

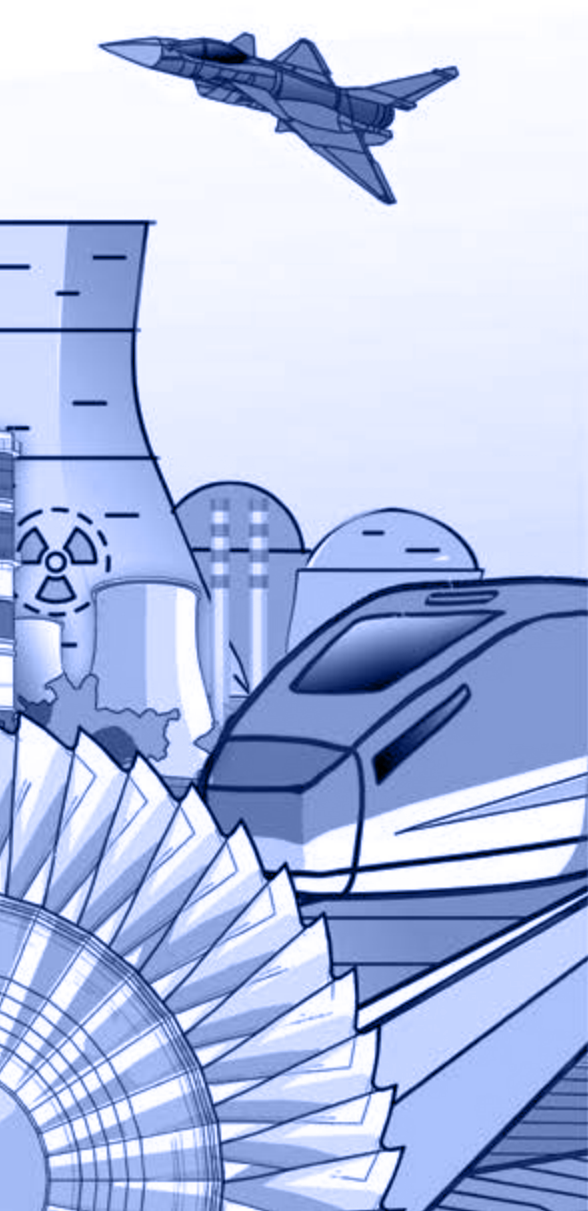


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# Financial Statements

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Standalone Financial Statements .....	190
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# Standalone Balance Sheet as at March 31, 2023

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2023		As at March 31, 2022	
A. ASSETS						
1. Non-current assets						
(a) Property, plant and equipment	3a	203		2408.74		2336.34
(b) Capital work-in-progress	3b	203		344.59		422.32
(c) Intangible assets	4a	204		67.24		62.12
(d) Intangible assets under development	4b	204		9.26		8.66
(e) Financial assets						
(i) Investments	5	212		669.54		669.71
(ii) Trade receivables	6	213		3415.54		3203.84
(iii) Other financial assets	7	215		83.96	4169.04	86.73
(f) Deferred tax assets (net of liabilities)	8	216		3422.62		3530.08
(g) Other non-current assets	9	217		19300.14		18526.54
Total non-current assets				29721.63		28846.34
2. Current assets						
(a) Inventories	10	218		6755.90		6560.21
(b) Financial assets						
(i) Trade receivables	6	213		3128.35		3024.75
(ii) Cash and cash equivalents	11	219		1560.52		732.62
(iii) Bank balances other than cash and cash equivalents	12	219		5082.06		6421.07
(iv) Other financial assets	7	215		278.23	10049.16	211.56
(c) Current tax assets (net)	13	219		226.38		119.24
(d) Other current assets	9	217		13050.84		10792.53
Total current assets				30082.28		27861.98
TOTAL ASSETS				59803.91		56708.32
B. EQUITY AND LIABILITIES:						
3. Equity						
(a) Equity share capital	14	220		696.41		696.41
(b) Other equity	15	221		26565.75		26274.75
Total equity				27262.16		26971.16
4. Liabilities						
4.1 Non-current liabilities						
(a) Financial liabilities						
(i) Lease Liabilities	16	221		33.75		35.12
(ii) Trade payables	17	222				
(i) Total outstanding dues of micro enterprises and small enterprises				128.11		127.45
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises				2065.92		2004.48
(iii) Other financial liabilities	18	224		255.70	2483.48	215.10
(b) Provisions	19	224		4101.02		3771.21
(c) Other non-current liabilities	20	224		2605.81		2212.65
Total non-current liabilities				9190.31		8366.01

# Standalone Balance Sheet as at March 31, 2023

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2023		As at March 31, 2022	
<b>4.2. Current liabilities</b>						
(a) Financial liabilities						
(i) Borrowings	21	225	5385.00		4745.00	
(ia) Lease Liabilities	16	221	34.76		49.81	
(ii) Trade payables	17	222				
(i) Total outstanding dues of micro enterprises and small enterprises			1211.53		745.82	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			8684.30		7003.77	
(iii) Other financial liabilities	18	224	1276.93	16592.52	1124.09	13668.49
(b) Provisions	19	224		2796.63		3066.70
(c) Other current liabilities	20	224		3962.29		4635.96
<b>Total current liabilities</b>				<b>23351.44</b>		<b>21371.15</b>
<b>Total liabilities</b>				<b>32541.75</b>		<b>29737.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				<b>59803.91</b>		<b>56708.32</b>

Basis of preparation, measurement and significant accounting policies 2 198

The accompanying notes [1-57] are an integral part of these financial statements

## For and on behalf of Board of Directors

(Rajeev Kalra)

Company Secretary  
M. No. 14567

(Jai Prakash Srivastava)

Director (E, R&D)  
with additional charge of  
Director (Finance) & CFO  
DIN: 09703643

(Dr. Nalin Shinghal)

Chairman and Managing Director  
DIN: 01176857

## As per our report of even date

**For ABP & Associates**  
Chartered Accountants  
FRN - 315104E

(Bimal Kumar Chanduka)  
Partner  
M. No. 053714

**For PSMG & Associates**  
Chartered Accountants  
FRN - 008567C

(Swati Singh)  
Partner  
M. No. 404531

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

(Vijit Baidmutha)  
Partner  
M. No. 406044

Place: New Delhi  
Date: May 26, 2023

## Standalone Statement of Profit and Loss

For the year ended March 31, 2023

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>				
Revenue from operations	22	226	23364.94	21211.09
Other income	23	227	514.81	367.81
<b>TOTAL INCOME</b>			<b>23879.75</b>	<b>21578.90</b>
<b>EXPENSES</b>				
Cost of raw materials consumed			5875.28	5062.40
Purchases of Bought out items			4657.33	4141.75
Civil, erection and engineering expenses			5421.08	4792.61
Consumption of stores & spares			404.18	271.44
"Changes in inventories of finished goods, work in progress and Scrap"	24	227	(57.15)	525.64
Employee benefits expense	25	228	5700.63	5516.84
Other Expenses	26	228	647.03	162.49
Finance costs	27	231	521.43	354.72
Depreciation & amortisation expense	3.1 4.1	206 211	260.34	314.06
<b>TOTAL EXPENSES</b>			<b>23430.15</b>	<b>21141.95</b>
<b>PROFIT BEFORE TAX</b>			<b>449.60</b>	<b>436.95</b>
<b>Tax expenses</b>	28	232		
a) Current tax			(111.22)	(77.13)
b) Deferred tax			113.27	103.84
<b>PROFIT FOR THE YEAR (A)</b>			<b>447.55</b>	<b>410.24</b>

# Standalone Statement of Profit and Loss

For the year ended March 31, 2023

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>OTHER COMPREHENSIVE INCOME</b>	<b>29</b>	<b>232</b>		
Items that will not be reclassified to profit or loss (net of tax)				
-Remeasurement of defined employee benefits			(17.27)	76.87
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>			<b>(17.27)</b>	<b>76.87</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>			<b>430.28</b>	<b>487.11</b>
<b>Earnings per equity share</b>	<b>30</b>	<b>233</b>		
(1) Basic [Face value of ₹ 2 each]			1.29	1.18
(2) Diluted [Face value of ₹ 2 each]			1.29	1.18

Basis of preparation, measurement and significant accounting policies

2

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The accompanying notes [1-57] are an integral part of these financial statements

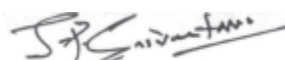


(Rajeev Kalra)

Company Secretary

M. No. 14567

For and on behalf of Board of Directors



(Jai Prakash Srivastava)

Director (E, R&D)  
with additional charge of  
Director (Finance) & CFO  
DIN: 09703643




(Dr. Nalin Shinghal)

Chairman and Managing Director  
DIN: 01176857

For ABP & Associates

Chartered Accountants

FRN - 315104E



(Bimal Kumar Chanduka)

Partner

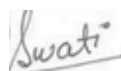
M No. 053714

As per our report of even date

For PSMG & Associates

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FRN - 008567C



(Swati Singh)

Partner

M. No. 404531

For S.L. Chhajer & Co. LLP

Chartered Accountants

FRN - 000709C/C400277



(Vijit Baidmutha)

Partner

M. No. 406044

Place: New Delhi

Date: May 26, 2023

## Standalone Statement of Changes in Equity

For the year ended March 31, 2023

### A. Equity Share Capital

(₹ in Crore)

Equity shares of INR 2 each issued, subscribed and fully paid	Number of shares		Amount	
	2022-23	2021-22	2022-23	2021-22
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, 2023

(₹ 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, 2022	35.18	37.87	30,476.66	(3956.70)	(318.26)	26,274.75
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Reinstated balance as at April 01, 2022	35.18	37.87	30,476.66	(3956.70)	(318.26)	26,274.75
Add: Total comprehensive Income for the year				447.55	(17.27)	430.28
Less: Final dividend [ Note 31]				(139.28)		(139.28)
Balance as at March 31, 2023	35.18	37.87	30,476.66	(3648.43)	(335.53)	26,565.75

# Standalone Statement of Changes in Equity

For the year ended March 31, 2022

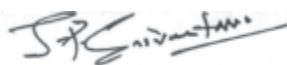
(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings		
Balance as at April 01, 2021	35.18	37.87	30,476.66	(4366.94)	( 395.13)	25,787.64
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Reinstated balance as at April 01, 2021	35.18	37.87	30,476.66	(4366.94)	( 395.13)	25,787.64
Add: Total Comprehensive Income for the year				410.24	76.87	487.11
Balance as at March 31, 2022	35.18	37.87	30,476.66	(3956.70)	(318.26)	26,274.75

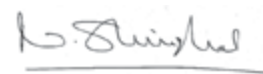


(Rajeev Kalra)  
Company Secretary  
M. No. 14567

For and on behalf of Board of Directors

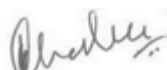


(Jai Prakash Srivastava)  
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with additional charge of  
Director (Finance) & CFO  
DIN: 09703643



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

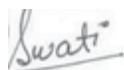
For ABP & Associates  
Chartered Accountants  
FRN - 315104E



(Bimal Kumar Chanduka)  
Partner  
M. No. 053714

As per our report of even date

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FRN - 008567C



(Swati Singh)  
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M. No. 404531

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



(Vijit Baidmutha)  
Partner  
M. No. 406044

Place: New Delhi  
Date: May 26, 2023

# Standalone Statement of Cash Flows

For the year ended March 31, 2023

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit /(Loss) before tax	449.60	436.95
Adjustments for :		
Provision and write off	(86.31)	(1120.06)
Depreciation and amortisation	260.34	314.06
Finance cost (including unwinding of interest)	521.43	354.72
Interest & dividend income	(447.30)	(333.14)
Unrealised Foreign Exchange loss/(gain)	(401.85)	19.26
Amortisation of Government Grant	(8.90)	(6.20)
Others	(33.02)	(6.61)
<b>Cash generated / (used) in operations before working capital changes</b>	<b>253.99</b>	<b>(341.02)</b>
Adjustment for changes in working capital:		
Trade Receivables	92.04	1881.12
Contract Assets	(2370.65)	(2594.15)
Inventories	(192.40)	603.40
Loans, advances & other assets	(262.28)	143.49
<b>Sub total</b>	<b>(2733.29)</b>	<b>33.86</b>
Trade payable	2103.68	1300.85
Advances from customers, deposits and others	(167.84)	(383.70)
Provisions	(308.48)	(358.60)
<b>Sub total</b>	<b>1627.36</b>	<b>558.55</b>
<b>Net cash (used in) / from working capital</b>	<b>(1105.93)</b>	<b>592.41</b>
<b>Cash generated / (used) in operations</b>	<b>(851.94)</b>	<b>251.39</b>
Income Tax paid	(155.54)	(258.00)
Refund of income taxes	265.96	666.88
<b>Net cash (used in) / from operating activities</b>	<b>(741.52)</b>	<b>660.27</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	1358.78	(1251.12)
Interest received	250.72	257.93
Sale proceeds from Investment	25.42	0.00
Dividend received from joint ventures	26.18	30.35
Sale of property, plant and equipment & Intangible Assets	7.76	6.90
Purchase of property, plant and equipment & Intangible Assets (Net)	(188.40)	(169.39)
<b>Net cash (used in) / from investing activities</b>	<b>1480.46</b>	<b>(1125.33)</b>



# Standalone Statement of Cash Flows

For the year ended March 31, 2023

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	640.00	(88.78)
Proceeds / (repayment) of lease obligation (Principal)	(49.77)	(48.79)
Proceeds / (repayment) of lease obligation (Interest)	(7.27)	(9.57)
Dividend paid	(139.18)	(0.30)
Interest paid	(354.82)	(182.06)
<b>Net cash (used in) / from financing activities (refer point 4)</b>	<b>88.96</b>	<b>(329.50)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents</b>	<b>827.90</b>	<b>(794.56)</b>
<b>Opening balance of cash and cash equivalents</b>	<b>732.62</b>	<b>1527.18</b>
<b>Closing balance of cash and cash equivalents [Refer Note 11]</b>	<b>1560.52</b>	<b>732.62</b>

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

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

(3) Closing balance of Cash & Cash Equivalents includes exchange variation loss of ₹ Nil Cr (Previous year ₹ 0.15 cr).

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

(5) During the year the company has accounted for income tax refund amounting to ₹ 266 Cr, including interest income of ₹ 106 Cr.

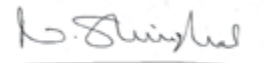


(Rajeev Kalra)  
Company Secretary  
M. No. 14567

For and on behalf of Board of Directors

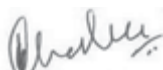


(Jai Prakash Srivastava)  
Director (E, R&D)  
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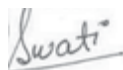
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(Vijit Baidmutha)  
Partner  
M. No. 406044

Place: New Delhi  
Date: May 26, 2023

## Notes to the financial statements for the year ended March 31, 2023

### 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 amended 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)
Plant & equipment	15-30
Buildings	5-60
Electricals installations & equipments	10-30
Erection equipment, Capital tools & tackles	5
Drainage, sewerage & water supply	30
Servers and networks	5
Solar Power Generation Plant	25

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

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

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

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

Temporary structures are fully depreciated in the year of construction.

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

### 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) The Company provides for anticipated costs for warranties when it recognizes revenues on the related products or contracts and maintain the same throughout the warranty period. The provision is based on historical experience / technical assessment.
- (iii) When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.
- (iv) Other provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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

## 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, 2023	As at March 31, 2022
Gross block	6620.97	6330.89
Less: Accumulated depreciation	4212.23	3994.55
<b>Net block (details refer to note 3.1)</b>	<b>2408.74</b>	<b>2336.34</b>

The Net block includes ₹ 155.26 Cr (Previous Year ₹ 154.83 Cr) in respect of RoU assets.

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

## Note [3b] - Non current assets

### Capital work in progress

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Plant & machinery and other equipments:		
Under Erection/ Fabrication/awaiting erection	82.41	131.43
In transit	6.95	9.37
Construction work-in-progress -Civil	253.96	280.12
Construction stores (including in transit)	1.27	1.40
<b>Total</b>	<b>344.59</b>	<b>422.32</b>

### CWIP Ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	115.98	53.36	73.56	89.13	332.03
Projects temporarily suspended	-	0.59	-	11.97	12.56

### CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2023

(₹ in Crore)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Projects in progress</b>					
New Building - Noida	224.76	-	-	-	224.76
Transformer Double bottlenecking	10.27	-	-	-	10.27
Other Projects less than ₹ 10 Crore (Total Nos - 18)	16.99	0.09	-	0.34	17.42
<b>Projects temporarily suspended</b>					
Equipment Fabrication Plant - Bhandara	-	-	-	7.74	7.74
Other Projects less than ₹ 1 Crore (Total Nos - 4)	-	0.28	-	1.60	1.88

**CWIP Ageing schedule - As at March 31, 2022**

(₹ in Crore)

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

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

(₹ in Crore)

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

**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, 2023	As at March 31, 2022
Gross block	327.88	308.92
Less: Accumulated amortisation	260.64	246.80
<b>Net block (details refer to note 4.1)</b>	<b>67.24</b>	62.12

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, 2023	As at March 31, 2022
Intangible assets under development	9.26	8.66
<b>Total</b>	<b>9.26</b>	8.66



**Intangible Assets under development ageing schedule - As at March 31, 2023**

(₹ in Crore)

Particulars	Amount of Intangible Asset under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	5.67	1.05	-	2.54	9.26
Projects temporarily suspended	-	-	-	-	-

**Intangible Assets under development Completion schedule (which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2023**

(₹ in Crore)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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

(₹ in Crore)

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

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

(₹ in Crore)

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

## NOTE 3.1 - Details of Property, Plant & Equipment

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as at 01.04.2022	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2023	Accumulated Depreciation as at 01.04.2022	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2023	Net Block as at 31.03.2023	Net Block as at 31.03.2022
Land - Freehold land (including development expenses)	27.71	0.02	0.00	27.73	0.00	0.00	0.00	0.00	27.73	27.71
Buildings - Freehold Buildings	1743.65	86.92	(6.49)	1824.08	669.59	56.04	(5.48)	720.15	1103.93	1074.06
Roads, bridges & culverts	15.85	0.25	0.00	16.10	14.16	0.60	0.00	14.76	1.34	1.69
Drainage, Sewerage & water supply	31.49	4.73	(0.01)	36.21	8.21	1.17	(0.01)	9.37	26.84	23.28
Plant & Equipment	3209.81	121.78	(5.96)	3325.63	2390.20	117.15	(2.96)	2504.39	821.24	819.61
Railway Siding	8.85	0.00	0.00	8.85	5.31	0.44	0.00	5.75	3.10	3.54
Locomotives & Wagons	28.33	0.00	0.00	28.33	17.57	1.66	0.00	19.23	9.10	10.76
Furniture & fixtures	62.09	9.03	(1.11)	70.01	44.08	4.60	(0.86)	47.82	22.19	18.01
Vehicles	14.33	0.57	(0.00)	14.90	10.24	1.21	(0.00)	11.45	3.45	4.09
Office and Other equipments	141.10	7.72	(1.46)	147.36	120.11	9.69	(1.23)	128.57	18.79	20.99
Electronic Data Processing Equipment	152.83	2.55	9.87	165.25	141.97	8.50	9.89	160.36	4.89	10.86
Electrical Installations	251.67	30.57	4.04	286.28	180.44	4.31	3.31	188.06	98.22	71.23
Construction Equipment	71.85	0.25	(0.21)	71.89	69.22	1.23	(0.21)	70.24	1.65	2.63
Fixed Assets costing upto ₹ 10,000/-	22.05	1.78	(0.91)	22.92	22.05	1.78	(0.91)	22.92	-	-
Solar power generation	119.54	19.84	4.08	143.46	26.48	4.87	1.10	32.45	111.01	93.06
Right-of-use Assets	429.75	33.59	(31.37)	431.97	274.92	33.00	(31.21)	276.71	155.26	154.83
<b>Total</b>	<b>6330.90</b>	<b>319.60</b>	<b>(29.53)</b>	<b>6620.97</b>	<b>3994.55</b>	<b>246.25</b>	<b>(28.57)</b>	<b>4212.23</b>	<b>2408.74</b>	<b>2336.35</b>
Previous Year	6172.41	208.19	(49.71)	6330.89	3746.26	295.79	(47.50)	3994.55	2336.34	2426.15

### Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2023 ₹ 13756.12 Crore and as at 31.03.2022 ₹ 13507.29 Crore

Gross Block as at 31.03.2023 includes assets condemned and retired from active use ₹ 14.90 crore (Previous year ₹ 7.11 crore)

Net Block as at 31.03.2023 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 ₹ 237.42 crore (Previous year ₹ 259.64 crore)

There is no impairment loss during the year.

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

(₹ in Crore)

Description	Gross Block				Depreciation / Amortization				Net Block	
	Opening Balance as at 01.04.2022	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2023	Accumulated Depreciation as at 01.04.2022	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2023	Net Block as at 31.03.2023	Net Block as at 31.03.2022
Land (including development expenses)	118.86	0.98	0.00	<b>119.84</b>	14.13	3.38	(0.00)	<b>17.51</b>	<b>102.33</b>	104.73
Buildings	1.63	0.00	0.00	<b>1.63</b>	0.36	0.05	0.00	<b>0.41</b>	<b>1.22</b>	1.27
Plant & Equipment	37.81	8.46	(6.26)	<b>40.01</b>	23.10	10.62	(6.26)	<b>27.46</b>	<b>12.55</b>	14.71
Office & other equipment	16.84	0.00	(0.33)	<b>16.51</b>	15.02	0.42	(0.31)	<b>15.13</b>	<b>1.38</b>	1.82
EDP Equipment	229.51	15.38	(19.13)	<b>225.76</b>	208.73	13.46	(19.13)	<b>203.06</b>	<b>22.70</b>	20.78
Vehicle	5.50	3.80	(2.87)	<b>6.42</b>	3.08	1.34	(2.74)	<b>1.68</b>	<b>4.74</b>	2.42
Others	19.61	4.97	(2.78)	<b>21.80</b>	10.51	3.73	(2.77)	<b>11.46</b>	<b>10.34</b>	9.10
<b>Total</b>	<b>429.75</b>	<b>33.59</b>	<b>(31.37)</b>	<b>431.97</b>	<b>274.92</b>	<b>33.00</b>	<b>(31.21)</b>	<b>276.71</b>	<b>155.26</b>	<b>154.83</b>
Previous Year	455.37	33.18	(58.80)	<b>429.75</b>	291.18	42.35	(58.61)	<b>274.92</b>	<b>154.83</b>	164.19

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

### 1. (A) Title deeds of Immovable Property not held in the name of BHEL (As on 31/03/2023)

Description of item of property (under the line item of B/S)	Gross Carrying value (₹ in Crore)	Lease/ Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
<b>PPE:-</b>					
Land- Freehold	1.64	State Govt. of Tamil Nadu	No	24-11-2010	Patta (Title Deed) is yet to be obtained
Land- Freehold	1.24	State Govt. of Tamil Nadu	No	Various dates between 13.01.1981 to 17.02.1986	Land transfer documents (Handing over by state govt and taken over by BHEL) are available indicating area and Survey Numbers. Assignment deed is yet to be issued by State Government in favour of BHEL .
Land- Freehold	0.52	State Govt of Telangana	No	1974 onwards	Transfer of title deed in progress, matter taken up with state govt. through TSIIC
Land- Freehold	0.18	State Govt. of Madhya Pradesh	No	Since 1957	Land provided through gazette of Government of India, title deed not available in the name of BHEL.
Land- Freehold	0.11	State Govt of Telangana	No	30-01-1961	Gazette Notification issued for acquisition of Land for setting up of Heavy Electrical Plant (Ref No:171,192,92-A,61,202 in the year 1961 & 63
Land- Freehold	0.08	Bachha Lal S/O Late Ram Kishore	No	08-06-1983	Due to dispute in enhanced compensation Matter is sub judice in Hon'ble High court at Allahabad. Appeal no. 659 of 1995
Land- Freehold	0.0022	B Saroja Devi	No	01-04-1965	There is a dispute between Mrs. B Saroja Devi and M/s BHEL in supreme court. The Supreme Court has referred the case back to High Court for disposal and the same is pending.
Land- Leasehold (Right-of-use of assets)	68.38	464.8287 Acres in the name of Maharashtra Industrial Development Corporation 9.0688 Acres in the name of State Govt. of Maharashtra 2.7676 Acres in the name of Private owners of Land	No	20-03-2013	Full acquisition of proposed land not yet completed.
Building - Freehold	0.11	JB Construction (Builder)	No	34 YEARS	Title in respect of 4 Flats are in dispute between builder & Land Owner
Building - Freehold	0.05	Maharashtra Cooperative Society	No	34 YEARS	6 Flats in name of Cooperative Society. There is no dispute.
Building - Leasehold (Right-of-use of assets)	2.56	State Govt. of Maharashtra	No	01-02-1991	Maharashtra Govt. has not executed the lease of land with MVIRDC, thus MVIRDC can not execute the lease deed for 2 Floors with BHEL.

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

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

Description of item of property (under the line item of B/S)	Gross Carrying value (₹ in Crore)	Lease/ Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
<b>PPE:-</b>					
Land- Freehold	1.64	State Govt. of Tamil Nadu	No	24-11-2010	Assignment deed is yet to be issued by Land Administration Authorities
Land- Freehold	1.24	State Govt. of Tamil Nadu	No	Various dates between 13.01.1981 to 17.02.1986	Land transfer documents (Handing over by state govt and taken over by BHEL) are available indicating area and Survey Numbers. Assignment deed is yet to be issued by State Government in favour of BHEL .
Land- Freehold	0.52	State Govt of Telangana	No	1974 onwards	Transfer of title deed in progress, matter taken up with state govt. through TSIIIC
Land- Freehold	0.18	State Govt. of Madhya Pradesh	No	Since 1957	Land provided through gazette of Government of India, title deed not available in the name of BHEL.
Land- Freehold	0.11	State Govt of Telangana	No	30-01-1961	Gazette Notification issued for acquisition of Land for setting up of Heavy Electrical Plant (Ref No:171,192,92-A,61,202 in the year 1961 & 63
Land- Freehold	0.08	Bachha Lal S/O Late Ram Kishore	No	08-06-1983	Due to dispute in enhanced compensation Matter is sub judice in Hon'ble High court at Allahabad. Appeal no. 659 of 1995
Land- Freehold	0.0022	B Saroja Devi	No	01-04-1965	There is a dispute between Mrs. B Saroja Devi and M/s BHEL in supreme court. The Supreme Court has referred the case back to High Court for disposal and the same is pending.
Land- Leasehold (Right-of-use of assets)	68.38	464.8287 Acres in the name of Maharashtra Industrial Development Corporation 9.0688 Acres in the name of State Govt. of Maharashtra 2.7676 Acres in the name of Private owners of Land	No	20-03-2013	Full acquisition of proposed land not yet completed.
Building - Freehold	0.11	JB Construction (Builder)	No	33 YEARS	Title in respect of 4 Flats are in dispute between builder & Land Owner
Building - Freehold	0.05	Maharashtra Cooperative Society	No	33 YEARS	6 Flats in name of Cooperative Society. There is no dispute.
Building - Leasehold (Right-of-use of assets)	2.56	State Govt. of Maharashtra	No	01-02-1991	Maharashtra Govt. has not executed the lease of land with MVIRDC, thus MVIRDC can not execute the lease deed for 2 Floors with BHEL.

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

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
<b>2. Land and buildings includes</b>		
a i) Acres of land for which formal transfer/lease deed have not been executed (in acres)	<b>8421.02</b>	8421.02
Net Block (₹ in Crore)	<b>64.96</b>	65.68
ii) Number of flats for which formal transfer/lease deed have not been executed (in nos)	<b>12</b>	12
Net Block (₹ in Crore)	<b>1.01</b>	1.06
iii) Acres of land for which the cost paid is provisional; (in acres)	<b>480.04</b>	480.04
[registration charges and stamp duty, (net of provision) would be] accounted for on payment.		
Net Block (₹ in Crore)	<b>61.26</b>	61.98
b. Acres of land leased to Ministry of Defence, Govt. of India Departments & others (in acres)	<b>20.47</b>	29.78
c. Acres of land is under adverse possession/encroachment. (in acres)	<b>873.48</b>	883.66
d. 1297.86 acres (PY 1297.86 acres) of land pending mutation at Haridwar plant for which legal action is in process. It includes land measuring 934 acres (PY 934 acres) which is in BHEL's possession but has been wrongly got mutated in the name of SIDCUL Government of Uttarakhand in the year 2004 & 2007.		
e. Further at Haridwar plant, 8 Acres of land is pending transfer to IOCL /State Government under office memorandum dated 01.12.2003 of Uttarakhand Government.		
(Cost of land of (b to e) mentioned above is not material)		

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
3. i) Total Area of Land in acres	<b>16660.72</b>	16660.72
ii) Free hold land (Sale Deed) / Possessory Rights/license out of 3(i) in acres	<b>15987.38</b>	15987.38
iii) Leasehold land out of 3(i) in acres	<b>673.34</b>	673.34
4. The company provides 100% depreciation on an item of PPE having cost / opening net block up to ₹ 10000/- each. The impact of providing 100% depreciation on an item of PPE on profit, without considering the impact of earlier years is as under :		

(₹ in Crore)

Particulars	As at Mar 31, 2023	As at Mar 31, 2022
100% depreciation on PPE upto ₹ 10,000/- charged off	<b>7.21</b>	6.50
Less: Normal depreciation on above.	<b>(4.39)</b>	(3.53)
Excess amount charged to depreciation for the year	<b>2.82</b>	2.97

5. Properties (i) 2nd Floor office in Chatterjee International Centre, Kolkata (ii) Indora Residential flats, Nagpur – Land & buildings and (iii) Vadodra Township - Land & buildings, having a net block value of ₹ 1.42 Crore, have been identified for sale under asset monetisation drive, subject to requisite approvals.

## 6. Summary Status of capital expenditure:

(₹ in Crore)

Particulars	2022-23	2021-22
Addition to PPE & Intangible Assets	338.82	226.44
Increase/ (Decrease) in CWIP	(77.73)	19.11
Increase/ (Decrease) in Intangible Assets under development	0.60	(7.69)
Increase/ (Decrease) in Capital Advance	0.25	(6.77)
<b>Total</b>	<b>261.94</b>	<b>231.09</b>

## NOTE 4.1 - Detail of intangible assets

(₹ in Crore)

Description	Gross block				Depreciation / Amortization				Net block	
	Opening Balance as at 01.04.2022	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as at 31.03.2023	Accumulated Depreciation as at 01.04.2022	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2023	Net Block as at 31.03.2023	Net Block as at 31.03.2022
<b>Internally Developed</b>										
- Others	71.02	0.44	0.00	71.46	66.66	2.59	0.00	69.25	2.21	4.37
<b>Other than Internally Developed</b>										
- Software	53.05	3.46	(0.25)	56.26	50.52	1.76	(0.25)	52.03	4.23	2.52
- Technical Know-how	184.85	15.31	0.00	200.16	129.62	9.74	0.00	139.36	60.80	55.23
<b>Total</b>	<b>308.92</b>	<b>19.21</b>	<b>(0.25)</b>	<b>327.88</b>	<b>246.80</b>	<b>14.09</b>	<b>(0.25)</b>	<b>260.64</b>	<b>67.24</b>	<b>62.12</b>
Previous Year	290.83	18.25	(0.15)	308.92	228.67	18.27	(0.14)	246.80	62.12	62.16

Gross Block (as per earlier IGAAP) as at 31.03.2023 ₹ 598.12 Crore and as at 31.03.2022 ₹ 584.11 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 joint ventures & point 16 i (B) of Note [2] on Financial Instruments (₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
<b>I Quoted equity instruments</b>		-		-
<b>II Unquoted equity instruments (fully paid up shares)</b>				
<b>(a) Investment in joint ventures (at cost)</b>				
(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	-
		<b>666.42</b>		<b>666.42</b>
<b>(b) Investment in equity instruments fully paid up (at FVTPL)</b>				
(i) Neelachal Ispat Nigam Ltd		-	5000000 (10)	5.00
Add / (Less) : Fair Value Adjustment		-		(5.00)
(ii) AP Gas Power Corporation Ltd.	728960 (10)	0.91	728960 (10)	0.91
Add / (Less) : Fair Value Adjustment		2.22		2.38
(iii) Engineering Projects (India) Ltd.	1892 (10)	*	1892 (10)	*
Share in Co-operative Societies #				
<b>Total</b>		<b>669.54</b>		<b>669.71</b>
*Value of less than INR 1 lakh				
<b>Aggregate amount of unquoted investment</b>		<b>719.33</b>		<b>724.33</b>
<b>Aggregate amount of impairment in value of investments</b>		<b>49.79</b>		<b>54.62</b>

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



## Information about joint ventures and subsidiary

Particulars	Country of incorporation	As at March 31, 2023	As at March 31, 2022
(A) Name of the joint ventures (JVC)		Proportion (%) of ownership	
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	One share less than 50%	One share less than 50%
NTPC-BHEL Power Projects Private Limited (NBPPL)		50%	50%
Raichur Power Corporation Limited (RPCL)		22.14%	22.14%
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) 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.
- (iii) Investment in Neelachal Ispat Nigam Limited has been disposed and sale proceeds of ₹ 25.39 Crore received during the year.

## Note [6] - Financial assets - Trade receivables

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Unsecured, considered good	3743.94	3433.95	3538.39	3340.61
Credit impaired (included in allowances for B&D debts)	11176.04	367.08	11599.09	277.54
	14919.98	3801.03	15137.48	3618.15
Less: Allowances for bad and doubtful debts	11504.44	672.68	11933.64	593.40
<b>Total Trade Recievable (Net)</b>	<b>3415.54</b>	<b>3128.35</b>	<b>3203.84</b>	<b>3024.75</b>

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

Trade receivables includes:

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

## Non current Trade receivable ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					Unbilled Dues	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
I) Undisputed Trade receivables - considered good	50.85	100.34	116.08	78.12	1410.59	-	-	1755.98
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	1.72	0.01	3.56	21.61	1961.06	-	-	1987.96
IV) Disputed Trade receivables - credit Impaired	95.54	91.62	283.17	340.39	10365.32	-	-	11176.04

## Current Trade receivable ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					Unbilled Dues	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
I) Undisputed Trade receivables - considered good	2395.97	331.70	281.11	107.69	317.48	-	-	3433.95
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
IV) Disputed Trade receivables - credit Impaired	2.72	0.81	23.33	14.67	325.55	-	-	367.08

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

(₹ in Crore)

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

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

(₹ in Crore)

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

## Note [7] - Financial assets - Others

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
<b>Security deposits</b>				
Deposits with SEBs, port trust & others				
Unsecured, considered good	83.96	116.98*	81.80	112.86*
Credit impaired	3.59	11.32	2.87	11.69
	87.55	128.30	84.67	124.55
Less: Allowances for bad & doubtful deposits	3.59	11.32	2.87	11.69
	83.96	116.98	81.80	112.86
Bank deposits with more than 12 months maturity	-	-	4.93	-
Interest accrued on banks deposits	-	140.68	-	76.62
<b>Advance to Employees</b>	-	20.61	-	22.19
Less: Allowance for bad and doubtful advances	-	0.04	-	0.11
		20.57		22.08
<b>Total</b>	<b>83.96</b>	<b>278.23</b>	<b>86.73</b>	<b>211.56</b>
*includes amount deposited with courts of ₹ 88.79 crore (previous year ₹ 81.77 crore)				
Includes:				
Due from Directors	-	-	-	-
Dues from Officers	-	0.01	-	0.01

## Note [8] - Non current assets

### Deferred tax assets (net of liabilities)

Refer point 13 of Note [2] for accounting policy on Income Tax

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Provisions	1654.02	1629.68
Dues allowed on payment basis	549.35	440.00
Depreciation (PP&E and Intangible assets)	12.13	46.04
On account of taxable loss	1105.79	1311.74
Others	101.33	102.62
<b>Sub-Total</b>	<b>3422.62</b>	<b>3530.08</b>
Less : Deferred tax liabilities	-	-
<b>Deferred tax assets (net of liabilities)</b>	<b>3422.62</b>	<b>3530.08</b>

### Movement of deferred tax balances

(₹ in Crore)

Particulars	Balance as at April 01, 2022	Recognized in retained earnings	Recognized in statement of profit & loss a/c	Recognized in OCI	Balance as at March 31, 2023
<b>Deferred tax assets</b>					
Provisions	1629.68	-	24.34	-	1654.02
Dues allowed on payment basis	440.00	-	103.54	5.81	549.35
Depreciation (PP&E and Intangible assets )	46.04	-	(33.91)	-	12.13
On account of taxable loss	1311.74	-	(205.95)	-	1105.79
Others	102.62	-	(1.29)	-	101.33
<b>Subtotal</b>	<b>3530.08</b>		<b>(113.27)</b>	<b>5.81</b>	<b>3422.62</b>
Less: Deferred tax liabilities		-	-	-	-
<b>Deferred tax assets (net of liabilities)</b>	<b>3530.08</b>	-	<b>(113.27)</b>	<b>5.81</b>	<b>3422.62</b>

## Note [9] - Other Assets

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
<b>Contract assets (including unbilled revenue)</b>				
Unsecured, considered good	18928.58	10811.45	18248.24	8691.63
Credit impaired	2773.38	584.87	2768.53	663.72
	21701.96	11396.32	21016.77	9355.35
Less: Allowances for bad and doubtful debts	2773.38	584.87	2768.53	663.72
<b>Sub-total (A)</b>	18928.58	10811.45	18248.24	8691.63
<b>Security deposits</b>				
Deposits with tax authorities and others				
Unsecured, considered good	103.09	378.58	79.96	443.32
Unsecured, considered doubtful	31.19	71.19	30.45	89.74
	134.28	449.77	110.41	533.06
Less: Provision for bad & doubtful deposits	31.19	71.19	30.45	89.74
<b>Sub-total (B)</b>	103.09	378.58	79.96	443.32
<b>Loans &amp; advances</b>				
Unsecured, considered good				
Advances towards purchases (Vendors & sub - Contractors)	41.14	128.69	41.54	56.42
Input Tax credit receivable	-	1079.97		958.31
Claims recoverable and others	210.04	652.15	139.76	642.85
Capital advances	17.29	-	17.04	-
Unsecured, considered doubtful				
Advances towards purchases (Vendors & sub - Contractors)	11.92	9.65	11.50	35.69
Input Tax credit receivable	-	6.44		5.38
Claims recoverable and others	90.29	149.02	49.67	111.92
Capital advances	-	-	4.69	-
	370.68	2025.92	264.20	1810.57
Less: Provision for bad & doubtful loans & advances	102.21	165.11	65.86	152.99
<b>Sub-total (C)</b>	268.47	1860.81	198.34	1657.58
<b>Total (A+B+C)</b>	19300.14	13050.84	18526.54	10792.53

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
I) Undisputed Contract Assets - considered good	15020.29	10811.45	13874.67	8691.63
II) Undisputed Contract Assets - credit impaired	-	-	-	-
III) Disputed Contract Assets - considered good	3908.29	-	4373.57	-
IV) Disputed Contract Assets - credit Impaired	2773.38	584.87	2768.53	663.72
<b>Total</b>	21701.96	11396.32	21016.77	9355.35
<b>Loan &amp; advances includes :</b>				
(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, 2023		As at March 31, 2022	
Raw material & components	2900.92		2784.94	
Material-in-transit	127.98	3028.90	129.30	2914.24
Work-in-progress		3482.75		3349.47
(including items with sub-contractors)				
Finished goods	422.57		518.09	
Inter - division transfers in transit	89.20	511.77	89.85	607.94
Stores & spare parts				
Production	149.68		151.94	
Fuel stores	6.14		5.70	
Miscellaneous	47.37	203.19	50.32	207.96
Other Inventory				
Materials with fabricators/contractors	85.43		60.10	
Loose tools	24.35		24.32	
Scrap (at estimated realisable value)	163.30	273.08	143.26	227.68
		7499.69		7307.29
Less: Provision for non-moving inventory		743.79		747.08
<b>Total</b>		<b>6755.90</b>		<b>6560.21</b>
<b>Note :</b>				
Write down of inventories		59.72		76.77
Less : reversal thereof		63.01		49.15
<b>Net</b>		<b>(3.29)</b>		<b>27.62</b>

## Note [11] - Current assets

### Financial assets - Cash & cash equivalents

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
Balances with banks				
EEFC a/c	226.21		28.20	
Current / cash credit a/c *	1205.22	1431.43	687.82	716.02
Cheques, demand drafts on hand		128.99		13.06
Cash & stamps on hand		0.08		0.08
Remittances in transit		0.02		3.46
<b>Total</b>		<b>1560.52</b>		<b>732.62</b>

\* Includes ₹ 112.23 Cr in escrow account for specified projects.

## Note [12] - Current assets

### Financial assets - Bank balances

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
Fixed deposits having maturity more than 3 months but not more than 12 months		4852.34		6211.12
Fixed deposits against margin money for BG issued		213.43		202.65
Balances with banks (earmarked):				
Charging station project	7.06		3.94	
Unclaimed dividend a/c	1.91		1.81	
CEFC A/c	6.92		-	
Non-repatriable a/c	0.37		1.52	
Sale proceeds of fractional shares on bonus issue	0.03	16.29	0.03	7.30
<b>Total</b>		<b>5082.06</b>		<b>6421.07</b>
<b>Total Cash and Bank Balances [11 + 12]</b>		<b>6642.58</b>		<b>7153.69</b>

## Note [13] - Current assets

### Current tax assets / liabilities (net)

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
Advance tax & TDS		285.80		180.71
Less: Provisions for taxation		59.42		61.47
<b>Total</b>		<b>226.38</b>		<b>119.24</b>

## Note [14] - Equity

### Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
<b>A Equity share capital</b>				
<b>Authorised</b>	<b>10000000000</b> (2)	<b>2000.00</b>	10000000000 (2)	2000.00
<b>Issued, subscribed and fully paid up</b>	<b>3482063355</b> (2)	<b>696.41</b>	3482063355 (2)	696.41
<b>a) The reconciliation of the number of equity shares outstanding</b>				
Balance as at the beginning of the year	<b>3482063355</b>	<b>696.41</b>	3482063355	696.41
Add/(Less): Changes during the year	-	-	-	-
Balance as at the end of the year	<b>3482063355</b>	<b>696.41</b>	3482063355	696.41
<b>b) Details of shares held by shareholders holding more than 5% of shares at the end of the year</b>				
President of India (Promoter)	<b>2199650402</b>	<b>63.17%</b>	2199650402	63.17%
Percentage change of Promoter holding during the year		<b>Nil</b>		Nil
Life Insurance Corporation of India	<b>350770257</b>	<b>10.07%</b>	350769757	10.07%
Face value per share in (₹)		<b>2.00</b>		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 (In immediately preceding five years ended March 31, 2023)

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 (In immediately preceding five years ended March 31, 2023)

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 ₹ 16,28,29,51,470 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 [15] - Other Equity

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	35.18	35.18
Capital redemption reserve	37.87	37.87
General reserves	30476.66	30476.66
Retained earnings	(3648.43)	(3956.70)
OCI (Re-measurements of defined benefit plans)	(335.53)	(318.26)
<b>Total</b>	<b>26565.75</b>	<b>26274.75</b>

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

### Nature and purpose of reserves:

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

## Note [16] - Financial liabilities - Lease Liabilities

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Lease Liabilities	33.75	34.76	35.12	49.81
<b>Total</b>	<b>33.75</b>	<b>34.76</b>	<b>35.12</b>	<b>49.81</b>

Further disclosures available at Note [39] on lease

## Note [17] - Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
<b>Trade payables</b>				
(i) Total outstanding dues of micro enterprises and small enterprises	128.11	1211.53	127.45	745.82
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2065.92	8558.03	2004.48	6881.11
(iii) Acceptances	-	126.27	-	122.66
<b>Total</b>	<b>2194.03</b>	<b>9895.83</b>	<b>2131.93</b>	<b>7749.59</b>

### Micro and small enterprises disclosure

(i) The principal amount remaining unpaid to supplier as at the end of the accounting year *	1359.41	886.81
(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 17 & 18 to Micro and Small enterprises . The amount shown here is not due for payment contractually as on March 31, 2023.

## Non current Trade Payable Ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment \$	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
I) MSME	-	-	-	-	-	125.82	125.82
II) Others	-	-	-	-	0.36	1710.97	1711.33
III) Disputed dues - MSME	-	-	-	2.29	-	-	2.29
IV) Disputed dues - Others *	1.51	59.06	9.86	271.70	0.09	12.37	354.59

## Current Trade Payable Ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment \$	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
I) MSME	0.02	-	-	-	196.38	1010.60	1207.00
II) Others	581.83	0.58	0.27	2.10	1534.73	6455.49	8575.00
III) Disputed dues - MSME	-	-	-	-	-	4.53	4.53
IV) Disputed dues - Others *	-	-	-	6.98	-	102.32	109.30

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

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment \$	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
I) MSME	-	-	-	-	0.04	125.96	126.00
II) Others	-	-	-	-	0.21	1637.95	1638.16
III) Disputed dues - MSME	-	-	-	0.50	-	0.95	1.45
IV) Disputed dues - Others *	0.32	59.58	27.22	261.62	0.09	17.49	366.32

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

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment				Unbilled Dues	Not Yet due for payment \$	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years			
I) MSME	-	-	-	-	166.16	579.66	745.82
II) Others	2.41	-	-	-	1497.22	5488.49	6988.12
III) Disputed dues - MSME	-	-	-	-	-	-	-
IV) Disputed dues - Others *	0.04	0.97	0.51	13.10	-	1.03	15.65

\$ Not yet due represents contractually retained amounts subject to settlement on achievement of milestones.

\* Break up of outstanding is given based on contractually due date but these will be paid only if resolution of dispute occurs in their favour.

## Note [18] - Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Deposits from contractors & others	247.10	416.66	206.45	431.36
<b>Liabilities :</b>				
- Employee dues	-	384.33	-	214.05
- Capital Expenditure ~	8.60	111.50	8.65	80.83
- Others*	-	354.33	-	386.92
Unpaid Dividend**	-	1.91	-	1.81
Interest accrued on borrowings	-	8.20	-	9.12
<b>Total</b>	<b>255.70</b>	<b>1276.93</b>	<b>215.10</b>	<b>1124.09</b>

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

~ includes MSME Rs 19.77 Cr for FY 2022-23 & Rs 13.54 Cr for FY 2021-22

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

## Note [19] - Provisions

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Contractual obligation	2990.16	784.26	2620.03	1235.45
Provision for employee benefits*	878.37	1383.68	856.82	1060.62
Provision others	232.49	622.54	292.69	760.14
Corporate social responsibility**	-	6.15	1.67	10.49
<b>Total</b>	<b>4101.02</b>	<b>2796.63</b>	<b>3771.21</b>	<b>3066.70</b>

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

\*\* (Disclosure as per point vii of Note 26 (vii) on CSR expense)

## Note [20] - Other liabilities

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
"Contract liabilities (Advances received from customers incl.excess of billing over revenue)"	2585.67	3049.34	2193.43	3854.33
Liabilities towards statutory dues	-	908.32	-	775.55
Deferred income- Govt. grant #	20.14	4.63	19.22	6.08
<b>Total</b>	<b>2605.81</b>	<b>3962.29</b>	<b>2212.65</b>	<b>4635.96</b>

#Govt. grant is received for setting up of solar PV plant and manufacturing of modules , CEFC (Common Engineering Facility Centre) scheme

## Note [21] - Current Financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Loans from banks (secured by fixed deposits)	1115.00	-
Loans from banks (secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)	4270.00	4745.00
<b>Sub-total (A)</b>	<b>5385.00</b>	4745.00
<b>Unsecured</b>		
<b>Sub-total (B)</b>	-	-
<b>Total borrowings (A+B)</b>	<b>5385.00</b>	4745.00

### (i) Details of sanctioned limits

Description	Sanctioned Limit	Utilization			
		As at March 31, 2023		As at March 31, 2022	
		Value (₹ / Cr)	% Utilisation	Value (₹ / Cr)	% Utilisation
<b>Non Fund Based Limits</b>	<b>54000</b>	<b>33602</b>	<b>62.23%</b>	<b>33936</b>	<b>62.84%</b>
Bank Guarantees#	51000	30853	60.50%	31369	61.51%
Letter of Credit (inc. Buyer's Credit)	3000	2749	91.63%	2567	85.57%
<b>Fund Based Limits</b>	<b>6000</b>	<b>4270</b>	<b>71.17%</b>	<b>4745</b>	<b>79.08%</b>
WCDL		4270		4745	
PCFC		NIL		NIL	
<b>Commercial Paper</b>	<b>5000</b>	<b>NIL</b>		<b>NIL</b>	

"Total Consortium limit (fund based + non fund based) of ₹ 60000 Cr secured by first charge by way of hypothecation of raw materials, components, work in progress, finished goods, stores, trade receivables and other current assets both present and future.

Company has been in discussion with Consortium Banks on reallocation of Banks limit (Fund Base ₹ 9000 Crore and Non Fund ₹ 51000 crore) keeping overall limits unchanged at ₹ 60000 crore."

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

# Outstanding Bank Guarantees include ₹ 4 Crore (P.Y. ₹ 439 Cr.) on a/c of BGs already replaced but pending vacation as on March 31, 2023. Excluding this, the outstanding BGs as on 31.03.2023 is ₹ 30849 Cr. (Previous Year 30930 Cr.)

- (ii) Loan from Banks ₹ 4270 Cr in FY 2022-23 represents WCDL (Working Capital Demand Loan) & ₹ 1115 Cr Loans against Fixed Deposits. For Previous Year, ₹ 4745 Cr Loans represents WCDL.
- (iii) The company has not been declared wilful defaulter by any Bank / Financial Institution.
- (iv) The quarterly returns or statements of current assets filed by the Company with Banks or Financial Institutions are in agreement with Books of accounts.
- (v) Corporate Guarantees given for own obligations outstanding as on 31.03.2023 is ₹ 403 crore (previous year ₹ 1165 crore).

(vi) Change in Borrowings arising from Financing activities

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance (excl. cash credit)	4745.00	4833.78
Cash Flow during the year	640.00	(88.78)
Closing Balance (excl. cash credit)	5385.00	4745.00

For changes in lease liability arising from financing activities, refer note no [b] of Note 36

## Note [22]

### Revenue from operations

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
Revenue from Construction and Project related activity	16083.09	14107.10
Sale of Product & Other services	6053.21	6046.28
<b>Total (A)</b>	<b>22136.30</b>	<b>20153.38</b>
<b>Other operational income</b>		
Freight & insurance	187.84	129.35
Scrap sales	299.90	273.63
Recoveries from suppliers	131.33	113.98
Liabilities written back	406.22	239.95
Insurance claims	47.94	76.51
Export incentives	19.63	50.50
Others	135.78	173.79
<b>Total (B)</b>	<b>1228.64</b>	<b>1057.71</b>
<b>Revenue from operations (A + B)</b>	<b>23364.94</b>	<b>21211.09</b>
Revenue from Operations excludes Goods and service tax :	3566.00	2970.00

## Note [23]

### Other income

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income *</b>		
From banks	302.35	246.75
Others	118.77	56.04
<b>Sub-total (A)</b>	<b>421.12</b>	302.79
<b>Dividend income</b>		
Dividend on investment in joint ventures (long term trade)	26.18	30.35
<b>Sub-total (B)</b>	<b>26.18</b>	30.35
<b>Other income</b>		
Profit on sale of Investment - NINL	25.42	-
Government grants on Solar PV Plant for captive use / CEFC	8.90	6.20
Profit from sale of PPE & capital stores (Net)	7.76	6.90
Others	25.43	21.57
<b>Sub-total (C)</b>	<b>67.51</b>	34.67
<b>Total other income</b>	<b>514.81</b>	367.81
*Includes TDS	13.44	18.92

## Note [24]

### Changes in inventories of finished goods, work in progress and Scrap (Accretion) / Decretion

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Work -in -progress</b>		
Closing balance	3482.75	3349.47
Opening balance	3349.47	3786.38
<b>Finished goods</b>		
Closing balance	422.57	518.09
Opening balance	518.09	628.72
<b>Scrap</b>		
Closing balance	163.30	143.26
Opening balance	143.26	147.46
<b>Inter-division transfer in transit</b>	0.65	(26.10)
<b>(Accretion) / Decretion</b>	<b>(57.15)</b>	525.64

## Note [25]

### Employee benefits expense

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages, bonus, allowances & other benefits	4859.69	4710.99
Contribution to provident and other funds	473.56	460.01
Staff welfare expenses	244.69	239.89
Contribution to gratuity fund	114.14	95.78
Group insurance	8.55	10.17
<b>Total</b>	<b>5700.63</b>	<b>5516.84</b>

## Note [26]

### Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power & fuel	487.67	415.08
Expenditure on other sub contracts	243.91	243.72
Carriage outward	249.55	241.23
Payment to security agencies	153.97	148.93
Repairs & maintenance:		
Buildings	33.00	27.32
Plant & machinery	32.41	26.44
Others	77.55	74.05
Insurance	108.03	95.88
Travelling & conveyance	110.59	84.89
Bank charges	90.76	92.17
R&D expense	12.81	12.10
Hire charges	51.01	48.22
Expenditure on collaborations & royalty	54.61	45.21
Rates & taxes	36.62	23.04
Office expense	29.32	27.32
Expenditure on skill development	11.47	12.83
Legal, audit & certification expense	47.67	32.45
EDP, software & lease line expense	17.61	17.40
Water charges	22.83	20.50
Rent non-residential	9.85	12.77
Expenditure in connection with exports	8.64	8.01



## Note [26]

### Other Expenses (Contd.)

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Entertainment & courtesy expenses	3.14	2.73
Environmental protection	5.14	4.59
Seminar, development and training expense	2.90	1.28
Unrealised loss in investment of equity share	0.16	0.29
Publicity & public relation expense	3.62	1.94
Miscellaneous expense	49.29	49.97
Exchange variation [Net (gain) / loss]	(459.93)	(81.62)
Provision and Write off (Details at point no vi below)	(847.17)	(1526.25)
<b>Total</b>	<b>647.03</b>	<b>162.49</b>

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Further Details</b>		
(i) Legal, audit & certification expense includes :		
Payment to Statutory Auditors:		
Audit fees	1.01	0.97
Tax audit	0.22	0.21
Quarterly limited review & others	0.60	0.60
Audit expense	0.12	0.08
Payment to Cost Auditors fees:	0.16	0.15
(ii) Director's fees	0.26	0.25
(iii) Expenditure on departmental repair & maintenance:		
Plant & machinery	175.59	159.08
Buildings	31.41	33.06
Others	33.34	33.09
(iv) Expenditure on research & development	128.49	122.83
(v) Expenditure on foreign travel		
No. of tours	302	127
Expenditure	5.57	1.92

## (vi) Provisions and write off

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
<b>Doubtful debts, liquidated damages and loans, advances &amp; deposits</b>				
Created during the year	<b>885.10</b>		729.55	
Less: withdrawal during the year	<b>1112.29</b>	<b>(227.19)</b>	2209.16	(1479.61)
<b>Contractual obligations</b>				
Created during the year	<b>313.68</b>		151.95	
Less: withdrawal during the year	<b>881.27</b>	<b>(567.59)</b>	526.44	(374.49)
<b>Other Provisions</b>				
Created during the year	<b>171.95</b>		367.26	
Less: withdrawal during the year	<b>372.24</b>	<b>(200.29)</b>	389.38	(22.12)
Investment written off				5.36
Bad debts written off		<b>30.62</b>		98.34
Liquidated damages & contractual charges charged off		<b>113.55</b>		233.59
Losses written off		<b>3.73</b>		12.68
<b>Total Provisions and Write off</b>		<b>(847.17)</b>		(1526.25)

## (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, 2023	As at March 31, 2022
A. Amount required to be spent during the year	-	-
B. Amount available from previous year	<b>12.16</b>	21.27
<b>C. Total (A+B)</b>	<b>12.16</b>	21.27
D. Amount spent during the year on-		
'(i) Construction/ acquisition of any asset	-	-
'(ii) On purposes other than (i) above	<b>6.01</b>	9.11
<b>Total</b>	<b>6.01</b>	9.11
Amount carried forward:	<b>6.15</b>	12.16
Current	<b>6.15</b>	10.49
Non-current	-	1.67

(₹ in Crore)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	In Cash	Yet to be paid in Cash	In Cash	Yet to be paid in Cash
(i) Construction / acquisition of any asset	-	-	-	-
(ii) On purposes other than (i) above	4.69	1.32	6.14	2.97
<b>Total</b>	<b>4.69</b>	<b>1.32</b>	<b>6.14</b>	<b>2.97</b>
Type of CSR activities	Health, Cleanliness, Education, Responsibility & Inclusivity, Disaster Relief , Water, Biodiversity, Carbon and Waste Management			

Unspent amount on ongoing projects ₹ 21.27 Cr. was transferred in 2020-21 year to a separate bank account as per Companies (CSR policy) Amendment Rules, 2021 and being used for the purpose.

## Note [27]

### Finance costs

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Discount on commercial papers		51.17		137.41
Unwinding of provisions		160.50		156.01
Interest cost:				
Banks / Financial Institutions	296.55		46.65	
Foreign Financial Institutions	1.45		0.74	
On lease obligation	7.03		8.50	
Others	4.24	309.27	4.01	59.90
Other expenses on issuance of Commercial paper		0.49		1.40
<b>Sub-total</b>		<b>521.43</b>		<b>354.72</b>
Less: Borrowing cost capitalised		-		-
<b>Total</b>		<b>521.43</b>		<b>354.72</b>

## Note [28]

### Tax expenses

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
<b>Current tax</b>				
For current year	47.88		48.86	
For earlier years	(159.10)	(111.22)	(125.99)	(77.13)
<b>Deferred tax</b>				
For current year	114.02		108.96	
For earlier years	(0.75)	113.27	(5.12)	103.84
<b>Total</b>		2.05		26.71

## Note [29]

### Other comprehensive income / expenditure

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income / (expenditure)</b>		
Re measurement of defined employee benefits	(23.08)	102.72
Less: Income tax related to above items *	(5.81)	25.85
<b>Total</b>	(17.27)	76.87
* Includes		
Current tax	-	-
Deferred tax	(5.81)	25.85

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Total Comprehensive Income / Loss (TCI) before tax (A)</b>	426.52	539.67
<b>Statutory income tax rate (B)</b>	25.168%	25.168%
<b>Tax expense C = (AXB)</b>	107.35	135.82
<b>Difference due to: (D)</b>		
Expenses not deductible for tax purposes	48.74	48.61
Difference in tax due to Income chargeable to tax at special rate	-	(0.76)
Change in tax expense - earlier years	(159.85)	(131.11)
<b>Subtotal (D)</b>	(111.11)	(83.26)
<b>Net Tax Expense E = (C+D)</b>	(3.76)	52.56

## Note [30]

### Earnings per share

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (loss) attributable to equity shareholders	447.55	410.24
Weighted average number of equity shares	348.21	348.21
<b>Basic and diluted earnings per share of INR 2 each</b>	<b>1.29</b>	<b>1.18</b>

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

## Note [31]

### Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Proposed dividend on equity shares not recognised as liability</b>		
Proposed final dividend of ₹ 0.40 per share for FY 2022-23 (FY 2021-22 ₹ 0.40 per share).	139.28	139.28

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

## Note [32] Contingent liabilities and commitments

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Contingent liabilities</b>		
<b>Claims against the company not acknowledged as debt :</b>		
(a) Sales tax matters	1227.09	1279.61
(b) Service tax matters	606.56	920.46
(c) Court & arbitration matters	711.81	592.77
(d) Excise duty matters	166.39	162.18
(e) Customs duty and others	934.51	880.06
(f) Goods & Service Tax	4.14	-
(g) Other matters ( incl. disputed staff cases)	59.69	48.37
(h) Claim towards Liquidated damages (LD)	3596.61	2872.25
<b>Total</b>	<b>7306.80</b>	<b>6755.70</b>

- (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 (g), if any, due to pending resolution of the respective proceedings. However, the chances of cash outflow are contingent.
- (iii) Liquidated damages represents likely claims or amount withheld by customer on account of delay in execution of projects which will be settled after commissioning and trial operation of project based on delay analysis and is being disclosed in line with Ind AS -37.

**(iv) Movement in contingent liabilities**

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	<b>6755.70</b>	6045.49
Less: Reduction out of opening balance	<b>727.70</b>	129.84
Add: Additions (net) during the year	<b>1278.81</b>	840.05
<b>Balance at the end of the year</b>	<b>7306.80</b>	6755.70

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>B. Commitments</b>		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for.	<b>282.05</b>	209.20
-- (The above includes related to acquisition of intangible assets)	<b>32.71</b>	7.56
(b) Investment in the Joint Venture entity (NBPPL) for which the company has restrictions for their disposal for five years from the date of incorporation /commercial operation of the project/first unit of the project/completion of first EPC contract, as the case may be. This investment has been fully provided for.	<b>50.00</b>	50.00

- (c) In view of the nature of business, being long term construction contracts there may be other commitments for purchase of material etc., which has been considered as normal business process.

**Note [33]**

Current Financial liabilities includes a sum of ₹ Nil (previous year ₹ 100.51 Crore) towards guarantee fee demanded by the Government of India in respect of foreign currency loans taken by the Company at the instance of the Government upto 1990-91. Since there was no stipulation for payment of such guarantee fee at the time the loans (guaranteed by Government) were taken by the company, the same is reversed after review.

**Note [34]**

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

**Note [35]**

Balance shown under Trade receivables, Trade payables, contractors' advances, deposits and stock / materials lying with sub-contractors/ fabricators are subject to confirmation, reconciliation & consequential adjustment, if any. The Company is in the business of long term construction contracts, bills are raised on the customers as per contract in line with billing schedule approved by the customer and the reconciliation is carried out on ongoing basis & provisions made, wherever considered necessary. Final reconciliation with customer is done on completion of project (Trial Operation and PG Test completed). Trade Receivable of Completed Projects stand at ₹ 7963 Cr (Previous Year 7593 Cr.). Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹ 6185 Cr. (previous year ₹ 6376 crore).

## Note [ 36 ]

### Disclosure on Leases - Ind AS 116

#### Lease Commitments - Company as Lessee

The company's significant leasing agreements are in respect of land, building and EDP equipments. The company has entered into a rate contract for lease arrangement for computer items, printers, video conferencing equipments and peripherals. Assets taken on lease are capitalised and disclosed separately as Right-of-use assets in the property, plant and equipment. The lease rentals are allocated between interest, maintenance and principal value. The interest and maintenance charges are charged to Statement of Profit and Loss and principal amount is adjusted to lease obligations.

#### The company has applied the following available practical expedients :

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

#### a) Age-wise analysis of Lease Liabilities are as follows

(₹ in Crore)

Particulars	Future minimum lease payments		Interest		Present value [PV] of minimum lease payments	
	As at		As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Not later than 1 year #	36.62	54.51	3.52	6.60	33.10	47.91
Later than 1 year and not later than 5 years	34.60	40.52	2.78	5.40	31.82	35.12
Later than 5 years	2.14	-	0.21	-	1.93	-

# The amount of future minimum lease payments in respect of leases where remaining lease term as at the end of March 31, 2023 is less than 12 months is ₹ 16.70 cr (Previous year ₹ 7.56 cr).

#### b) Movement in lease liabilities during the FY year 2022-2023

(₹ in Crore)

Particulars	As at	
	March 31, 2023	March 31, 2022
Lease Liabilities As at April 1*	84.93	101.61
Add: Additions	33.58	33.18
Add: Accretion of interest	7.03	8.50
Less : Payments/Adjustment	57.04	58.36
Lease Liabilities as at March 31*	68.50	84.93

\* includes interest accrued of ₹ 1.66 crore ( PY ₹ 1.90 crore) & ₹ 1.90 crore (PY ₹ 2.96 crore) as at March 31, 2023 & March 31, 2022 respectively

**c) Amounts recognised in profit or loss:**

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Expense relating to Short-term leases	4.91	2.27
Expense relating to low value assets leases	1.26	1.23
Depreciation charge of right-of-use assets	33.00	42.35
Interest expense (included in finance cost)	7.03	8.50

**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, 2023	March 31, 2022
Not later than 1 year	0.04	-
Later than 1 year and not later than 5 years	0.06	-
Later than 5 years	-	-

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

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

- 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					
	2023	2022	2023	2022	2023	2022
Opening balance	1933.60	2005.26	1581.44	1697.44	352.16	307.82
Included in Profit for the Year :						
Current Service Cost	89.49	95.78	-	-	89.49	95.78
Past Service Cost	-	-	-	-	-	-
Interest cost /(income)	135.35	135.35	110.70	135.35	24.65	-
Total amount recognised in Profit for the Year	224.84	231.13	110.70	135.35	114.14	95.78
Included in Other Comprehensive income ( OCI ) :						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Change in Demographic Assumption	(19.36)	-	-	-	(19.36)	-
Change in Financial Assumption	(74.88)	(47.57)	-	-	(74.88)	(47.57)
Experience Adjustment	23.95	(19.22)	(0.73)	(15.35)	24.68	(3.87)
Total amount recognised in other comprehensive income	(70.29)	(66.79)	(0.73)	(15.35)	(69.56)	(51.44)
Others						
Contributions paid by the Employer	-	-	-	-	-	-
Benefits paid	(237.93)	(236.00)	(237.93)	(236.00)	-	-
Unpaid Benefits paid						
Closing balance	1850.22	1933.60	1453.48	1581.44	396.74	352.16

**Details of Plan assets**

Particulars	As at March 31, 2023	As at March 31, 2022
Funds managed by Insurer*	<b>79.03%</b>	76.96%
High quality Corporate bonds (quoted)	<b>16.52%</b>	19.55%
State Government securities (quoted)	<b>3.00%</b>	2.80%
Bank Balance	<b>1.45%</b>	0.69%
<b>Total</b>	<b>100.00%</b>	100.00%

\*Insurer is Life Insurance Corporation of India

## Actuarial assumptions

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Economic assumptions:</b>		
Discount rate	7.40%	7.00%
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
<b>Demographic assumptions:</b>		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
<b>Withdrawal rate % (All ages)</b>		
Upto 30 Years	3%	3%
From 31 to 44 years	1%	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, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(91.64)	99.80	(91.26)	99.51
Change in Salary escalation rate (0.50% movement)	36.56	(42.09)	43.70	(47.40)

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, 2023	As at March 31, 2022
Less than 1 year	160.65	213.13
Between 1-2 years	135.51	149.43
Between 2-3 years	113.15	134.26
Between 3-4 years	100.52	112.14
Between 4-5 years	88.94	98.80
Between 5-6 years	80.57	87.74
Over 6 years	1170.88	1138.10
<b>Total</b>	<b>1850.22</b>	<b>1933.60</b>

Expected contributions to gratuity plans for the year ending 31 March 2024 are ₹ 102.96 crore

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.60 years (31 March 2022: 14.81 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					
	2023	2022	2023	2022	2023	2022
Opening balance	2210.85	2255.85	1919.34	1948.34	291.51	307.51
Included in Profit for the Year :						
Current service cost	40.29	39.26	-	-	40.29	39.26
Past service Cost	-	-	-	-	-	-
Interest cost / (income)	154.76	152.27	134.36	152.27	20.40	-
Total amount recognised in Profit for the Year	195.05	191.53	134.36	152.27	60.69	39.26
Included in Other Comprehensive Income (OCI):						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	18.72	-	-	-	18.72	-
Financial assumptions	(96.85)	(54.57)	-	-	(96.85)	(54.57)
Experience adjustment	109.13	(16.96)	(34.48)	(16.27)	143.61	(0.69)
Total amount recognised in other comprehensive income	31.00	(71.53)	(34.48)	(16.27)	65.48	(55.26)
Others						
Contributions paid by the employer						
Benefits paid	(187.30)	(165.00)	(187.30)	(165.00)	-	-
Closing balance	2249.60	2210.85	1831.92	1919.34	417.68	291.51

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

## Actuarial assumptions

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Economic assumptions:</b>		
Discount rate	7.40%	7.00%
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
<b>Demographic assumptions:</b>		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
<b>Withdrawal rate (All ages)</b>		
Upto 30 Years	3%	3%
From 31 to 44 years	1%	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, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(105.76)	104.84	(100.44)	101.60
Change in cost (0.50% movement)	106.07	(104.21)	101.79	(100.97)

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, 2023	As at March 31, 2022
Less than 1 year	183.29	133.39
Between 1-2 years	198.87	140.73
Between 2-3 years	203.84	149.11
Between 3-4 years	210.98	158.65
Between 4-5 years	220.47	169.44
Between 5-6 years	228.18	181.98
Over 6 years	1003.97	1277.55
<b>Total</b>	<b>2249.60</b>	<b>2210.85</b>

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2024 are ₹ 49.81 crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.34 years (31 March 2022: 12.78 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	
	2022-23	2021-22
Excess / (Shortfall) in PF interest liability based on actuarial valuation for the year	(14.90)	1.26
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	28.10	13.20
Remeasurement gain/(loss) recognised through other comprehensive income statement	(24.20)	(1.39)
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	(9.30)	(2.65)

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, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
BHEL EPF Trust,Ranipur,Hardwar	1764.84	1664.32	1776.01	1680.03	11.17	15.71
BHEL Employee Provident Fund-Trichy	916.65	935.88	906.77	929.35	(9.88)	(6.53)
BHEL Employee Provident Fund Bhopal	1493.84	1394.81	1487.41	1395.61	(6.43)	0.80
BHEL New Delhi Employees Provident Fund Trust	1433.99	1375.80	1433.50	1386.09	(0.49)	10.29
BHEL Employee Provident Fund-Hyderabad	843.58	823.06	871.94	853.42	28.36	30.36
BHEL PPD EPF Trust,Chennai	907.95	854.23	896.65	847.56	(11.30)	(6.67)
BHEL Employee Provident Fund-Bengaluru	614.87	620.46	626.89	627.07	12.02	6.61
BHEL (BAP Unit) EPF Trust,Ranipet	332.24	357.05	332.46	359.84	0.22	2.79
BHEL Employee Provident Fund Trust Jhansi	476.99	455.36	491.52	468.66	14.53	13.30
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	148.74	145.91	186.84	179.46	38.10	33.55
Total	8933.69	8626.88	9009.99	8727.09	76.30	100.21

## 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Opening balance</b>	<b>8626.88</b>	8395.04	<b>8727.09</b>	8465.86
Included in Profit for the Year :				
Current service cost	<b>353.89</b>	337.15	-	-
Interest cost / (income)	<b>683.04</b>	657.45	<b>683.04</b>	657.45
<b>Total amount recognised in Profit for the Year</b>	<b>1,036.93</b>	994.60	<b>683.04</b>	657.45
<b>Included in Other Comprehensive Income (OCI):</b>				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions				
Financial assumptions	<b>(1.22)</b>	(1.65)		-
Experience adjustment	<b>(4.04)</b>	3.54	<b>(29.15)</b>	31.28
<b>Total amount recognised in other comprehensive income</b>	<b>(5.26)</b>	1.89	<b>(29.15)</b>	31.28
<b>Others</b>				
Contributions paid by the employer	-		<b>353.89</b>	337.15
Employee Contribution	<b>717.79</b>	725.84	<b>717.79</b>	725.84
Benefits paid	<b>(1862.90)</b>	(1904.95)	<b>(1862.90)</b>	(1904.95)
Settlements/Transfer-in	<b>420.24</b>	414.46	<b>420.24</b>	414.46
<b>Closing balance</b>	<b>8933.68</b>	8626.88	<b>9009.99</b>	8727.09

Note: Interest shortfall in respect of PF trusts having deficit have been accounted during the year through statement of profit and loss account and other comprehensive income statement.

In addition to the above, diminution in PF Trust Investment is also cumulatively provided totalling to ₹ 68.47 Cr. based on the best possible assessment of recovery.

## Details of Plan assets

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Govt. of India securities [Quoted]	<b>905.49</b>	1026.09
State Government securities [Quoted]	<b>4451.33</b>	4061.08
Corporate bonds [Quoted]	<b>3017.93</b>	3062.28
Special Deposit [Unquoted]	<b>364.71</b>	384.27
Liquid Fund [Quoted]	<b>17.19</b>	14.25
Short term deposit [Unquoted]	<b>33.46</b>	13.07
Mutual Fund & Equity shares[Quoted]	<b>219.88</b>	166.05
<b>Total</b>	<b>9009.99</b>	8727.09

## Actuarial assumptions

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Economic assumptions:</b>		
Discount rate	7.40%	7.00%
Expected statutory interest rate on the ledger balance	8.15%	8.10%
Expected short fall in interest earnings on the fund	0.05%	0.05%
<b>Demographic assumptions:</b>		
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
<b>Withdrawal rate % (All ages)</b>		
Upto 30 Years	3.00%	3.00%
From 31 to 44 years	1.00%	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, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(1.67)	1.83	(1.30)	1.38

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

## Expected maturity analysis in future years

(₹ in Crore)

Particulars	Provident Fund	
	As at March 31, 2023	As at March 31, 2022
Within the next 12 months	860.93	916.15
Between 2-5 years	1706.54	1681.13
Between 5-10 years	1396.90	2150.37
Beyond 10 years	4969.31	3879.23
<b>Total</b>	<b>8933.68</b>	<b>8626.88</b>

## Risk Exposure

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

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

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

#### Movement in Settlement Allowance liability

(₹ in Crore)

Particulars	Settlement Allowance liability	
	As at March 31, 2023	As at March 31, 2022
<b>Opening balance</b>	<b>11.63</b>	10.30
Current service cost	<b>0.81</b>	0.69
Interest cost / income	<b>0.81</b>	0.69
<b>Included in Profit for the Year :</b>	<b>1.62</b>	1.38
Actuarial loss / (gain)	<b>2.97</b>	2.60
<b>Total amount recognised in TCI for the Year</b>	<b>4.59</b>	3.98
<b>Others</b>		
Contributions paid by the employer	-	-
Benefits paid	<b>(2.79)</b>	(2.65)
<b>Closing balance</b>	<b>13.43</b>	11.63

#### Actuarial assumptions

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

Particulars	Settlement Allowance	
	As at March 31, 2023	As at March 31, 2022
<b>Economic assumptions:</b>		
Discount rate	<b>7.40%</b>	7.00%
Salary escalation rate	<b>6.50% P.A. for 1st 4 yrs. &amp; then 6% P.A. thereafter</b>	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter
<b>Demographic assumptions:</b>		
Retirement age	<b>60</b>	60
Mortality table	<b>100% of IALM (2012-14)</b>	100% of IALM (2012-14)
<b>Withdrawal rates (All ages)</b>		
Upto 30 Years	<b>3%</b>	3%
From 31 to 44 years	<b>1%</b>	2%
Above 44 years	<b>1%</b>	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, 2023	As at March 31, 2022
Opening balance	1030.72	1241.74
Included in Profit for the Year :		
Current service cost	130.91	142.00
Interest cost (income)	72.15	83.82
Actuarial loss (gain)	(61.60)	(181.51)
Total amount recognised in Profit for the Year	141.46	44.31
Benefits paid	135.00	255.33
Closing balance	1037.18	1030.72

## Actuarial assumptions

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

Particulars	Long Term Leave Liability	
	As at March 31, 2023	As at March 31, 2022
<b>Economic assumptions:</b>		
Discount rate	7.40%	7.00%
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
<b>Demographic assumptions:</b>		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
<b>Withdrawal rates (All ages)</b>		
Upto 30 Years	3%	3%
From 31 to 44 years	1%	2%
Above 44 years	1%	1%

## C. Pension Fund

The Company has recognised ₹ 247 cr [PY ₹ 254 cr] as contribution in respect of pension scheme [ defined contribution plan] for the FY 2022-23

## Note [38] - Disclosure as per Ind AS 24 - Related Parties

### A. List of related parties

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

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

### ii) Other related parties:

#### a. Key Management Personnel [KMP]

Particulars	Designation	Position Held [w.e.f /upto]
<b>Functional Directors</b>		
Shri [Dr.] Nalin Shinghal	Chairman & Managing Director	
Shri Subodh Gupta	Director (Finance) & CFO	
Ms. Renuka Gera	Director ( IS & P)	
Shri Upinder Singh Matharu	Director (Power)	
Shri. Jai Prakash Srivastava	Director (E, R&D)	w.e.f. August 12, 2022
<b>Company Secretary</b>		
Shri Rajeev Kalra	Company Secretary	

(₹ in Crore)

Particulars	For the year ended	
	March 31,2023	March 31,2022
<b>Compensation to Key management personnel</b>		
- Short term employee benefits	2.85	3.15
- Post employment benefits	0.50	0.36
- Other long term benefits	-	-
- Termination benefits	-	-
- Share based payment	-	-
<b>Total</b>	<b>3.35</b>	<b>3.51</b>

**b. Government Director/Independent Director**

Name	Government/Independent	Held [w.e.f /upto]
Shri Shashank Priya	Government Director	upto 14.02.2023
Shri Vijay Mittal	Government Director	
Smt. Arti Bhatnagar	Government Director	w.e.f. 14.02.2023
Shri Raj Kamal Bindal	Independent Director	upto 27.01.2023
Shri Manish Kapoor	Independent Director	upto 27.01.2023
Shri (Dr.) Raj K. Agarwal	Independent Director	upto 12.09.2022
Shri (Dr.) K. Sivaprasad	Independent Director	
Smt.(Dr.) Lekhasri Samantsinghar	Independent Director	
Shri Aditya Prasad Sahu	Independent Director	upto 30.05.2022

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Sitting Fees -- Independent Directors	0.26	0.25

**B 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	
		2023	2022
PRMB Trust	Post Retirement medical scheme	-	-
Gratuity Trust	Gratuity	-	-
Employees Superannuation Fund	Pension Fund	246.95	115.00
BHEL EPF Trust,Ranipur,Hardwar	Provident Fund	57.81	55.13
BHEL Employee Provident Fund-Trichy	Provident Fund	56.00	53.43
BHEL Employee Provident Fund Bhopal	Provident Fund	56.25	53.03
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	44.01	41.46
BHEL Employee Provident Fund-Hyderabad	Provident Fund	42.45	40.56
BHEL PPD EPF Trust,Chennai	Provident Fund	30.67	28.21
BHEL Employee Provident Fund-Bengaluru	Provident Fund	28.60	27.75
BHEL (BAP Unit) EPF Trust,Ranipet	Provident Fund	17.83	18.58
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	13.77	13.19
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	Provident Fund	6.50	5.81

### C) Details of Transactions with Joint Ventures and Balances

(₹ in Crore)

Particulars	For the year ended	
	March 31,2023	March 31,2022
<b>Sales of Goods &amp; Services</b>		
BGGTS	239.24	281.48
RPCL	9.42	3.27
NBPPL	2.21	3.83
<b>Dividend income</b>		
BGGTS	26.18	30.35
<b>Royalty income</b>		
BGGTS	1.85	1.80
<b>Purchase of Goods and Services</b>		
BGGTS	0.87	1.04
NBPPL	-	1.52
<b>Amounts due to BHEL at the end of the year</b>		
BGGTS	112.07	143.55
RPCL	636.90	550.90
NBPPL	225.17	263.89
<b>Amounts due from BHEL (incl. advances) at the end of the year</b>		
BGGTS	0.44	0.11
RPCL	20.90	20.95
NBPPL	23.58	67.95
<b>Provision for Doubtful debts &amp; advances</b>		
BGGTS	10.27	-
RPCL	20.81	20.17
NBPPL	190.15	188.70

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

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

(₹ in Crore)

a. Liquidated Damages	As at	
	March 31,2023	March 31,2022
<b>Opening Balance</b>	<b>8559.20</b>	9511.80
Add: Additions	<b>259.62</b>	152.07
Less: Usage/ Write off/payment	<b>86.73</b>	111.76
Less: Withdrawal/adjustments	<b>497.42</b>	992.91
<b>Closing Balance</b>	<b>8234.67</b>	8559.20

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(h) of Note 32.

(₹ in Crore)

b. Contractual Obligation	As at	
	March 31,2023	March 31,2022
<b>Opening Balance</b>		
As disclosed in Note (19)	<b>3855.48</b>	3992.45
As disclosed in Note (6)	<b>708.05</b>	723.45
As disclosed in Note (9)	<b>632.23</b>	699.86
Add: Borrowing Cost	<b>160.11</b>	155.78
Add: Additions	<b>409.04</b>	277.50
Less: PV Adjustment	<b>94.65</b>	107.45
Less: Usage/ Write off/payment	<b>192.24</b>	88.78
Less: Withdrawal/adjustments	<b>688.44</b>	438.94
Add/(Less): Change in estimate and rates	<b>(0.71)</b>	(18.11)
<b>Closing Balance</b>		
As disclosed in Note (19)	<b>3774.42</b>	3855.48
As disclosed in Note (6)	<b>552.05</b>	708.05
As disclosed in Note (9)	<b>462.40</b>	632.23

The provision for contractual obligation is made considering the effect of time value of money in line with significant Accounting Policy No. 11 to meet the warranty obligations as per the terms and conditions of the contract. The same is retained till the completion of the warranty obligations of the contract. The actual expenses on warranty obligation may vary from contract to contract and on year to year depending upon the terms and conditions of the respective contract. Contractual obligation, pertaining to dues from projects fully provided for, disclosed in Non Current Allowances for B&D Debts in Note 6 and 9.

## Note [40] - Disclosure - Revenue from Contracts with Customers - Ind AS-115

### a. Movement in impairment provisions

(₹ in Crore)

Particulars	2022-23		2021-22	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	4314.79	1190.54	4887.12	1142.25
Add: Additions	279.02	271.45	344.18	146.78
Less: Write off	57.46	-	216.42	-
Less: Reversal*	213.90	83.34	700.09	98.49
Closing balance	4322.46	1378.65	4314.79	1190.54

### b. Disaggregation of revenue from contracts with customers

(₹ in Crore)

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

#### 2022-23

##### Revenue from customers

##### Timing of revenue recognition

(a) At a point in time (product/services)	2640.50	32.82	3335.32	44.57	6053.21
(b) Over time (projects)	13903.36	922.29	1181.90	75.54	16083.09

#### 2021-22

##### Revenue from customers

##### Timing of revenue recognition

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

(₹ in Crore)

Particulars	2022-23		2021-22	
	Power	Industry	Power	Industry
Revenue from customers				
CPSUs	5581.63	1639.38	3807.92	1405.00
TSGENCO	1874.88	-	2644.40	-
TANGEDCO	3112.02	-	1669.85	-
BIFPCL [Bangladesh]	831.59	-	1381.44	-

### c. Contract Balances (net of provisions)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables	6543.89	6228.59
Contract assets (incl. unbilled revenue)	29740.03	26939.87
Contract liabilities	5635.01	6047.76

#### d. Contract revenue recognised

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	3024.72	3592.89
Revenue recognised against performance obligation satisfied in previous year (impact due to change in contract revenue)	892.15	94.41

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

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

#### Note [41] - Disclosure pursuant to Ind AS-107 [Financial Instruments - Accounting Classifications and Fair value measurements]

The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables, security deposit 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)

Financial assets and liabilities measured at fair value- recurring fair value measurements	Level 3 Hierarchy	
	As at March 31, 2023	As at March 31, 2022
Financial assets:		
Investment in unquoted equity instruments	3.13	3.29

## b 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)

<b>As at March 31, 2022</b>	<b>3.29</b>
Changes in fair value	(0.16)
<b>As at March 31, 2023</b>	<b>3.13</b>

## Financial Risk Management

### Objectives and Policies

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

- Credit risk
- Liquidity risk
- Market risk

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

### Risk management framework

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

### a. Management of Credit Risk

Credit risk is considered as an integral part of risk reward balance of doing business. BHEL is involved in setting up of power projects pertaining to Government sector (State utilities, PSU's, Railways and other govt. departments etc.) and private sectors in India and abroad. The projects are generally funded by Financial Institutions/ banks or payments are covered by Letter of Credit (LC). The project duration ranges from 3 to 5 years and payments are generally realised in stages as per the terms of the contract including advance, progress payments, milestone (including intermediate) payments and also retentions which are released on completion of such projects. Since majority customers' profile pertains to Government sector, constituting 80% of total receivables coupled with the fact that the company itself is a CPSE, credit risk is relatively low. In respect of private sector customers, the payment terms are mainly through LC. The company has well established review mechanism for receivables at various levels within organisation to ensure proper attention and focus for realisation in line with the company policies, procedures and guidelines. The company uses expected credit loss model to assess the impairment loss or gain and the disclosure of the same is made elsewhere. Further, adequate provisions are maintained to address any eventuality.



### (i) Exposure to credit risk

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

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Cash and cash equivalents	1560.52	732.62
Other bank balances	5082.06	6421.07
Other financial assets	362.19	298.29
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss</b>		
Trade receivables	6543.89	6228.59

Concentration of credit risk- Geographical	Percentage of total receivable	
	As at March 31, 2023	As at March 31, 2022
Within India	94%	93%
Outside India	6%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

Note	Percentage of total trade receivables	
	As at March 31, 2023	As at March 31, 2022
Central Public Sector Undertakings incl Railways and Govt Deptt	39%	37%
State Electricity Boards	41%	42%
Private Customers and others	14%	14%
Exports	6%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### (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, 2023	As at March 31, 2022
<b>Balance as at April 1</b>	<b>14.56</b>	31.95
Impairment loss recognised / write off/ withdrawal	0.35	(17.39)
<b>Balance as at March 31</b>	<b>14.91</b>	14.56

## (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, 2023	As at March 31, 2022
<b>Balance as at April 1</b>	<b>5505.33</b>	6029.37
Impairment loss recognised	<b>550.47</b>	490.97
Amounts written off/ withdrawal	<b>(354.69)</b>	(1015.01)
<b>Balance as at March 31</b>	<b>5701.11</b>	5505.33

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

## b. Management of Liquidity risk

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

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

(₹ in Crore)

Financial Liabilities	As at March 31, 2023		As at March 31, 2022	
Non-derivative financial liabilities	Within 1 year	exceeding 1 year	Within 1 year	exceeding 1 year
Trade payables	<b>9895.83</b>	<b>2194.03</b>	7749.59	2131.93
Deposits from contractors and others	<b>416.66</b>	<b>247.10</b>	431.36	206.45
Lease Liabilities	<b>34.76</b>	<b>33.75</b>	49.81	35.12
Other Payables/liabilities				
Employee dues	<b>384.33</b>		214.05	
Other dues	<b>364.44</b>		397.85	
Capex dues	<b>111.50</b>	<b>8.60</b>	80.83	8.65
Short term borrowings	<b>5385.00</b>		4745.00	
<b>Total</b>	<b>16592.52</b>	<b>2483.48</b>	13668.49	2382.15

## 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 31.03.2023 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, 2023		March 31, 2022		March 31, 2023	March 31, 2022
<b>Assets</b>	Euro	Equivalent INR	Euro	Equivalent INR	Others INR	Others INR
Trade receivable	55.50	496.43	61.72	520.18	3.44	3.16
Contract assets	332.04	2959.08	327.57	2753.33	11.92	35.27
Other assets	1.24	10.29	0.93	7.56	75.49	21.98
<b>Sub Total (A)</b>	<b>388.78</b>	<b>3465.80</b>	<b>390.22</b>	<b>3281.07</b>	<b>90.84</b>	<b>60.41</b>
<b>Liabilities</b>						
Advances from customer	36.15	240.84	36.42	242.50	22.65	39.47
Trade payables and others	34.70	315.32	101.40	869.73	579.03	131.99
<b>Sub Total (B)</b>	<b>70.85</b>	<b>556.15</b>	<b>137.82</b>	<b>1112.23</b>	<b>601.68</b>	<b>171.46</b>
<b>Assets ( Net of Liabilities)</b>	<b>317.93</b>	<b>2909.64</b>	<b>252.40</b>	<b>2,168.84</b>	<b>(510.83)</b>	<b>(111.05)</b>

<b>Assets</b>	USD	Equivalent INR	USD	Equivalent INR
Trade receivable	70.72	579.07	64.88	489.70
Contract assets	322.62	2640.15	333.77	2517.59
Other assets	0.36	2.41	6.08	45.30
<b>Sub Total (A)</b>	<b>393.70</b>	<b>3221.63</b>	<b>404.73</b>	<b>3052.59</b>
<b>Liabilities</b>				
Advances from customer	58.00	326.40	78.92	457.24
Trade payables and others	97.39	806.03	161.30	1231.18
Short term borrowings	-	-	-	-
<b>Sub Total (B)</b>	<b>155.40</b>	<b>1132.43</b>	<b>240.22</b>	<b>1,688.42</b>
<b>Assets ( Net of Liabilities)</b>	<b>238.31</b>	<b>2,089.21</b>	<b>164.51</b>	<b>1,364.17</b>

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		As at	
	March 31, 2023		March 31, 2022	
Effect on Profit/(loss)	Strengthening	Weakening	Strengthening	Weakening
1% movement				
Euro	29.10	(29.10)	21.69	(21.69)
USD	20.89	(20.89)	13.64	(13.64)
Others	(5.11)	5.11	(1.11)	1.11

## 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 [42] - Operating Segment

The Segments have been identified as 'Power' and 'Industry', based on the orders booked by the respective business sectors. These segments are driven by the three business sectors i.e. Power Sector, Industry sector, International Operations.

The Power segment comprises mainly thermal, gas, hydro and nuclear power plant businesses, related spares & services business apart from new businesses of coal to chemicals, emission control equipment and spares for Non-BHEL sets.

The Industry segment caters to major equipment supplies and EPC works for a variety of sectors including transportation, transmission, defence & aerospace, captive power, renewables, downstream oil & gas, energy storage, and electric mobility, among others.

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 31.3.2023			For the year ended 31.3.2022		
	Power	Industry	Total	Power	Industry	Total
<b>I. SEGMENT REVENUE</b>						
Operating Revenue-External	17498.98	4637.32	22136.30	15361.25	4792.13	20153.38
<b>II. SEGMENT RESULTS</b>						
a. Segment Results	1400.32	432.53	1832.85	1949.24	(39.02)	1910.22
b. Unallocated expenses (Net of income)			861.82			1118.55
c. Profit before finance cost & Incometax (a) - (b)			971.03			791.67
d. Finance cost (Includes unwinding of Interest)			521.43			354.72
e. Net Profit before Income Tax (c) - (d)			449.60			436.95
f. Income Tax			2.05			26.71
g. Net Profit/(loss) after Income Tax (e)-(f)			447.55			410.24
<b>III ASSETS &amp; LIABILITIES</b>						
a. Segment Assets	40666.48	8234.70	48901.18	37196.23	8194.28	45390.51
b. Common Assets			10902.73			11317.81
c. Total Assets			59803.91			56708.32
d. Segment Liabilities	22366.53	5140.86	27507.39	20096.06	4754.42	24850.48
e. Common Liabilities			5034.36			4886.68
f. Total Liabilities			32541.75			29737.16
<b>IV OTHER INFORMATION</b>						
a. Capital Expenditure	121.75	80.26		140.56	55.40	
b. Depreciation & Amortization	167.99	63.96		209.45	71.29	
c. Non Cash Expenses (other than depreciation & amortization)	(507.61)	(296.77)		(1241.57)	(62.11)	

GEOGRAPHICAL SEGMENTS		Within India	Outside India	Total	Within India	Outside India	Total
1	Net Sales / Revenue from Operations	21061.08	1075.22	22136.30	18635.65	1517.73	20153.38
2	Non- Current Assets (PPE & Intangible Assets)	2826.69	3.14	2829.83	2812.21	17.23	2829.44
3	Capital Expenditure	261.79	0.15	261.94	225.32	5.77	231.09

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

Particulars	Power	Industry	Total	Power	Industry	Total
CPSUs	5581.63	1639.38	7221.01	3807.92	1405.00	5212.92
TANGEDCO	3112.02	-	3112.02	1,669.85	-	1669.85
TSGENCO	1874.88	-	1874.88	2644.40	-	2644.40

## Note [ 43 ] - Ratios

Particulars	Numerator	Denominator	2022-23	2021-22	% Variance	Reason for variance
(a) Current ratio	Total Current Assets	Total Current Liabilities	1.29	1.30	1.19	
(b) Debt-equity ratio	The company does not have any long term debt and hence these ratios are not applicable.					
(c) Debt service coverage ratio						
(d) Long term Debt to Working Capital						
(e) Interest service coverage ratio						
(f) Total Debt to Total Assets ratio	Total Borrowings	Total Assets	0.091	0.085	-7.07	
(g) Inventory turnover ratio	Revenue from contracts with customers	Average Inventory (Net)	3.32	2.93	13.43	
(h) Trade receivables turnover ratio	Revenue from contracts with customers	Average Trade receivable (net)	3.47	3.00	15.60	
(i) Bad debts to accounts receivable ratio	Bad debts written off	Gross Trade Receivables	0.003	0.012	-73.83	Insignificant change in absolute terms
(j) Current Liability Ratio	Current Liabilities	Total Liabilities	0.718	0.719	-0.15	
(k) Trade payables turnover ratio	Purchases and Subcontracting	Average Trade Payables	1.50	1.54	-2.59	
(l) Net capital turnover ratio	Revenue from contracts with customers	Total Current Assets - Total Current Liabilities	3.29	3.10	5.92	
(m) Return on equity ratio	Profit for the year (PAT)	Average Total Equity - OCI	1.63%	1.51%	7.67	Due to higher volume of operations and income tax refunds, also aided by exchange rate gains
(n) Operating profit ratio	Profit Before Interest, Depreciation & Tax - Other Income	Revenue from operations	3.07%	3.48%	-11.85	
(o) Net profit ratio	Profit for the year (PAT)	Revenue from operations	1.92%	1.93%	-0.96	
(p) Return on capital employed	Earning before interest and taxes	Capital Employed = Total Equity - CWIP - Intangible assets under development - Deferred tax assets	4.13%	3.44%	20.17	Due to higher volume of operations and income tax refunds, also aided by exchange rate gains
(q) Return on investment	NA					
(r) Net worth (Rs. / Cr.)	Share Capital + Reserve and Surplus		27262.16	26971.16	1.08	
(s) Profit After Tax (Rs. / Cr.)	Profit after Tax		447.55	410.24	9.09	Due to higher volume of operations and income tax refunds, also aided by exchange rate gains
(t) Earning Per Share (Rs.)	Profit for the year (PAT)	Weighted average no. of shares	1.29	1.18	9.09	
(u) Capital redemption reserve (Rs. / Cr.)			37.87	37.87	0.00	

## Note [ 44 ] - ADDITIONAL DISCLOSURES

(₹ in Crore)

A. Category of Imports	For the Year Ended	
	2022-2023	2021-2022
<b>Imports on CIF basis</b>		
Raw materials	734.51	620.73
Components and spare parts	674.48	1182.34
Capital goods	6.21	4.75
<b>Total Imports</b>	<b>1415.20</b>	<b>1807.82</b>

(₹ in Crore)

B. Types of Expenditure (incurred in foreign currency)	For the Year Ended	
	2022-2023	2021-2022
i) Royalty	51.36	38.19
ii) Know-how	13.72	6.57
iii) Professional consultation fee	17.83	3.48
iv) Interest and others (incl. on foreign sites)	31.68	30.06

(₹ in Crore)

C. Classification of Consumption [raw materials, components, stores & spare parts]	For the Year Ended	
	2022-2023	2021-2022
i) Imported (including custom duty)	1609.95	2016.33
ii) Indigenous	9326.84	7459.26
<b>iii) Percentage of total consumption</b>		
Imported	14.72	21.28
Indigenous	85.28	78.72

(₹ in Crore)

D. Earnings in foreign exchange	For the Year Ended	
	2022-2023	2021-2022
Physical Export of goods (FOB basis)	395.58	775.33
Erection & other services	596.38	608.29
Foreign exchange on deemed exports (incl. domestic contracts and SEZ export)	592.61	1093.21
<b>Total</b>	<b>1584.57</b>	<b>2476.83</b>

E. Statement for raw materials and components consumed	For the Year Ended	
	2022-2023	2021-2022
<b>Raw Materials</b>		
i) Ferrous materials	2575.80	1875.60
ii) Non-ferrous materials	476.47	260.50
iii) Insulating materials	136.75	106.15
iv) Insulated cables and Magnet wires	6.34	4.46
v) Other Components	2533.30	2450.89
vi) Others	146.62	364.80
<b>Total</b>	<b>5875.28</b>	<b>5062.40</b>
<b>Bought Out Materials</b>		
i) Ferrous materials	38.39	30.14
ii) Non-ferrous materials	43.10	24.02
iii) Insulating materials	105.15	764.49
iv) Insulated cables and Magnet wires	31.47	20.99
v) Other Components	3190.16	2484.56
vi) Others	1249.06	817.55
<b>Total</b>	<b>4657.33</b>	<b>4141.75</b>

### Note [45]

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) No loans have been given (other than loans to employees), wherein there is no repayment schedule or repayment is beyond seven years; and
- ii) There are no loans and advances in the nature of loans, to firms/companies, in which directors are interested.

### Note [46]

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

### Note [47]

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

### Note [48]

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

### Note [49]

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



**Note [50]**

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

**Note [51]**

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

**Note [52]**

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

**Note [53]**

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 [54]**

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

**Note [55]**

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

**Note [56]**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

**Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect the amendment to have any significant impact in its financial statements.

**Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect the amendment to have any significant impact in its financial statements.

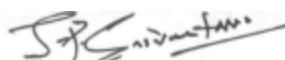
### Note [57]

The Board of Directors has authorised to issue the Financial Statements 2022-23 in its meeting held on May 26, 2023



(Rajeev Kalra)  
Company Secretary  
M. No. 14567

#### For and on behalf of Board of Directors



(Jai Prakash Srivastava)  
Director (E, R&D)  
with additional charge of  
Director (Finance) & CFO  
DIN: 09703643



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

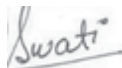
For ABP & Associates  
Chartered Accountants  
FRN - 315104E



(Bimal Kumar Chanduka)  
Partner  
M No. 053714

#### As per our report of even date

For PSMG & Associates  
Chartered Accountants  
FRN - 008567C



(Swati Singh)  
Partner  
M. No. 404531

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



(Vijit Baidmutha)  
Partner  
M. No. 406044

Place: New Delhi  
Date: May 26, 2023

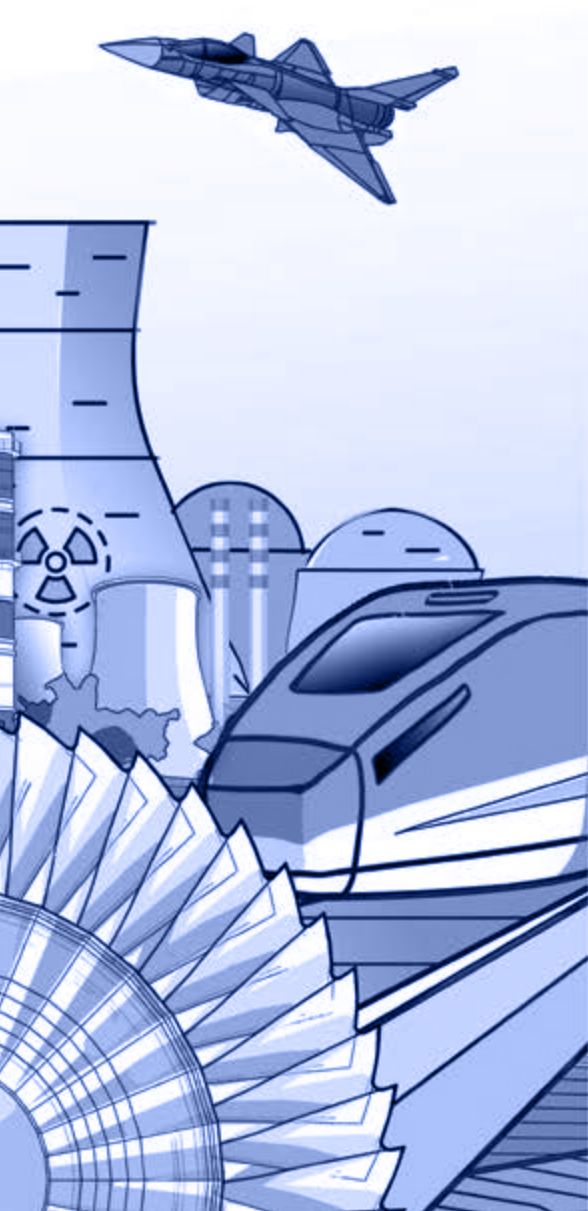


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# Financial Statements

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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 three jointly controlled entities, comprising of the consolidated balance sheet as at 31st March, 2023, 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, 2023, 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><b>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.</b></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><b>Refer Note 43</b> to the consolidated financial statements.</p>	<p><b><u>Principal Audit Procedures</u></b></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"> <li>• Evaluated the effectiveness of controls over the preparation of information that are designed to ensure the completeness and accuracy.</li> <li>• 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.</li> <li>• 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.</li> <li>• Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.</li> <li>• Performed analytical procedures and test of details for reasonableness and other related material items.</li> </ul>
<p><b>Assessment and recoverability of Trade Receivables and Contract Assets</b></p> <p>The Company has trade receivables outstanding (net) of ₹ 6,543.89 Crore and contract assets (net) of ₹ 29,740.03 Crore at the end of March 31, 2023</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><b>Refer Notes 6, 9, 43</b> to the consolidated financial statements.</p>	<p><b><u>Principal Audit Procedures</u></b></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"> <li>• Evaluated the process of invoicing with customers.</li> <li>• Obtained the list of project wise outstanding details and its review mechanism by the management.</li> <li>• Reviewed the guidelines and policies of the Company on impairment of trade receivables and contract assets.</li> <li>• Tested the accuracy of aging of trade receivables and contract assets at the year end on sample basis.</li> <li>• Performed analytical procedures and test of details for reasonableness, recoverability and other related material items.</li> </ul>

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

#### 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. These reports are expected to be made available to us after the date of this Auditor's Report.

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.

When we read such other information when made available to us and if we conclude that there is a material misstatement therein we are required to communicate the matter to those charged with governance.

#### Management's Responsibility for the Consolidated Financial Statements

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



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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the companies have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para 1 to para 4 of the section titled "Other Matters" in this Audit report.

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

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

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

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

### Other Matters

1. We did not audit the financial statements of one BHEL-GE Gas Turbine Services Pvt. Ltd. (jointly controlled entity). The accompanying statements include the unaudited financial results/statements of this associate whose financial statements/results reflect the group's share of net profit of ₹ **56.28 Crore** and other comprehensive income of ₹ **0.59 Crore** for the year ended 31<sup>st</sup> March, 2023 as considered in the consolidated financial statements in respect of this jointly controlled entity. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid jointly controlled entity, is based solely on such unaudited financial statements.
2. We did not audit the financial statements of Raichur Power Corporation Ltd. & NTPC-BHEL Power Projects Pvt. Ltd. (jointly controlled entities). The consolidated financial statements does not include the group's share of net loss and other comprehensive loss of these jointly controlled entities as the Group has already recognised accumulated losses equal to the cost of investment in its financial statements in respect of these jointly controlled entities. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid jointly controlled entities, is based solely on such unaudited financial statements. These financial statements are not material to the group.
3. The accounts of Power Plant Performance Improvements Ltd., a Joint Venture of BHEL have not been consolidated as the said company is under liquidation and full amount of equity investment has been provided.

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act based on our audit and on the consideration of unaudited financial statements certified by the management of jointly controlled entities as referred in "Other Matters" paragraph, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and management certified financials;
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India;
  - (e) In terms Notification no. G.S.R. 463(E) dtd. 05-06-2015 issued by the Ministry of Corporate Affairs, the provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of directors are not applicable to the Company;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the holding company and jointly controlled entities incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**"
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule



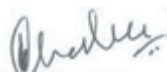
11 of the Companies (Audit and Auditor's) Rules, 2014 to the extent applicable, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the management certified financial statements including the other financial information of jointly controlled entities, as noted in "Other Matters" paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities– Refer Note 33 to the consolidated financial statements;
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on

long-term contracts – Refer Note 42 to the consolidated financial statements in respect of such items as it relates to the Group and jointly controlled entities and

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company and jointly controlled companies incorporated in India.
2. With respect to the matter of paras 3 (xxi) and 4 of the Companies (Auditor's Report) Order 2020, and three joint entities remains unaudited as mentioned in the section titled "Other Matters" and no CARO report has been issued by the Auditors of such entities as on the date of issue of this report. Based on the CARO report issued by us for the company for the year ended 31<sup>st</sup> March 2023, we report that there are no qualification or adverse remarks in the CARO report.

**For ABP & Associates**  
Chartered Accountants  
**FRN - 315104E**



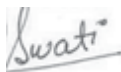
**(Bimal Kumar Chanduka)**

Partner

**M No. 053714**

UDIN: 23053714BHAHST5648

**For PSMG & Associates**  
Chartered Accountants  
**FRN - 008567C**



**(Swati Singh)**

Partner

**M. No. 404531**

UDIN: 23404531BGYRDM2430

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



**(Vijit Baidmutha)**

Partner

**M. No. 406044**

UDIN: 23406044BGUYQJ8011

Place: New Delhi  
Date: May 26, 2023



## **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, 2023, 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 three Jointly Control Entities out of which all three Jointly Control Entities are unaudited.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

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

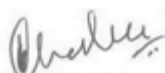
#### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates three jointly controlled entities, which are companies incorporated in India, is based on the corresponding management certificate of these three jointly controlled entities incorporated in India.

#### Opinion

In our opinion, the Holding 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, 2023, 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 ABP & Associates**  
Chartered Accountants  
**FRN - 315104E**



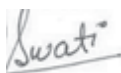
**(Bimal Kumar Chanduka)**

Partner

**M No. 053714**

UDIN: 23053714BHAHST5648

**For PSMG & Associates**  
Chartered Accountants  
**FRN - 008567C**



**(Swati Singh)**

Partner

**M. No. 404531**

UDIN: 23404531BGYRDM2430

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



**(Vijit Baidmutha)**

Partner

**M. No. 406044**

UDIN: 23406044BGUYQJ8011

Place: New Delhi  
Date: May 26, 2023

DG(AE)/REP/01-93/AC-BHEL/CB/2023-24/138



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

75  
आज़ादी का  
अमृत महोत्सव

Dated: 27/7/23.

सेवा में,

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

विषय:- 31 मार्च 2023 को समाप्त वर्ष के लिए भारत हेवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के समेकित वित्तीय विवरण (Consolidated Financial Statement) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं भारत हेवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के 31 मार्च 2023 को समाप्त वर्ष के समेकित वित्तीय विवरण (Consolidated Financial Statement) पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रहा हूँ।

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

संलग्नक:- यथोपरि।

भवदीय,

Sanjay K. Jha  
(संजय कु. झा)  
महानिदेशक

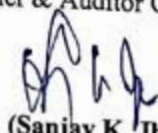
**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BHARAT HEAVY ELECTRICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2023**

The preparation of consolidated financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2023 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 26 May 2023.

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 2023 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Bharat Heavy Electricals Limited but did not conduct supplementary audit of the financial statements of NTPC-BHEL Power Projects Private Limited and Raichur Power Corporation Limited for the year ended on that date. Further, Section 139(5) and 143(6)(a) of the Act are not applicable to the BHEL-GE Gas Turbine Services Private Limited, being private entity, for appointment of their Statutory Auditor(s) and for conduct of supplementary audit. Accordingly, Comptroller & Auditor General of India has neither appointed the Statutory Auditor(s) 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



(Sanjay K. Jha)  
Director General of Audit (Energy)

Place: New Delhi  
Dated: 27 July 2023



# Consolidated Balance Sheet as at March 31, 2023

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2023		As at March 31, 2022	
A. ASSETS						
1. Non-current assets						
(a) Property, plant and equipment	3a	288		2408.74		2336.34
(b) Capital work-in-progress	3b	288		344.59		422.32
(c) Intangible assets	4a	289		67.24		62.12
(d) Intangible assets under development	4b	289		9.26		8.66
(e) Investment accounted for using equity method	5	294		232.29		201.86
(f) Financial assets						
(i) Investments	5a	295	3.13		3.29	
(ii) Trade receivables	6	296	3415.54		3203.84	
(iii) Other financial assets	7	298	83.96	3502.63	86.73	3293.86
(g) Deferred tax assets (net of liabilities)	8	298		3422.62		3530.08
(h) Other non-current assets	9	299		19300.14		18526.54
Total non-current assets				29287.51		28381.78
2. Current assets						
(a) Inventories	10	300		6755.90		6560.21
(b) Financial assets						
(i) Trade receivables	6	296	3128.35		3024.75	
(ii) Cash and cash equivalents	11	301	1560.52		732.62	
(iii) Bank balances other than cash and cash equivalents	12	301	5082.06		6421.07	
(iv) Other financial assets	7	298	278.23	10049.16	211.56	10390.00
(c) Current tax assets (net)	13	302		226.38		119.24
(d) Other current assets	9	299		13050.84		10792.53
Total current assets				30082.28		27861.98
TOTAL ASSETS				59369.79		56243.76
B. EQUITY AND LIABILITIES:						
3. Equity						
(a) Equity share capital	14	302		696.41		696.41
(b) Other equity	15	303		26131.62		25810.19
Total equity				26828.03		26506.60
4. Liabilities						
4.1 Non-current liabilities						
(a) Financial liabilities						
(i) Lease Liabilities	16	303	33.75		35.12	
(ii) Trade payables	17	304				
(i) Total outstanding dues of micro enterprises and small enterprises			128.11		127.45	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			2065.92		2004.48	
(iii) Other financial liabilities	18	305	255.70	2483.48	215.10	2382.15
(b) Provisions	19	305		4101.02		3771.21
(c) Other non-current liabilities	20	305		2605.81		2212.65
Total non-current liabilities				9190.31		8366.01

# Consolidated Balance Sheet as at March 31, 2023

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2023		As at March 31, 2022	
<b>4.2. Current liabilities</b>						
(a) Financial liabilities						
(i) Borrowings	21	306	5385.00		4745.00	
(ia) Lease Liabilities	16	303	34.76		49.81	
(ii) Trade payables	17	304				
(i) Total outstanding dues of micro enterprises and small enterprises			1211.53		745.82	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			8684.30		7003.77	
(iii) Other financial liabilities	18	305	1276.93	16592.52	1124.09	13668.49
(b) Provisions	19	305		2796.63		3066.70
(c) Other current liabilities	20	305		3962.29		4635.96
<b>Total current liabilities</b>			<b>23351.44</b>		<b>21371.15</b>	
<b>Total liabilities</b>			<b>32541.75</b>		<b>29737.16</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>59369.79</b>		<b>56243.76</b>	

Basis of preparation, measurement and significant accounting policies 2 282

The accompanying notes [1-57] are an integral part of these financial statements

For and on behalf of Board of Directors

(Rajeev Kalra)  
Company Secretary  
M. No. 14567

(Jai Prakash Srivastava)  
Director (E, R&D)  
with additional charge of  
Director (Finance) & CFO  
DIN: 09703643

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

As per our report of even date

**For ABP & Associates**  
Chartered Accountants  
FRN - 315104E

(Bimal Kumar Chanduka)  
Partner  
M No. 053714

**For PSMG & Associates**  
Chartered Accountants  
FRN - 008567C

(Swati Singh)  
Partner  
M. No. 404531

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

(Vijit Baidmutha)  
Partner  
M. No. 406044

Place: New Delhi  
Date: May 26, 2023

# Consolidated Statement of Profit and Loss

For the year ended March 31, 2023

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>INCOME</b>				
Revenue from operations	22	307	23364.94	21211.09
Other income	23	308	488.63	354.54
<b>TOTAL INCOME</b>			<b>23853.57</b>	<b>21565.63</b>
<b>EXPENSES</b>				
Cost of raw materials consumed			5875.28	5062.40
Purchases of Bought out items			4657.33	4141.75
Civil, erection and engineering expenses			5421.08	4792.61
Consumption of stores & spares			404.18	271.44
Changes in inventories of finished goods, work in progress and Scrap	24	308	(57.15)	525.64
Employee benefits expense	25	308	5700.63	5519.05
Other Expenses	26	309	647.03	162.62
Finance costs	27	311	521.43	355.96
Depreciation & amortisation expense	3.1/4.1	291/293	260.34	314.12
<b>TOTAL EXPENSES</b>			<b>23430.15</b>	<b>21145.59</b>
<b>Profit / (loss) before share of net profits / loss of investments accounted for using equity method and tax</b>			<b>423.42</b>	<b>420.04</b>
Share of net profit / (loss) of joint venture accounted for using equity method			56.02	50.42
<b>PROFIT BEFORE TAX</b>			<b>479.44</b>	<b>470.46</b>
<b>Tax expenses</b>	28	311		
a) Current tax			(111.22)	(77.13)
b) Deferred tax			113.27	102.88
<b>PROFIT FOR THE YEAR (A)</b>			<b>477.39</b>	<b>444.71</b>
<b>OTHER COMPREHENSIVE INCOME</b>	29	312		
Items that will not be reclassified to profit or loss (net of tax)				
-Remeasurement of defined employee benefits			(17.27)	76.87
-Share of OCI of JV accounted using equity method			0.59	0.03
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>			<b>(16.68)</b>	<b>76.90</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>			<b>460.71</b>	<b>521.61</b>
<b>Attributable to:</b>				
Equity holders of the parent			460.71	522.93
Non Controlling interest			-	(1.32)
<b>TOTAL</b>			<b>460.71</b>	<b>521.61</b>



# Consolidated Statement of Profit and Loss

For the year ended March 31, 2023

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>				
<b>Attributable to:</b>				
Equity holders of the parent			(16.68)	76.90
Non Controlling interest			-	-
<b>TOTAL</b>			<b>(16.68)</b>	<b>76.90</b>
<b>TOTAL PROFIT FOR THE YEAR</b>				
<b>Attributable to:</b>				
Equity holders of the parent			477.39	446.03
Non Controlling interest			-	(1.32)
<b>TOTAL</b>			<b>477.39</b>	<b>444.71</b>
<b>Earnings per equity share</b>	<b>30</b>	<b>312</b>		
(1) Basic [Face value of ₹ 2 each]			1.37	1.28
(2) Diluted [Face value of ₹ 2 each]			1.37	1.28

Basis of preparation, measurement and significant accounting policies

2

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The accompanying notes [1-57] are an integral part of these financial statements

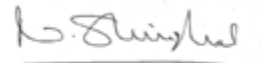


(Rajeev Kalra)  
Company Secretary  
M. No. 14567

For and on behalf of Board of Directors

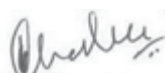


(Jai Prakash Srivastava)  
Director (E, R&D)  
with additional charge of  
Director (Finance) & CFO  
DIN: 09703643



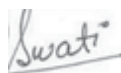
(Dr. Nalin Shinghal)  
Chairman and Managing Director  
DIN: 01176857

**For ABP & Associates**  
Chartered Accountants  
FRN - 315104E



(Bimal Kumar Chanduka)  
Partner  
M No. 053714

**As per our report of even date**  
**For PSMG & Associates**  
Chartered Accountants  
FRN - 008567C



(Swati Singh)  
Partner  
M. No. 404531

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



(Vijit Baidmutha)  
Partner  
M. No. 406044

Place: New Delhi  
Date: May 26, 2023

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2023

## A. Equity Share Capital

(₹ in Crore)

Equity shares of INR 2 each issued, subscribed and fully paid	Number of shares		Amount	
	2022-23	2021-22	2022-23	2021-22
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, 2023

(₹ in Crore)

Description	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, 2022	35.18	37.87	30476.66	(4421.45)	(318.08)	25810.19	0.00
Changes in accounting policy or prior period errors						-	-
Reinstated balance as at April 01, 2022	35.18	37.87	30476.66	(4421.45)	(318.08)	25810.19	0.00
Add: Total comprehensive Income for the year				477.39	(16.68)	460.71	0.00
Less: Final dividend [ Note 31]				(139.28)		(139.28)	0.00
Balance as at March 31, 2023	35.18	37.87	30476.66	(4083.33)	(334.76)	26131.62	0.00

# Consolidated Statement of Changes in Equity

For the year ended March 31, 2022

(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity*	Non controlling interest
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings			
Balance as at April 01, 2021	35.18	37.87	30476.66	(4867.48)	(394.98)	25287.26	(11.66)
Changes in accounting policy or prior period errors						-	-
Reinstated balance as at April 01, 2021	35.18	37.87	30476.66	(4867.48)	(394.98)	25287.26	(11.66)
Add: Total Comprehensive Income for the year				428.95	76.90	505.85	(1.32)
Less: Liquidation of Subsidiary Equity & Minority interest				(17.08)		(17.08)	(12.98)
Balance as at March 31, 2022	35.18	37.87	30476.66	(4421.45)	(318.08)	25810.19	0.00

\* Total other equity represents owners of the parent

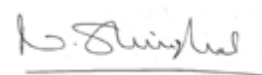


(Rajeev Kalra)  
Company Secretary  
M. No. 14567

For and on behalf of Board of Directors

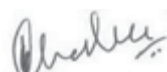


(Jai Prakash Srivastava)  
Director (E, R&D)  
with additional charge of  
Director (Finance) & CFO  
DIN: 09703643



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

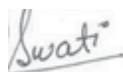
For ABP & Associates  
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(Bimal Kumar Chanduka)  
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As per our report of even date

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(Swati Singh)  
Partner  
M. No. 404531

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



(Vijit Baidmutha)  
Partner  
M. No. 406044

Place: New Delhi  
Date: May 26, 2023

# Consolidated Statement of Cash Flows

For the year ended March 31, 2023

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit /(Loss) before tax	479.44	470.46
Adjustments for :		
Provision and write off	(86.31)	(1120.06)
Depreciation and amortisation	260.34	314.12
Finance cost (including unwinding of interest)	521.43	355.96
Interest & dividend income	(421.12)	(302.79)
Share of loss /(profit) in joint venture	(56.02)	(50.42)
Divestment of stake in subsidiary	0.00	(17.08)
Unrealised Foreign Exchange loss/(gain)	(401.85)	19.26
Amortisation of Government Grant	(8.90)	(6.20)
Others	(33.02)	(6.61)
<b>Cash generated / (used) in operations before working capital changes</b>	<b>253.99</b>	<b>(343.36)</b>
Adjustment for changes in working capital:		
Trade Receivables	92.04	1881.12
Contract Assets	(2370.65)	(2594.15)
Inventories	(192.40)	603.40
Loans, advances & other assets	(262.28)	143.49
<b>Sub total</b>	<b>(2733.29)</b>	<b>33.86</b>
Trade payable	2103.68	1300.96
Advances from customers, deposits and others	(167.84)	(381.49)
Provisions	(308.48)	(358.60)
<b>Sub total</b>	<b>1627.36</b>	<b>560.87</b>
<b>Net cash (used in) / from working capital</b>	<b>(1105.93)</b>	<b>594.73</b>
<b>Cash generated / (used) in operations</b>	<b>(851.94)</b>	<b>251.37</b>
Income taxes paid	(155.54)	(258.00)
Refund of income taxes	265.96	666.88
<b>Net cash (used in) / from operating activities</b>	<b>(741.52)</b>	<b>660.25</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	1358.78	(1251.12)
Interest received	250.72	257.93
Sale proceeds from Investment	25.42	0.00
Dividend received from joint ventures	26.18	30.35
Sale of property, plant and equipment & Intangible Assets	7.76	6.90
Purchase of property, plant and equipment & Intangible Assets	(188.40)	(169.38)
<b>Net cash (used in) / from investing activities</b>	<b>1480.46</b>	<b>(1125.32)</b>

# Consolidated Statement of Cash Flows

For the year ended March 31, 2023

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	640.00	(87.53)
Proceeds / (repayment) of lease obligation (Principal)	(49.77)	(48.79)
Proceeds / (repayment) of lease obligation (Interest)	(7.27)	(9.57)
Dividend paid	(139.18)	(0.30)
Interest paid	(354.82)	(183.30)
<b>Net cash (used in) / from financing activities (refer point 4)</b>	<b>88.96</b>	<b>(329.49)</b>
<b>D. Net increase/(decrease) in cash and cash equivalents</b>	<b>827.90</b>	<b>(794.56)</b>
<b>Opening balance of cash and cash equivalents (excluding cash credit of subsidiary)</b>	<b>732.62</b>	<b>1519.90</b>
Adjustment of Cash credit of subsidiary - BHEL EML from opening balance	0.00	7.28
<b>Closing balance of cash and cash equivalents [Refer Note 11]</b>	<b>1560.52</b>	<b>732.62</b>

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

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

(3) Closing balance of Cash & Cash Equivalents includes exchange variation loss of ₹ Nil (Previous year ₹ 0.15 cr).

(4) Changes in liabilities arising from financing activities are available at Note [21(vi)] and Note [39 b]

(5) During the year the company has accounted for income tax refund amounting to ₹ 266 Cr, including interest income of ₹ 106 Cr.



(Rajeev Kalra)  
Company Secretary  
M. No. 14567

For and on behalf of Board of Directors



(Jai Prakash Srivastava)  
Director (E, R&D)  
with additional charge of  
Director (Finance) & CFO  
DIN: 09703643



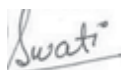
(Dr. Nalin Shinghal)  
Chairman and Managing Director  
DIN: 01176857

For ABP & Associates  
Chartered Accountants  
FRN - 315104E



(Bimal Kumar Chanduka)  
Partner  
M No. 053714

As per our report of even date  
For PSMG & Associates  
Chartered Accountants  
FRN - 008567C



(Swati Singh)  
Partner  
M. No. 404531

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



(Vijit Baidmutha)  
Partner  
M. No. 406044

Place: New Delhi  
Date: May 26, 2023

## Notes to the Consolidated financial statements for the year ended March 31, 2023

### 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 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 amended 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 straightline method as per the useful life prescribed in

Schedule II of the Companies Act, 2013, except in the following items where estimated useful life is based on technically assessed estimated useful life :-

Particulars	(Years)
Plant & equipment	15-30
Buildings	5-60
Electricals installations & equipments	10-30
Erection equipment, Capital tools & tackles	5
Drainage, sewerage & water supply	30
Servers and networks	5
Solar Power Generation Plant	25

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

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

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

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

Temporary structures are fully depreciated in the year of construction.

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

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

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

Asset category	Estimated useful life (Years)
Plant and machinery	2-25
Electrical installations	2-10
Furniture and fixtures	3-10
Computers	2-5
Office equipment	2-10

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

#### In the case of Raichur Power Corporation Limited

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

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

Depreciation on additions to assets is provided on a pro-rata basis i.e. from / (upto) the date of the assets are available for its intended use (disposed off). Individual assets costing up to ₹ 5000 are fully depreciated in the year in which they are put to use.

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

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

### 3. Leases

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

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

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

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

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

### 4. Intangible assets

Intangible items costing more than ₹ 10000/- are evaluated for capitalization and are carried at cost less



accumulated amortization and accumulated impairment, if any.

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

Software	3 years
Others	10 years

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

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

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

Assets acquired for purposes of research and development are capitalized.

## 5. Borrowing costs

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

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

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

## 6. Inventories

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

## 7. Revenue Recognition

Revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects

the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

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

### Other Income

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

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

#### Sales of Parts

Revenue from sale of gas turbine parts in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of 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.



- Revenue from Sale of infirm energy and other miscellaneous receipts is accounted by reducing the same against the Capital Cost as per CERC/KERC guidelines.

Revenue from Sale of energy is recognised as per the guidelines in the CERC / KERC (Terms and conditions for determination of Generation tariff) Regulations 2014.

## 8. Foreign currency Translation/Transaction

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

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

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

## 9. Employee Benefits

### Defined contribution plans

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

### Defined benefit plans

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

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

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

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

## Long term Leave Liability

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

## 10. Provisions

- Claims for liquidated damages against the Company are recognized in the financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.
- The Company provides for anticipated costs for warranties when it recognizes revenues on the related products or contracts and maintain the same throughout the warranty period. The provision is based on historical experience / technical assessment.
- When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately.
- Other provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

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

## 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, 2023	As at March 31, 2022
Gross block	6620.97	6330.89
Less: Accumulated depreciation	4212.23	3994.55
<b>Net block (details refer to note 3.1)</b>	<b>2408.74</b>	<b>2336.34</b>

The Net Block includes ₹ 155.26 Cr (Previous Year ₹ 154.83 Cr) in respect of RoU assets.

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

## Note [3b] - Non current assets

### Capital work in progress

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Plant & machinery and other equipments:		
Under Erection/ Fabrication/awaiting erection	82.41	131.43
In transit	6.95	9.37
Construction work-in-progress -Civil	253.96	280.12
Construction stores (including in transit)	1.27	1.40
<b>Total</b>	<b>344.59</b>	<b>422.32</b>

### CWIP Ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Amount in CWIP for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	115.98	53.36	73.56	89.13	332.03
Projects temporarily suspended	-	0.59	-	-	0.59

### CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2023

(₹ in Crore)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
<b>Projects in progress</b>					
New Building - Noida	227.76	-	-	-	227.76
Transformer Double bottlenecking	10.27	-	-	-	10.27
Other Projects less than ₹ 10 Crore (Total Nos - 18)	16.99	0.09	-	0.34	17.42
<b>Projects temporarily suspended</b>					
Equipment Fabrication Plant - Bhandara	-	-	-	7.74	7.74
Other Projects less than ₹ 1 Crore (Total Nos - 4)	-	0.280	-	1.60	1.88

## CWIP Ageing schedule - As at March 31, 2022

(₹ in Crore)

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

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

(₹ in Crore)

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

## 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, 2023	As at March 31, 2022
Gross block	327.88	308.92
Less: Accumulated amortisation	260.64	246.80
<b>Net block (details refer to note 4.1)</b>	<b>67.24</b>	<b>62.12</b>

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, 2023	As at March 31, 2022
Intangible assets under development	9.26	8.66
	<b>9.26</b>	<b>8.66</b>

### Intangible Assets under development ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Amount of Intangible Asset under development for a period of				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	5.67	1.05	-	2.54	9.26
Projects temporarily suspended	-	-	-	-	-

### Intangible Assets under development Completion schedule (which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2023

(₹ in Crore)

Particulars	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

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

(₹ in Crore)

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

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

(₹ in Crore)

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

## Note 3.1 - Details of Property, Plant & Equipment

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as on 01.04.2022	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2023	Accumulated Depreciation as at 01.04.2022	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2023	Net Block as at 31.03.2023	Net Block as at 31.03.2022
Land - Freehold land (including development expenses)	27.71	0.02	0.00	<b>27.73</b>	0.00	0.00	0.00	<b>0.00</b>	<b>27.73</b>	27.71
Buildings - Freehold Buildings	1743.65	86.92	(6.49)	<b>1824.08</b>	669.59	56.04	(5.48)	<b>720.15</b>	<b>1103.93</b>	1074.06
Roads, bridges & culverts	15.85	0.25	0.00	<b>16.10</b>	14.16	0.60	0.00	<b>14.76</b>	<b>1.34</b>	1.69
Drainage, Sewerage & water supply	31.49	4.73	(0.01)	<b>36.21</b>	8.21	1.17	(0.01)	<b>9.37</b>	<b>26.84</b>	23.28
Plant & Equipment	3209.81	121.78	(5.96)	<b>3325.63</b>	2390.20	117.15	(2.96)	<b>2504.39</b>	<b>821.24</b>	819.61
Railway Siding	8.85	0.00	0.00	<b>8.85</b>	5.31	0.44	0.00	<b>5.75</b>	<b>3.10</b>	3.54
Locomotives & Wagons	28.33	0.00	0.00	<b>28.33</b>	17.57	1.66	0.00	<b>19.23</b>	<b>9.10</b>	10.76
Furniture & fixtures	62.09	9.03	(1.11)	<b>70.01</b>	44.08	4.60	(0.86)	<b>47.82</b>	<b>22.19</b>	18.01
Vehicles	14.33	0.57	(0.00)	<b>14.90</b>	10.24	1.21	(0.00)	<b>11.45</b>	<b>3.45</b>	4.09
Office and Other equipments	141.10	7.72	(1.46)	<b>147.36</b>	120.11	9.69	(1.23)	<b>128.57</b>	<b>18.79</b>	20.99
Electronic Data Processing Equipment	152.83	2.55	9.87	<b>165.25</b>	141.97	8.50	9.89	<b>160.36</b>	<b>4.89</b>	10.86
Electrical Installations	251.67	30.57	4.04	<b>286.28</b>	180.44	4.31	3.31	<b>188.06</b>	<b>98.22</b>	71.23
Construction Equipment	71.85	0.25	(0.21)	<b>71.89</b>	69.22	1.23	(0.21)	<b>70.24</b>	<b>1.65</b>	2.63
Fixed Assets costing upto ₹ 10,000/-	22.05	1.78	(0.91)	<b>22.92</b>	22.05	1.78	(0.91)	<b>22.92</b>	-	-
Solar power generation	119.54	19.84	4.08	<b>143.46</b>	26.48	4.87	1.10	<b>32.45</b>	<b>111.01</b>	93.06
Right-of-use Assets	429.75	33.59	(31.37)	<b>431.97</b>	274.92	33.00	(31.21)	<b>276.71</b>	<b>155.26</b>	154.83
<b>TOTAL</b>	<b>6330.90</b>	<b>319.60</b>	<b>(29.53)</b>	<b>6620.97</b>	<b>3994.55</b>	<b>246.25</b>	<b>(28.57)</b>	<b>4212.23</b>	<b>2408.74</b>	<b>2336.35</b>
Previous Year	6172.41	208.19	(49.71)	<b>6330.89</b>	3746.26	295.79	(47.50)	<b>3994.55</b>	<b>2336.34</b>	2426.15

### Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2023 ₹ 13756.12 Crore and as at 31.03.2022 ₹ 13507.29 Crore

Gross Block as at 31.03.2023 includes assets condemned and retired from active use ₹ 14.90 crore (Previous year ₹ 7.11 crore)

Net Block as at 31.03.2023 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 ₹ 237.42 crore (Previous year ₹ 259.64 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/ Amortization				Net Block	
	Opening Balance as on 01.04.2022	Additions/ Adjust-ments	Deduc-tions/ Adjust-ments	Closing Balance as on 31.03.2023	Accumulat-ed Depreci-ation as at 01.04.2022	Deprecia-tion/ Amor-tisation for the year	Depreci-ation Ad-justments	Accumulat-ed Depreci-ation as at 31.03.2023	Net Block as at 31.03.2023	Net Block as at 31.03.2022
Land (including development expenses)	118.86	0.98	0.00	<b>119.84</b>	14.13	3.38	(0.00)	<b>17.51</b>	<b>102.33</b>	104.73
Buildings	1.63	0.00	0.00	<b>1.63</b>	0.36	0.05	0.00	<b>0.41</b>	<b>1.22</b>	1.27
Plant & Equipment	37.81	8.46	(6.26)	<b>40.01</b>	23.10	10.62	(6.26)	<b>27.46</b>	<b>12.55</b>	14.71
Office & other equipment	16.84	0.00	(0.33)	<b>16.51</b>	15.02	0.42	(0.31)	<b>15.13</b>	<b>1.38</b>	1.82
EDP Equipment	229.51	15.38	(19.13)	<b>225.76</b>	208.73	13.46	(19.13)	<b>203.06</b>	<b>22.70</b>	20.78
Vehicle	5.50	3.80	(2.87)	<b>6.42</b>	3.08	1.34	(2.74)	<b>1.68</b>	<b>4.74</b>	2.42
Others	19.61	4.97	(2.78)	<b>21.80</b>	10.51	3.73	(2.77)	<b>11.46</b>	<b>10.34</b>	9.10
<b>TOTAL</b>	<b>429.75</b>	<b>33.59</b>	<b>(31.37)</b>	<b>431.97</b>	<b>274.92</b>	<b>33.00</b>	<b>(31.21)</b>	<b>276.71</b>	<b>155.26</b>	<b>154.83</b>
Previous Year	455.37	33.18	(58.80)	<b>429.75</b>	291.18	42.35	(58.61)	<b>274.92</b>	<b>154.83</b>	164.19

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>1. Land and buildings includes</b>		
a i) Acres of land for which formal transfer/lease deed have not been executed (in acres)	<b>8421.02</b>	8421.02
Net Block (₹ in Crore)	<b>64.96</b>	65.68
ii) Number of flats for which formal transfer/lease deed have not been executed (in Nos.)	<b>12</b>	12
Net Block (₹ in Crore)	<b>1.01</b>	1.06
iii) Acres of land for which the cost paid is provisional (in acres)	<b>480.04</b>	480.04
[registration charges and stamp duty, (net of provision) would be] accounted for on payment.		
Net Block (₹ in Crore)	<b>61.26</b>	61.98
b. Acres of land leased to Ministry of Defence, Govt. of India Departments & others (in acres)	<b>20.47</b>	29.78
c. Acres of land is under adverse possession/encroachment. (in acres)	<b>873.48</b>	883.66
d. 1297.86 acres (PY 1297.86 acres) of land pending mutation at Haridwar plant for which legal action is in process. It includes land measuring 934 acres (PY 934 acres) which is in BHEL's possession but has been wrongly got mutated in the name of SIDCUL Government of Uttarakhand in the year 2004 & 2007.		
e. Further at Haridwar plant, 8 Acres of land is pending transfer to IOCL /State Government under office memorandum dated 01.12.2003 of Uttarakhand Government.		
(Cost of land of (b to e) mentioned above is not material)		



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

Particulars	As at March 31, 2023	As at March 31, 2022
2. i) Total Area of Land in acres	<b>16660.72</b>	16660.72
ii) Free hold land (Sale Deed) / Possessory Rights/license out of 3(i) in acres	<b>15987.38</b>	15987.38
iii) Leasehold land out of 3(i) in acres	<b>673.34</b>	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, 2023	As at March 31, 2022
100% depreciation on PPE upto ₹ 10,000/- charged off	<b>7.21</b>	6.50
Less: Normal depreciation on above.	<b>(4.39)</b>	(3.53)
Excess amount charged to depreciation for the year	<b>2.82</b>	2.97

4. Properties (i) 2nd Floor office in Chatterjee International Centre, Kolkata (ii) Indora Residential flats, Nagpur – Land & buildings and (iii) Vadodra Township - Land & buildings, having a net block value of ₹ 1.42 Crore, have been identified for sale under asset monetisation drive, subject to requisite approvals.

## Note 4.1 - Details of Intangible Assets

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as on 01.04.2022	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2023	Accumulated Depreciation as at 01.04.2022	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2023	Net Block as at 31.03.2023	Net Block as at 31.03.2022
<b>Internally Developed</b>										
-Others	71.02	0.44	0.00	<b>71.46</b>	66.66	2.59	0.00	<b>69.25</b>	<b>2.21</b>	4.37
<b>Other than Internally Developed</b>										
-Software	53.05	3.46	(0.25)	<b>56.26</b>	50.52	1.76	(0.25)	<b>52.03</b>	<b>4.23</b>	2.52
-Technical Know-how	184.85	15.31	0.00	<b>200.16</b>	129.62	9.74	0.00	<b>139.36</b>	<b>60.80</b>	55.23
<b>Total</b>	<b>308.92</b>	<b>19.21</b>	<b>(0.25)</b>	<b>327.88</b>	<b>246.80</b>	<b>14.09</b>	<b>(0.25)</b>	<b>260.64</b>	<b>67.24</b>	<b>62.12</b>
Previous Year	290.83	18.25	(0.15)	<b>308.92</b>	228.67	18.27	(0.14)	<b>246.80</b>	<b>62.12</b>	62.16

Gross Block (as per earlier IGAAP) as at 31.03.2023 ₹ 598.12 Crore and as at 31.03.2022 ₹ 584.11 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, 2023	As at March 31, 2022
BHEL Gas Turbine Services Private Limited		
Opening net assets	201.86	181.76
Profit / (Loss) for the year	56.02	50.42
Other Comprehensive income	0.59	0.03
Less: Dividend paid	26.18	30.35
<b>Closing net assets</b>	<b>232.29</b>	<b>201.86</b>

(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 ₹ 1152 Crore as per their unaudited financial statement for the year ended March 31, 2023.

(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 ₹ 92 Crore as per their unaudited financial statement for the year ended March 31, 2023.

## Note [5a] -Non current assets

### Financial assets - Investment

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares (Face value in INR)	Amount	No. of Shares (Face value in INR)	Amount
<b>I Quoted equity instruments</b>		-		-
<b>II Unquoted equity instruments (fully paid up shares)</b>				
<b>(a) Investment in joint ventures (at cost)</b>				
(i) Powerplant Performance Improvement Ltd.	1999999 (10)	2.00	1999999 (10)	2.00
Less: Provision for impairment		<u>2.00</u>		<u>2.00</u>
<b>(b) Investment in equity instruments fully paid up (at FVTPL)</b>				
(i) Neelachal Ispat Nigam Ltd			5000000 (10)	5.00
Add / (less) Fair Value Adjustment				<u>(5.00)</u>
(ii) AP Gas Power Corporation Ltd.	728960 (10)	0.91	728960 (10)	0.91
Add / (less) Fair Value Adjustment		<u>2.22</u>		<u>2.38</u>
(iii) Engineering Projects (India) Ltd.	1892 (10)	*	1892 (10)	*
Share in Co-operative Societies #				
<b>Total</b>		<b>3.13</b>		3.29
*Value of less than INR 1 lakh				
<b>Aggregate amount of unquoted investment</b>		<b>2.91</b>		7.19
<b>Aggregate amount of impairment in value of investments</b>		<b>(0.22)</b>		4.62

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

## Information about joint ventures

Particulars	Country of incorporation	As at March 31, 2023	As at March 31, 2022
Name of the joint ventures (JVC)		Proportion (%) of ownership	
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	One share less than 50%	One share less than 50%
NTPC-BHEL Power Projects Private Limited (NBPPL)		50%	50%
Raichur Power Corporation Limited (RPCL)		22.14%	22.14%
		-	-
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) 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.
- (iii) Investment in Neelachal Ispat Nigam Limited has been disposed and sale proceeds of ₹ 25.39 Crore received during the year.

## Note [6] - Financial assets - Trade receivables

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Unsecured, considered good	3743.94	3433.95	3538.39	3340.61
Credit impaired (included in allowances for B&D debts)	11176.04	367.08	11599.09	277.54
	14919.98	3801.03	15137.48	3618.15
Less: Allowances for bad and doubtful debts	11504.44	672.68	11933.64	593.40
<b>Total Trade Receivables (Net)</b>	<b>3415.54</b>	<b>3128.35</b>	<b>3203.84</b>	<b>3024.75</b>

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

Trade receivables includes:

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

## Non current Trade receivable ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					Unbilled Dues	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
I) Undisputed Trade receivables - considered goods	50.85	100.34	116.08	78.12	1410.59	-	-	1755.98
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	1.72	0.01	3.56	21.61	1961.06	-	-	1987.96
IV) Disputed Trade receivables - credit Impaired	95.54	91.62	283.17	340.39	10365.32	-	-	11176.04

## Current Trade receivable ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					Unbilled Dues	Not Yet due for payment	Total
	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years			
I) Undisputed Trade receivables - considered goods	2395.97	331.70	281.11	107.69	317.48	-	-	3433.95
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
IV) Disputed Trade receivables - credit Impaired	2.72	0.81	23.33	14.67	325.55	-	-	367.08

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

(₹ in Crore)

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

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

(₹ in Crore)

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

## Note [7] - Financial assets - Others

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
<b>Security deposits</b>				
Deposits with SEBs, port trust & others				
Unsecured, considered good	83.96	116.98*	81.80	112.86*
Credit impaired	3.59	11.32	2.87	11.69
	87.55	128.30	84.67	124.55
Less: Allowances for bad & doubtful deposits	3.59	11.32	2.87	11.69
	83.96	116.98	81.80	112.86
<b>Bank deposits with more than 12 months maturity</b>	-	-	4.93	-
<b>Interest accrued on banks deposits</b>	-	140.68		76.62
<b>Advance to Employees</b>	-	20.61	-	22.19
Less: Allowance for bad and doubtful advances	-	0.04	-	0.11
	-	20.57	-	22.08
<b>Total</b>	<b>83.96</b>	<b>278.23</b>	<b>86.73</b>	<b>211.56</b>
*includes amount deposited with courts of ₹ 88.79 crore (previous year ₹ 81.77 crore)				
Security Deposits Includes:				
Due from Directors	-	-	-	-
Dues from Officers	-	0.01	-	0.01

## Note [8] - Non current assets

### Deferred tax assets (net of liabilities)

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

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Deferred tax assets</b>		
Provisions	1654.02	1629.68
Dues allowed on payment basis	549.35	440.00
Depreciation (PP&E and Intangible assets)	12.13	46.04
On account of taxable loss	1105.79	1311.74
Others	101.33	102.62
<b>Sub Total</b>	<b>3422.62</b>	<b>3530.08</b>
Less : Deferred tax liabilities	-	-
<b>Deferred tax assets (net of liabilities)</b>	<b>3422.62</b>	<b>3530.08</b>

## Note [9] - Other Assets

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
<b>Contract assets (including unbilled revenue)</b>				
Unsecured, considered good	18928.58	10811.45	18248.24	8691.63
Credit impaired	2773.38	584.87	2768.53	663.72
	21701.96	11396.32	21016.77	9355.35
Less: Allowances for bad and doubtful debts	2773.38	584.87	2768.53	663.72
<b>Sub Total (A)</b>	18928.58	10811.45	18248.24	8691.63
<b>Security deposits</b>				
Deposits with tax authorities and others				
Unsecured, considered good	103.09	378.58	79.96	443.32
Unsecured, considered doubtful	31.19	71.19	30.45	89.74
	134.28	449.77	110.41	533.06
Less: Provision for bad & doubtful deposits	31.19	71.19	30.45	89.74
<b>Sub Total (B)</b>	103.09	378.58	79.96	443.32
<b>Loans &amp; advances</b>				
Unsecured, considered good				
Advances towards purchases (Vendors & sub - Contractors)	41.14	128.69	41.54	56.42
Input Tax credit receivable	-	1079.97	-	958.31
Claims recoverable and others	210.04	652.15	139.76	642.85
Capital advances	17.29	-	17.04	-
Unsecured, considered doubtful				
Advances towards purchases (Vendors & sub - Contractors)	11.92	9.65	11.50	35.69
Input Tax credit receivable	-	6.44	-	5.38
Claims recoverable and others	90.29	149.02	49.67	111.92
Capital advances	-	-	4.69	-
	370.68	2025.92	264.20	1810.57
Less: Provision for bad & doubtful loans & advances	102.21	165.11	65.86	152.99
<b>Sub Total (C)</b>	268.47	1860.81	198.34	1657.58
<b>Total (A+B+C)</b>	19300.14	13050.84	18526.54	10792.53

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
I) Undisputed Contract Assets - considered goods	15020.29	10811.45	13874.67	8691.63
II) Undisputed Contract Assets - credit impaired	-	-	-	-
III) Disputed Contract Assets - considered good	3908.29	-	4373.57	-
IV) Disputed Contract Assets - credit Impaired	2773.38	584.87	2768.53	663.72
<b>Total</b>	21701.96	11396.32	21016.77	9355.35
Loan & advances includes :				
(a) Due from Directors	-	-	-	-
(b) Due from Officers	-	-	-	-

## Note [10] - Current assets

### Inventories

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
Raw material & components	2900.92		2784.94	
Material-in-transit	127.98	3028.90	129.30	2914.24
Work-in-progress		3482.75		3349.47
(including items with sub-contractors)				
Finished goods	422.57		518.09	
Inter - division transfers in transit	89.20	511.77	89.85	607.94
Stores & spare parts				
Production	149.68		151.94	
Fuel stores	6.14		5.70	
Miscellaneous	47.37	203.19	50.32	207.96
Other Inventory				
Materials with fabricators/contractors	85.43		60.10	
Loose tools	24.35		24.32	
Scrap (at estimated realisable value)	163.30	273.08	143.26	227.68
		7499.69		7307.29
Less: Provision for non-moving inventory		743.79		747.08
<b>Total</b>		<b>6755.90</b>		<b>6560.21</b>
<b>Note :</b>				
Write down of inventories		59.72		76.77
Less : reversal thereof		63.01		49.21
<b>Net</b>		<b>(3.29)</b>		<b>27.56</b>



## Note [11] - Current assets

### Financial assets - Cash & cash equivalents

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
Balances with banks				
EEFC a/c	226.21		28.20	
Current / cash credit a/c *	1205.22	1431.43	687.82	716.02
Cheques, demand drafts on hand		128.99		13.06
Cash & stamps on hand		0.08		0.08
Remittances in transit		0.02		3.46
<b>Total</b>		<b>1560.52</b>		<b>732.62</b>

\* Includes ₹ 112.23 Cr in escrow account for specified projects.

## Note [12] - Current assets

### Financial assets - Bank balances

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
Fixed deposits having maturity more than 3 months but not more than 12 months	4852.34		6211.12	
Fixed deposits against margin money for BG issued	213.43		202.65	
Balances with banks (earmarked):				
Charging station project	7.06		3.94	
Unclaimed dividend a/c	1.91		1.81	
CEFC A/c	6.92		-	
Non-repatriable a/c	0.37		1.52	
Sale proceeds of fractional shares on bonus issue	0.03	16.29	0.03	7.30
<b>Total</b>		<b>5082.06</b>		<b>6421.07</b>
<b>Total Cash and Bank Balances [11 + 12]</b>		<b>6642.58</b>		<b>7153.69</b>

## Note [13] - 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, 2023	As at March 31, 2022
Advance tax & TDS	285.80	180.71
Less: Provisions for taxation	59.42	61.47
<b>Total</b>	<b>226.38</b>	<b>119.24</b>

## Note [14] - Equity

### Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
<b>A Equity share capital</b>				
<b>Authorised</b>	<b>10000000000 (2)</b>	<b>2000.00</b>	<b>10000000000 (2)</b>	<b>2000.00</b>
<b>Issued, subscribed and fully paid up</b>	<b>3482063355 (2)</b>	<b>696.41</b>	<b>3482063355 (2)</b>	<b>696.41</b>
<b>a) The reconciliation of the number of equity shares outstanding</b>				
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>b) Details of shares held by shareholders holding more than 5% of shares at the end of the year</b>				
President of India (Promoter)	2199650402	63.17%	2199650402	63.17%
Percentage change of Promoter holding during the year		Nil		Nil
Life Insurance Corporation of India	350770257	10.07%	350769757	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 (in immediately preceding five years ended March 31, 2023)

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 (in immediately preceding five years ended March 31, 2023)

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 [15] - Other Equity

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital reserve	35.18	35.18
Capital redemption reserve	37.87	37.87
General reserves	30476.66	30476.66
Retained earnings	(4083.33)	(4421.45)
OCI (Re-measurements of defined benefit plans)	(334.76)	(318.08)
<b>Total</b>	<b>26131.62</b>	<b>25810.19</b>

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

## Nature and purpose of reserves:

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

## Note [16] - Financial liabilities - Lease Liabilities

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Lease Liabilities	33.75	34.76	35.12	49.81
<b>Total</b>	<b>33.75</b>	<b>34.76</b>	<b>35.12</b>	<b>49.81</b>

Further disclosures available at Note [39] on lease

## Note [17] - Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
<b>Trade payables</b>				
(i) Total outstanding dues of micro enterprises and small enterprises	128.11	1211.53	127.45	745.82
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2065.92	8558.03	2004.48	6881.11
(iii) Acceptances	-	126.27	-	122.66
<b>Total</b>	<b>2194.03</b>	<b>9895.83</b>	<b>2131.93</b>	<b>7749.59</b>

## Non current Trade Payable Ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					Not Yet due for payment \$	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Unbilled Dues		
I) MSME	-	-	-	-	-	125.82	125.82
II) Others	-	-	-	-	0.36	1710.97	1711.33
III) Disputed dues - MSME	-	-	-	2.29	-	-	2.29
IV) Disputed dues - Others *	1.51	59.06	9.86	271.70	0.09	12.37	354.59

## Current Trade Payable Ageing schedule - As at March 31, 2023

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					Not Yet due for payment \$	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Unbilled Dues		
I) MSME	0.02	-	-	-	196.38	1010.60	1207.00
II) Others	581.83	0.58	0.27	2.10	1534.73	6455.49	8575.00
III) Disputed dues - MSME	-	-	-	-	-	4.53	4.53
IV) Disputed dues - Others *	-	-	-	6.98	-	102.32	109.30

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

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					Not Yet due for payment \$	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Unbilled Dues		
I) MSME	-	-	-	-	0.04	125.96	126.00
II) Others	-	-	-	-	0.21	1637.95	1638.16
III) Disputed dues - MSME	-	-	-	0.50	-	0.95	1.45
IV) Disputed dues - Others *	0.32	59.58	27.22	261.62	0.09	17.49	366.32

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

(₹ in Crore)

Particulars	Outstanding for following periods from due date of payment					Not Yet due for payment \$	Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Unbilled Dues		
I) MSME	-	-	-	-	166.16	579.66	745.82
II) Others	2.41	-	-	-	1497.22	5488.49	6988.12
III) Disputed dues - MSME	-	-	-	-	-	-	-
IV) Disputed dues - Others *	0.04	0.97	0.51	13.10	-	1.03	15.65

\$ Not yet due represents contractually retained amounts subject to settlement on achievement of milestones.

\* Break up of outstanding is given based on contractually due date but these will be paid only if resolution of dispute occurs in their favour.

## Note [18] - Financial liabilities- Others

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Deposits from contractors & others	247.10	416.66	206.45	431.36
Liabilities :				
- Employee dues	-	384.33	-	214.05
- Capital Expenditure	8.60	111.50	8.65	80.83
- Others*	-	354.33	-	386.92
Unpaid Dividend**	-	1.91	-	1.81
Interest accrued on borrowings	-	8.20	-	9.12
<b>Total</b>	<b>255.70</b>	<b>1276.93</b>	215.10	1124.09

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

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

## Note [19] - Provisions

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Contractual obligation	2990.16	784.26	2620.03	1235.45
Provision for employee benefits*	878.37	1383.68	856.82	1060.62
Provision others	232.49	622.54	292.69	760.14
Corporate social responsibility	-	6.15	1.67	10.49
<b>Total</b>	<b>4101.02</b>	<b>2796.63</b>	3771.21	3066.70

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

## Note [20] - Other liabilities

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

(₹ in Crore)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non Current	Current	Non Current	Current
Contract liabilities (Advances received from customers incl.excess of billing over revenue)	2585.67	3049.34	2193.43	3854.33
Liabilities towards statutory dues	-	908.32	-	775.55
Deferred income- Govt. grant #	20.14	4.63	19.22	6.08
<b>Total</b>	<b>2605.81</b>	<b>3962.29</b>	2212.65	4635.96

#Govt. grant is received for setting up of solar PV plant and manufacturing of modules , CEFC (Common Engineering Facility Centre) scheme

## Note [21] - Current Financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Loans from banks (secured by fixed deposits)	1115.00	-
Loans from banks (secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)	4270.00	4745.00
<b>Sub-total (A)</b>	<b>5385.00</b>	<b>4745.00</b>
<b>Unsecured</b>		
<b>Sub-total (B)</b>	<b>-</b>	<b>-</b>
<b>Total borrowings (A+B)</b>	<b>5385.00</b>	<b>4745.00</b>

### (i) Details of sanctioned limits

Description	Sanctioned Limit	Utilization			
		As at March 31, 2023		As at March 31, 2022	
		Value (₹ / Cr)	% Utilisation	Value (₹ / Cr)	% Utilisation
<b>Non Fund Based Limits</b>	<b>54000</b>	<b>33602</b>	<b>62.23%</b>	<b>33936</b>	<b>62.84%</b>
Bank Guarantees#	51000	30853	60.50%	31369	61.51%
Letter of Credit (inc. Buyer's Credit)	3000	2749	91.63%	2567	85.57%
<b>Fund Based Limits</b>	<b>6000</b>	<b>4270</b>	<b>71.17%</b>	<b>4745</b>	<b>79.08%</b>
WCDL		4270		4745	
PCFC		NIL		NIL	
<b>Commercial Paper</b>	<b>5000</b>	<b>NIL</b>		<b>NIL</b>	

Total Consortium limit (fund based + non fund based) of ₹ 60000 Cr secured by first charge by way of hypothecation of raw materials, components, work in progress, finished goods, stores, trade receivables and other current assets both present and future.

Company has been in discussion with Consortium Banks on reallocation of Banks limit (Fund Base ₹ 9000 Crore and Non Fund ₹ 51000 crore) keeping overall limits unchanged at ₹ 60000 crore.

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

# Outstanding Bank Guarantees include ₹ 4 Crore (P.Y. ₹ 439 Cr.) on a/c of BGs already replaced but pending vacation as on March 31, 2023. Excluding this, the outstanding BGs as on 31.03.2023 is ₹ 30849 Cr. (Previous Year 30930 Cr.)

(ii) Loan from Banks ₹ 4270 Cr in FY 2022-23 represents WCDL (Working Capital Demand Loan) & ₹ 1115 Cr Loans against Fixed Deposits. For Previous Year, ₹ 4745 Cr Loans represents WCDL.

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

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

(v) Corporate Guarantees given for own obligations outstanding as on 31.03.2023 is ₹ 403 crore (previous year ₹ 1165 crore).

**(vi) Change in Borrowings arising from Financing activities**

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance (excl cash credit)	4745.00	4841.99
Less : Adj of Unsecured loan by BHEL EML consequent to divestment	-	8.21
Cash Flow during the year	640.00	(88.78)
<b>Closing Balance (excl cash credit)</b>	<b>5385.00</b>	<b>4745.00</b>

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

**Note [22]****Revenue from operations**

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
Revenue from Construction and Project related activity	16083.09	14107.10
Sale of Product & Other services	6053.21	6046.28
<b>Total (A)</b>	<b>22136.30</b>	<b>20153.38</b>
<b>Other operational income</b>		
Freight & insurance	187.84	129.35
Scrap sales	299.90	273.63
Recoveries from suppliers	131.33	113.98
Liabilities written back	406.22	239.95
Insurance claims	47.94	76.51
Export incentives	19.63	50.50
Others	135.78	173.79
<b>Total (B)</b>	<b>1228.64</b>	<b>1057.71</b>
<b>Revenue from operations (A + B)</b>	<b>23364.94</b>	<b>21211.09</b>
Revenue from Operations excludes Goods and service tax :	3566.00	2970.00

## Note [23]

### Other income

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income *</b>		
From banks	302.35	246.75
Others	118.77	56.04
<b>Total (A)</b>	<b>421.12</b>	<b>302.79</b>
<b>Other income</b>		
Profit on sale of Investment - NINL	25.42	-
Government grants on Solar PV Plant for captive use / CEFC	8.90	6.20
Profit from sale of PPE & capital stores (Net)	7.76	6.90
Others	25.43	38.65
<b>Total (B)</b>	<b>67.51</b>	<b>51.75</b>
<b>Total other income (A+B)</b>	<b>488.63</b>	<b>354.54</b>
*Includes TDS	13.44	18.92

## Note [24]

### Changes in inventories of finished goods, work in progress and Scrap (Accretion) / Decretion

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Work -in -progress</b>		
Closing balance	3482.75	3349.47
Opening balance	3349.47	3786.38
	(133.28)	436.91
<b>Finished goods</b>		
Closing balance	422.57	518.09
Opening balance	518.09	628.72
	95.52	110.63
<b>Scrap</b>		
Closing balance	163.30	143.26
Opening balance	143.26	147.46
	(20.04)	4.20
<b>Inter-division transfer in transit</b>	0.65	(26.10)
<b>(Accretion) / Decretion</b>	<b>(57.15)</b>	<b>525.64</b>

## Note [25]

### Employee benefits expense

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages, bonus, allowances & other benefits	4859.69	4713.20
Contribution to provident and other funds	473.56	460.01
Staff welfare expenses	244.69	239.89
Contribution to gratuity fund	114.14	95.78
Group insurance	8.55	10.17
<b>Total</b>	<b>5700.63</b>	<b>5519.05</b>



## Note [26]

### Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Power & fuel	487.67	415.08
Expenditure on other sub contracts	243.91	243.72
Carriage outward	249.55	241.23
Payment to security agencies	153.97	148.93
Repairs & maintenance:		
Buildings	33.00	27.32
Plant & machinery	32.41	26.44
Others	77.55	74.05
Insurance	108.03	95.88
Travelling & conveyance	110.59	84.89
Bank charges	90.76	92.17
R&D expense	12.81	12.10
Hire charges	51.01	48.22
Expenditure on collaborations & royalty	54.61	45.21
Rates & taxes	36.62	23.04
Office expense	29.32	27.32
Expenditure on skill development	11.47	12.83
Legal, audit & certification expense	47.67	32.45
EDP, software & lease line expense	17.61	17.40
Water charges	22.83	20.50
Expenditure in connection with exports	8.64	8.01
Rent non-residential	9.85	12.77
Entertainment & courtesy expenses	3.14	2.73
Environmental protection	5.14	4.59
Seminar, development and training expense	2.90	1.28
Unrealised loss in investment of equity share	0.16	0.29
Publicity & public relation expense	3.62	1.94
Miscellaneous expense	49.29	50.10
Exchange variation [Net (gain) / loss]	(459.93)	(81.62)
Provision and Write off (Details at point no vi below)	(847.17)	(1526.25)
<b>Total</b>	<b>647.03</b>	<b>162.62</b>

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(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Further Details</b>		
(i) Director's fees	0.26	0.25
(ii) Expenditure on departmental repair & maintenance:		
Plant & machinery	175.59	159.08
Buildings	31.41	33.06
Others	33.34	33.09
(iii) Expenditure on research & development	128.49	122.83
(iv) Expenditure on foreign travel		
No. of tours	302	127
Expenditure	5.57	1.92

#### (v) Provisions and write off

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Doubtful debts, liquidated damages and loans, advances &amp; deposits</b>		
Created during the year	885.10	729.55
Less: withdrawal during the year	1112.29	(227.19)
<b>Contractual obligations</b>		
Created during the year	313.68	151.95
Less: withdrawal during the year	881.27	(567.59)
<b>Other Provisions</b>		
Created during the year	171.95	367.26
Less: withdrawal during the year	372.24	(200.29)
Investment written off		5.36
Bad debts written off	30.62	98.34
Liquidated damages & contractual charges charged off	113.55	233.59
Losses written off	3.73	12.68
<b>Total</b>	<b>(847.17)</b>	<b>(1526.25)</b>

## Note [27]

### Finance costs

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
Discount on commercial papers		51.17		137.41
Unwinding of provisions		160.50		156.01
Interest cost:				
Banks / Financial Institutions	296.55		47.89	
Foreign Financial Institutions	1.45		0.74	
On lease obligation	7.03		8.50	
Others	4.24	309.27	4.01	61.14
Other expenses on issuance of Commercial paper		0.49		1.40
<b>Sub-total</b>		<b>521.43</b>		<b>355.96</b>
Less: Borrowing cost capitalised		-		-
<b>Total</b>		<b>521.43</b>		<b>355.96</b>

## Note [28]

### Tax expenses

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
<b>Current tax</b>				
For current year	47.88		48.86	
For earlier years	(159.10)	(111.22)	(125.99)	(77.13)
<b>Deferred tax</b>				
For current year	114.02		108.00	
For earlier years	(0.75)	113.27	(5.12)	102.88
<b>Total</b>		<b>2.05</b>		<b>25.75</b>

## Note [29]

### Other comprehensive income / expenditure

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income / (expenditure)</b>		
Re measurement of defined employee benefits	(23.08)	102.72
Less: Income tax related to above items *	(5.81)	25.85
<b>Total</b>	<b>(17.27)</b>	<b>76.87</b>
* Includes		
Current tax	-	-
Deferred tax	(5.81)	25.85

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

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Total Comprehensive Income / Loss (TCI) before tax (A)</b>	<b>456.95</b>	<b>573.21</b>
<b>Statutory income tax rate (B)</b>	<b>25.168%</b>	<b>25.168%</b>
<b>Tax expense C = (AXB)</b>	<b>115.01</b>	<b>144.27</b>
<b>Difference due to: (D)</b>		
Expenses not deductible for tax purposes	55.33	51.90
Difference in tax due to income chargeable to tax at special rate		(0.76)
Tax effect on share of JVs Profit / Loss	(14.25)	(12.70)
Change in tax expense - earlier years	(159.85)	(131.11)
<b>Subtotal (D)</b>	<b>(118.77)</b>	<b>(92.67)</b>
<b>Net Tax Expense E = (C+D)</b>	<b>(3.76)</b>	<b>51.60</b>

## Note [30]

### Earnings per share

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit / (loss) attributable to equity shareholders	477.39	446.03
Weighted average number of equity shares	348.21	348.21
<b>Basic and diluted earnings per share of INR 2 each</b>	<b>1.37</b>	<b>1.28</b>

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

## Note [31]

### Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Proposed dividend on equity shares not recognised as liability</b>		
Proposed final dividend of ₹ 0.40 per share for FY 2022-23 (FY 2021-22 ₹ 0.40 per share).	<b>139.28</b>	139.28

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

## Note [32]

### Notes to Accounts

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

### Basis of Accounting

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

### Basis of Consolidation

- The Company's interest in equity-accounted investees' comprise interests in joint venture. A joint venture is an arrangement in which the Company has joint control, whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognitions, the consolidated financials include the Company's share of profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

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

- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible.

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

Particulars	Principal place of business	Proportion of ownership	
		2022-23	2021-22
<b>Joint Venture Companies</b> (accounted for using equity method)			
BHEL-GE Gas Turbine Services Private Limited	India	<b>One share less than 50%</b>	One share less than 50%
NTPC-BHEL Power Projects Private Limited	India	<b>50%</b>	50%
Raichur Power Corporation Limited	India	<b>22.14%</b>	22.14%

- a) Interest in Joint Ventures in respect of BHEL-GE Gas Turbine Services Ltd. is considered based on unaudited financial statements for the year ended on 31.03.2023.
- b) 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 31.03.2023.
- c) Interest in joint Ventures in respect of Power Plant Performance Improvement Ltd. (PPIL) have not been considered in preparation of Consolidated Financial Statements as the company is under liquidation. Full amount of equity investment of ₹ 2 crore has been provided for as impairment.

## Note [33]

### Contingent liabilities and commitments

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>A. Contingent liabilities</b>		
<b>Claims against the company not acknowledged as debt :</b>		
(a) Sales tax matters	<b>1227.09</b>	1279.61
(b) Service tax matters	<b>606.56</b>	920.46
(c) Court & arbitration matters	<b>711.81</b>	592.77
(d) Excise duty matters	<b>166.39</b>	162.18
(e) Customs duty and others	<b>934.51</b>	880.06
(f) Goods & Service Tax	<b>4.14</b>	-
(g) Other matters ( incl. disputed staff cases)	<b>59.69</b>	48.37
(h) Claim towards Liquidated damages (LD)	<b>3596.61</b>	2872.25
<b>Total</b>	<b>7306.80</b>	6755.70

- (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 (g) , if any, due to pending resolution of the respective proceedings. However, the chances of cash outflow are contingent.
- (iii) Liquidated damages represents likely claims or amount withheld by customer on account of delay in execution of projects which will be settled after commissioning and trial operation of project based on delay analysis and is being disclosed in line with Ind AS -37.

#### (iv) Movement in contingent liabilities

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	6755.70	6045.49
Less: Reduction out of opening balance	727.70	129.84
Add: Additions (net) during the year	1278.81	840.05
Balance at the end of the year	7306.80	6755.70

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>B. Commitments</b>		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for.	282.05	209.20
-- (The above includes related to acquisition of intangible assets)	32.71	7.56
(b) Investment in the Joint Venture entity (NBPPL) for which the company has restrictions for their disposal for five years from the date of incorporation / commercial operation of the project/first unit of the project/completion of first EPC contract, as the case may be. This investment has been fully provided for.	50.00	50.00
(c) In view of the nature of business, being long term construction contracts there may be other commitments for purchase of material etc., which has been considered as normal business process.		

#### Note [34]

Current Financial liabilities includes a sum of ₹ Nil (previous year ₹ 100.51 Crore) towards guarantee fee demanded by the Government of India in respect of foreign currency loans taken by the Company at the instance of the Government upto 1990-91. Since there was no stipulation for payment of such guarantee fee at the time the loans (guaranteed by Government) were taken by the company, the same is reversed after review.

#### Note [35]

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

#### Note [36]

Balance shown under Trade receivables, Trade payables, contractors' advances, deposits and stock / materials lying with sub-contractors/ fabricators are subject to confirmation, reconciliation & consequential adjustment, if any. The Company is in the business of long term construction contracts, bills are raised on the customers as per contract in line with billing schedule approved by the customer and the reconciliation is carried out on ongoing basis & provisions made, wherever considered necessary. Final reconciliation with customer is done on completion of project (Trial Operation and PG Test completed). Trade Receivable of Completed Projects stand at ₹ 7963 Cr (Previous Year 7593 Cr.). Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹ 6185 Cr. (previous year ₹ 6376 crore).

## Note [ 37 ] - SUBSIDIARY

(a) Name of subsidiary	Principal place of business	Proportion of ownership interest held by the Company		Proportion of ownership interest held by the Non Controlling Interest	
		As at		As at	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
BHEL Electrical Machines Limited	India	-	-	-	-

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

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

(₹ in Crore)

Summarized Balance Sheet	As at	
	March 31, 2023	March 31, 2022
Non-current assets	-	-
Current assets	-	-
<b>Total Assets</b>	-	-
Non-current liabilities	-	-
Current liabilities	-	-
<b>Total Liabilities</b>	-	-
<b>Net Assets</b>	-	-
<b>Accumulated Non Controlling Interest (NCI)</b>	-	-

(₹ in Crore)

Summarized statement of profit and loss	For the Year	
	2022-23	2021-22
Revenue	-	-
Profit/ (loss) for the year	-	(2.69)
Other Comprehensive Income	-	-
<b>Total Comprehensive Income</b>	-	(2.69)
Profit/ (loss) attributable to NCI	-	(1.32)

(₹ in Crore)

Summarized Cash flows	For the Year	
	2022-23	2021-22
Cash flows from operating activities	-	(0.02)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
<b>Net increase/ (decrease) in cash and cash equivalents</b>	-	(0.02)

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



## Note [ 38] - JOINTLY CONTROLLED ENTITIES

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

(₹ in Crore)

a) Name of the joint ventures (accounted for at equity method)	Principal place of business	Proportion of ownership		Carrying Amount	
		As at March 31		As at March 31	
		2023	2022	2023	2022
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	50% minus 1 share	50% minus 1 share	2.38	2.38
NTPC-BHEL Power Projects Private Limited (NBPPL)	India	50.00%	50.00%	-	-
Raichur Power Corporation Limited (RPCL)	India	22.14%	22.14%	664.04	664.04

(a) BGGTS is a Joint Venture Company of BHEL and GE, USA formed to take up repair & servicing of GE designed Gas Turbines.

(b) BHEL along with NTPC Limited promoted a joint venture company "NTPC- BHEL Power Projects Private Limited" for carrying out EPC contracts for Power Plants and other infrastructure Projects in India and abroad.

The Board of Directors in its meeting held on February 08, 2018 has accorded in-principle approval for pursuing the winding up of NBPPL. Ministry of Power (MoP) has advised NTPC to consider buying out the stake of BHEL and decide either to continue it as an in-house EPC arm or close it after completion of present work. This advise was noted by NBBPL Board in its meeting held on 29.08.2019.

(c) Raichur Power Corporation Limited, a joint venture company of BHEL & Karnataka Power Corporation Ltd(KPCL), has been promoted for setting up of a 2x800 MW supercritical thermal power plant at Yeramarus, Raichur, Karnataka and 1x800 MW supercritical thermal power plant at Edlapur, Raichur, Karnataka on build, own and operate basis. COD of Unit I and Unit II of Yeramarus TPP achieved in March 2017 and April 2017 respectively.

(d) The provision for impairment in value of investment in Powerplant Performance Improvement Limited amounting to ₹ 2 crore (previous year ₹ 2 crore)has been made since the Company is under liquidation and the amount paid as equity is not recoverable.

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

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

### BHEL-GE Gas Turbine Services Pvt. Ltd

(₹ in Crore)

Balance Sheet	As at	
	March 31, 2023	March 31, 2022
Non-current assets	63.28	126.30
Current assets	813.49	626.37
Cash and Cash Equivalent (incl.bank balances) included in Current assets	50.02	41.97
Non-current liabilities	9.24	12.77
Non-Current financial liabilities (excluding Trade Payables)	9.24	12.77
Current liabilities	402.94	336.69
Current financial liabilities (excluding Trade Payables)	73.76	67.62

(₹ in Crore)

Statement of Profit and Loss	For the year ended	
	March 31, 2023	March 31, 2022
Revenue from operations	967.13	801.18
Interest Income	18.32	15.79
Depreciation and Amortization	8.91	9.65
Interest Expense	0.87	1.08
Income tax Expense	38.54	34.27
Profit / loss for the year	112.56	100.84
Other Comprehensive Income	(1.18)	(0.06)
Total Comprehensive Income	113.75	100.90

#### Raichur Power Corporation Ltd.

(₹ in Crore)

Balance Sheet	As at	
	March 31, 2023	March 31, 2022
Non-current assets	9252.93	9802.61
Current assets	3694.36	2860.89
Cash and Cash Equivalent included in Current assets	17.10	11.11
Non-current liabilities	14529.74	12856.52
Non-Current financial liabilities (excluding Trade Payables)	-	-
Current liabilities	3620.84	3895.70
Current financial liabilities (excluding Trade Payables)	3402.93	3452.34

(₹ in Crore)

Statement of Profit and Loss	For the year	
	March 31, 2023	March 31, 2022
Revenue from operations	3035.43	3198.68
Depreciation and Amortization	658.37	659.11
Interest Expense	1524.73	1704.64
Income tax Expense	-	-
Profit / (loss) for the year	(1114.58)	(678.22)
Total Comprehensive Income	(1114.58)	(678.22)

#### NTPC-BHEL Power Projects Pvt. Ltd.

(₹ in Crore)

Balance Sheet	As at	
	March 31, 2023	March 31, 2022
Non-current assets	198.89	223.91
Current assets	404.19	390.93
Cash and Cash Equivalent [incl. bank balances] included in Current assets	6.90	6.67
Non-current liabilities	84.48	112.86
Current liabilities	702.05	679.96
Current financial liabilities (excluding Trade Payables)	367.38	371.74

(₹ in Crore)

Statement of Profit and Loss	For the year ended	
	March 31, 2023	March 31, 2022
Revenue from operations	44.45	54.74
Depreciation and Amortization	5.79	5.81
Interest Expense	0.17	0.71
Income tax Expense	3.69	(12.86)
Profit / (loss) for the year	(5.49)	(19.87)
Total Comprehensive Income	(5.49)	(19.73)

## Note [39]

### Disclosure on Leases - Ind AS 116

#### Lease Commitments - Company as Lessee

The company's significant leasing agreements are in respect of land, building and EDP equipments. The company has entered into a rate contract for lease arrangement for computer items, printers, video conferencing equipments and peripherals. Assets taken on lease are capitalised and disclosed separately as Right-of-use assets in the property, plant and equipment. The lease rentals are allocated between interest, maintenance and principal value. The interest and maintenance charges are charged to Statement of Profit and Loss and principal amount is adjusted to lease obligations.

#### The company has applied the following available practical expedients :

- (i) The short-term leases exemptions to leases with lease term less than 12 months
- (ii) The low value lease exemption to leases where underlying asset is of low value (assets of less than ₹ 50,000 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		As at		As at	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Not later than 1 year	36.62	54.51	3.52	6.60	33.10	47.91
#						
Later than 1 year and not later than 5 years	34.60	40.52	2.78	5.40	31.82	35.12
Later than 5 years	2.14	-	0.21	-	1.93	-

# The amount of future minimum lease payments in respect of leases where remaining lease term as at the end of March 31, 2023 is less than 12 months is ₹ 16.70 cr (Previous year ₹ 7.56 cr).

#### b Movement in lease liabilities during the FY year 2022-2023

(₹ in Crore)

Particulars	As at	
	March 31, 2023	March 31, 2022
Lease Liabilities As at April 1*	84.93	101.61
Add: Additions	33.58	33.18
Add: Accretion of interest	7.03	8.50
Less : Payments/Adjustment	57.04	58.36
Lease Liabilities as at March 31*	68.50	84.93

\* includes interest accrued of ₹ 1.66 crore (PY ₹ 1.90 crore) & ₹ 1.90 crore (PY ₹ 2.96 crore) as at March 31, 2023 & March 31, 2022 respectively

**c Amounts recognised in profit or loss:**

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Expense relating to Short-term leases	4.91	2.27
Expense relating to low value assets leases	1.26	1.23
Depreciation charge of right-of-use assets	33.00	42.35
Interest expense (included in finance cost)	7.03	8.5

**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, 2023	March 31, 2022
Not later than 1 year	0.04	-
Later than 1 year and not later than 5 years	0.06	-
Later than 5 years	-	-

**Note [40] - Disclosure on 'Employee benefits' - Ind AS 19**

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

- Gratuity Scheme
- Post Retirement Medical Scheme
- Provident Fund Scheme
- Travel claim on Retirement

**(i) Gratuity (Funded Plan)**

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

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

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	As at March, 31					
	2023	2022	2023	2022	2023	2022
Opening balance	1933.60	2011.42	1581.44	1697.44	352.16	313.98
Add/(less) Adjustment on sale of stake in subsidiary	-	(6.16 )	-	-	-	(6.16)
Included in Profit for the Year :						
Current Service Cost	89.49	95.78	-	-	89.49	95.78
Past Service Cost	-	-	-	-	-	-
Interest cost /(income)	135.35	135.35	110.70	135.35	24.65	-
Total amount recognised in Profit for the Year	224.84	231.13	110.70	135.35	114.14	95.78

## 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					
	2023	2022	2023	2022	2023	2022
Included in Other Comprehensive income ( OCI ) :						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Change in Demographic Assumption	(19.36)	-	-	-	(19.36)	-
Change in Financial Assumption	(74.88)	(47.57)	-	-	(74.88)	(47.57)
Experience Adjustment	23.95	(19.22)	(0.73)	(15.35)	24.68	(3.87)
<b>Total amount recognised in other comprehensive income</b>	<b>(70.29)</b>	<b>(66.79)</b>	<b>(0.73)</b>	<b>(15.35)</b>	<b>(69.56)</b>	<b>(51.44)</b>
<b>Others</b>						
Contributions paid by the Employer	-	-	-	-	-	-
Benefits paid	(237.93)	(236.00)	(237.93)	(236.00)	-	-
Unpaid Benefits paid						
<b>Closing balance</b>	<b>1850.22</b>	<b>1933.60</b>	<b>1453.48</b>	<b>1581.44</b>	<b>396.74</b>	<b>352.16</b>

## Details of Plan assets

Particulars	As at March 31, 2023	As at March 31, 2022
Funds managed by Insurer	79.03%	76.96%
High quality Corporate bonds (quoted)	16.52%	19.55%
State Government securities (quoted)	3.00%	2.80%
Bank Balance	1.45%	0.69%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

## Actuarial assumptions

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Economic assumptions:</b>		
Discount rate	7.40%	7.00%
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
<b>Demographic assumptions:</b>		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
<b>Withdrawal rate % (All ages)</b>		
Upto 30 Years	3%	3%
From 31 to 44 years	1%	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, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(91.64)	99.80	(91.26)	99.51
Change in Salary escalation rate (0.50% movement)	36.56	(42.09)	43.70	(47.40)

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, 2023	As at March 31, 2022
Less than 1 year	160.65	213.13
Between 1-2 years	135.51	149.43
Between 2-3 years	113.15	134.26
Between 3-4 years	100.52	112.14
Between 4-5 years	88.94	98.80
Between 5-6 years	80.57	87.74
Over 6 years	1170.88	1138.10
<b>Total</b>	<b>1850.22</b>	<b>1933.60</b>

Expected contributions to gratuity plans for the year ending 31 March 2024 are ₹ 102.96 crore

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.60 years (31 March 2022: 14.81 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					
	2023	2022	2023	2022	2023	2022
Opening balance	2210.85	2255.85	1919.34	1948.72	291.51	307.13
Add/(less) Adjustment on sale of stake in subsidiary	-	-	-	-0.38	-	0.38
Included in Profit for the Year :						
Current service cost	40.29	39.26	-	-	40.29	39.26
Past service Cost	-	-	-	-	-	-
Interest cost / (income)	154.76	152.27	134.36	152.27	20.40	-
Total amount recognised in Profit for the Year	195.05	191.53	134.36	152.27	60.69	39.64
Included in Other Comprehensive Income (OCI):						
Remeasurement loss (gain):						
Actuarial loss (gain) arising from:						
Demographic assumptions	18.72	-	-	-	18.72	-
Financial assumptions	(96.85)	(54.57)	-	-	(96.85)	(54.57)
Experience adjustment	109.13	(16.96)	(34.48)	(16.27)	143.61	(0.69)
Total amount recognised in other comprehensive income	31.00	(71.53)	(34.48)	(16.27)	65.48	(55.26)
Others						
Contributions paid by the employer						
Benefits paid	(187.30)	(165.00)	(187.30)	(165.00)	-	-
Closing balance	2249.60	2210.85	1831.92	1919.34	417.68	291.51

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

## Actuarial assumptions

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Economic assumptions:</b>		
Discount rate	7.40%	7.00%
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
<b>Demographic assumptions:</b>		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
<b>Withdrawal rate (All ages)</b>		
Upto 30 Years	3%	3%
From 31 to 44 years	1%	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, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(105.76)	104.84	(100.44)	101.60
Change in cost (0.50% movement)	106.07	(104.21)	101.79	(100.97)

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, 2023	As at March 31, 2022
Less than 1 year	183.29	133.39
Between 1-2 years	198.87	140.73
Between 2-3 years	203.84	149.11
Between 3-4 years	210.98	158.65
Between 4-5 years	220.47	169.44
Between 5-6 years	228.18	181.98
Over 6 years	1003.97	1277.55
<b>Total</b>	<b>2249.60</b>	<b>2210.85</b>

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2024 are ₹ 49.81 crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.34 years (31 March 2022: 12.78 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	
	2022-23	2021-22
Excess / (Shortfall) in PF interest liability based on actuarial valuation for the year	(14.90)	1.26
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	28.10	13.20
Remeasurement gain/(loss) recognised through other comprehensive income statement	(24.20)	(1.39)
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	(9.30)	(2.65)

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					
	2023	2022	2023	2022	2023	2022
BHEL EPF Trust,Ranipur,Hardwar	1764.84	1664.32	1776.01	1680.03	11.17	15.71
BHEL Employee Provident Fund-Trichy	916.65	935.88	906.77	929.35	(9.88)	(6.53)
BHEL Employee Provident Fund Bhopal	1493.84	1394.81	1487.41	1395.61	(6.43)	0.80
BHEL New Delhi Employees Provident Fund Trust	1433.99	1375.80	1433.50	1386.09	(0.49)	10.29
BHEL Employee Provident Fund-Hyderabad	843.58	823.06	871.94	853.42	28.36	30.36
BHEL PPD EPF Trust,Chennai	907.95	854.23	896.65	847.56	(11.30)	(6.67)
BHEL Employee Provident Fund-Bengaluru	614.87	620.46	626.89	627.07	12.02	6.61
BHEL (BAP Unit) EPF Trust,Ranipet	332.24	357.05	332.46	359.84	0.22	2.79
BHEL Employee Provident Fund Trust Jhansi	476.99	455.36	491.52	468.66	14.53	13.30
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	148.74	145.91	186.84	179.46	38.10	33.55
Total	8933.69	8626.88	9009.99	8727.09	76.30	100.21

## 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
<b>Opening balance</b>	<b>8626.88</b>	8395.04	<b>8727.09</b>	8465.86
Included in Profit for the Year :				
Current service cost	<b>353.89</b>	337.15	-	-
Interest cost / (income)	<b>683.04</b>	657.45	<b>683.04</b>	657.45
<b>Total amount recognised in Profit for the Year</b>	<b>1,036.93</b>	994.60	<b>683.04</b>	657.45
<b>Included in Other Comprehensive Income (OCI):</b>				
Remeasurement loss (gain):				
Actuarial loss (gain) arising from:				
Demographic assumptions				
Financial assumptions	<b>(1.22)</b>	(1.65)	-	-
Experience adjustment	<b>(4.04)</b>	3.54	<b>(29.15)</b>	31.28
<b>Total amount recognised in other comprehensive income</b>	<b>(5.26)</b>	1.89	<b>(29.15)</b>	31.28
<b>Others</b>				
Contributions paid by the employer	-		<b>353.89</b>	337.15
Employee Contribution	<b>717.79</b>	725.84	<b>717.79</b>	725.84
Benefits paid	<b>(1862.90)</b>	(1904.95)	<b>(1862.90)</b>	(1904.95)
Settlements/Transfer-in	<b>420.24</b>	414.46	<b>420.24</b>	414.46
<b>Closing balance</b>	<b>8933.68</b>	8626.88	<b>9009.99</b>	8727.09

Note: Intrest shortfall in respect of PF trusts having deficit have been accounted during the year through statement of profit and loss account and other comprehensive income statement.

In addition to the above, diminution in PF Trust Investment is also cumulatively provided totalling to ₹ 68.47 Cr. based on the best possible assessment of recovery.

## Details of Plan assets

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Govt. of India securities [Quoted]	<b>905.49</b>	1026.09
State Government securities [Quoted]	<b>4451.33</b>	4061.08
Corporate bonds [Quoted]	<b>3017.93</b>	3062.28
Special Deposit [Unquoted]	<b>364.71</b>	384.27
Liquid Fund [Quoted]	<b>17.19</b>	14.25
Short term deposit [Unquoted]	<b>33.46</b>	13.07
Mutual Fund & Equity shares[Quoted]	<b>219.88</b>	166.05
<b>Total</b>	<b>9009.99</b>	8727.09

## Actuarial assumptions

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Economic assumptions:</b>		
Discount rate	7.40%	7.00%
Expected statutory interest rate on the ledger balance	8.15%	8.10%
Expected short fall in interest earnings on the fund	0.05%	0.05%
<b>Demographic assumptions:</b>		
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
<b>Withdrawal rate % (All ages)</b>		
Upto 30 Years	3.00%	3.00%
From 31 to 44 years	1.00%	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, 2023		As at March 31, 2022	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(1.67)	1.83	(1.30)	1.38

## Expected maturity analysis in future years

(₹ in Crore)

Particulars	Provident Fund	
	As at March 31, 2023	As at March 31, 2022
Within the next 12 months	860.93	916.15
Between 2-5 years	1706.54	1681.13
Between 5-10 years	1396.90	2150.37
Beyond 10 years	4969.31	3879.23
<b>Total</b>	<b>8933.68</b>	<b>8626.88</b>

## (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 liability	
	As at March 31, 2023	As at March 31, 2022
<b>Opening balance</b>	<b>11.63</b>	10.30
Current service cost	<b>0.81</b>	0.69
Interest cost / income	<b>0.81</b>	0.69
<b>Included in Profit for the Year :</b>	<b>1.62</b>	1.38
Actuarial loss / (gain)	<b>2.97</b>	2.60
<b>Total amount recognised in TCI for the Year</b>	<b>4.59</b>	3.98
<b>Others</b>		
Contributions paid by the employer	-	-
Benefits paid	<b>(2.79)</b>	(2.65)
<b>Closing balance</b>	<b>13.43</b>	11.63

## Actuarial assumptions

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

Particulars	Settlement Allowance	
	As at March 31, 2023	As at March 31, 2022
<b>Economic assumptions:</b>		
Discount rate	<b>7.40%</b>	7.00%
Salary escalation rate	<b>6.50% P.A. for 1st 4 yrs. &amp; then 6% P.A. thereafter</b>	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter
<b>Demographic assumptions:</b>		
Retirement age	<b>60</b>	60
Mortality table	<b>100% of IALM (2012-14)</b>	
<b>Withdrawal rates (All ages)</b>		
Upto 30 Years	<b>3%</b>	3%
From 31 to 44 years	<b>1%</b>	2%
Above 44 years	<b>1%</b>	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, 2023	As at March 31, 2022
<b>Opening balance</b>	<b>1030.72</b>	1242.08
Add/(less) Adjustment of sale of stake in subsidiary	-	(0.34)
<b>Included in Profit for the Year :</b>		
Current service cost	<b>130.91</b>	142.00
Interest cost (income)	<b>72.15</b>	83.82
Actuarial loss (gain)	<b>(61.60)</b>	(181.51)
<b>Total amount recognised in Profit for the Year</b>	<b>141.46</b>	44.31
Benefits paid	<b>135.00</b>	255.33
<b>Closing balance</b>	<b>1037.18</b>	1030.72

## Actuarial assumptions

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

Particulars	Long Term Leave Liability	
	As at March 31, 2023	As at March 31, 2022
<b>Economic assumptions:</b>		
Discount rate	<b>7.40%</b>	7.00%
Salary escalation rate	<b>6.50% P.A. for 1st 4 yrs. &amp; then 6% P.A. thereafter</b>	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter
<b>Demographic assumptions:</b>		
Retirement age	<b>60</b>	60
Mortality table	<b>100% of IALM (2012-14)</b>	
<b>Withdrawal rates (All ages)</b>		
Upto 30 Years	<b>3%</b>	3%
From 31 to 44 years	<b>1%</b>	2%
Above 44 years	<b>1%</b>	1%

## C. Pension Fund

The Company has recognised ₹ 247 cr [PY ₹ 254 cr] as contribution in respect of pension scheme [ defined contribution plan] for the FY 2022-23

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

### A. List of related parties

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

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

### ii) Other related parties:

#### a. Key Management Personnel [KMP]

Particulars	Designation	Position Held [w.e.f / upto]
<b>Functional Directors</b>		
Shri [Dr.] Nalin Shinghal	Chairman & Managing Director	
Shri Subodh Gupta	Director (Finance) & CFO	
Ms. Renuka Gera	Director ( IS & P)	
Shri Upinder Singh Matharu	Director (Power)	
Shri. Jai Prakash Srivastava	Director (E, R&D)	w.e.f. August 12, 2022
<b>Company Secretary</b>		
Shri Rajeev Kalra	Company Secretary	

(₹ in Crore)

Particulars	For the year ended	
	March 31,2023	March 31,2022
<b>Compensation to Key management personnel</b>		
- Short term employee benefits	2.85	3.29
- Post employment benefits	0.50	0.38
- Other long term benefits	-	-
- Termination benefits	-	-
- Share based payment	-	-
<b>Total</b>	<b>3.35</b>	<b>3.67</b>

**b. Government Director/Independent Director**

Name	Government/Independent	Held [w.e.f /upto]
Shri Shashank Priya	Government Director	upto 14.02.2023
Shri Vijay Mittal	Government Director	
Smt. Arti Bhatnagar	Government Director	w.e.f. 14.02.2023
Shri Raj Kamal Bindal	Independent Director	upto 27.01.2023
Shri Manish Kapoor	Independent Director	upto 27.01.2023
Shri (Dr.) Raj K. Agarwal	Independent Director	upto 12.09.2022
Shri (Dr.) K. Sivaprasad	Independent Director	
Smt.(Dr.) Lekhasri Samantsinghar	Independent Director	
Shri Aditya Prasad Sahu	Independent Director	upto 30.05.2022

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2023	March 31, 2022
Sitting Fees -- Independent Directors	0.26	0.25

**B 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	
		2023	2022
PRMB Trust	Post Retirement medical scheme	-	-
Gratuity Trust	Gratuity	-	-
Employees Superannuation Fund	Pension Fund	246.95	115.00
BHEL EPF Trust,Ranipur,Hardwar	Provident Fund	57.81	55.13
BHEL Employee Provident Fund-Trichy	Provident Fund	56.00	53.43
BHEL Employee Provident Fund Bhopal	Provident Fund	56.25	53.03
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	44.01	41.46
BHEL Employee Provident Fund-Hyderabad	Provident Fund	42.45	40.56
BHEL PPD EPF Trust,Chennai	Provident Fund	30.67	28.21
BHEL Employee Provident Fund-Bengaluru	Provident Fund	28.60	27.75
BHEL (BAP Unit) EPF Trust,Ranipet	Provident Fund	17.83	18.58
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	13.77	13.19
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	Provident Fund	6.50	5.81

### C) Details of Transactions with Joint Ventures and Balances

Consolidated

(₹ in Crore)

Particulars	For the year ended	
	March 31,2023	March 31,2022
<b>Sale of Goods &amp; Services</b>		
BGGTS	239.24	281.48
RPCL	9.42	3.27
NBPPL	2.21	3.83
<b>Dividend income</b>		
BGGTS	26.18	30.35
<b>Royalty income</b>		
BGGTS	1.85	1.80
<b>Purchase of Goods and Services</b>		
BGGTS	0.87	1.04
NBPPL	-	1.52
<b>Amounts due to BHEL at the end of the year</b>		
BGGTS	112.07	143.55
RPCL	636.90	550.90
NBPPL	225.17	263.89
<b>Amounts due from BHEL (incl. advances) at the end of the year</b>		
BGGTS	0.44	0.11
RPCL	20.90	20.95
NBPPL	23.58	67.95
<b>Provision for Doubtful debts &amp; advances</b>		
BGGTS	10.27	-
RPCL	20.81	20.17
NBPPL	190.15	188.70

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

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

(₹ in Crore)

a. Liquidated Damages	As at	
	March 31,2023	March 31,2022
<b>Opening Balance</b>	8559.20	9511.80
Add: Additions	259.62	152.07
Less: Usage/ Write off/payment	86.73	111.76
Less: Withdrawal/adjustments	497.42	992.91
<b>Closing Balance</b>	8234.67	8559.20

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(h) of Note 33.



(₹ in Crore)

b. Contractual Obligation	As at			
	March 31,2023		March 31,2022	
<b>Opening Balance</b>				
As disclosed in Note (19)	<b>3855.48</b>		3992.45	
As disclosed in Note (6)	<b>708.05</b>		723.45	
As disclosed in Note (9)	<b>632.23</b>	<b>5195.76</b>	699.86	5415.76
Add: Borrowing Cost		<b>160.11</b>		155.78
Add: Additions		<b>409.04</b>		277.50
Less: PV Adjustment		<b>94.65</b>		107.45
Less: Usage/ Write off/payment		<b>192.24</b>		88.78
Less: Withdrawal/adjustments		<b>688.44</b>		438.94
Add/(Less): Change in estimate and rates		<b>(0.71)</b>		(18.11)
<b>Closing Balance</b>				
As disclosed in Note (19)	<b>3774.42</b>		3855.48	
As disclosed in Note (6)	<b>552.05</b>		708.05	
As disclosed in Note (9)	<b>462.40</b>	<b>4788.87</b>	632.23	5195.76

The provision for contractual obligation is made considering the effect of time value of money in line with significant Accounting Policy No. 10 to meet the warranty obligations as per the terms and conditions of the contract. The same is retained till the completion of the warranty obligations of the contract. The actual expenses on warranty obligation may vary from contract to contract and on year to year depending upon the terms and conditions of the respective contract. Contractual obligation, pertaining to dues from projects fully provided for, disclosed in Non Current Allowances for B&D Debts in Note 6 and 9.

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

### a. Movement in impairment provisions

(₹ in Crore)

Particulars	2022-23		2021-22	
	Trade receivables	Contract assets	Trade receivables	Contract assets
<b>Opening balance</b>	<b>4314.79</b>	<b>1190.54</b>	<b>4890.48</b>	1,142.25
Add: Additions	<b>279.02</b>	<b>271.45</b>	<b>344.18</b>	146.78
Less: Write off	<b>57.46</b>	-	<b>216.42</b>	-
Less: Reversal*	<b>213.90</b>	<b>83.34</b>	<b>703.45</b>	98.49
<b>Closing balance</b>	<b>4322.46</b>	<b>1378.65</b>	<b>4314.79</b>	1190.54

\*incl. adjustment on sale of stake in subsidiary ₹ (3.36 cr)

## b. Disaggregation of revenue from contracts with customers

(₹ in Crore)

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

### 2022-23

#### Revenue from customers

##### Timing of revenue recognition

(a) At a point in time (product/services)	2640.50	32.82	3335.32	44.57	6053.21
(b) Over time (projects)	13903.36	922.29	1181.90	75.54	16083.09

### 2021-22

#### Revenue from customers

##### Timing of revenue recognition

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

(₹ in Crore)

Particulars	2022-23		2021-22	
	Power	Industry	Power	Industry
<b>Revenue from customers</b>				
CPSUs	5581.63	1639.38	3807.92	1405.00
TSGENCO	1874.88	-	2644.40	-
TANGEDCO	3112.02	-	1669.85	-
BIFPCL [Bangladesh]	831.59	-	1381.44	-

## c. Contract Balances (net of provisions)

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade Receivables	6543.89	6228.59
Contract assets (incl. unbilled revenue)	29740.03	26939.87
Contract liabilities	5635.01	6047.76

## d. Contract revenue recognised

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	3024.72	3592.89
Revenue recognised against performance obligation satisfied in previous year (impact due to change in contract revenue)	892.15	94.41

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

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

## Note [44] - 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, security deposit 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)

Financial assets and liabilities measured at fair value- recurring fair value measurements	Level 3 Hierarchy	
	As at March 31, 2023	As at March 31, 2022
<b>Financial assets:</b>		
Investment in unquoted equity instruments	3.13	3.29

### b. 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)

<b>As at March 31, 2022</b>	<b>3.29</b>
Changes in fair value	(0.16)
<b>As at March 31, 2023</b>	<b>3.13</b>

## Financial Risk Management

### Objectives and Policies

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

- Credit risk
- Liquidity risk
- Market risk

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

### Risk management framework

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

### a) Management of Credit Risk

Credit risk is considered as an integral part of risk reward balance of doing business. BHEL is involved in setting up of power projects pertaining to Government sector (State utilities, PSU's, Railways and other govt. departments etc.) and private sectors in India and abroad. The projects are generally funded by Financial Institutions/ banks or payments are covered by Letter of Credit (LC). The project duration ranges from 3 to 5 years and payments are generally realised in stages as per the terms of the contract including advance, progress payments, milestone (including intermediate) payments and also retentions which are released on completion of such projects. Since majority customers' profile pertains to Government sector, constituting 80% of total receivables coupled with the fact that the company itself is a CPSE, credit risk is relatively low. In respect of private sector customers, the payment terms are mainly through LC. The company has well established review mechanism for receivables at various levels within organisation to ensure proper attention and focus for realisation in line with the company policies, procedures and guidelines. The company uses expected credit loss model to assess the impairment loss or gain and the disclosure of the same is made elsewhere. Further, adequate provisions are maintained to address any eventuality.

### (i) Exposure to credit risk

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

(₹ in Crore)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Cash and cash equivalents	1560.52	732.62
Other bank balances	5082.06	6421.07
Other financial assets	362.19	298.29
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss</b>		
Trade receivables	6543.89	6228.59

Concentration of credit risk- Geographical	Percentage of total receivable	
	As at March 31, 2023	As at March 31, 2022
Within India	94%	93%
Outside India	6%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

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

Note	Percentage of total trade receivables	
	As at March 31, 2023	As at March 31, 2022
Central Public Sector Undertakings incl Railways and Govt Deptt	39%	37%
State Electricity Boards	41%	42%
Private Customers and others	14%	14%
Exports	6%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## (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, 2023	As at March 31, 2022
Balance as at April 1	14.56	31.95
Impairment loss recognised / write off/ withdrawal	0.35	(17.39)
<b>Balance as at March 31</b>	<b>14.91</b>	<b>14.56</b>

### (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, 2023	As at March 31, 2022
Balance as at April 1	5505.33	6032.73
Impairment loss recognised	550.47	490.97
Amounts written off/ withdrawal (incl adj)	(354.69)	(1018.37)
<b>Balance as at March 31</b>	<b>5701.11</b>	<b>5505.33</b>

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

### (b) Management of Liquidity risk

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

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

(₹ in Crore)

Financial Liabilities	As at March 31, 2023		As at March 31, 2022	
Non-derivative financial liabilities	Within 1 year	exceeding 1 year	Within 1 year	exceeding 1 year
Trade payables	9895.83	2194.03	7749.59	2131.93
Deposits from contractors and others	416.66	247.10	431.36	206.45
Finance Lease Obligation	34.76	33.75	49.81	35.12
Other Payables/liabilities				
Employee dues	384.33		214.05	
Other dues	364.44		397.85	
Capex dues	111.50	8.60	80.83	8.65
Short term borrowings	5385.00		4745.00	
<b>Total</b>	<b>16592.52</b>	<b>2483.48</b>	<b>13668.49</b>	<b>2382.15</b>

### 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 31.03.2023 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, 2023		March 31, 2022		March 31, 2023	March 31, 2022
<b>Assets</b>	Euro	Equivalent INR	Euro	Equivalent INR	Others INR	Others (INR)
Trade receivable	55.50	496.43	61.72	520.18	3.44	3.16
Contract assets	332.04	2959.08	327.57	2753.33	11.92	35.27
Other assets	1.24	10.29	0.93	7.56	75.49	21.98
<b>Sub Total (A)</b>	<b>388.78</b>	<b>3465.80</b>	390.22	3281.07	<b>90.84</b>	60.41
<b>Liabilities</b>						
Advances from customer	36.15	240.84	36.42	242.50	22.65	39.47
Trade payables and others	34.70	315.32	101.40	869.73	579.03	131.99
<b>Sub Total (B)</b>	<b>70.85</b>	<b>556.15</b>	137.82	1112.23	<b>601.68</b>	171.46
<b>Assets ( Net of Liabilities)</b>	<b>317.93</b>	<b>2909.64</b>	252.40	2,168.84	<b>(510.83)</b>	(111.05)

<b>Assets</b>	USD	Equivalent INR	USD	Equivalent INR
Trade receivable	70.72	579.07	64.88	489.70
Contract assets	322.62	2640.15	333.77	2517.59
Other assets	0.36	2.41	6.08	45.30
<b>Sub Total (A)</b>	<b>393.70</b>	<b>3221.63</b>	404.73	3052.59
<b>Liabilities</b>				
Advances from customer	58.00	326.40	78.92	457.24
Trade payables and others	97.39	806.03	161.30	1231.18
Short term borrowings	-	-	-	-
<b>Sub Total (B)</b>	<b>155.40</b>	<b>1132.43</b>	240.22	1,688.42
<b>Assets ( Net of Liabilities)</b>	<b>238.31</b>	<b>2,089.21</b>	164.51	1,364.17

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		As at	
	March 31, 2023		March 31, 2022	
Effect on Profit/(loss)	Strengthening	Weakening	Strengthening	Weakening
1% movement				
Euro	29.10	(29.10)	21.69	(21.69)
USD	20.89	(20.89)	13.64	(13.64)
Others	(5.11)	5.11	(1.11)	1.11

## 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 [45] - Consolidated Operating Segment

The Segments have been identified as 'Power' and 'Industry', based on the orders booked by the respective business sectors. These segments are driven by the three business sectors i.e. Power Sector, Industry sector, International Operations.

The Power segment comprises mainly thermal, gas, hydro and nuclear power plant businesses, related spares & services business apart from new businesses of coal to chemicals, emission control equipment and spares for Non-BHEL sets.

The Industry segment caters to major equipment supplies and EPC works for a variety of sectors including transportation, transmission, defence & aerospace, captive power, renewables, downstream oil & gas, energy storage, and electric mobility, among others.

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 31.3.2023			For the year ended 31.3.2022		
	Power	Industry	Total	Power	Industry	Total
<b>I. SEGMENT REVENUE</b>						
Operating Revenue-External	17498.98	4637.32	22136.30	15361.25	4792.13	20153.38
<b>II. SEGMENT RESULTS</b>						
a. Segment Results	1400.32	432.53	1832.85	1949.24	(41.42)	1907.82
b. Unallocated expenses (Net of income)			831.98			1081.40
c. Profit before finance cost & Incometax (a) - (b)			1000.87			826.42
d. Finance cost (Includes unwinding of Interest)			521.43			355.96
e. Net Profit before Income Tax (c) - (d)			479.44			470.46
f. Income Tax			2.05			25.75
g. Net Profit/(loss) after Income Tax (e)-(f)			477.39			444.71
<b>III ASSETS &amp; LIABILITIES</b>						
a. Segment Assets	40666.48	8234.70	48901.18	37196.23	8194.28	45390.51
b. Common Assets			10468.61			10853.25
c. Total Assets			59369.79			56243.76
d. Segment Liabilities	22366.53	5140.86	27507.39	20096.06	4754.42	24850.48
e. Common Liabilities			5034.36			4886.68
f. Total Liabilities			32541.75			29737.16
<b>IV OTHER INFORMATION</b>						
a. Capital Expenditure	121.75	80.26		140.56	55.40	
b. Depreciation & Amortization	167.99	63.96		209.45	71.29	
c. Non Cash Expenses (other than depreciation & amortization)	(507.61)	(296.77)		(1241.57)	(62.11)	

GEOGRAPHICAL SEGMENTS		Within India	Outside India	Total	Within India	Outside India	Total
1	Net Sales / Revenue from Operations	21061.08	1075.22	22136.30	18635.65	1517.73	20153.38
2	Non- Current Assets (PPE & Intangible Assets)	2826.69	3.14	2829.83	2812.21	17.23	2829.44
3	Capital Expenditure	261.79	0.15	261.94	225.32	5.77	231.09

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

Particulars	Power	Industry	Total	Power	Industry	Total
CPSUs	5581.63	1639.38	7221.01	3807.92	1405.00	5212.92
TANGEDCO	3112.02	-	3112.02	1,669.85	-	1669.85
TSGENCO	1874.88	-	1874.88	2644.40	-	2644.40

## Note [ 46 ] - 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	2022-23	99.13	26595.74	88.27	421.37	103.54	(17.27)	87.71	404.10
	2021-22	99.24	26304.74	89.27	396.98	99.96	76.87	90.84	473.85
<b>Subsidiary</b>									
BHEL Electrical Machines Limited (BHEL EML)	2022-23	-	-	-	-	-	-	-	-
	2021-22	-	-	(0.31)	(1.37)	-	-	(0.26)	(1.37)
Non-controlling Interests in BHEL EML	2022-23	-	-	-	-	-	-	-	-
	2021-22	-	-	(0.30)	(1.32)	0.00	0.00	0.25	(1.32)
<b>Joint Ventures (investment as per the equity method)-</b>									
BHEL-GE Gas Turbine Services Private Limited	2022-23	0.87	232.29	11.73	56.02	(3.54)	0.59	12.29	56.61
	2021-22	0.76	201.86	11.34	50.42	(0.18)	0.03	9.67	50.45
NTPC-BHEL Power Projects Private Limited	2022-23	-	-	-	-	-	-	-	-
	2021-22	-	-	-	-	-	-	-	-
Raichur Power Corporation limited	2022-23	-	-	-	-	-	-	-	-
	2021-22	-	-	-	-	-	-	-	-
Total	2022-23	100.00	26828.03	100.00	477.39	100.00	(16.68)	100.00	460.71
	2021-22	100.00	26506.60	100.00	444.71	100.00	76.90	100.00	521.61

## Note [47]

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

## Note [48]

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

## Note [49]

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

## Note [50]

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

## Note [51]

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

## Note [52]

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

## Note [53]

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 [54]

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

## Note [55]

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

## Note [56]

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect the amendment to have any significant impact in its financial statements.

### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect the amendment to have any significant impact in its financial statements.

## Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect the amendment to have any significant impact in its financial statements.

## Note [57]

The Board of Directors has authorised to issue the Financial Statements 2022-23 in its meeting held on May 26 , 2023

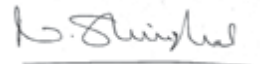


(Rajeev Kalra)  
Company Secretary  
M. No. 14567

For and on behalf of Board of Directors

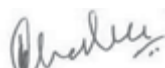


(Jai Prakash Srivastava)  
Director (E, R&D)  
with additional charge of  
Director (Finance) & CFO  
DIN: 09703643



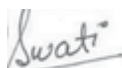
(Dr. Nalin Shinghal)  
Chairman and Managing Director  
DIN: 01176857

For ABP & Associates  
Chartered Accountants  
FRN - 315104E



(Bimal Kumar Chanduka)  
Partner  
M No. 053714

As per our report of even date  
For PSMG & Associates  
Chartered Accountants  
FRN - 008567C



(Swati Singh)  
Partner  
M. No. 404531

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



(Vijit Baidmutha)  
Partner  
M. No. 406044

Place: New Delhi  
Date: May 26, 2023