavy Electricals Limited (hereinafter referred to as "the Holding Company") as of that date. We did not audit the financial statements of one Subsidiary and three Jointly Control Entities out of which one Jointly Control Entity has been audited by the other Auditor and two Jointly Control Entities and one subsidiary are unaudited.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary company and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial

reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's, internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company and three jointly controlled entities, which are companies incorporated in India, is based on the corresponding

report of the auditor of one jointly controlled entity incorporated in India and management certificate of other two jointly controlled entities and one subsidiary company incorporated in India.

Opinion

In our opinion, the Holding Company, its one subsidiary company and three jointly controlled entities, which are entities incorporated in India, have, in all material respects, an adequate internal financial

controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N



(CA. Gopal Krishan)
Partner
M. No. 081085
UDIN: 21081085AAAAJM5214

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(CA. Sandeep Sandill)
Partner
M. No. 085747
UDIN: 21085747AAAABB3291

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C



(CA. Priyanka Jajoo)
Partner
M. No. 411739
UDIN: 21411739AAAADI2053

Place : New Delhi
Date : June 11, 2021



DDA(Energy)Ref/01-6/A/LS-BHEL-CFS/2021-22/00115/292
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: 12/8/2021

सेवा में,

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

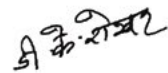
महोदय,

विषय: 31 मार्च 2021 को समाप्त वर्ष के लिए भारत हेवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के समेकित वित्तीय विवरण (Consolidated Financial Statements) पर कम्पनी अधिनियम, 2013 की धारा 143(6)(b) एवं धारा 129(4) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

मैं, भारत हेवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के 31 मार्च 2021 को समाप्त वर्ष के समेकित वित्तीय विवरण (Consolidated Financial Statements) पर कंपनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रहा हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्नक:- यथोपरि।

भवदीय,


(डी. के. शेखर)
महानिदेशक

पौछवा, छठा, सातवाँ, एवं दसवां तल, सी.ए.जी बिल्डिंग, एनैक्सी, 10, बहादुर शाह ज़फर मार्ग, नई दिल्ली- 110002

5th, 6th, 7th & 10th Floor, C.A.G Building Annexe, 10 Bahadur Shah Zafar Marg, New Delhi- 110002

Tel. : 011-23239213, 23239235 Fax : 011-23239211, Email : pdaenergydl@cag.gov.in

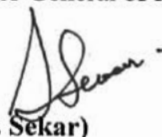
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT HEAVY ELECTRICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 11 June 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2021 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Bharat Heavy Electricals Limited, but did not conduct supplementary audit of the financial statements of companies mentioned in Annexure-I for the year ended on that date. Further, Section 139(5) and 143(6)(a) of the Act are not applicable to the BHEL-GE Gas Turbine Services Limited being private entity, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller & Auditor General of India has neither appointed the Statutory Auditor nor conducted the supplementary audit of this company. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

For and on behalf of the
Comptroller & Auditor General of India



(D. K. Sekar)

Director General of Audit (Energy),
Delhi

Place: New Delhi
Dated: 12 August 2021

ANNEXURE I

List of subsidiaries, associate companies and jointly controlled entities whose financial statements were not audited by the Comptroller and Auditor General of India**Subsidiaries Companies**

1. BHEL Electrical Machines Limited

Joint Venture Companies

1. NTPC-BHEL Power Projects Private Limited
2. Raichur Power Corporation Limited

Consolidated Balance Sheet as at March 31, 2021

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2021	As at March 31, 2020
A. ASSETS				
1. Non-current assets				
(a) Property, plant and equipment	3a	259	2428.98	2738.51
(b) Capital work-in-progress	3b	259	403.21	306.74
(c) Intangible assets	4a	259	62.16	78.61
(d) Intangible assets under development	4b	259	16.35	7.26
(e) Investment accounted for using equity method	5	263	181.76	158.97
(f) Financial assets				
(i) Investments	5a	264	3.58	3.09
(ii) Trade receivables	6	265	3179.74	4533.50
(iii) Other financial assets	7	266	97.39	83.17
(g) Deferred tax assets (net of liabilities)	8	266	3671.24	2765.87
(h) Other non-current assets	9	267	16852.44	16361.66
Total non-current assets			26896.85	27037.38
2. Current assets				
(a) Inventories	10	268	7194.45	8908.23
(b) Financial assets				
(i) Trade receivables	11	269	4035.07	7108.60
(ii) Cash and cash equivalents	12	269	1527.19	1402.86
(iii) Bank balances other than cash and cash equivalents	13	270	5174.26	5015.73
(iv) Loans	14	270	-	-
(v) Other financial assets	15	271	232.65	262.74
(c) Current tax assets (net)	16	271	403.60	229.07
(d) Other current assets	17	272	9776.14	9783.95
Total current assets			28343.35	32711.18
TOTAL ASSETS			55240.21	59748.56
B. EQUITY AND LIABILITIES				
3. Equity				
(a) Equity share capital	18	273	696.41	696.41
(b) Other equity	18a	274	25287.25	27964.31
			25983.66	28660.72
Non controlling interest			(11.66)	(9.07)
Total Equity			25972.00	28651.65

Consolidated Balance Sheet as at March 31, 2021

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2021		As at March 31, 2020	
4. Liabilities						
4.1 Non-current liabilities						
(a) Financial liabilities						
(i) Lease Liabilities	19	274	53.41		75.37	
(ii) Trade payables	20	275				
(i) Total outstanding dues of micro enterprises and small enterprises			157.92		72.91	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			1723.16		1003.32	
(iii) Other financial liabilities	21	275	216.72	2151.21	159.02	1310.62
(b) Provisions	22	275		3925.56		4225.16
(c) Other non-current liabilities	23	276		2831.54		2952.65
Total non-current liabilities				8908.31		8488.43
4.2 Current liabilities						
(a) Financial liabilities						
(i) Borrowings	24	276	4849.28		4947.92	
(ia) Lease Liabilities	19	274	48.20		56.67	
(ii) Trade payables	25	277				
(i) Total outstanding dues of micro enterprises and small enterprises			662.94		611.12	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			6020.57		8218.04	
(iii) Other financial liabilities	26	278	929.58	12510.57	1430.62	15264.37
(b) Provisions	27	278		3168.52		3085.76
(c) Other current liabilities	28	278		4680.80		4258.35
Total current liabilities				20359.90		22608.48
Total liabilities				29268.20		31096.91
TOTAL EQUITY AND LIABILITIES				55240.21		59748.56
Basis of preparation, measurement and significant accounting policies	2	254				
The accompanying notes are an integral part of these financial statements	41-62	287				

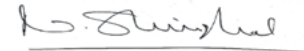
For and on behalf of Board of Directors



(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N



(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C



(CA. Priyanka Jajoo)
Partner
M. No. 411739

Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2021	For the year ended March 31, 2020
INCOME				
Revenue from operations	29	279	17308.69	21463.14
Other income	30	280	348.42	564.30
TOTAL INCOME			17657.11	22027.44
EXPENSES				
Material consumption, erection and engineering expenses	31	280	11359.77	15081.72
Changes in inventories of finished goods, work in progress and Scrap	32	281	510.86	(1042.43)
Employee benefits expense	33	281	5378.15	5431.88
Other Expenses	34	282	1799.57	2430.27
Exchange variation [Net (gain) / loss]			(65.83)	(434.73)
Provisions	35	283	1467.46	233.80
Finance costs	36	284	373.95	508.45
Depreciation & amortisation expense	3.1/4.1	260/262	473.25	503.27
TOTAL EXPENSES			21297.18	22712.23
Profit / (loss) before share of net profits / loss of investments accounted for using equity method and tax			(3640.07)	(684.79)
Share of net profit / (loss) of joint venture accounted for using equity method			44.14	25.72
PROFIT BEFORE TAX			(3595.93)	(659.07)
Tax expenses	37	284		
a) Current tax			15.82	1.52
b) Deferred tax			(912.05)	(896.23)
			807.76	809.28
PROFIT FOR THE YEAR (A)			(2699.70)	(1468.35)
OTHER COMPREHENSIVE INCOME	38	285		
Items that will not be reclassified to profit or loss (net of tax)				
-Remeasurement of defined employee benefits			19.98	(273.87)
-Share of OCI of JV accounted using equity method			0.07	0.13
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)			20.05	(273.74)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)			(2679.65)	(1742.09)
Attributable to:				
Equity holders of the parent			(2677.06)	(1739.75)
Non-controlling interest			(2.59)	(2.34)
Total			(2679.65)	(1742.09)

Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2021	For the year ended March 31, 2020
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR				
Attributable to:				
Equity holders of the parent			20.05	(273.74)
Non-controlling interest			-	-
Total			20.05	(273.74)
TOTAL PROFIT FOR THE YEAR				
Attributable to:				
Equity holders of the parent			(2697.11)	(1466.01)
Non controlling interest			(2.59)	(2.34)
Total			(2699.70)	(1468.35)
Earnings per equity share	39	286		
(1) Basic [Face value of ₹ 2 each]			(7.75)	(4.21)
(2) Diluted [Face value of ₹ 2 each]			(7.75)	(4.21)
Basis of preparation, measurement and significant accounting policies	2	254		
The accompanying notes are an integral part of these financial statements	41-62	287		

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567

(Subodh Gupta)
Director (Finance)
DIN: 08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi

Date : June 11, 2021

Notice

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Consolidated statement of changes in Equity (SOCIE)

For the year ended March 31, 2021

A. Equity Share Capital

(₹ in Crore)

Equity shares of ₹2 each issued, subscribed and fully paid	Number of shares		Amount	
	2020-21	2019-20	2020-21	2019-20
Balance at the beginning of the year	3482063355	3482063355	696.41	696.41
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	3482063355	3482063355	696.41	696.41

B. Other Equity

For the year ended March 31, 2021

(₹ in Crore)

Particulars	Reserves and surplus				Other items of other comprehensive income	Total other Equity	Non-controlling interest
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings			
Balance as at April 01, 2020	35.18	37.87	30476.66	(2170.37)	(415.03)	27964.31	(9.07)
Add: Total comprehensive Income for the year	-	-	-	(2697.11)	20.05	(2677.06)	(2.59)
Balance as at March 31, 2021	35.18	37.87	30476.66	(4867.48)	(394.98)	25287.25	(11.66)

Consolidated statement of changes in Equity (SOCIE)

For the year ended March 31, 2021

For the year ended March 31, 2020

(₹ in Crore)

Particulars	Reserves and surplus				Other items of other comprehensive income	Total other Equity	Non-controlling interest
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings			
Balance as at April 01, 2019	35.18	37.87	30476.66	(232.56)	(141.16)	30175.99	(6.73)
Add: Change in Accounting Practice (Ind AS 115)	-	-	-	31.94	-	31.94	-
Restated balance as at April 01, 2019	35.18	37.87	30476.66	(200.62)	(141.16)	30207.93	(6.73)
Add: Total Comprehensive Income for the year	-	-	-	(1466.01)	(273.87)	(1739.88)	(2.34)
Less: Final dividend for FY 2018-19 [Note 40]	-	-	-	417.85	-	417.85	-
Less: Dividend distribution tax [Note 40]	-	-	-	85.89	-	85.89	-
Balance as at March 31, 2020	35.18	37.87	30476.66	(2170.37)	(415.03)	27964.31	(9.07)

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567

(Subodh Gupta)
Director (Finance)
DIN: 08113460

(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N

(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N

(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C

(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi

Date : June 11, 2021

Consolidated statement of cash flows

For the year ended March 31, 2021

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit /(Loss) before tax	(3595.93)	(659.07)
Adjustments for :		
Provision and write off	1241.08	244.44
Depreciation and amortisation	473.25	503.27
Finance cost (including unwinding of interest)	373.95	508.45
Interest & dividend income	(320.86)	(509.19)
Share of loss / (profit) in joint ventures	(44.14)	(25.72)
Others	(3.79)	(16.15)
Cash generated / (used) in operations before working capital changes	(1876.45)	46.03
Adjustment for changes in working capital:		
Trade Receivables	3983.95	3371.34
Contract Assets	(1281.61)	(1618.29)
Inventories	1536.71	(1095.12)
Loans, advances & other assets	(211.76)	392.33
Sub total	4027.29	1050.26
Trade payable	(1340.79)	(2178.46)
Advances from customers, deposits and others	(82.86)	(1841.44)
Provisions	24.76	354.04
Sub total	(1398.90)	(3665.86)
Net cash (used in) / from working capital	2628.39	(2615.60)
Cash generated / (used) in operations	751.95	(2569.57)
Income taxes paid	(190.35)	(321.93)
Net cash (used in) / from operating activities	561.60	(2891.50)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	(159.98)	1700.03
Interest received	343.11	538.74
Proceeds from joint ventures	-	0.27
Income received from mutual funds	1.42	6.43
Dividend received from joint ventures	21.42	16.30
Sale of property, plant and equipment	1.88	9.30
Purchase of property, plant and equipment	(250.35)	(394.01)
Net cash (used in) / from investing activities	(42.50)	1877.06

Consolidated statement of cash flows

For the year ended March 31, 2021

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings	(99.67)	2503.78
Proceeds / (repayment) of lease obligation (Principal)	(60.30)	(65.46)
Proceeds / (repayment) of lease obligation (Interest)	(12.95)	(17.32)
Dividend paid (Incl. dividend distribution tax)	(0.68)	(504.56)
Interest paid	(222.21)	(294.45)
Net cash (used in) / from financing activities (refer point 5)	(395.81)	1621.99
D. Net increase/(decrease) in cash and cash equivalents	123.30	607.55
Opening balance of cash and cash equivalents	1396.60	789.05
Closing balance of cash and cash equivalents [Refer Note 12]*	1519.90	1396.60

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

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

(3) Closing balance of Cash & Cash Equivalents excludes exchange variation loss Nil as on March 31, 2021 (Previous year ₹ 0.54 cr).

(4) * Cash and Cash equivalents includes Cash credit (BHEL EML) ₹ 7.29 cr. (Previous Year ₹ 6.26 cr.)

(5) Changes in liabilities arising from financing activities are available at Note [24 (vii)] and Note [48 b]

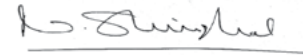
For and on behalf of Board of Directors



(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N



(CA Gopal Krishan)
Partner
M.No. 081085

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For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C



(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi

Date : June 11, 2021

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Note [1] Company Information

Bharat Heavy Electricals Limited ("BHEL" or "the Company") is a public limited company domiciled in India and has its registered office at BHEL House, Siri fort, New Delhi-110049

The Company is an integrated power plant equipment manufacturer engaged in design, engineering, manufacture, erection, testing, commissioning and servicing of a wide range of products and services for the core sectors of the economy, viz. Power, transmission, Industry, Transportation, renewable Energy, Oil & Gas and Defence.

The Company has one subsidiary in the name of BHEL-Electrical Machine Ltd. and Joint Venture Companies namely, BHEL-GE Gas Turbine Services Ltd., NTPC-BHEL Power Projects Pvt. Ltd., Raichur Power Corporation Ltd and Power Plant Performance Improvement Ltd.

Note [2] Basis of preparation, measurement and significant accounting policies (Consolidated Financial Statement)

1. Basis of preparation of Financial Statements

a) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind-AS) as notified by Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof as well as with the additional requirements applicable to financial statements as set forth in Companies Act, 2013 and amendment thereof.

b) Basis of measurement

The financial statements have been prepared on a going concern basis and on an accrual method of accounting. Historical cost is used in preparation of the financial statements except as otherwise mentioned in the policy.

c) Functional and presentation currency

The financial statements are prepared in INR, which is the Company's functional currency.

d) Use of estimates and judgments

The preparation of the financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Critical estimates and judgements in applying accounting policies

Estimates and judgements made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

i) Revenue

The Company uses input method based on cost approach in accounting for the revenue in respect of construction contracts. Use of input method requires the Company to estimate its

costs relative to the total expected costs in the satisfaction of its performance obligation. The estimates are assessed continually during the term of the contract and the company re-measures its progress towards complete satisfaction of its performance obligations satisfied over time at the end of each reporting period.

Company updates its estimated transaction price at each reporting period, to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

ii) Property, plant and equipment

The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by management at the time the asset is acquired and reviewed during each financial year.

iii) Employee benefit plans

Employee defined benefit plans and long term benefit plans are measured on the basis of actuarial assumptions. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses.

iv) Provisions and contingencies

Assessments undertaken in recognising provisions and contingencies have been made as per the best judgement of the management based on the current available information.

2. Property Plant and Equipment (PPE)

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on property, plant and equipment (other than those used abroad under contract) is charged on straight-line method as per the useful life prescribed in Schedule II of the Companies Act, 2013, except in the following items where estimated useful life is based on technically assessed estimated useful life :-

Asset Category	Years
Erection equipment, Capital tools & tackles	5
Drainage, sewerage & water supply	30
Servers and networks	5
Solar Power Generation Plant	25

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively. Right-of-use assets are amortised over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Property Plant & Equipment costing Rs.10,000/- or less and those whose written down value as at the beginning of the year is Rs.10,000/- or less, are depreciated fully.

At erection/project sites: The cost of roads, bridges and culverts is fully amortized over the tenure of the contract, while sheds, railway sidings, electrical installations and other similar enabling works (other than temporary structures) are depreciated over the tenure of the contract after retaining residual value, if any.

Assets used outside India pursuant to long term contracts are depreciated over the duration of the initial contract.

Temporary structures are fully depreciated in the year of construction.

Significant components with different useful lives are accounted for and depreciated separately.

In the case of BHEL-GE Gas Turbine Services Pvt. Ltd.

Depreciation is provided on the straight line method over the estimated useful life of the assets, which are equal/lower than the rates prescribed under Schedule II of the Companies Act, 2013. In order to reflect the actual usage of assets, the estimated useful lives of the assets is based on a technical evaluation.

Asset category	Estimated useful life (Years)
Plant and machinery	2-15
Electrical installations	3-10
Furniture and fixtures	1-8
Computers	3
Office equipment	3-5

Assets under finance lease are amortised over the lease term or the useful life, whichever is shorter.

In the case of Raichur Power Corporation Limited

Depreciation is provided on straight line method at the rates specified in the CERC Regulation 2009. In respect of assets for which rates are not specified in the CERC regulations, at the rates specified under Schedule II of the Companies Act, 2013.

Assets are depreciated to the extent of 90% of the cost and 10% is retained as residual value.

Depreciation on additions to assets is provided for the full year irrespective of the date of addition. Depreciation is not charged on assets sold/dismantled in the year of sale/discard/dismantling. Individual assets costing up to ₹ 5000 are fully depreciated in the year in which they are put to use.

In the case of NTPC-BHEL Power Projects Pvt. Ltd.

Depreciation on Property, Plant and Equipment is charged on straight line method as per the useful life prescribed in Schedule-II of the Companies Act, 2013.

3. Leases

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease.

Upon initial recognition, assets taken on lease are capitalized under right-of-use assets at cost which comprises initial measurement of lease liability at present value, initial lease payments less incentives, initial direct costs and estimated cost of dismantling and removing the underlying assets, if any.

Lease payments made under leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

For assets given on finance lease, the Company recognizes finance income over the lease term using effective interest rate method. Initial direct costs incurred are included in the initial

measurement of the finance lease receivable and reduce the amount of income recognized over the lease term.

Lease income arising from operating lease is recognized as income over the lease period on a straight line basis except where the periodic increase in lease rentals is in line with expected general inflation.

4. Intangible assets

Intangible items costing more than ₹ 10000/- are evaluated for capitalization and are carried at cost less accumulated amortization and accumulated impairment, if any.

Intangible assets are amortised in Statement of Profit and Loss on a straight-line method over the estimated useful lives from the date that they are available for use. The estimated useful lives for the intangible assets are as follows:

Software	3 years
Others	10 years

Intangible assets having WDV ₹ 10000/- or less at the beginning of the year are amortized fully.

Amortization period and amortization methods are reviewed in each financial year and changes, if any, are accounted for prospectively.

Expenditure on research activities is recognized in statement of profit and loss as incurred. Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and borrowing costs, if any.

Assets acquired for purposes of research and development are capitalized.

5. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are added to the cost of such assets.

An asset that necessarily takes a substantial period of time, considered as more than twelve months, to get ready for its intended use or sale is a qualifying asset for the purpose.

All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

6. Inventories

Inventory is valued at cost or net realizable value, whichever is lower. In respect of valuation of finished goods and work-in-progress, cost means factory cost. In respect of raw material, components, loose tools, stores and spares cost means weighted average cost.

7. Revenue Recognition

Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In relation to construction and long term service contracts, the company transfers control of goods or services to the customer and recognizes revenue over the time. Revenue is recognized using input method based on the cost approach. Progress towards complete satisfaction of performance obligation satisfied over time is re-measured at reporting period end.

Revenue from sale of goods and services is recognized on the transfer of control to the customer and upon the satisfaction of performance obligations under the contract.

Other Income

- Dividend income is recognized in statement of profit and loss on the date on which the Company's right to receive payment is established.
- Interest Income is recognized using effective interest rate method.
- Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted for on accrual basis.

In the case of BHEL-GE Gas Turbine Services Pvt. Ltd.

Sales of parts

Revenue from sale of gas turbine parts in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of sales tax and sales return. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Engineering services

Revenue from fixed-price, fixed-timeframe engineering and supply contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method.

Repair services

In case of repair services, revenue is recognized as per the terms of the contract with customer. Sale of replacement parts supplied under repair service contract is recognized upon transfer of significant risk and rewards of ownership to the customer and is net of sales tax and sales returns.

In the case of Raichur Power Corporation Ltd. (RPCL)

- Income from contractors arising out of interest on works advance given to contractors is accounted on realization / acceptance basis.
- Income from Sale of infirm energy and other miscellaneous receipts is accounted by reducing the same against the Capital Cost as per CERC/KERC guidelines.
- Revenue from Sale of energy is recognised as per the guidelines in the KERC (Terms and conditions for determination of Generation tariff) Regulations 2014.

8. Foreign currency Translation/Transaction

Transaction in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

Foreign currency denominated monetary assets and liabilities are translated into the functional currency at exchange rates in effect at the end of each reporting period. Foreign exchange gains or losses arising from settlement and translations are recognized in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevailing at the date of transaction.

9. Employee Benefits

Defined Contribution Plans

The Company's contribution to Pension fund including Family Pension Fund for the employees is covered under defined contribution plan and is recognized as employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.

Defined benefit plans

The Company's gratuity scheme, provident fund scheme, travel claims on retirement and post-retirement medical facility scheme are in the nature of defined benefit plans.

The liability recognized in the balance sheet in respect of these defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using an appropriate government bond rate that have terms to maturity approximating to the terms of the related liability.

Remeasurements comprising actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefits liability (asset) are recognized in other comprehensive income (net of income tax).

Other expenses related to defined benefit plans are recognized in statement of profit and loss.

Long Term Leave Liability

The Company measures the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. The Company records a liability for accumulated balance based on actuarial valuation determined using projected unit credit method. Remeasurements and other expenses related to long term benefit plans are recognized in statement of profit and loss.

10. Provisions

- (i) Claims for liquidated damages against the Company are recognized in the financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.
- (ii) For construction contracts the company provides warranty cost at 2.5% of the revenue progressively as and when it recognises the revenue and maintain the same throughout the warranty period. For other contracts, provision for contractual obligations in respect of contracts under warranty at the year end is maintained at 2.5% of the value of contract. In the case of contracts for supply of more than a single product 2.5% of the

value of each completed product is provided.

- (iii) When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.
- (iv) Other provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

However, where the effect of time value of money is material, provisions are determined and maintained by discounting the expected future cash flows, wherever applicable.

11. Government Grants

Government grants are recognized only when there is reasonable assurance that the conditions attached to them shall be complied with, and the grants will be received. Non monetary grants are accounted at Fair Value of assets and are treated as deferred income. Deferred income is recognized in the statement of profit and loss on a systematic and rational basis over the useful life of the asset. Government grants related to revenue are recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate.

12. Income Taxes

Income tax expense comprises current tax and deferred tax. Income tax expense is recognized in statement of profit and loss except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (tax laws) enacted or substantively enacted by the end of the reporting period and includes adjustment on account of tax in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary difference between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is measured at the tax rates that are expected to apply when the temporary differences are either realised or settled, based on the laws that have been enacted or substantively enacted by the end of reporting period.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of Deferred tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional Income tax that arise from the distribution of dividends are recognized at the same time when the liability to pay the related dividend is recognized.

13. Impairment of Assets

Impairment of Financial Assets

The loss allowance in respect of trade receivables and lease receivables are measured at an amount equal to lifetime expected credit losses.

The loss allowance in respect of all other financial assets, which are required to be impaired, are measured at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. However, if, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses.

Impairment of Non-Financial Assets

The carrying amount of cash generating units is reviewed at each reporting date where there is any indication of impairment. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

14. Segment Reporting

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which are not allocable to segments on a reasonable basis, are included under "Unallocated revenue/ expenses/ assets/ liabilities".

15. Financial Instruments

i) Non-derivative financial instruments

Non derivative financial instruments are classified as :

- Financial assets, measured at (a) amortized cost and (b) fair value through Profit and Loss ("FVTPL").
- Financial liabilities carried at amortized cost.

Initially, all financial instruments are recognized at their fair value. Transaction costs are included in determining the carrying amount, if the financial instruments are not measured at FVTPL. Financial assets are derecognized when substantial risks and rewards of ownership of the financial asset have been transferred. In cases where substantial risks and rewards of ownership of the financial assets are neither transferred nor retained, financial assets are derecognized only when the Company has not retained control over the financial asset. Financial liabilities are derecognized when contractual obligations are discharged or cancelled or expired.

Non-derivative financial assets are subsequently measured as below:

A. Amortized Cost

"Financial Instruments at amortized cost" are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is recognized in the profit and loss. The losses arising from

impairment are recognized in the statement of profit and loss.

B. FVTPL Category

Financial instruments classified in this category are subsequently carried at fair value with changes recorded in the statement of profit and loss. Directly attributable transaction costs are recognised in statement of Profit and Loss as incurred.

Non-derivative financial liabilities are subsequently measured as below:

Subsequent to initial recognition, non – derivative financial liabilities are measured at amortised cost using the effective interest method.

ii) Derivative Financial Instruments

Embedded derivatives, if any, having material impact, are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract

and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit and loss.

Derivatives are recognized and measured initially at fair value. Attributable transaction cost are recognized in statement of profit and loss as cost. Subsequent to initial recognition, derivatives are measured at fair value through profit and loss.

16. Cash and Cash Equivalent

Cash and cash equivalents comprise cash at bank and on hand. It includes term deposits and other short-term money market deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note [3a] - Non-current assets Property, plant and equipment

Refer point 2 of Note [2] for accounting policy on property, plant and equipment (PPE).

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross block	6179.47	6057.86
Less: Accumulated depreciation	3750.49	3319.35
Net block (details refer to note 3.1)	2428.98	2738.51

Company had opted for exemption under IndAS 101, and accordingly carrying value as on 31.03.2015 was considered as deemed cost on IndAS transition date.

Note [3b] - Non current assets Capital work in progress

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Plant & machinery and other equipments:		
Under Erection/ Fabrication/awaiting erection	171.60	166.34
In transit	0.63	0.54
Construction work-in-progress -Civil	228.77	137.98
Construction stores (including in transit)	2.21	1.88
Total	403.21	306.74

Note [4a] - Non-current assets Intangible assets

Refer point 4 of Note [2] for accounting policy on intangible assets.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross block	290.83	280.48
Less: Accumulated amortisation	228.67	201.87
Net block (details refer to note 4.1)	62.16	78.61

Company had opted for exemption under IndAS 101, and accordingly carrying value as on 31.03.2015 was considered as deemed cost on IndAS transition date.

Note [4b] - Non-current assets Intangible assets under development

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets under development	16.35	7.26
Total	16.35	7.26

Note [3.1] DETAIL OF PROPERTY, PLANT & EQUIPMENT

(₹ in Crore)

Description	Gross Block				Depreciation/Amortisation				Net Block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation/ Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
LAND - Freehold land (including development expenses)	28.02	-	-	28.02	-	-	-	-	28.02	28.02
Buildings - Freehold Buildings	1671.11	39.73	(0.83)	1710.01	515.09	92.11	(0.04)	607.16	1102.85	1156.03
Roads, bridges & culverts	15.24	0.61	-	15.85	12.82	0.73	-	13.56	2.30	2.41
Drainage, Sewerage & water supply	28.66	2.52	-	31.17	5.96	1.09	-	7.05	24.13	22.70
Plant & Equipment	3063.97	37.10	(0.30)	3100.77	2067.01	202.59	(0.32)	2269.28	831.49	996.96
Railway Siding	8.85	-	-	8.85	4.20	0.67	-	4.87	3.98	4.65
Locomotives & Wagons	28.33	-	(0.03)	28.30	13.74	2.16	-	15.90	12.40	14.60
Furniture & fixtures	61.18	2.06	(1.28)	61.96	34.64	6.27	(0.95)	39.96	21.99	26.54
Vehicles	13.97	0.40	-	14.37	7.21	1.60	-	8.81	5.56	6.76
Office and Other equipments	132.31	6.51	(0.40)	138.42	97.22	13.28	(0.13)	110.37	28.05	35.09
Electronic Data Processing Equipment	109.11	4.31	19.79	133.21	50.85	25.30	21.31	97.47	35.74	58.25
Electrical Installations	229.77	11.73	(0.08)	241.42	149.91	24.51	(0.06)	174.36	67.06	79.86
Construction Equipment	72.23	0.70	(1.80)	71.12	66.62	2.66	(1.80)	67.48	3.64	5.61
Fixed Assets costing upto ₹ 10,000/-	18.39	3.34	(0.63)	21.09	18.37	3.34	(0.63)	21.09	-	-
Solar power generation	119.46	0.09	-	119.54	16.09	5.88	-	21.97	97.58	103.37
Right-of-use Assets	457.27	30.84	(32.74)	455.37	259.62	64.26	(32.70)	291.18	164.19	197.65
TOTAL	6057.86	139.94	(18.32)	6179.47	3319.35	446.45	(15.32)	3750.49	2428.98	2738.51
Previous Year	5773.34	299.56	(15.02)	6057.86	2865.83	468.36	(13.69)	3319.35	2738.51	2907.51

Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2021 ₹ 13447.26 Crore and as at 31.03.2020 ₹ 13347.48 crore

Gross Block as at 31.03.2021 includes assets condemned and retired from active use ₹ 14.11 crore (Previous year ₹ 14.98 crore)

Net Block as at 31.03.2021 includes assets condemned and retired from active use ₹ 0.12 Crore (Previous year ₹ 0.12 Crore)

Gross Block excludes cost of assets purchased out of grant received from Govt of India for research as executing agency since the property does not vest with the Company ₹ 244.43 crore (Previous year ₹ 238.45 crore)

There is no impairment loss during the year.

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

(₹ in Crore)

Description	Gross Block				Depreciation/Amortisation			Net Block		
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
Land (including development expenses)	110.85	3.92	-	114.78	6.40	3.99	-	10.39	104.39	104.46
Buildings	1.63	-	-	1.63	0.26	0.05	-	0.31	1.32	1.37
Plant & Equipment	4.07	18.07	-	22.14	1.83	7.68	(0.66)	8.85	13.29	2.23
Office & other equipment	16.29	0.18	-	16.47	13.27	1.99	(0.43)	14.83	1.64	3.02
EDP Equipment	301.64	8.49	(31.73)	278.40	225.70	42.42	(29.81)	238.31	40.10	75.93
Vehicle	5.30	0.17	(0.97)	4.50	1.69	1.53	(0.58)	2.63	1.87	3.61
Others	17.50	-	(0.05)	17.45	10.48	6.61	(1.23)	15.86	1.59	7.02
TOTAL	457.27	30.84	(32.74)	455.37	259.62	64.26	(32.70)	291.18	164.19	197.65

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
1. Land and buildings includes		
a i) Acres of land for which formal transfer/lease deed have not been executed (in acres)	8196.93	8196.93
Net Block	70.77	71.49
ii) Number of flats for which formal transfer/lease deed have not been executed (in nos.)	12	12
Net Block	1.11	1.15
iii) Acres of land for which the cost paid is provisional; (in acres)	506.46	506.46
[registration charges and stamp duty, (net of provision) would be accounted for on payment]		
Net Block	63.35	64.07
b. Acres of land leased to Ministry of Defence, Govt. of India Departments & others (in acres)	30.37	30.37
c. Acres of land is under adverse possession/ encroachment. (in acres)	751.49	757.47
d. 1297.86 acres (PY 1297.86 acres) of land pending mutation at Haridwar plant for which legal action is in process. It includes land measuring 934 acres (PY 934 acres) which is in BHEL's possession but has been wrongly got mutated in the name of SIDCUL Government of Uttarakhand in the year 2004 & 2007.		
e. Further at Haridwar plant, 8 Acres of land is pending transfer to 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)		

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Particulars	As at March 31, 2021	As at March 31, 2020
2. i) Total Area of Land in acres	16409.03	16409.03
ii) Free hold land (Sale Deed) / Possessory Rights/license out of 2(i) in acres	15735.69	15735.69
iii) Leasehold land out of 2(i) in acres	673.34	673.34

3. The company provides 100% depreciation on an item of PPE having cost / opening net block up to ₹ 10000/- each. The impact of providing 100% depreciation on an item of PPE on profit, without considering the impact of earlier years is as under :

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
100% depreciation on PPE upto ₹10,000/- charged off	5.34	6.14
Less: Normal depreciation on above.	(1.20)	(1.11)
Excess amount charged to depreciation for the year	4.15	5.03

Note 4.1 - Detail of Intangible Assets

(₹ in Crore)

Description	Gross Block				Depreciation/Amortisation				Net Block	
	Opening Balance as at 01.04.2020	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2021	Accumulated Depreciation as at 01.04.2020	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2021	Net Block as at 31.03.2021	Net Block as at 31.03.2020
Internally Developed										
Others	66.55	3.24	0.00	69.78	53.86	7.63	0.00	61.49	8.29	12.69
Others										
Software	50.71	0.21	0.00	50.92	42.21	4.61	0.10	46.92	4.00	8.50
Technical Know-how	163.23	6.90	0.00	170.13	105.80	14.56	(0.10)	120.26	49.87	57.43
TOTAL	280.48	10.35	0.00	290.83	201.87	26.80	0.00	228.67	62.16	78.61
Previous Year	250.00	30.50	0.00	280.48	166.93	34.90	0.03	201.87	78.61	83.07

Gross Block (as per earlier IGAAP) as at 31.03.2021 ₹ 575.15 Crore and as at 31.03.2020 ₹ 564.81 crore

There is no impairment loss during the year.

Note [5] - Non-current assets

Investment (accounted for using equity method)

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
BHEL-GE Gas Turbine Services Private Limited		
Opening net assets	158.97	149.42
Profit / (loss) for the year	44.14	25.72
Other comprehensive income	0.07	0.13
Less: Dividend paid	21.42	16.30
Closing net assets	181.76	158.97

- (i) RPCL (joint venture company) has incurred losses due to which the group has recognised accumulated losses equal to the cost of investment as at March 31, 2019. The group has unrecognised share of losses amounting to ₹ 880 crore as per their unaudited financial statement for the year ended March 31, 2021.
- (ii) NBPPL (joint venture company) has incurred losses due to which the group has recognised accumulated losses equal to the cost of investment as at March 31, 2019. The group has unrecognised share of losses amounting to ₹ 85 crore as per their unaudited financial statement for the year ended March 31, 2021

Note [5a] - Non-current assets

Financial assets - Investment

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
I Quoted equity instruments		-		-
II Unquoted equity instruments (fully paid up shares)				
(a) Investment in joint ventures (at cost)				
(i) Powerplant Performance Improvement Ltd.	1999999 (10)	2.00	1999999 (10)	2.00
Less: Provision for impairment		2.00		2.00
(ii) Dada Dhuniwale Khandwa Power Ltd.	-	-	22500000 (10)	5.20
Less: Amount received		-		0.27
Less: Provision for impairment		-		4.93
(b) Investment in equity instruments fully paid up (at FVTPL)				
(i) Neelachal Ispat Nigam Ltd.	5000000 (10)	5.00	5000000 (10)	5.00
(ii) AP Gas Power Corporation Ltd.	728960 (10)	0.91	728960 (10)	0.91
(iii) Engineering Projects (India) Ltd.	1892 (10)	*	1892 (10)	*
		5.91		5.91
less: Fair value adjustment		2.33		2.82
		3.58		3.09
Share in Co-operative Societies #		-		-
Total		3.58		3.09
*Value of less than ₹ 1 lakh				
Aggregate amount of unquoted investment		7.91		12.84
Aggregate amount of impairment in value of investments		4.33		9.75

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

Information about joint ventures and subsidiary

(₹ in Crore)

Particulars	Country of incorporation	As at March 31, 2021	As at March 31, 2020
(A) Name of the joint ventures (JVC)		Proportion (%) of ownership	
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	One share less than 50%	One share less than 50%
NTPC-BHEL Power Projects Private Limited (NBPPL)		50%	50%
Raichur Power Corporation Limited (RPCL)		27.97%	27.97%
Dada Dhuniwale Khandwa Power Limited (DDKPL)		-	50%
Power Plant Performance Improvement Limited (PPIL)		One share less than 50%	One share less than 50%

- (i) The provision for impairment in value of investment in NTPC-BHEL Power Projects Private Limited has been made to the extent of ₹ 50.00 crore (upto previous year ₹ 50.00 crore) based on the net financial position. The Board of Directors in its meeting held on February 08, 2018 has accorded in-principle approval for pursuing the winding up of NBPPL. Ministry of Power (MoP) has advised NTPC to consider buying out the stake of BHEL and decide either to continue it as an in-house EPC arm or close it after completion of present work. This advise was noted by NBBPL Board in its meeting held on 29.08.2019.
- (ii) Dada Dhuniwale Khandwa Power Limited (DDKPL) stands dissolved vide NCLT order dated 2nd November, 2020. Against the investment of ₹ 22.50 cr, ₹ 17.57 cr was received (₹ 17.30 cr in FY 2018-19 & ₹ 0.27 cr in FY 2019-20). Balance ₹ 4.93 cr has been written off during the year and corresponding provision withdrawn.
- (iii) The provision for impairment in value of investment in Powerplant Performance Improvement Limited amounting to ₹ 2.00 crore (previous year ₹ 2.00 crore) has been made since the JVC is under liquidation and the amount paid as equity is not recoverable.

Particulars	Country of incorporation	As at March 31, 2021	As at March 31, 2020
(B) Name of the subsidiary company		Proportion (%) of ownership	
BHEL Electrical Machines Limited (BHEL EML)	India	51%	51%

The proposal for transfer of 51% stake in BHEL EML, sent by BHEL to Department of Heavy Industry, Govt. of India for approval, has been approved on 11th May 2021. Appropriate action to execute the Agreement with Govt of Kerela and to complete the necessary activities for transfer of Company's 51% stake in BHEL EML to Govt of Kerela at a consideration of ₹ 1 only and waiver of working capital loan of ₹ 3 cr alongwith interest accrued thereon given by BHEL to BHEL EML is being taken.

Note [6] - Non-current assets

Financial assets - Trade receivables

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	3512.06	5166.95
Credit impaired (included in allowances for B&D debts)	12622.33	11570.83
	16134.39	16737.78
Less: Allowances for bad and doubtful debts	12954.65	12204.28
Total Trade receivable (Net)	3179.74	4533.50

Trade receivable (Net) includes ₹ 1773 cr (Previous year ₹ 1712 cr) in respect of projects under litigation or arbitration.

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	-	-

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Note [7] - Non-current assets

Financial assets - Other

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits		
Deposits with SEBs, port trust & others		
Unsecured, considered good	84.64	83.17
Credit impaired	2.92	1.93
	87.56	85.10
Less: Allowances for bad & doubtful deposits	2.92	1.93
	84.64	83.17
Bank deposits with more than 12 months maturity	12.75	-
Total	97.39	83.17
Security Deposits Includes:		
(a) Due from Directors	-	-
(b) Dues from Officers	-	-

Note [8] - Non current assets

Deferred tax assets (net of liabilities)

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Provisions	1766.37	1734.02
Dues allowed on payment basis	487.11	576.14
Depreciation (PP&E and Intangible assets)	78.26	75.31
On account of taxable loss	1278.30	345.61
Others	61.20	34.79
Sub-total	3671.24	2765.87
Deferred tax liabilities	-	-
Deferred tax assets (net of liabilities)	3671.24	2765.87

Note [9] - Non-current assets

Other

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020	
Contract assets (including unbilled revenue)			
Unsecured, considered good	16584.91	16123.76	
Credit impaired	3545.45	2755.16	
	20130.36	18878.92	
Less: Allowances for bad and doubtful debts	3545.45	2755.16	16123.76
Security deposits			
Deposits with tax authorities and others			
Unsecured, considered good	106.80	105.97	
Unsecured, considered doubtful	12.85	29.17	
	119.65	135.14	
Less: Provision for bad & doubtful deposits	12.85	29.17	105.97
Loans & advances			
Unsecured, considered good			
Advances towards purchases	99.58	54.96	
Claims recoverable and others	37.34	53.16	
Capital advances	23.81	23.81	
Unsecured, considered doubtful			
Advances towards purchases	11.71	11.92	
Claims recoverable and others	28.14	25.85	
	200.58	169.70	
Less: Provision for bad & doubtful loans & advances	39.85	37.77	131.93
Total	16852.44	16361.66	
Contract Assets (Net) include ₹1664 cr (previous year ₹1572 cr) in respect of projects under litigation or arbitration.			
Loan & advances includes :			
(a) Due from Directors	-	-	
(b) Due from Officers	-	-	

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Note [10] - Current assets Inventories

Refer point 6 of Note [2] for accounting policy on valuation of inventories.

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
Raw material & components	2811.03		3320.56	
Material-in-transit	199.83	3010.86	647.83	3968.39
Work-in-progress (including items with sub-contractors)		3779.72		4120.78
Finished goods	629.11		823.32	
Inter - division transfers in transit	63.75	692.86	68.59	891.91
Stores & spare parts				
Production	166.42		197.63	
Fuel stores	2.58		3.40	
Miscellaneous	51.24	220.24	53.38	254.41
Other inventory				
Materials with fabricators/contractors	39.80		59.55	
Loose tools	23.02		37.88	
Scrap (at estimated realisable value)	147.46	210.28	117.76	215.19
		7913.97		9450.68
Less: Provision for non-moving inventory		719.52		542.45
Total		7194.45		8908.23
Note :				
Write down of inventories		219.35		100.80
Less : reversal thereof		42.27		113.87
Net		177.08		(13.07)

Note [11] - Current assets

Financial assets - Trade receivables

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	4510.63	7973.65
Credit impaired (included in allowances for B&D debts)	405.27	576.29
	4915.90	8549.94
Less: Allowances for bad and doubtful debts	880.83	1441.34
Total	4035.07	7108.60
Trade receivable includes:		
(a) Due from Directors	-	-
(b) Due from Officers	-	-

Note [12] - Current assets

Financial assets - Cash & cash equivalents

Refer point 16 of Note [2] for accounting policy on cash and cash equivalent.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
EEFC a/c	202.69	82.93
Current / cash credit a/c	1324.33	1285.45
	1527.02	1368.38
Cheques, demand drafts on hand	0.08	29.90
Deposits with banks having maturity 3 month or less	-	0.29
Cash & stamps on hand	0.07	0.21
Remittances in transit	0.02	4.08
Total	1527.19	1402.86

Note [13] - Current assets

Financial assets - Bank balances

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Fixed deposits having maturity more than 3 months but not more than 12 months	5160.01	5000.03
Fixed deposits against margin money for BG issued	2.54	2.41
Balances with banks (earmarked):		
Charging station project	7.88	10.17
Unclaimed dividend a/c	2.11	2.79
Non-repatriable a/c	1.69	0.30
Sale proceeds of fractional shares on bonus issue	0.03	0.03
	11.71	13.29
Total	5174.26	5015.73
Total Cash and Bank Balances [12 + 13]	6701.45	6418.59

Note [14] - Current assets

Financial assets - Loans

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Loan to PSU (BP&CL*)		
Credit impaired	13.32	13.32
Less: Allowances for bad & doubtful loans	13.32	13.32
Total	-	-
* Loan given to Bharat Pumps and Compressors Ltd (₹ 12 cr). and interest accrued & due thereon (₹ 1.32 cr) has been fully provided		
Includes :		
(a) Due from Directors	-	-
(b) Due from Officers	-	-

Note [15] - Current assets

Financial assets- Others

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits		
EMD and other deposits		
Unsecured, considered good	128.57	135.24
Credit impaired	12.01	13.42
	140.58	148.66
Less: Allowances for bad & doubtful advances	12.01	13.42
	128.57	135.24
Interest accrued on banks deposits	77.14	99.39
Advance to employees	27.02	28.18
Less: Allowances for bad & doubtful advances	0.08	0.07
	26.94	28.11
Total	232.65	262.74
Includes:		
(a) Due from Directors	-	-
(b) Due from Officers	0.01	0.05

Note [16] - Current assets

Current tax assets / liabilities (net)

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax & TDS	1654.17	2528.16
Less: Provisions for taxation	1250.57	2299.09
Total	403.60	229.07

Note [17] - Current assets

Others

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract assets (including unbilled revenue)		
Unsecured, considered good	7494.57	7670.46
Credit impaired	76.46	54.69
	7571.03	7725.15
Less: Allowances for bad and doubtful debts	76.46	54.69
	7494.57	7670.46
Claim recoverable		
Unsecured, considered good		
Input tax credit receivable	1031.11	916.90
Claim recoverable and others	601.11	570.94
Unsecured, considered doubtful		
Input tax credit receivable	8.61	10.17
Claim recoverable and others	121.16	117.49
	1761.99	1615.50
Less: Provision for bad & doubtful claims	129.77	127.66
	1632.22	1487.84
Advances		
Unsecured, considered good		
Subsidiary company	-	-
Vendors / subcontractors	152.23	224.39
Unsecured, considered doubtful		
Vendors / subcontractors	6.93	7.37
	159.16	231.76
Less: Provision for bad & doubtful advances	6.93	7.37
	152.23	224.39
Security deposits		
Deposits with tax authorities and others		
Unsecured, considered good	497.11	401.26
Unsecured, considered doubtful	79.41	58.75
	576.52	460.01
Less: Provision for bad & doubtful deposit	79.41	58.75
	497.11	401.26
Total	9776.14	9783.95

Note [18] - Equity

Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
A Equity share capital				
Authorised	10000000000 (2)	2000.00	10000000000 (2)	2000.00
Issued, subscribed and fully paid up	3482063355 (2)	696.41	3482063355 (2)	696.41
a) The reconciliation of the number of equity shares outstanding				
Balance as at the beginning of the year	3482063355	696.41	3482063355	696.41
Add/(Less): Changes during the year	-	-	-	-
Balance as at the end of the year	3482063355	696.41	3482063355	696.41
b) Details of shares held by shareholders holding more than 5 % of shares at the end of the year				
President of India (Promoter)	2199650402	63.17%	2199650402	63.17%
Life Insurance Corporation of India	350647914	10.07%	350647914	10.07%
Face value per share in (₹)		2.00		2.00

c) Terms / rights attached to the equity shares :

The company has only one class of equity shares having par value of ₹ 2 per share (previous year ₹ 2 per share). Each holder of the equity shares is entitled to one vote per share.

d) Issue of bonus share :

The Company allotted bonus share on October 03, 2017 in the ratio of 1:2 i.e. one equity share for two existing fully paid-up equity shares. Consequently, the paid-up capital was increased from ₹ 489.52 crore in FY 2016-17 to ₹ 734.28 crore in FY 2017-18 by capitalization of reserves.

e) Share buyback

The Company vide its Board approval dated October 25, 2018, bought back its 18,93,36,645 fully paid-up equity shares of the face value of ₹ 2 each representing 5.16% of the total issued and paid-up equity share capital from the eligible equity shareholders of the Company for an amount of ₹ 1628,29,51,470 at a price of ₹ 86 per equity share in FY 2018-19. Consequently, the paid-up share capital was reduced from ₹ 734.28 crore in FY 2017-18 to ₹ 696.41 crore in FY 2018-19.

Note [18a] - Other Equity

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital reserve	35.18	35.18
Capital redemption reserve	37.87	37.87
General reserves	30476.66	30476.66
Retained earnings	(4867.48)	(2170.37)
OCI (Re-measurements of defined benefit plans)	(394.98)	(415.03)
Total	25287.25	27964.31

Nature and purpose of reserves:

- (a) **Capital reserve** : It represents mainly the excess of net assets taken, over the cost of consideration paid during amalgamation of the subsidiary company (HPVP) with the BHEL.
- (b) **Capital redemption reserve**: The Company has recognised Capital Redemption Reserve on buy back of equity shares from its general reserve. The amount in capital redemption reserve is equal to nominal amount of equity shares bought back.
- (c) **General reserve**: This represents accumulation of profits retained by Company to meet future (known/unknown) obligations.
- (d) **Retained earnings**: Retained earnings are profits that Company has earned till date, less transfer to general reserve, dividends (incl. dividend distribution tax) or other distributions to shareholders.
- (e) **Re-measurement of net defined benefit plans**: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumption or experience adjustments within the plans, are recognised in 'Other comprehensive income' and these are subsequently not to be reclassified to the Statement of Profit and Loss.

Note [19] - Financial liabilities-Lease Liabilities

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Non- Current		
Long term maturities of lease obligations	53.41	75.37
Current		
Current maturities of lease obligation	48.20	56.67
Total	101.61	132.04
Further disclosures available at Note [48] on lease		

Note [20] - Non-current liabilities

Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	157.92	72.91
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1723.16	1881.08
		<u>1003.32</u>
Total	1881.08	1076.23

Significant part of the above pertains to retention money or under dispute/arbitration.

Note [21] - Non-current liabilities

Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits from contractors & others	211.01	150.99
Liability for capital expenditure	5.71	8.03
Total	216.72	159.02

Note [22] - Non-current liabilities

Provisions

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contractual obligation	2505.89	2755.25
Provision for employee benefits*	1098.20	1176.11
Provision others	319.38	284.87
Corporate social responsibility	2.09	8.93
Total	3925.56	4225.16

*Further Disclosure available at note (49) on employee benefits

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Note [23] - Non-current liabilities

Other

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Advances received from customers incl. excess of billing over revenue)	2806.50	2921.16
Deferred income- Govt. grant*	25.04	31.49
Total	2831.54	2952.65

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

Note [24] - Current liabilities

Financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Loans from banks	201.01	600.00
Pre shipment packing credit	299.36	759.22
Buyer's Credit	45.71	141.58
Cash credit (by BHEL EML)	7.29	6.26
(secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)		
Sub-total (A)	553.37	1507.06
Unsecured		
Commercial papers	4287.70	3432.59
Loan from companies (by BHEL EML)	8.21	8.27
Sub-total (B)	4295.91	3440.86
Total borrowings (A+B)	4849.28	4947.92

- (i) The Company has a cash credit limit from banks aggregating to ₹ 6000 crore (previous year ₹ 6000 crore and Company's counter guarantee / indemnity obligations in regard to bank guarantee / letters of credit limit aggregating to ₹ 54000 crore (previous year ₹ 54000 crore) sanctioned by the consortium banks. These are secured by first charge by way of hypothecation of raw materials, components, work in progress, finished goods, stores, trade receivables and other current assets both present and future. The outstanding bank guarantees as at 31.03.2021 is ₹ 39343 Crore (previous year ₹ 41491 Crore). This figure includes BG of ₹ 630 crore (previous year ₹ 971 Crore) issued as replacement and pending for vacation as on 31st March 2021
- (ii) Loan from Banks represents loans against Fixed deposits (₹ 200 crore) and balance for WCDL (Working Capital Demand Loan).
- (iii) Packing Credit in Foreign Currency (PCFC) has been availed by the Company. The outstanding amount of USD 40.50 million is repayable in parts during the months November 2021 to March 2022.
- (iv) Buyer's credit has been availed by the Company. The outstanding amount of USD 6.18 million is repayable in April 2021.

(v) Details of Commercial papers outstanding as on 31st March 2021 is as follows:

(₹ in Crore)

Issue Date	Maturity Date	Discount Rate	Face Value	Amortised cost
12th Nov, 2020	29th Oct, 2021	4.05%	575.00	562.04
30th March, 2021	28th June, 2021	3.41%	1000.00	991.85
31st March, 2021	24th June, 2021	3.47%	900.00	892.87
26th March, 2021	24th June, 2021	3.41%	700.00	694.55
22nd March, 2021	21st May, 2021	3.66%	650.00	646.76
8th Jan, 2021	9th April, 2021	3.40%	500.00	499.63
Total			4325.00	4287.70

(vi) Corporate Guarantees given for own obligations outstanding as on 31.03.2021 is ₹ 1799 crore (previous year ₹ 1422 crore).

(vii) Change in borrowings arising from Financing activities

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance (excl cash credit)	4941.66	2437.88
Cash Flow during the year	(99.67)	2503.78
Closing Balance (excl cash credit)	4841.98	4941.66

For changes in lease liability arising from financing activities, refer note no [b] of Note 48

Note [25] - Current liabilities

Financial liabilities - Trade Payables

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade payables:		
(i) Total outstanding dues of micro enterprises and small enterprises	662.94	611.12
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	5906.66	8177.47
(iii) Acceptances	113.91	6020.57
		40.57
Total	6683.51	8829.16

Significant part of the above pertains to retention money or under dispute/arbitration.

Note [26] - Current liabilities

Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Liabilities:		
Employees dues	126.88	289.10
Other dues*	294.20	560.18
Capital expenditure	57.49	82.73
Deposits from contractors & others	447.92	492.10
Unpaid dividend **	2.11	2.79
Interest accrued on borrowings	0.97	3.72
Total	929.58	1430.62

* Other dues includes ₹ 0.03 crore for sale proceeds of fractional shares arising out of issuance of bonus shares.

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

Note [27] - Current liabilities

Provisions

Refer note 9 & 10 for accounting policy on employee benefits and provisions.

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contractual obligation	1486.56	1563.86
Provision for employee benefits [#]	831.06	1124.73
Corporate social responsibility	19.18	6.58
Provision others	831.72	390.59
Total	3168.52	3085.76

[#]Further Disclosure available at note (49) on employee benefits

Note [28] - Current liabilities

Other

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

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities (Advances received from customers incl. excess of billing over revenue)	4057.85	3798.08
Liabilities towards statutory dues	616.50	453.82
Deferred income - Govt. grant	6.45	6.45
Total	4680.80	4258.35

Note [29]**Revenue from operations**

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

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from contracts with customers		
Sales	13010.54	15060.87
Income from external erection & other services	3285.26	5433.72
[For details, refer Note 52(b)]		
Turnover (A)	16295.80	20494.59
Other operational income		
Freight & insurance	93.32	143.43
Scrap sales	141.97	142.12
Recoveries from suppliers	112.88	219.79
Liabilities written back	211.83	312.27
Insurance claims	163.48	16.42
Export incentives	156.88	14.99
Others	132.53	119.53
Other operational income (B)	1012.89	968.55
Revenue from operations (A+B)	17308.69	21463.14
Revenue from operations excludes :		
Goods and service tax	2392.35	2837.28

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Note [30] Other income

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

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income *		
From customers	1.14	-
From banks	313.61	502.22
Others	6.11	6.97
Sub-total (A)	320.86	509.19
Other income		
Profit on sale of units of mutual funds	1.42	6.43
Government grants	6.45	6.45
Profit from sale of PPE & capital stores (Net)	1.88	9.30
Others	17.81	32.93
Sub-total (B)	27.56	55.11
Total other income (A+B)	348.42	564.30
*Includes TDS	20.99	50.05

Note [31] Material consumption, erection and engineering expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of raw material & components	8158.56	11781.64
Civil, erection and engineering expenses	2912.47	2947.17
Consumption of stores & spares	288.74	352.91
Total	11359.77	15081.72

Note [32]**Changes in inventories of finished goods, work in progress and Scrap**

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Work -in -progress				
Closing balance	3779.72		4120.77	
Opening balance	4121.21	341.49	3220.70	(900.07)
Finished goods				
Closing balance	629.11		823.32	
Opening balance	823.33	194.22	661.53	(161.79)
Scrap				
Closing balance	147.46		117.76	
Opening balance	117.76	(29.70)	90.89	(26.87)
Inter-division transfer in transit		4.85		46.30
(Increase)/Decrease		510.86		(1042.43)

Note [33]**Employee benefits expense**

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

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages, bonus, allowances & other benefits	4699.90	4628.86
Contribution to provident and other funds	373.16	405.91
Staff welfare expenses	195.03	280.07
Contribution to gratuity fund	102.02	105.45
Group insurance	8.05	11.59
Total	5378.15	5431.88

Note [34] Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Power & fuel	319.57	459.41
Expenditure on other sub contracts	267.60	334.60
Carriage outward	216.71	287.38
Payment to security agencies	203.25	222.79
Repairs & maintenance:		
Buildings	26.55	45.03
Plant & machinery	29.59	32.32
Others	67.50	88.12
Insurance	128.51	147.02
Travelling & conveyance	65.15	124.51
Bank charges	92.61	104.22
R&D expense	29.48	74.97
Hire charges	46.38	62.34
Expenditure on collaborations & royalty	34.92	57.72
Rates & taxes	25.07	43.70
Office expense	31.00	40.29
Expenditure on skill development	15.22	39.38
Legal, audit & certification expense	34.62	35.04
EDP, software & lease line expense	25.57	29.73
Corporate social responsibility	20.18	28.80
Water charges	34.19	26.94
Expenditure in connection with exports	11.92	24.39
Rent non residential	15.88	20.23
Entertainment & courtesy expenses	2.29	9.89
Environmental protection	5.72	7.17
Seminar, development and training expense	1.16	6.02
Publicity & public relation expense	1.55	5.43
Miscellaneous expense	47.38	72.83
Total	1799.57	2430.27

Disclosure-Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(i) Director's fees	0.21	0.23
(ii) Expenditure on departmental repair & maintenance:		
Plant & machinery	175.27	205.73
Buildings	29.65	42.38
Others	32.88	34.96
(iii) Expenditure on research & development	146.01	221.84
(iv) Expenditure on foreign travel		
No. of tours	77	323
Expenditure	1.28	6.52
(v) BHEL from own contribution has spent cumulative ₹ 189 crore (upto previous year ₹ 170 crore) on AUSC project and accounted as R&D expenditure.		

Note [35]
Provisions

Refer point 9, 10 & 13 of Note [2] for accounting policy on employee benefits, provisions and impairment of assets. (₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Doubtful debts, liquidated damages and loans, advances & deposits		
Created during the year	2583.68	2335.46
Less: withdrawal during the year	1773.13	2300.75
	810.55	34.71
Contractual obligations		
Created during the year	240.96	436.35
Less: withdrawal during the year	501.81	573.11
	(260.85)	(136.76)
Others		
Created during the year	768.16	291.47
Less: withdrawal during the year	128.75	179.14
	639.41	112.33
	1189.11	10.28
Impairment of investment in JVs	-	(0.27)
Investment written off	4.93	-
Bad debts written off	77.55	57.60
Liquidated damages & contractual charges charged off	170.98	165.20
Losses written off	24.89	0.99
Total	1467.46	233.80

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Note [36] Finance costs

Refer point 5 & 10 of Note [2] for accounting policy on borrowing costs and provisions.

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Discount on commercial papers		164.06		204.12
Unwinding of provisions		141.74		195.61
Interest cost:				
Banks / Financial Institutions		29.34		46.30
Foreign Financial Institutions		10.77		26.32
On lease liabilities		12.79		16.03
Others		14.27	67.17	17.71
Other expenses on issuance of Commercial paper		0.97		2.36
Sub-total		373.95		508.45
Less: Borrowing cost capitalised		-		-
Total		373.95		508.45

Note [37] Tax expenses

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

(₹ in Crore)

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Current tax				
For current year		32.83		63.44
For earlier years		(17.01)	15.82	(61.92)
Deferred tax				
For current year		(909.62)		(163.11)
For earlier years		(2.43)	(912.05)	970.87
Total		(896.23)		809.28

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

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Total Comprehensive Income / (Loss) before tax (A)	(3569.16)	(1000.99)
Statutory income tax rate (B)	25.168%	25.168%
Tax expense C = (AXB)	(898.29)	(251.93)
Difference due to: (D)		
Expenses not deductible for tax purposes	39.35	72.73
Change in tax rate	-	974.36
Change in tax expense - earlier years	(19.44)	(47.55)
Tax effect on share of JVs Profit / (loss)	(11.13)	(6.51)
Sub-total (D)	8.78	993.03
Net Tax Expense E = (C+D)	(889.51)	741.10

Note [38]**Other comprehensive income / expenditure**

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Income / (expenditure)		
Re measurement of defined employee benefits	26.70	(342.05)
Less: Income tax related to above items*	6.72	(68.18)
Total	19.98	(273.87)
* Includes		
Current tax	-	-
Deferred tax	6.72	(68.18)

Note [39] Earnings per share

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit/(loss) attributable to equity shareholders	(2697.11)	(1466.01)
Weighted average number of equity shares	348.21	348.21
Basic and diluted earnings per share of ₹ 2 each	(7.75)	(4.21)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weightage average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders of the Company by the weightage average number of equity shares considered for deriving basic earnings per equity share and also the weightage average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

Note [40] Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Dividend on equity shares declared and paid during the year		
Final dividend of ₹ Nil (previous year ₹ 1.20) per qualifying equity share	-	417.85
Dividend distribution tax on final dividend	-	85.89
Total	-	503.74

Note [41]**Notes to Accounts**

The Consolidated financial statements relates to Bharat Heavy Electricals Limited (the Company), its subsidiary and its interest in Joint venture entities. The Consolidated financial statements have been prepared on the following basis-

Basis of Accounting

- i) The financial Statements of the subsidiary company and interest in joint ventures in the consolidation are drawn upto the same reporting date as of the parent company
- ii) The consolidated financial statements have been prepared in accordance with Ind AS 110 on "Consolidated Financial Statements" and Ind AS-28 "Investment in Associates and Joint Ventures".

Basis of Consolidation

1. Subsidiary is entity controlled by the Company. The financial statements of subsidiary is combined on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses after fully eliminating the intra group balances and intra-group transactions and unrealized profits or losses in accordance with Ind AS 110 on "Consolidated Financial Statements".
2. The Company's interest in equity-accounted investees' comprise interests in joint venture. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights

to its assets and obligations for its liabilities. Interests in the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognitions, the consolidated financials include the Company's share of profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture, the Group discontinues recognising its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

3. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible.
4. Minority interest' share of net loss of consolidated subsidiary for the year is adjusted against the income of the group in order to arrive at the net income attributable to shareholder of the company.
5. Minority interest share of net liabilities of consolidated subsidiary is identified and presented in consolidated financial statement separate from assets/ liabilities & equities of the company shareholder.

The Consolidated Financial statements include the results of the following entities-

Particulars	Principal place of business	Proportion of ownership	
		2020-21	2019-20
Subsidiary Company			
BHEL Electrical Machines Limited (BHEL EML)	India	51%	51%
Joint Venture Companies (accounted for using equity method)			
BHEL-GE Gas Turbine Services Private Limited	India	One share less than 50%	One share less than 50%
NTPC-BHEL Power Projects Private Limited	India	50%	50%
Raichur Power Corporation Limited	India	27.97%	27.97%

- a) The financial statements of BHEL EML are consolidated based on the unaudited financial statement for the year ended on 31.03.2021.
- b) Interest in Joint Ventures in respect of BHEL-GE Gas Turbine Services Ltd. is considered based on audited financial statements for the year ended on 31.03.2021.
- c) Interest in Joint Ventures in respect of NTPC-BHEL Power Projects Pvt. Ltd, and Raichur Power Corporation Ltd. are considered based on unaudited financial statements for the year ended on 31.03.2021.
- d) Interest in joint Ventures in respect of Power Plant Performance Improvement Ltd. (PPIL) have not been considered in preparation of Consolidated Financial Statements as the company is under liquidation. Full amount of equity investment of ₹ 2 crore has been provided for as impairment.
- e) Interest in joint venture in respect of Dada Dhuniwale Khandwa Power Ltd. have not been considered in preparation of consolidated financial statements as the company stands dissolved vide NCLT order dated 2nd November, 2020.

Note [42] - Contingent liabilities and commitments

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
A. Contingent liabilities		
Claims against the company not acknowledged as debt :		
(a) Sales tax matters	894.74	1147.53
(b) Service tax matters	696.04	793.64
(c) Court & arbitration matters	516.18	690.01
(d) Excise duty matters	161.76	161.76
(e) Customs duty and others	834.51	5.80
(f) Other matters (incl. disputed staff cases)	40.51	38.16
(g) Claim towards Liquidated damages (LD)	2901.75	5231.57
Total	6045.49	8068.47

(i) In view of various court cases, litigations and claims disputed by the Company, the outflow of resources is not ascertainable at this stage. Generally, contingent Liability in respect of court & arbitration cases are shown on award/court judgement and also reviewed on a case to case basis for its reporting in contingent liability.

(ii) It is not practicable for the Company to estimate the timing of actual cash outflows in respect of items (a) to (f) , if any, due to pending resolution of the respective proceedings. However, the chances are remote and contingent.

(iii) Liquidated damages represents likely claims or amount withheld by customer on account of delay in execution of projects which will be settled after commissioning and trial operation of project based on delay analysis and is being disclosed in line with Ind AS -37.

(iv) **Movement in contingent liabilities** (₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	8068.47	7434.64
Less: Reduction out of opening balance	3342.01	1443.71
Add: Additions (net) during the year	1319.03	2077.54
Balance at the end of the year	6045.49	8068.47

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
B. Commitments		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for.	229.15	325.72
- (The above includes related to acquisition of intangible assets)	(8.65)	(12.30)
(b) Investment in the Joint Venture entities for which the company has restrictions for their disposal for five years from the date of incorporation /commercial operation of the project/first unit of the project/completion of first EPC contract, as the case may be.	50.00	50.00
(c) In view of the nature of business, being long term construction contracts there may be other commitments for purchase of material etc., which has been considered as normal business process.		

Note [43]

Current Financial liabilities includes a sum of ₹ **100.51** crore (previous year ₹ 100.51 Crore) towards guarantee fee demanded by the Government of India in respect of foreign currency loans taken by the Company at the instance of the Government upto 1990-91. The matter for its waiver has been taken up with the Government since there was no stipulation for payment of such guarantee fee at the time the loans (guaranteed by Government) were taken by the company.

Note [44]

The Company had taken over Amorphous Silicon Solar Cell Plant (ASSCP), Gurgaon on April 1, 1999 from Ministry of New and Renewable Energy (MNRE) on lease for a period of 30 years. The formal lease agreement with the Ministry of New and Renewable Energy (MNRE) is yet to be finalised.

Note [45]

Balance shown under Trade receivables, Trade payables, contractors' advances, deposits and stock / materials lying with sub-contractors/ fabricators are subject to confirmation, reconciliation & consequential adjustment, if any. The Company is in the business of long term construction contracts, bills are raised on the customers as per contract in line with billing schedule approved by the customer and the reconciliation is carried out on ongoing basis & provisions made, wherever considered necessary. Final reconciliation with customer is done on completion of project (Trial Operation and PG Test completed). Trade receivable of completed projects stand at ₹**7882** crore (previous year ₹8098 crore). Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹**6299** crore (previous year ₹6676 crore).

Note [46] - Subsidiary

(a) Name of subsidiary	Principal place of business	Proportion of ownership interest held by the Company		Proportion of ownership interest held by the Non Controlling Interest	
		As at		As at	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
BHEL Electrical Machines Limited	India	51%	51%	49%	49%

BHEL EML (subsidiary company) is engaged in manufacturing of rotating electrical machines and is located at Kasargod, Kerala.

(b) Summarized financial information of Subsidiary Company is as follows. The amounts disclosed for subsidiary are before inter-company eliminations:-

(₹ in Crore)

Summarized Balance Sheet	As at	
	March 31,2021	March 31,2020
Non-current assets	14.30	12.76
Current assets	10.34	8.55
Total Assets	24.64	21.31
Non-current liabilities	5.42	5.69
Current liabilities	42.94	34.13
Total Liabilities	48.36	39.82
Net Assets	(23.72)	(18.51)
Accumulated Non Controlling Interest (NCI)	(11.62)	(9.07)

(₹ in Crore)

Summarized statement of profit and loss	For the Year	
	2020-21	2019-20
Revenue	0.25	3.97
Profit/ (loss) for the year	(5.28)	(4.79)
Other Comprehensive Income	-	0.01
Total Comprehensive Income	(5.28)	(4.78)
Profit/ (loss) attributable to NCI	(2.59)	(2.34)

Summarized Cash flows	For the Year	
	2020-21	2019-20
Cash flows from operating activities	(6.44)	(6.22)
Cash flows from investing activities	-	(0.02)
Cash flows from financing activities	(0.84)	(0.02)
Net increase/ (decrease) in cash and cash equivalents	(7.28)	(6.26)

The proposal for transfer of 51% stake in BHEL EML, sent by BHEL to Department of Heavy Industry, Govt. of India for approval, has been approved on 11th May 2021. Appropriate action to execute the Agreement with Govt of Kerela and to complete the necessary activities for transfer of Company's 51% stake in BHEL EML to Govt of Kerela at a consideration of ₹1 only and waiver of working capital loan of ₹3 cr alongwith interest accrued thereon given by BHEL to BHEL EML is being taken.

Note [47] - Jointly Controlled Entities

A. Summarized financial information of the joint venture, based on its Ind-AS financial statements, and reconciliation with the carrying amount of the investment in financial statements are set out below:

Name of the joint ventures (accounted for at equity method)	Principal place of business	Proportion of ownership		Carrying Amount	
		As at March 31		As at March 31	
		2021	2020	2021	2020
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	50% minus 1 share	50% minus 1 share	2.38	2.38
NTPC-BHEL Power Projects Private Limited (NBPPL)	India	50.00%	50.00%	-	-
Raichur Power Corporation Limited (RPCL)	India	27.97%	27.97%	664.04	664.04

- (a) BGGTS is a Joint Venture Company of BHEL and GE, USA formed to take up repair & servicing of GE designed Gas Turbines.
- (b) BHEL along with NTPC Limited promoted a joint venture company "NTPC- BHEL Power Projects Private Limited" for carrying out EPC contracts for Power Plants and other infrastructure Projects in India and abroad.
- The provision for impairment in value of investment in NTPC-BHEL Power Projects Private Limited has been made to the extent of ₹50.00 crore (upto previous year ₹50.00 crore) based on the net financial position. The Board of Directors in its meeting held on February 08, 2018 has accorded in-principle approval for pursuing the winding up of NBPPL. Ministry of Power (MoP) has advised NTPC to consider buying out the stake of BHEL and decide either to continue it as an in-house EPC arm or close it after completion of present work. This advise was noted by NBBPL Board in its meeting held on 29.08.2019.
- (c) Raichur Power Corporation Limited has been promoted for setting up of a 2x800 MW supercritical thermal power plant at Yeramarus, Raichur, Karnataka and 1x800 MW supercritical thermal power plant at Edlapur, Raichur, Karnataka on build, own and operate basis. COD of Unit I and Unit II of Yeramarus TPP achieved in March 2017 and April 2017 respectively.
- (d) The provision for impairment in value of investment in Powerplant Performance Improvement Limited amounting to ₹2 crore (previous year ₹2 crore) has been made since the Company is under liquidation and the amount paid as equity is not recoverable.
- (e) Dada Dhuniwale Khandwa Power Limited (DDKPL) stands dissolved vide NCLT order dated 2nd November, 2020. Against the investment of ₹22.50 cr, ₹17.57 cr was received (₹17.30 cr in FY 2018-19 & ₹0.27 cr in FY 2019-20). Balance ₹4.93 cr has been written off during the year and corresponding provision withdrawn.

B. Summarized financial information of Joint Ventures companies of Group are as follows:-

The table below summarises financial information of Joint Venture Companies of the group accounted for at equity method. The information is as per the financial statements of the relevant Joint venture Companies and not the group's share of these amounts.

BHEL-GE Gas Turbine Services Pvt. Ltd

(₹ in Crore)

Balance Sheet	As at	
	March 31,2021	March 31,2020
Non-current assets	80.84	62.88
Current assets	519.55	462.36
Cash and Cash Equivalent (incl.bank balances) included in Current assets	274.16	187.58
Non-current liabilities	22.19	18.70
Non-Current financial liabilities (excluding trade payables)	10.59	13.53
Current liabilities	215.21	189.13
Current financial liabilities (excluding trade payables)	16.71	12.53

Statement of Profit and Loss	For the year ended	
	March 31,2021	March 31,2020
Revenue from operations	791.76	685.84
Interest income	10.71	10.24
Depreciation and amortization	9.28	9.59
Interest expense	1.27	1.46
Income tax expense	29.95	23.22
Profit / (loss) for the year	88.29	58.14
Other comprehensive income/(loss)	(0.15)	0.26
Total comprehensive income	88.44	57.88

Raichur Power Corporation Ltd.

(₹ in Crore)

Balance Sheet	As at	
	March 31,2021	March 31,2020
Non-current assets	11064.18	11055.73
Current assets	2025.64	1429.82
Cash and cash equivalent included in current assets	(66.20)	(85.80)
Non-current liabilities	11326.76	10158.44
Non-current financial liabilities (excluding trade payables)	11326.76	10158.44
Current liabilities	4911.16	4931.77
Current financial liabilities (excluding trade payables)	4734.64	6335.77

Statement of Profit and Loss	For the Year	
	March 31,2021	March 31,2020
Revenue from operations	2224.22	256.32
Depreciation and amortization	649.00	648.56
Interest expense	1055.00	1486.26
Income tax expense	-	-
Profit / (loss) for the year	(543.44)	(2084.95)
Total comprehensive income	(543.44)	(2084.95)

NTPC-BHEL Power Projects Pvt. Ltd.

(₹ in Crore)

Balance Sheet	As at	
	March 31,2021	March 31,2020
Non-current assets	366.87	363.64
Current assets	254.57	224.13
Cash and cash equivalent [incl. bank balances] included in current assets	9.96	6.45
Non-current liabilities	230.89	252.64
Current liabilities	560.63	480.69
Current financial liabilities (excluding trade payables)	67.45	68.04

Statement of Profit and Loss	For the year ended	
	March 31,2021	March 31,2020
Revenue from operations	49.17	75.65
Depreciation and Amortization	5.84	6.73
Interest Expense	2.16	2.63
Income tax Expense	(8.39)	(11.63)
Profit / (loss) for the year	(24.51)	(51.34)
Total Comprehensive Income	(24.51)	(51.57)

Note [48] - Disclosure on Leases - Ind AS 116

Lease Commitments-Company as Lessee

The company's significant leasing agreements are in respect of land, building and EDP equipments. The company has entered into a rate contract for lease arrangement for computer items, printers, video 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 applied the following available practical expedients :

- (i) The short-term leases exemptions to leases with lease term less than 12 months
- (ii) The low value lease exemption to leases where underlying asset is of low value.(assets of less than ₹ 50000 in value)

a. Age-wise analysis of Lease Liabilities are as follows

(₹ in Crore)

Particulars	Future minimum lease payments		Interest		Present value [PV] of minimum lease payments	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
Not later than 1 year #	54.01	65.04	8.77	11.49	45.24	53.55
Later than 1 year and not later than 5 years	60.33	87.62	6.92	12.25	53.41	75.37
Later than 5 years	-	-	-	-	-	-

The amount of future minimum lease payments in respect of leases where remaining lease term as at the end of March 31,2021 is less than 12 months is ₹ 9.54cr (Previous year ₹ 5.97cr).

b. Movement in lease liabilities during the FY year 2020-2021

(₹ in Crore)

Particulars	As at	
	March 31, 2021	March 31, 2020
Lease Liabilities As at April 1*	132.04	178.41
Add: Additions	30.03	20.38
Add: Accretion of interest	12.79	16.03
Less : Payments/Adjustment	73.25	82.78
Lease Liabilities as at March 31*	101.61	132.04

* includes interest accrued of ₹ 2.96 crore (PY ₹ 3.12 crore) & ₹ 3.12 crore (PY ₹ 4.41 crore) as at March 31,2021 & March 31,2020 respectively

c. Amounts recognised in profit or loss:

(₹ in Crore)

Particulars	For the Year Ended	
	March 31,2021	March 31,2020
Expense relating to Short-term leases (Refer Note No.34)	2.25	5.95
Expense relating to low value assets leases (Refer Note 34)	1.03	1.21
Depreciation charge of right-of-use assets	64.26	66.63
Interest expense (included in finance cost)	12.79	16.03

d. The company has various lease contracts that have not yet commenced . The future lease payments for these non-cancellable lease contracts are as follows:

(₹ in Crore)

Particulars	For the Year Ended	
	March 31,2021	March 31,2020
Not later than 1 year	0.07	0.07
Later than 1 year and not later than 5 years	0.05	0.08
Later than 5 years	-	-

Note [49] - Disclosure on 'Employee benefits' - Ind AS 19

A. The Company has following schemes in the nature of Defined Benefits Plans:

- i) Gratuity Scheme
- ii) Post Retirement Medical Scheme
- iii) Provident Fund Scheme
- iv) Travel claim on Retirement

(i) Gratuity (Funded Plan)

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum limit of ₹20 Lakhs. The gratuity liability arises on account of future payments, which are required to be made in the event of retirement, death in service or withdrawal. The liability has been assessed using projected unit credit actuarial method.

Movement in net defined benefit (asset)/liability on Gratuity plan

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	As at March, 31					
	2021	2020	2021	2020	2021	2020
Opening Balance	2074.13	2040.40	1696.77	1862.77	377.36	177.63
Included in profit for the year :						
Current service cost	101.79	105.26	-	-	101.79	105.26
Past service cost	-	-	-	-	-	-
Interest cost /(income)	139.84	158.11	139.61	157.70	0.23	0.41
Total amount recognised in profit for the year	241.63	263.37	139.61	157.70	102.02	105.67
Included in other comprehensive income (OCI) :						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Change in Demographic assumptions	-	(0.62)	-	-	-	(0.62)
Change in Financial Assumption	-	151.51	-	-	-	151.51
Experience Adjustment	(32.61)	(29.11)	(21.21)	(20.70)	(11.40)	(8.41)
Total amount recognised in other comprehensive income	(32.61)	121.78	(21.21)	(20.70)	(11.40)	142.48
Others						
Contributions paid by the employer	-	-	154.00	48.00	(154.00)	(48.00)
Benefits paid	(271.73)	(351.42)	(271.73)	(351.00)	-	(0.42)
Unpaid Benefits paid	-	-	-	-	-	-
Closing balance	2011.42	2074.13	1697.44	1,696.77	313.98	377.36

Details of Plan assets

Particulars	As at March 31, 2021	As at March 31, 2020
Funds managed by Insurer	70.80%	56.59%
High quality Corporate bonds (quoted)	18.23%	33.88%
State Government securities (quoted)	2.46%	2.74%
Equity shares of listed Companies (quoted)	0.97%	0.84%
Bank Balance	7.54%	5.95%
Total	100.00%	100.00%

Actuarial assumptions

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

Particulars	As at March 31, 2021	As at March 31, 2020
Economic assumptions		
Discount rate	6.75%	6.75%
Salary escalation rate	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

Sensitivity analysis

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

(₹ in Crore)

Particulars	Gratuity			
	As at March, 31 2021		As at March, 31 2020	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(92.13)	100.65	(85.87)	93.75
Change in Salary escalation rate (0.50% movement)	51.60	(53.83)	53.77	(54.17)

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

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. This analysis may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Expected maturity analysis of the gratuity plan in future years

(₹ in Crore)

Particulars	Gratuity	
	As at March 31,2021	As at March 31,2020
Less than 1 year	230.44	313.31
Between 1-2 years	193.53	207.02
Between 2-3 years	141.35	178.64
Between 3-4 years	126.36	130.38
Between 4-5 years	104.26	114.73
Between 5-6 years	91.67	93.70
Over 6 years	1123.81	1036.35
Total	2011.42	2074.13

Expected contributions to gratuity plans for the year ending 31 March 2022 are ₹ 117.75 crore

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.95 years (31 March 2020: 14.91 years.)

Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, company is exposed to various risks such as increase in salary, investment risk, discount rate, mortality, disability and withdrawals.

(ii) Post Retirement Medical Benefits (Funded Plan)

The Company has Post-Retirement Medical benefit (PRMB), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals subject to company medical rules. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The liability for the same is recognised annually on the basis of actuarial valuation.

Movement in net defined benefit (asset)/liability on Post retirement Medical Benefit Plan

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	As at March 31,					
	2021	2020	2021	2020	2021	2020
Opening balance	2285.20	2080.78	1933.72	1935.72	351.48	145.06
Included in Profit for the Year :						
Current service cost	39.92	40.15	-	-	39.92	40.15
Past service Cost	(49.95)	-	-	-	(49.95)	-
Interest cost / (income)	154.25	161.26	154.25	161.26	-	-
Total amount recognised in Profit for the Year	144.22	201.41	154.25	161.26	(10.03)	40.15
Included in other comprehensive income (OCI):						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	-	(0.91)	-	-	-	(0.91)
Financial assumptions	-	193.77	-	-	-	193.77
Experience adjustment	(9.57)	(31.85)	(17.25)	(5.26)	7.68	(26.59)
Total amount recognised in other comprehensive income	(9.57)	161.01	(17.25)	(5.26)	7.68	166.27

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	As at March 31,					
	2021	2020	2021	2020	2021	2020
Others						
Contributions paid by the employer	-	-	42.00	-	(42.00)	-
Benefits paid	(164.00)	(158.00)	(164.00)	(158.00)	-	-
Closing balance	2255.85	2285.20	1948.72	1933.72	307.13	351.48

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company

Actuarial assumptions

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

Particulars	As at March 31, 2021	As at March 31, 2020
Economic assumptions:		
Discount rate	6.75%	6.75%
Salary escalation rate	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

Sensitivity analysis

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

(₹ in Crore)

Particulars	Post Retirement Medical Benefit			
	As at March, 31 2021		As at March, 31 2020	
	Increase	Decrease	Increase	Decrease
Change in discount rate (0.50% movement)	(100.99)	103.12	(101.67)	104.64
Change in cost (0.50% movement)	103.96	(101.57)	105.37	(102.38)

Sensitivity due to mortality and 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 31,2021	As at March 31,2020
Less than 1 year	147.94	155.27
Between 1-2 years	149.62	172.35
Between 2-3 years	153.04	189.58
Between 3-4 years	158.33	209.49
Between 4-5 years	165.65	232.53
Between 5-6 years	175.29	259.27
Over 6 years	1305.98	1066.71
Total	2255.85	2285.20

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2022 are ₹ 38.26 crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.42 years (31 March 2020: 11.44 years).

Risk Exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks such as increase in medical cost, investment risk, discount rate, mortality, disability and withdrawals.

(iii) Provident Fund

The Company pays fixed contribution to provident fund at predetermined rates to a separate trust, which invests the funds in permitted securities. The Company has an obligation to ensure minimum rate of return to the members as specified by GOI. Accordingly, the Company has obtained report of the actuary. Wherever as per the actuarial valuation certificate liability for likely interest shortfall arises, the same has been provided in the accounts.

Details of interest shortfall in PF Trust

(₹ in Crore)

Particulars	For the year ended	
	2020-21	2019-20
Excess / (shortfall) in PF interest liability based on actuarial valuation for the year	15.68	(23.18)
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	14.46	30.14
Remeasurement gain/(loss) recognised through other comprehensive income statement	25.16	(31.46)
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	9.48	(8.28)

The Company has PF trusts located at various places covering the employees of the Company and managed separately, the details of plan assets and obligations are as follows :

(₹ in Crore)

Location	Defined benefit obligation		Fair value of plan assets		Surplus / (Shortfall)	
	As at					
	March 31,2021	March 31,2020	March 31,2021	March 31,2020	March 31,2021	March 31,2020
BHEL EPF Trust, Ranipur, Hardwar	1574.05	1470.95	1581.86	1472.38	7.81	1.43
BHEL Employee Provident Fund, Trichy	986.73	1029.10	984.73	1025.27	(2.00)	(3.83)
BHEL Employee Provident Fund, Bhopal	1317.70	1239.54	1313.87	1232.47	(3.83)	(7.07)
BHEL New Delhi Employees Provident Fund Trust	1291.26	1169.96	1297.88	1176.53	6.62	6.57
BHEL Employee Provident Fund, Hyderabad	833.30	835.64	853.68	853.11	20.38	17.47
BHEL PPD EPF Trust, Chennai	786.92	741.03	778.29	726.19	(8.63)	(14.84)
BHEL Employee Provident Fund, Bengaluru	635.51	723.36	644.53	721.87	9.02	(1.49)
BHEL (BAP Unit) EPF Trust, Ranipet	390.16	416.21	390.62	413.30	0.46	(2.91)
BHEL Employee Provident Fund Trust, Jhansi	437.95	407.02	447.68	414.19	9.73	7.17
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund, Vizag	141.46	127.58	172.71	158.81	31.25	31.23
Total	8395.04	8160.39	8465.85	8194.12	70.81	33.73

Movement in net defined benefit (asset)/liability on Provident Fund

(₹ in Crore)

Particulars	BHEL Employees Provident Fund Trust (Consolidated)			
	Defined benefit obligation		Fair value of plan assets	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
Opening Balance	8160.39	7641.62	8194.12	7734.01
Included in Profit for the year :				
Current service cost	327.61	327.33	-	-
Interest cost / (income)	665.66	636.48	665.66	656.50
Total amount recognised in profit for the year*	993.27	963.81	665.66	656.50
Included in other comprehensive income (OCI):				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions	-	-	-	-
Financial assumptions	-	2.30	-	-
Experience adjustment	(17.87)	30.75	19.22	(45.63)
Total amount recognised in other comprehensive income#	(17.87)	33.05	19.22	(45.63)

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(₹ in Crore)

Particulars	BHEL Employees Provident Fund Trust (Consolidated)			
	Defined benefit obligation		Fair value of plan assets	
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020
Others				
Contributions paid by the employer	777.25	722.01	327.61	327.33
Employee Contribution	0.00	0.00	777.25	722.01
Benefits paid	(1804.50)	(1497.98)	(1804.50)	(1497.98)
Settlements/Transfer-in	286.50	297.88	286.50	297.88
Closing balance	8395.04	8160.39	8465.86	8194.12

Note: Interest shortfall in respect of PF trust having deficit only have been accounted through Statement of profit and loss and other Comprehensive Income Statement as shown under point (I) above.

Details of plan assets

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Govt. of India securities (Quoted)	1153.72	1252.00
State Government securities [Quoted]	3694.89	3305.75
Corporate bonds (Quoted)	3027.71	2920.68
Special deposit (Unquoted)	417.43	468.86
Liquid fund (Quoted)	2.11	18.69
Short term deposit [Unquoted]	10.89	48.04
Mutual Fund & Equity shares[Quoted]	159.11	180.11
Total	8465.86	8194.12

Actuarial assumptions

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

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	6.75%	6.75%
Expected statutory interest rate on the ledger balance	8.50%	8.50%
Expected short fall in interest earnings on the fund	0.05%	0.05%
Demographic assumptions:		
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 years	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%
Above 44 years	1.00%	1.00%

Sensitivity analysis

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

Particulars	BHEL Employees Provident Fund Trust			
	As at March, 31 2021		As at March, 31 2020	
	Increase	Decrease	Increase	Decrease
Change in discount rate (0.50% movement)	(1.23)	1.28	(1.35)	1.43

Expected maturity analysis in future years

Particulars	Provident Fund	
	As at March 31,2021	As at March 31,2020
Within the next 12 months	832.06	836.14
Between 2-5 years	2009.34	1984.26
Between 5-10 years	1984.72	1502.75
Beyond 10 years	3568.92	3837.24
Total	8395.04	8160.39

(iv) Travel claim on retirement - (Settlement Allowance - Unfunded Plan)

The settlement allowance is the expenditure reimbursed to an employee towards travel and shifting of baggage for proceeding to home town or any place in India where he or she intends to settle after retirement or death in service for self (including members of his/her family).

Movement in Settlement Allowance liability

(₹ in Crore)

Particulars	Settlement Allowance	
	As at March 31,2021	As at March 31,2020
Opening balance	9.56	8.53
Current service cost	0.63	0.58
Interest cost / (income)	0.65	0.64
Included in Profit for the Year :	1.28	1.22
Actuarial loss (gain)	2.16	1.86
Total amount recognised in TCI for the Year	3.44	3.08
Others		
Contributions paid by the employer	-	-
Benefits paid	(2.70)	(2.05)
Closing balance	10.30	9.56

Actuarial assumptions

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

Particulars	Settlement Allowance	
	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	6.75%	6.75%
Salary escalation rate	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

B. Long Term Leave Liability (Encashable Leave -EL /Half Pay Leave-HPL) - (Unfunded Plan)

The company provides for earned leave benefit and half pay leave to the employees of the company which accrue half yearly at 15 days (maximum) and 10 days respectively. The earned leave is encashable while in service subject to fulfilment of certain conditions. On retirement/superannuation, earned leave & half pay leave put together upto a maximum of 300 days is encashable subject to company policies & leave encashment rules. The leave liability has been treated as other long term benefits and has been assessed using projected unit credit actuarial method.

Movement in long term leave liability

(₹ in Crore)

Particulars	Long Term Leave Liability	
	As at March 31,2021	As at March 31,2020
Opening Balance	1392.73	1492.44
Included in profit for the year :		
Current service cost	157.75	155.94
Interest cost/(income)	93.98	115.63
Actuarial loss/(gain)	(130.95)	(138.64)
Total amount recognised in profit for the year	120.78	132.93
Benefits paid	271.43	232.64
Closing Balance	1242.08	1392.73

Actuarial assumptions

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

Particulars	Long Term Leave Liability	
	As at March 31,2021	As at March 31,2020
Economic assumptions:		
Discount rate	6.75%	6.75%
Salary escalation rate	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter	6.50% p.a. for 1st 4 yrs. & then 6% p.a. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%

C. Pension Fund

The company has contributed ₹ 280 cr in respect of pension scheme (Defined contribution plan) for the FY 2020-21

Note [50] - Related Parties Transactions

i.

Joint Ventures:	Others :
BHEL-GE Gas Turbine Services Pvt. Ltd. (BGGTS) NTPC-BHEL Power Projects Pvt. Ltd. (NBPPL) Raichur Power Corporation Ltd. (RPCL) Dada Dhuniwale Khandwa Power Ltd. (DDKPL)* Powerplant Performance Improvement Ltd.	Central Government controlled entities Provident fund trusts Gratuity trusts, PRMB Trust, Pension Trust

*Dissolved in November 2020

ii. Other related parties

A. Functional Directors & Company Secretary (KMP)

(₹ in Crore)

Particulars	Short term employee Benefits		Post employment benefits		Total Remuneration	
	20-21	19-20	20-21	19-20	20-21	19-20
Shri [Dr.] Nalin Shinghal Chairman & Managing Director	0.52	0.35	0.08	0.07	0.60	0.42
Shri Subodh Gupta Director (Finance)	0.49	0.44	0.07	0.09	0.56	0.53
Shri S. Balakrishnan ¹ Director (IS & P)	0.66	0.50	0.05	0.09	0.71	0.59
Shri Manoj Kumar Varma ² Director (Power)	0.62	0.52	0.06	0.09	0.68	0.61
Shri Kamalesh Das Director (Engineering, R&D)	0.47	0.38	0.07	0.08	0.54	0.46
Shri Anil Kapoor ³ Director (Human Resources)	0.46	0.20	0.07	0.04	0.53	0.24
Ms. Renuka Gera ⁴ Director (IS & P)	0.16	-	0.03	-	0.19	-
Shri Rajeev Kalra Company Secretary	0.38	0.33	0.06	0.07	0.44	0.40
Shri TS Chakravarthy ⁵ Managing Director BHEL-EML	0.40	-	0.07	-	0.47	-

^{1.} upto November 30,2020

^{2.} upto January 31, 2021

^{3.} Additional charge Director (Power) w.e.f February 1, 2021

^{4.} w.e.f December 1, 2020

^{5.} w.e.f May 05,2020

The company is a central Public Sector undertaking under the administrative control of Ministry of Heavy Industries and majority of its stake is held by Government of India. The significant transactions are with other PSUs, State owned utilities, Railways etc. which are also controlled by Govt. of India directly or indirectly. The transactions with such entities are normal, based on market driven rates at arms length price.

B. Government Director/Independent Director

(₹ in Lakhs)

Government/ Independent Directors	Sitting Fees	
	For the year ended March 31, 2021	For the year ended March 31, 2020
Shri Shashank Priya Government Director	-	-
Shri Amit Varadan Government Director [upto 02.09.2020]	-	-
Shri Amit Mehta Government Director [w.e.f 02.09.2020]	-	-
Shri Desh Deepak Goel Independent Director [upto 11.09.2020]	3.30	6.30
Shri Ranjit Rae Independent Director [upto 11.09.2020]	3.50	6.90
Shri Rajesh Sharma Independent Director	5.10	4.50
Shri Raj Kamal Bindal Independent Director	4.60	0.30
Shri Manish Kapoor Independent Director	4.80	0.30

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

(₹ in Crore)

Name of the Trust	Post Employment benefit plan	Contribution by employer	
		For the year ended March 31	
		2021	2020
PRMB Trust	Post Retirement medical scheme	41.62	-
Gratuity Trust	Gratuity	154.00	48.00
Employees Superannuation Fund	Pension Fund	280.00	92.27
BHEL EPF Trust,Ranipur,Hardwar	Provident Fund	52.21	50.81
BHEL Employee Provident Fund-Trichy	Provident Fund	52.97	56.76
BHEL Employee Provident Fund Bhopal	Provident Fund	50.86	63.52
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	39.25	34.18
BHEL Employee Provident Fund-Hyderabad	Provident Fund	39.36	16.57
BHEL PPD EPF Trust,Chennai	Provident Fund	26.34	25.37
BHEL Employee Provident Fund-Bengaluru	Provident Fund	29.16	33.50

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BHEL (BAP Unit) EPF Trust, Ranipet	Provident Fund	19.24	19.79
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	12.77	21.65
Bharat Heavy Plates & Vessels Limited Employee Contributory Provident Fund-Vizag	Provident Fund	5.45	5.18

iii. Details of Transactions With Joint Ventures and Balances

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Sales of Goods and services		
BGGTS	215.85	169.61
RPCL	7.80	17.28
NBPPL	10.86	2.80
Dividend income		
BGGTS	21.42	16.30
Royalty income		
BGGTS	1.46	1.10
Purchase of Goods and Services		
BGGTS	1.96	0.86
RPCL	-	-
NBPPL	0.75	3.05
Amounts due to BHEL at the end of the year		
BGGTS	68.79	29.45
RPCL	552.00	541.93
NBPPL	195.56	262.51
Amounts due from BHEL (incl. advances) at the end of the year		
BGGTS	0.15	0.24
RPCL	7.67	9.30
NBPPL	56.79	79.16
Provision for Doubtful debts & advances		
NBPPL	187.98	183.90

Note: refer note[5a] for provision for dimunition in value of investments

Note [51] - Disclosure [Movement in provisions] - Ind AS - 37

(₹ in Crore)

a. Liquidated Damages	As at March 31,2021	As at March 31,2020
Opening Balance	8467.67	7549.65
Add: Additions	1546.68	1706.20
Less: Usage/ Write off/payment	98.36	3.88
Less: Withdrawal/adjustments	404.19	784.30
Closing Balance	9511.80	8467.67

Liquidated damages are provided in line with the Accounting Policy of the Company and the same is dealt suitably in the accounts on settlement or otherwise. Contingent liability relating to liquidated damages is shown in Para A (g) of Note 42.

(₹ in Crore)

b. Contractual Obligation	As at March 31,2021	As at March 31,2020
Opening Balance	4319.11	5295.44
Add: Borrowing Cost	141.68	195.61
Add: Additions	447.20	567.75
Less: PV Adjustment	194.95	119.83
Less: Usage/ Write off/payment	87.56	63.11
Less: Withdrawal/adjustments	621.74	1545.18
Add/(Less): Change in estimate and rates	(11.29)	(11.57)
Closing Balance	3992.45	4319.11

The provision for contractual obligation is made considering the effect of time value of money in line with significant Accounting Policy No. 10 to meet the warranty obligations as per the terms and conditions of the contract. The same is retained till the completion of the warranty obligations of the contract. The actual expenses on warranty obligation may vary from contract to contract and on year to year depending upon the terms and conditions of the respective contract. Adjustment in both the accounting periods includes Contractual obligation, pertaining to dues from projects fully provided for, disclosed in Non Current Allowances for B&D Debts.

Note [52] - Disclosure - Revenue from Contracts with Customers - Ind AS-115

a. Movement in impairment provisions

(₹ in Crore)

Particulars	2020-21		2019-20	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	5448.93	805.05	6401.93	654.73
Add: Additions	677.99	337.37	463.41	192.17
Less: Write off	49.34	-	57.60	-
Less: Reversal	1169.17	18.10	1358.81	41.85
Closing balance	4908.41	1124.32	5448.93	805.05

b. Disaggregation of revenue from contracts with customers

(₹ in Crore)

Particulars	Power		Industry		Total
	Within India	Outside India	Within India	Outside India	
2020-21					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time (product/services)	1902.18	10.00	3780.92	21.30	5714.40
(b) Over time	7650.09	1823.78	1107.53	-	10581.40
2019-20					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time (product/services)	1946.05	34.48	3607.92	1.88	5590.33
(b) Over time	9197.31	3782.6	1922.28	2.07	14904.26

(₹ in Crore)

Particulars	2020-21		2019-20	
	Power	Industry	Power	Industry
Revenue from customers				
BIFPCL [Bangladesh]	1653.65	-	3277.17	-
CPSU	2824.59	1791.55	3219.25	2324.72
Railways	-	1497.65	-	1434.87
TSGENCO	1664.61	-	2065.9	-

c. Contract Balances (net of provisions)

(₹ in Crore)

Particulars	As at March 31, 2021	As at March 31, 2020
Trade Receivables	7214.81	11642.10
Contract assets (incl. unbilled revenue)	24079.48	23794.22
Contract liabilities	6864.35	6719.24

d. Contract revenue recognised

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	3591.86	3140.51
Revenue recognised against performance obligation satisfied in previous year (impact due to change in contract revenue)	92.96	727.34

Construction of power projects is a long cycle business, where the contracts received by the company are either EPC contracts (Engineering, Procurement & Construction) or BTG Packages (i.e. Boiler, Turbine and Generator packages). Power projects are long gestation period projects with normal execution period of contract ranging between 3 to 5 years. BHEL scope of services includes supply of equipment, erection, commissioning, synchronizing the plant to the grid, completing the trial operation and providing the guaranteed parameters.

Although there are several components to the overall scope, such projects are generally considered one performance obligation. The control transfers simultaneously over the execution period as the entity performs rather than at discrete points in time and hence revenue is recognized over the period of time based on measure of progress (input cost method)

Note [53]

The Nationwide lockdown, consequent to spread of Covid-19 pandemic globally caused disturbance & slow down of the economic activity. This impacted the Company's operations during the FY 2020-21, which recouped progressively. Based on the internal & external information upto the date of approval of these financial statements, the company expects to recover the carrying amount of its assets, investments, trade receivables, contract assets & inventories. The company will continue to monitor the future economic conditions and assess its impact on its financial statements.

Note [54] - Disclosure pursuant to Ind AS-107 [Financial Instruments - Accounting Classifications and Fair value measurements]

- a. The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables and others reasonably approximates their carrying amount. Trade receivables are evaluated after taking into consideration for Expected Credit Losses. Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique.

Fair value hierarchy

The fair value of financial instruments have been classified in following categories depending on the inputs used in the valuation technique.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

(₹ in Crore)

b. Financial Assets / Liabilities Classification	Carrying Amount	
	As at March 31, 2021	As at March 31, 2020
Financial Assets at amortised cost		
Trade receivables	7214.81	11642.10
Cash & cash equivalent	1527.19	1402.86
Other bank balances	5174.26	5015.73
Loans	-	-
Other financial assets	330.04	345.91
Financial assets at fair value through profit & loss		
Investments (Equity Instruments)	3.58	3.09
Financial liabilities at amortised cost		
Trade payables	8564.59	9905.39
Other financial liabilities	1146.30	1589.64
Finance lease obligation	101.61	132.04
Short term borrowings	4849.28	4947.92

(₹ in Crore)

Financial assets and liabilities measured at fair value- recurring fair value measurements	Level 3 Hierarchy	
	As at March 31, 2021	As at March 31, 2020
Financial assets:		
Investment in unquoted equity instruments	3.58	3.09

c. Valuation Techniques used to determine fair value

Fair value of unquoted equity instruments is determined using Level 3 inputs which include inputs from the financial statements of the investee Company based on Net asset value per share.

Reconciliation of fair value measurement of unquoted equity shares classified as FVTPL assets

	(₹ in Crore)
As at March 31,2020	3.09
Changes in fair value	0.49
As at March 31,2021	3.58

Financial Risk Management**Objectives and Policies**

The company's activities are exposed to different financial risks arising out of natural business exposures to any company operating in the sector. The management of financial risk has always been an integral part of the company's business strategies and policies. The company reviews and aligns its policies and guidelines from time to time to address the financial risks in line with the needs and expectations of its various stakeholders. Exposure risk from the use of financial instruments can be categorized as under:

- a. Credit risk
- b. Liquidity risk
- c. Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and management of Company's capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

BHEL has in place a Board approved Risk Management Charter & Policy which provides overall framework for Risk Management in the company. The objective of the charter is to ensure that the risks are being properly identified, assessed and effectively managed by adopting suitable risk mitigation measures. The company has 3-layer risk management framework. At the first level, the Board Level Risk Management Committee (BLRMC) of the company is assigned with responsibility of reviewing the company's Risk Governance structure, Risk Assessment & Risk Management framework, Guidelines, Policies and Processes thereof. Risk Management Steering Committee (RMSC) at the second level is responsible for adopting & implementing the risk management framework and leading the risk management initiative across the company. Chief Risk Officer (CRO) being the convener of BLRMC & RMSC is responsible for periodic reporting on risk management to Board/ BLRMC. Key risks being faced by the company are analysed starting from Unit level for their respective areas to prepare risk mitigation plans and to ensure implementation.

a) Management of Credit Risk

Credit risk is considered as an integral part of risk reward balance of doing business. BHEL is involved in setting up of power projects pertaining to Government sector (State utilities, PSU's, Railways and other govt. departments etc.) and private sectors in India and abroad. The projects are generally funded by Financial Institutions/ banks or payments are covered by Letter of Credit (LC). The project duration ranges from 3 to 5 years and payments are generally realised in stages as per the terms of the contract including advance, progress payments, milestone payments and also retentions which are released on completion of such projects. Since majority customers profile pertains to Government sector, constituting 78% of total receivables coupled with the fact that the company itself is a CPSE, credit risk is relatively low. In respect of private sectors customers, the payment terms are mainly through LC. The company has well established review mechanism for receivables at various levels within organisation to ensure proper attention and focus for realisation in line with the company policies, procedures and guidelines. The company uses expected credit loss model to assess the impairment loss or gain and the disclosure of the same is made elsewhere. Further, adequate provisions are maintained to address any eventuality.

i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	1527.19	1402.86
Other bank balances	5174.26	5015.73
Other financial assets	330.04	345.91
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss		
Trade receivables	7214.81	11642.10

Concentration of credit risk- Geographical	Percentage of total revenue	
	As at March 31,2021	As at March 31,2020
Within India	92%	92%
Outside India	8%	8%
	100%	100%

The company's exposure to credit risk for trade receivables, contract assets and other receivables by type of counterparty are as follows –

Particulars	Percentage of total trade receivables	
	As at March 31,2021	As at March 31,2020
Central Public Sector Undertakings incl Railways and Govt Deptt	36%	34%
State Electricity Boards	43%	47%
Private Customers and others	13%	11%
Exports	8%	8%
	100%	100%

ii) Impairment losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low.

The movement in the allowance for impairment in respect of loans during the year was as follows:

(₹ in Crore)

Particulars	As at March 31,2021	As at March 31,2020
Balance as at April 1	32.38	22.34
Impairment loss recognised / write off/ withdrawal	(0.43)	10.04
Balance as at March 31	31.95	32.38

(b) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of trade receivables and contract assets during the year was as follows:

(₹ in Crore)

	As at March 31,2021	As at March 31,2020
Balance as at April 1	6250.62	7053.30
Impairment loss recognised	1015.36	655.58
Amounts written off/ withdrawal	(1233.25)	(1458.26)
Balance as at March 31	6032.73	6250.62

The company makes investments out of surplus funds as per investment policy of the company duly approved by the Board and in line with the DPE guidelines. Credit risk on cash and cash equivalents and term deposits is very limited as the company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies.

b) Management of Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash and cash equivalents including term deposits and the availability of Funding through an adequate amount of credit facilities to meet obligations as and when due. Robust cash management system and regular monitoring of cash flows enables management to plan and maintain adequate sources to finance its funds requirement throughout the year. Besides adequate cash and bank balances, company enjoys credit facilities. The company is able to meet all its fund requirements from internal resources i.e. the funds generated from operations and also through short-term borrowings used for better treasury management operations to optimise the returns on investments.

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

(₹ in Crore)

Particulars	As at March 31,2021		As at March 31,2020	
	Within 1 year	Exceeding 1 year	Within 1 year	Exceeding 1 year
Trade payables	6683.51	1881.08	8829.16	1076.23
Deposits from contractors and others	447.92	211.01	492.10	150.99
Finance lease obligations	48.20	53.41	56.67	75.37
Other Payables/liabilities				
Employee dues	126.88	-	289.10	-
Other dues	297.29	-	566.69	-
Capex dues	57.49	5.71	82.73	8.03
Short term borrowings	4849.28	-	4947.92	-
Total	12510.57	2151.21	15264.37	1310.62

c. Management of Market risk

The Company is exposed to certain currency, commodity, interest rate risks arising from its operations. The company has foreign exchange risk management policy to cover the foreign exchange risks. To insulate the company against major commodity price fluctuation, framework agreements including price pass through claims are being entered regularly with supply chain partners including suppliers and customers. Surplus funds generated from operation are kept invested in short term deposits with PSU Banks or large sized private banks only and in debt based schemes of public sector mutual funds, thereby minimizing any chance of risk.

Foreign currency risk exposure -: The company's exposure to foreign currency risk at the end of reporting period, are as follows:

- (i) The derivative instruments that are hedged and outstanding as on 31.03.2021 is NIL (previous year Nil)
(ii) The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

FC ' in Million

(₹ in Crore)

Particulars	As at		As at		As at	
	March 31, 2021		March 31, 2020		March 31, 2021	March 31, 2020
Assets	Euro	Equivalent INR	Euro	Equivalent INR	Others INR	Others INR
Trade receivable	101.84	871.66	148.34	1217.60	1.35	6.34
Contract assets	239.80	2056.26	252.85	2075.37	66.87	70.83
Other assets	13.68	110.08	15.40	122.58	144.71	245.63
Sub Total (A)	355.32	3038.00	416.59	3415.55	212.93	322.80
Liabilities						
Advances from customer	41.03	281.34	42.30	294.89	40.97	37.56
Trade payables and others	39.42	343.91	60.20	507.94	107.92	209.13
Sub Total (B)	80.45	625.25	102.50	802.83	148.89	246.69
Assets (Net of Liabilities A-B)	274.87	2412.75	314.09	2612.72	64.04	76.11

Particulars	As at March 31, 2021		As at March 31, 2020	
	USD	Equivalent INR	USD	Equivalent INR
Assets				
Trade receivable	79.62	582.87	130.45	978.26
Contract assets	316.33	2315.32	335.04	2512.53
Other assets	0.90	6.79	8.20	60.41
Sub Total (A)	396.85	2904.99	473.69	3551.20
Liabilities				
Advances from customer	115.93	675.39	164.40	1037.62
Trade payables and others	144.50	1070.18	196.70	1496.11
Short term borrowings	46.68	345.06	118.67	900.79
Sub Total (B)	307.11	2090.63	479.77	3434.52
Assets (Net of Liabilities A-B)	89.74	814.36	(6.08)	116.68

The above figures are net of provisions, if any

Sensitivity analysis

The impact of strengthening/weakening of the Indian Rupee vis a vis USD, EURO and others as at year end on profit or loss is as shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis is performed on the same basis for previous year, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below.

Particulars	As at			
	March 31, 2021		March 31, 2020	
	Strengthening	Weakening	Strengthening	Weakening
Effect on Profit/(loss)				
1% movement				
Euro	24.13	(24.13)	26.13	(26.13)
USD	8.14	(8.14)	1.17	(1.17)
Others	0.64	(0.64)	0.76	(0.76)

d. Capital Management

The company's objective, while managing capital is to continue business as a going concern, safeguard, preserve and enhance its capital to provide maximum return to shareholders, benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Board of Directors also 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 [55] Consolidated Operating Segment

The Segments have been identified as 'Power' and 'Industry' based on the orders booked by the respective business sectors. The order booked by International operation group is taken to Power or Industry as the case may be.

The Company's Committee of functional Directors has been identified as Chief Operating Decision maker (CODM).

(₹ in Crore)

Particulars	For the year ended 31.3.2021			For the year ended 31.3.2020		
	Power	Industry	Total	Power	Industry	Total
I. Segment Revenue						
Operating Revenue-External	11386.05	4909.75	16295.80	14960.44	5534.15	20494.59
II. Segment Results						
a. Segment Results	(1246.16)	(856.62)	(2102.78)	804.30	(210.71)	593.59
b. Unallocated expenses (Net of income)			1119.20			744.21
c. Profit / (loss) before finance cost & Income tax (a) - (b)			(3221.98)			(150.62)
d. Finance cost (Including unwinding of Interest)			373.95			508.45
e. Net Profit / (loss) before Income Tax (c) - (d)			(3595.93)			(659.07)
f. Income Tax			(896.23)			809.28
g. Net Profit /(loss) after Income Tax (e) - (f)			(2699.70)			(1468.35)
III Assets & Liabilities						
a. Segment Assets	35954.72	8441.74	44396.46	41649.31	9442.52	51091.83
b. Common Assets			10843.75			8656.73
c. Total Assets			55240.21			59748.56
d. Segment Liabilities	19221.65	4492.64	23714.29	21370.29	4779.80	26150.09
e. Common Liabilities			5553.91			4946.82
f. Total Liabilities			29268.20			31096.91
IV Other Information						
a. Capital Expenditure	112.23	38.05		243.40	107.83	
b. Depreciation & Amortization	306.68	118.68		320.44	136.14	
c. Non Cash Expenses (other than depreciation & amortization)	1302.02	499.07		820.48	74.51	

Geographical Segments	Within India	Outside India	Total	Within India	Outside India	Total
1 Net Sales / Revenue from Operations	14440.72	1855.08	16295.80	16673.56	3821.03	20494.59
2. Non- Current Assets (PPE & Intangible Assets)	2884.28	26.42	2910.70	3089.00	42.12	3131.12
3. Capital Expenditure	235.07	2.45	237.52	402.62	12.71	415.33

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

Particulars	Power	Industry	Total	Power	Industry	Total
BIFPCL [Bangladesh]	1653.65	-	1653.65	3277.17	-	3277.17
CPSUs	2824.59	1791.55	4616.14	3007.04	2324.72	5331.76
Railways	-	1497.64	1497.64	-	1434.87	1434.87
TSGENCO	1664.61	-	1664.61	2178.63	-	2178.63

Note [56] - Additional information

(₹ in Crore)

Name of the entity in the Group	Financial Year	Net Assets, i.e., total assets minus total Liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
		As % of Consolidated Net results	Amount	As % of Consolidated Profit or loss	Amount	As % of Total Other Comprehensive Income	Amount	As % of Total Comprehensive Income	Amount
BHEL	2020-21	99.39	25813.96	101.44	(2738.56)	99.65	19.98	101.45	(2718.58)
	2019-20	99.51	28651.65	101.43	(1489.28)	100.05	(273.88)	101.21	(1763.16)
Subsidiary-									
BHEL Electrical Machines Limited (BHEL EML)	2020-21	(0.05)	(12.10)	0.10	(2.69)	0.00	0.00	0.10	(2.69)
	2019-20	(0.03)	(9.44)	0.17	(2.44)	(0.00)	0.01	0.14	(2.43)
Non-controlling Interests in BHEL EML	2020-21	(0.04)	(11.62)	0.10	(2.59)	0.00	0.00	0.10	(2.59)
	2019-20	(0.03)	(9.07)	0.16	(2.35)	0.00	0.00	0.13	(2.35)
Joint Ventures (investment as per the equity method)									
BHEL-GE Gas Turbine Services Private Limited	2020-21	0.70	181.76	(1.63)	44.14	0.35	0.07	(1.65)	44.21
	2019-20	0.55	158.97	(1.75)	25.72	(0.05)	0.13	(1.48)	25.85
NTPC-BHEL Power Projects Private Limited	2020-21	-	-	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-	-	-
Raichur Power Corporation limited	2020-21	-	-	-	-	-	-	-	-
	2019-20	-	-	-	-	-	-	-	-
Total	2020-21	100.00	25972.00	100.00	(2699.70)	100.00	20.05	100.00	(2679.65)
	2019-20	100.00	28651.65	100.00	(1468.35)	100.00	(273.74)	100.00	(1742.09)

Notice

Additional Information

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Note [57]

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

Note [58]

Weighted average cost of borrowing at 7.07% (previous year @ 7.07%) as at the year end has been considered for working out present value of long term provisions and expected credit loss.

Note [59]

Prior period errors which are material are corrected retrospectively by restating the comparative amount for the prior periods presented in which such error occurred. For the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented are restated.

Note [60]

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

Note [61]

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

Note [62]

The Board of Directors has authorised to issue the Financial Statements 2020-21 in its meeting held on June 11 , 2021.

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date attached

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N



(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(CA. Sandeep Sandill)
Partner
M. No. 085747

For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C



(CA. Priyanka Jajoo)
Partner
M. No. 411739

Place : New Delhi

Date : June 11, 2021