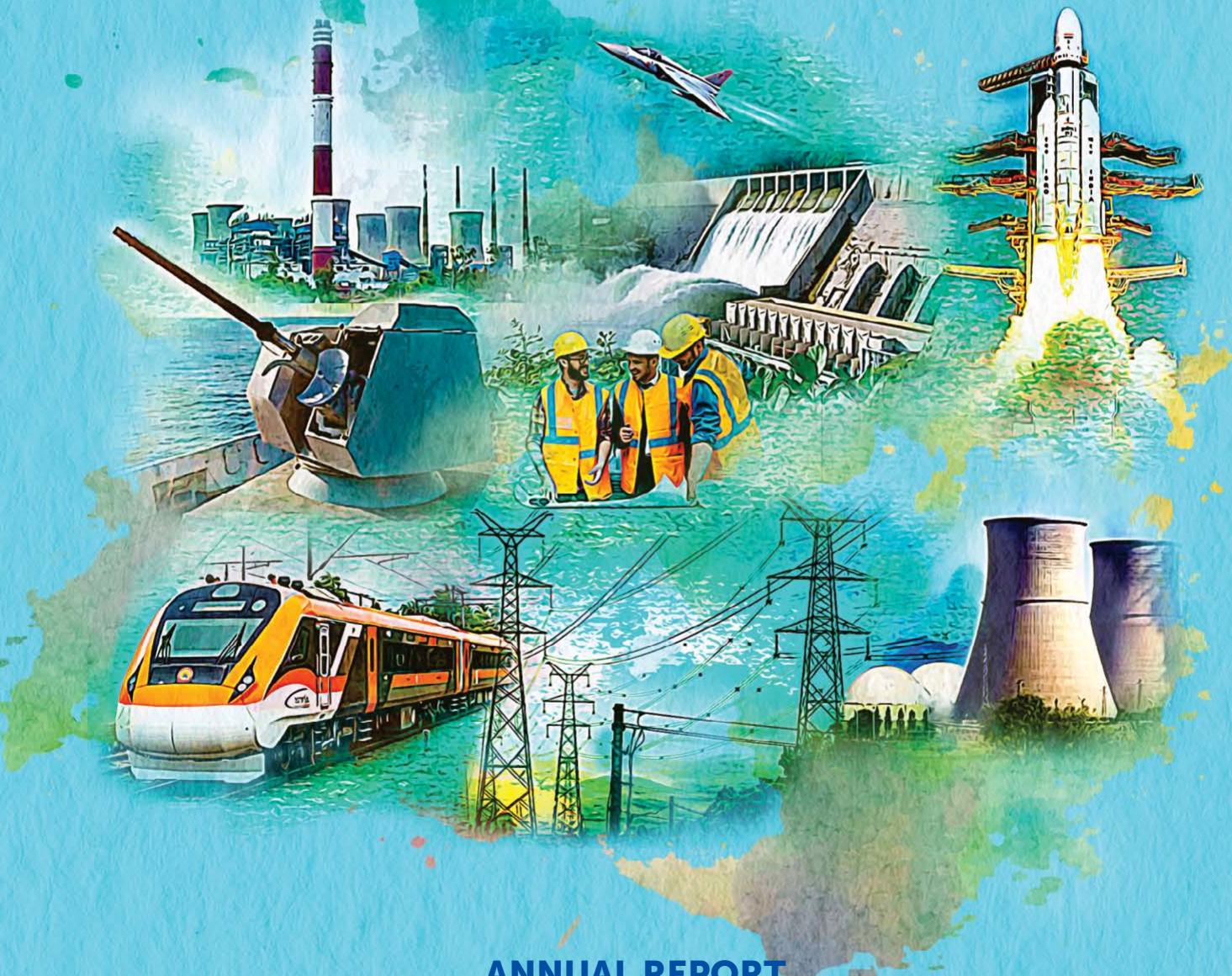


# Engineering Dreams Inspiring Innovation



**ANNUAL REPORT**

2023-24

# Engineering dreams, inspiring innovation

					
<p>BHEL contributes more than <b>50% of the total power generated from conventional sources</b></p>	<p>Only company associated with <b>all three stages of Indian Nuclear Power Programme</b></p>	<p>Manufactured &amp; commissioned <b>India's highest head Francis Turbine</b> for hydro power plants</p>	<p>Manufactured &amp; supplied <b>India's largest rating (145MW) vertical pump-motor set</b> for lift irrigation application</p>	<p>Developed, in association with IGCAR &amp; NTPC, <b>high efficiency technology for coal based thermal power plants</b></p>	<p><b>Indigenously developed coal gasification technology</b> for high ash Indian Coal, and <b>set up demonstration plant</b> for coal to methanol</p>
					
<p><b>First IGBT based air-conditioned EMU train</b> in India has BHEL's electrics &amp; controls</p>	<p>Indigenously developed regenerative braking system for DC motors &amp; propulsion system for upgraded 9000 HP loco</p>	<p><b>Sole indigenous supplier</b> of compact heat exchangers for fighter aircrafts</p>	<p><b>Integrated platform management system (IPMS)</b> for <b>India's first indigenous aircraft carrier, INS Vikrant</b></p>	<p>Indigenously produced <b>space grade solar cells &amp; panels</b>, and <b>batteries for space missions</b>, including Chandrayaan</p>	<p>Indigenously developed &amp; supplied <b>sucker rod pumps</b> for oil &amp; gas exploration</p>





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# Letter to Shareholders



Dear Shareholders,

It is my honor to present the 60<sup>th</sup> Annual Report of your company for the year 2023-24. I am pleased to inform you that your company has maintained its market leadership while focusing on project execution and innovation.

The Indian economy, supported by domestic demand, consistent policy measures, and infrastructure development, is growing steadily, creating business opportunities. Your company has seized these opportunities, achieving its highest ever order book in FY 2023-24, with significant growth in both Power and Industry segments. Our thermal power business witnessed a resurgence, securing orders worth 9.6 GW and achieving 100% market share. Additionally, we have received record orders from the non-fossil sector, including major orders in defence, transportation, and transmission. Our after-sales service business continues to generate a steady stream of orders from various customers and geographies.

## Performance Highlights

Here are the key performance highlights for FY 2023-24:

- Achieved highest ever order inflow of ₹ 77,907 Crore, with orders in both core thermal power and diversified sectors such as transportation, defence, and transmission.
- Secured orders worth ₹ 55,642 Crore in the power sector, including the largest power segment order of NLCIL Talabira and the E&M package for India's biggest hydro power plant, Dibang.
- Industry segment saw the highest ever order inflow of ₹ 21,951 Crores, including the largest order for the supply of 80 Vande Bharat Trains. Also secured prestigious orders for 20 Upgraded Super Rapid Gun Mounts (SRGM) for Indian Navy warships.
- With a renewed focus on project execution, the company posted a revenue of ₹ 22,921 Crores for 2023-24. We expect revenues to grow in the coming years, having posted a Profit After Tax of ₹ 260 Crores and EBITDA of ₹ 1,201 Crores for FY 2023-24.
- Showcased expertise in overseas project execution by commissioning the Maitree Super Thermal Power Plant in Bangladesh, inaugurated by the Prime Ministers of India and Bangladesh.
- Expanded renewable energy footprint by commissioning the 100MW Raghunesda Phase-2 solar project in Gujarat and the 8MW Tamarind Falls solar project in Mauritius.
- Dedicated North Karanpura and Telangana Thermal Power Plants to the nation and achieved significant milestones with the capacity addition for Unit 3 of the Kakrapar Atomic Power Project.
- Successfully commissioned flexible operations capabilities at Adani's Raigarh, West Bengal Power Distribution Company's Sagardighi, and Tata's Trombay plants.
- Energized all three substations associated with the POWERGRID Neemuch Transmission System within the stipulated timelines.

- Manufactured India's first set of catalysts for Selective Catalytic Reduction for limiting NOx emissions for the 5x800 MW Yadadri Thermal Power Station in Telangana.
- Achieved addition of 6 GW of electricity generation capacity in utility, industrial and international sectors.

## Strategic Initiatives and Future Outlook

We are committed to addressing opportunities across our business segments. Key strategic initiatives include:

- Establishment of Central Procurement Cell (CPC) for timely and cost-effective procurement of packages for projects, and Unified Procurement Cell (UPC) for procurement consolidation and cost reduction of raw material/commodities.
- Entered the coal gasification sector through a joint venture with Coal India Ltd to set up a Coal to 2,000 TPD Ammonium Nitrate Plant using BHEL's in-house developed PFBG technology.
- Signed a Technical Assistance and License Agreement (TALA) with General Electric Technology GmbH Switzerland for addressing Gas Turbines market.
- Developed a process for methanol production from coal, and Dimethyl Ether (DME) from methanol to reduce import dependence using Indian coal.
- Formed partnerships with global OEMs to explore opportunities in the defence sector, specifically for air defence guns and marine gas turbines.
- Actively participating in bids to secure high-voltage direct current (HVDC) business in the transmission domain.
- Entered strategic partnership agreements for new areas like railway signaling and electrolyser manufacturing.

We are working on critical technologies, including Advanced Ultra Supercritical (AUSC) technology, propulsion systems for high and semi-high-speed trains, high-power locomotives, strategic defence equipment, and space application batteries. Combining our strengths with those of our partners, we are well-positioned to deliver innovative solutions and achieve sustainable growth.

## Quality and Sustainability

We emphasize robust Quality Management Systems and continuously implement initiatives to enhance their effectiveness. In our Business Excellence journey, a record

ten units participated in the prestigious CII EXIM Bank Award 2023, with Trichy unit bagging the coveted award. Seven units received "Platinum" recognition, and two units achieved "Gold Plus" recognition.

As a responsible corporate, we optimize material and natural resource consumption, minimize waste, and implement recycling practices. Our premises have abundant green cover, with 40% of the total land area covered by greenery and water bodies. We have planted over 3.1 lakh saplings in the last five years, including 81,608 saplings in FY 2023-24. Our "Harit BHEL" initiative aims for net-zero emissions by 2047, transforming BHEL into a model "Green PSU."

## Acknowledgements

I extend my sincere thanks to our esteemed customers, business partners, employees, Board members, shareholders, and the Ministry of Heavy Industries for their guidance and support. With our strong foundation, dedicated workforce, and strategic vision, I am confident that your company is poised for a bright future. Your continued support is invaluable as we move forward on our journey of engineering dreams and inspiring innovation.

With warm wishes,

**K. Sadashiv Murthy**  
Chairman & Managing Director  
Bharat Heavy Electricals Limited (BHEL)

New Delhi  
July 27, 2024

# LEADERSHIP AT BHEL

Board of Directors as on 25<sup>th</sup> July 2024

## FUNCTIONAL DIRECTORS



**Shri K. Sadashiv Murthy**  
Chairman & Managing Director



**Shri Jai Prakash Srivastava**  
Director (Engineering, R&D)



**Shri Krishna Kumar Thakur**  
Director (Human Resources)



**Shri Tajinder Gupta**  
Director (Power)



**Ms. Bani Varma**  
Director (Industrial Systems & Products)



**Shri Rajesh Kumar Dwivedi**  
Director (Finance)

## GOVERNMENT DIRECTORS/PART-TIME OFFICIAL DIRECTORS



**Ms. Arti Bhatnagar**  
Additional Secretary & Financial Adviser,  
Ministry of Commerce & Industry



**Shri Vijay Mittal**  
Joint Secretary, Ministry of Heavy Industries

## INDEPENDENT DIRECTORS



**Dr. K Sivaprasad**  
Independent Director



**Shri Ramesh Patlya Mawaskar**  
Independent Director

# LEADERSHIP AT BHEL

Management Team as on 25<sup>th</sup> July 2024

## MANAGEMENT TEAM



**K. Sadashiv Murthy**  
Chairman & Managing Director



**Jai Prakash Srivastava**  
Director (Engineering, R&D)



**Krishna Kumar Thakur**  
Director (Human Resources)



**Tajinder Gupta**  
Director (Power)



**Bani Varma**  
Director (Industrial Systems & Products)



**Rajesh Kumar Dwivedi**  
Director (Finance)



**T S Murali**  
ED (HEEP & CFFP), Haridwar



**Rajeev Singh**  
ED (CQ&BE), New Delhi



**Praveen Kishore**  
ED (CPC, addl. charge-PEM), Noida



**Vinay Nigam**  
ED (TP), Jhansi



**K Ravishankar**  
ED (Corporate R&D Hyderabad, addl. charge-CTM), New Delhi



**S Jithender Reddy**  
ED (HPVP), Vizag



**K B Raja**  
ED (HPEP), Hyderabad



**S M Ramanathan**  
ED (HEP), Bhopal



**Jitendra Das**  
ED (Industry Sector & International Operations), New Delhi



**Alok Kr. Singhal**  
ED (Corp. Law), Noida



**Navin Saxena**  
ED (PS-NR), Noida



**M Arunmozi Devan**  
ED (BAP), Ranipet



**Vinay Kumar Bassi**  
ED (ROD & NREB), New Delhi



**Pankaj Rastogi**  
ED (Hydro Business Group), Noida



**Rajeev Kumar Gupta**  
ED (CSM & CC), Secy. MC, New Delhi



**K Ashok**  
ED (ISG), Bengaluru



**Rahul Bansal**  
ED (PS-HQ New Delhi, CFP Rudrapur & FSIP Jagdishpur



**S Prabhakar**  
ED (HPBP), Trichy

## MANAGEMENT TEAM

**Sanjay Goel**

ED (TBSG), New Delhi

**Sanjeev Kumar Roy**

ED (PS-WR), Nagpur

**S D Goswami**

ED (HSE), Noida

**Y Srinivas Rao**

ED (CPPP &amp; PMG, New Delhi; PE&amp;SD, Hyderabad)

**B Shyam Babu**

ED (EDN), Bengaluru

**C Venkat Rao**

ED (Capex, SS&amp;P &amp; CDT), New Delhi

**R P S Sisodia**

ED (PSBG-I, addl. charge Coal to Chemical), New Delhi

**Arumoy Mukherjee**

GM I/c (PS-ER), Kolkata

**Rakesh Singh**

GM &amp; Head (TBG), Noida

**A K Verma**

GM &amp; Head (COM), New Delhi

**M Sridhar**

GM &amp; Head (Human Resources), New Delhi

**Jagat Singh**

GM &amp; Head (PS-TS), Noida

**N Ramesh Kumar**

GM &amp; Head (SBD), Bengaluru

**Vinod Jacob Sam**

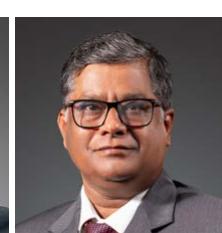
GM &amp; Head (PS-SR), Chennai

**Sumeet Salhotra**

GM &amp; Head (Cost Optimisation Cell), Noida

**Yatindra Mohan**

GM (Nuclear Business Group), Noida

**R Veerabahu**

GM (Corporate Internal Audit), New Delhi

**Abhishek Srivastava**

GM (HERP), Varanasi

**Ravinder H Teckchandani**

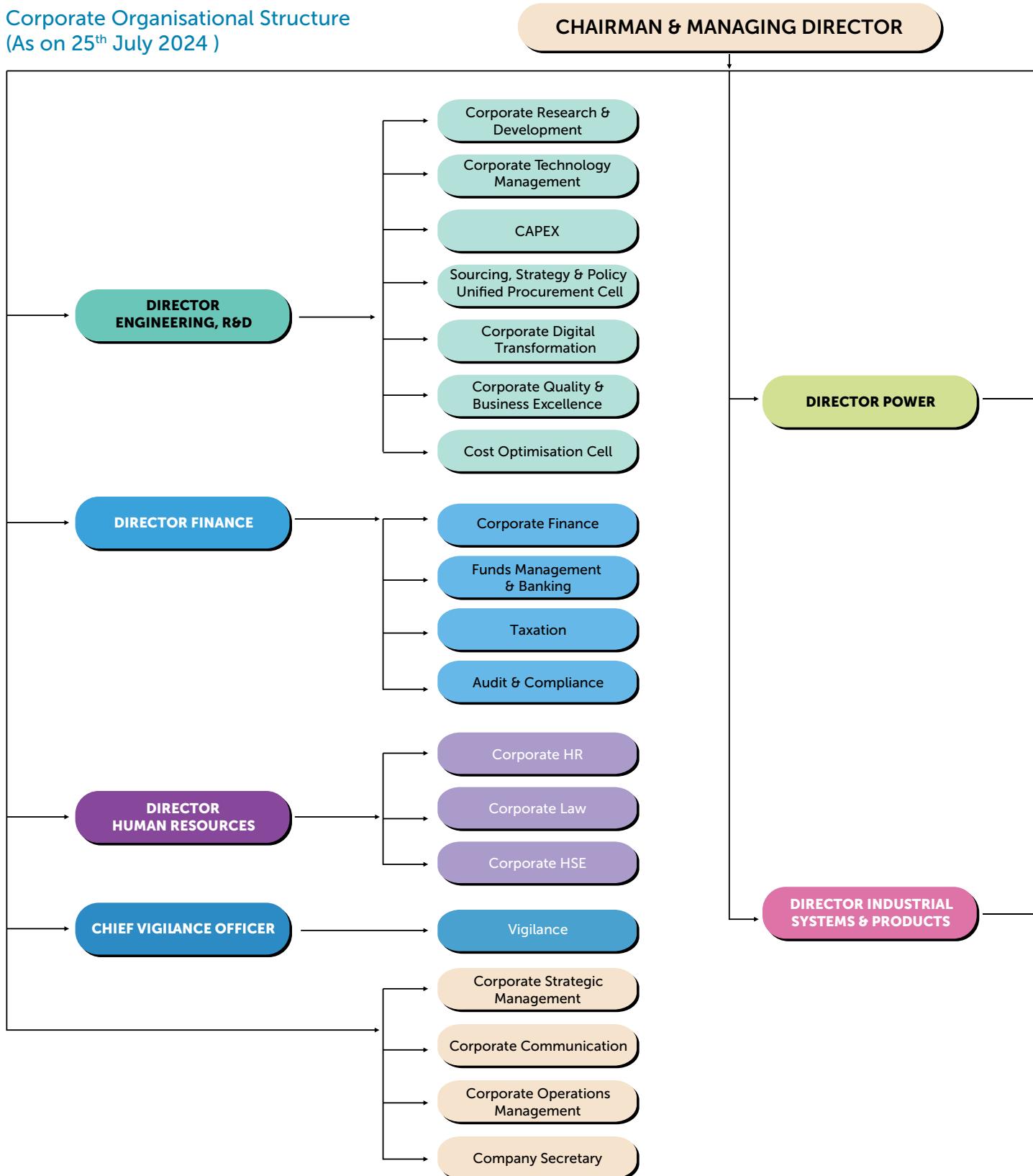
GM (SSBG), Noida

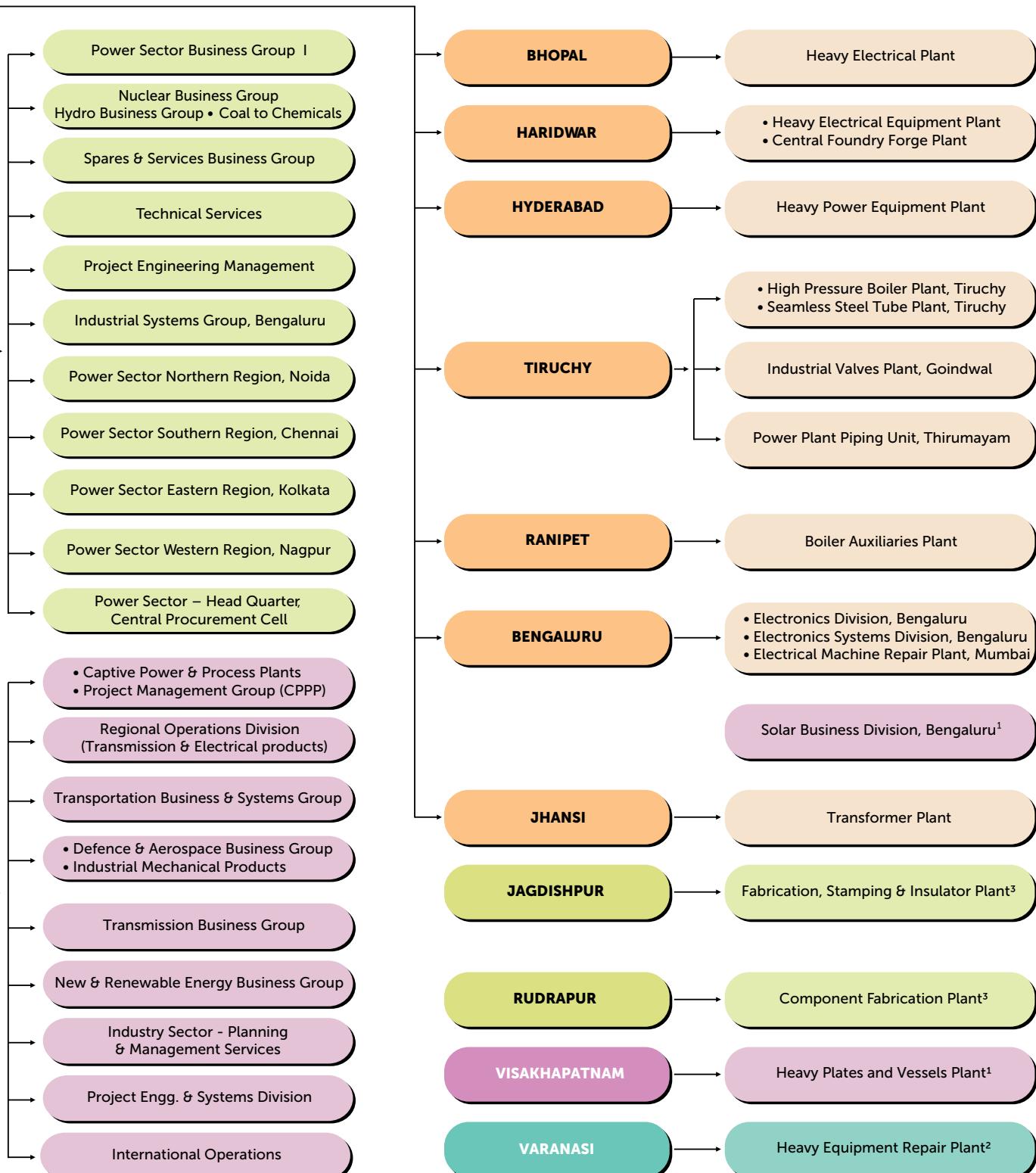
**Dr. Yogesh R Chhabra**

Company Secretary

# LEADERSHIP AT BHEL

Corporate Organisational Structure  
(As on 25<sup>th</sup> July 2024 )





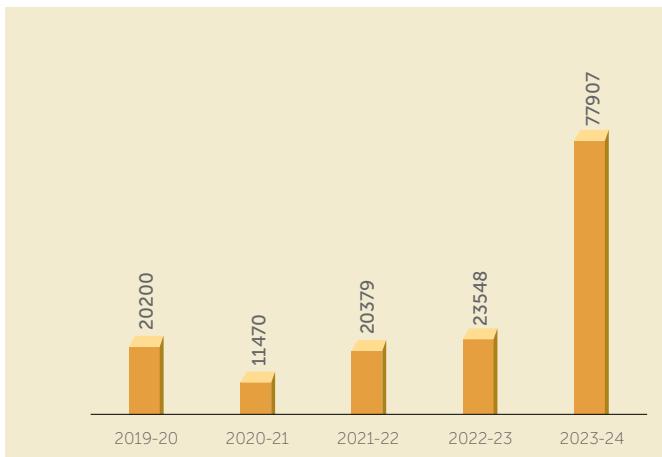
1. Report to Director (Industrial Systems &amp; Products)

2. Report to Director (Engineering, R&amp;D) 3. Report to Director (Power)

# YEAR AT A GLANCE 2023-24

(Figures are in ₹ Crore unless otherwise stated)

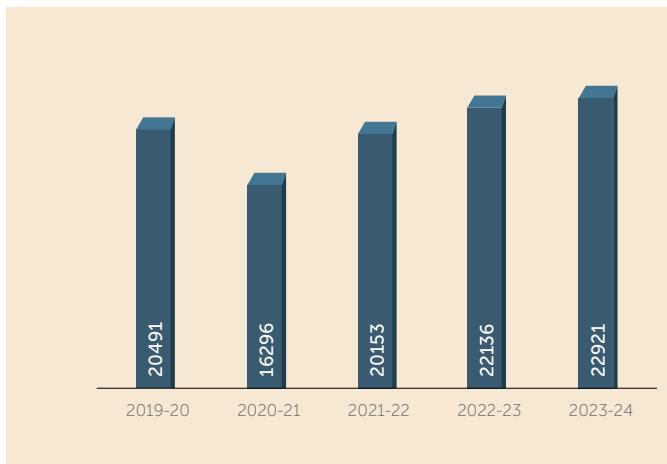
ORDER RECEIVED



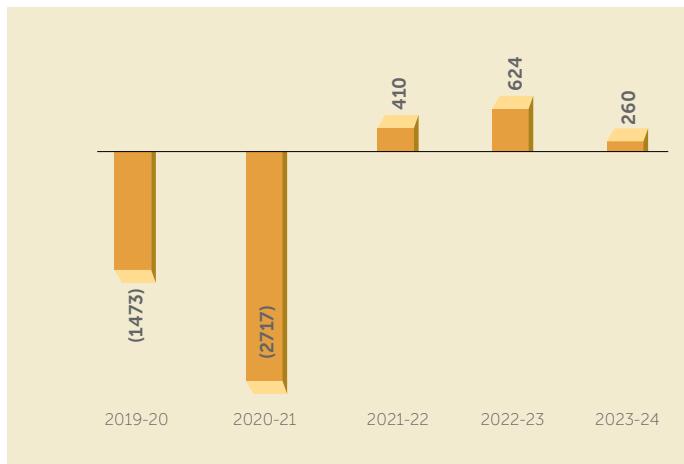
MARKET CAPITALISATION TO NET WORTH



REVENUE



PROFIT AFTER TAX



EBITDA

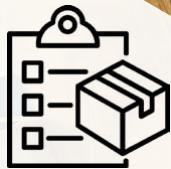


OTHER EXPENSES TO REVENUE %



# Key Highlights of the Year

## POTENTIAL UNLEASHED



### ORDER BOOKING

- Highest-ever yearly order booking
- Highest decadal outstanding order book



### DIVERSIFICATION

- Highest ever yearly order-booking in Industry segment
- Booked orders for VandeBharat trains, Super Rapid Gun Mounts, etc.



### PROJECT EXECUTION

Achieved addition of 6 GW of electricity generation capacity in utility, industrial and international sectors



### GOING GREEN

- 'Harit BHEL' launched - Net Zero target by the year 2047
- 5 units got GreenCo rating  
    > 3 silver > 2 bronze



### ALLIANCES & PARTNERSHIPS

Incorporated Joint Venture company with CIL "Bharat Coal Gasification and Chemicals Ltd." for Coal- to-Ammonium Nitrate Plant



### INNOVATION

- Filed 543 patents & copyrights
- ~2.5% of revenue on R&D expenditure consistently

# About the company

## – what we are and what we do

Since 1964, BHEL has been 'Making in India' as a leading Capital Goods sector company. Today, the company's businesses are in the area of power and industry, offering comprehensive solutions, including products, systems and services to power generation (thermal, hydro, gas, nuclear and solar PV), transmission, transportation, defence, aerospace, oil & gas and other core sectors of the country, and also abroad.

BHEL incorporated as Public Sector Undertaking of Government of India, with a shareholding of 63.17%, has established 16 manufacturing plants spread across India, producing capital goods for the customers in domestic as well as international

market. Company has steadily expanded its product portfolio through both partnership with global OEMs as well as inhouse product development. The in-house product development is backed by consistent investment of more than 2.5% of revenue on R&D and innovation.

At BHEL, we firmly believe that serving our customers, protecting the environment, and contributing to society are intrinsically linked and form the core of our corporate ethos. The Company has been supporting communities through programs like skill development; promoting health, hygiene & education; and running several programs on environmental protection & improvement.



### VISION

A global engineering enterprise providing solutions for a better tomorrow



### MISSION

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





## BUSINESS CREDENTIALS

### ENERGIZING LIVES

- 200+ GW power generating equipment installed in India & abroad
- ~20 GW Captive Power Plants commissioned
- 1.2+ GW Solar portfolio
- Supplied 465 coal based utility sets, 424 hydro utility sets, 103 gas based utility sets and 14 nuclear based utility sets in India since inception

### UNPARALLELED CONTRIBUTION IN CORE SECTORS

- 7,70,000+ MVA Transmission Equipment supplied
- 34,500+ AC Machines supplied
- 830+ Locos supplied to Indian Railways and Industry
- 425+ Compressors supplied and 90 Oil drilling Rigs- supplied
- 14,800+ Well Heads & Christmas Tree valves supplied
- 44+ Super Rapid Gun Mount supplied for Indian Navy ships

### GLOBAL FOOTPRINTS

- Footprints in 89 countries
- 13 GW Power generation capacity built outside India; over 4 GW under installation
- In 2023-24, executed 2x660MW Maitree Thermal Power Project in Bangladesh



### VALUING PEOPLE

- Committed workforce, more than 28,000+ employees
- ~1600 Female employees
- 9200+ Engineers
- Participative management culture since 1973



### GROWING WITH SOCIETY

- Committed to Principles of UN Global Compact
- Signatory to Integrity Pact of Transparency International
- Part of World Economic Forum's (WEF) One Trillion Trees initiative with a pledge on '1t.org'
- 81,608 saplings planted across BHEL during FY 2023-24 to enhance green cover



### INNOVATION

- R&D Expenditure consistently more than 2.5% of Revenue, 5600+ IPR capital
- Collaborative R&D with leading academic institutions & research organizations
- 5 Research Institutes; 15 Centres of Excellence
- In-house R&D Centres of 12 Manufacturing Units & Divisions recognized by DSIR

# PAN INDIA PRESENCE



## Manufacturing Plants/ Unit Locations

### BHEL Manufacturing Units

- |                 |  |
|-----------------|--|
| Bengaluru       | 1. Electronics Division (EDN)<br>2. Electronics Systems Division (ESD)<br>3. Solar Business Division (SBD) |
| Bhopal          | 4. Heavy Electrical Plant (HEP)  |
| Goindwal        | 5. Industrial Valves Plant (IVP)   |
| Haridwar        | 6. Heavy Electrical Equipment Plant (HEEP)<br>7. Central Foundry Forge Plant (CFFP)                        |
| Hyderabad       | 8. Heavy Power Equipment Plant (HPEP)  |
| Jagdishpur      | 9. Fabrication Stamping & Insulator Plant (FSIP)   |
| Jhansi          | 10. Transformer Plant (TP)   |
| Rudrapur        | 11. Component Fabrication Plant (CFP)  |
| Ranipet         | 12. Boiler Auxiliaries Plant (BAP)   |
| Tiruchirappalli | 13. High Pressure Boiler Plant (HPBP)<br>14. Seamless Steel Tube Plant (SSTP)                              |
| Thirumayam      | 15. Power Plant Piping Unit (PPPU)   |
| Visakhapatnam   | 16. Heavy Plates & Vessels Plant (HPVP)  |

### BHEL Repair Units

- |          |   |
|----------|---|
| Mumbai   | 1. Electrical Machine Repair Plant (EMRP) |
| Varanasi | 2. Heavy Equipment Repair Plant (HERP)    |



\*Map of India is indicative, and may not be to scale

## Recognition of Excellence



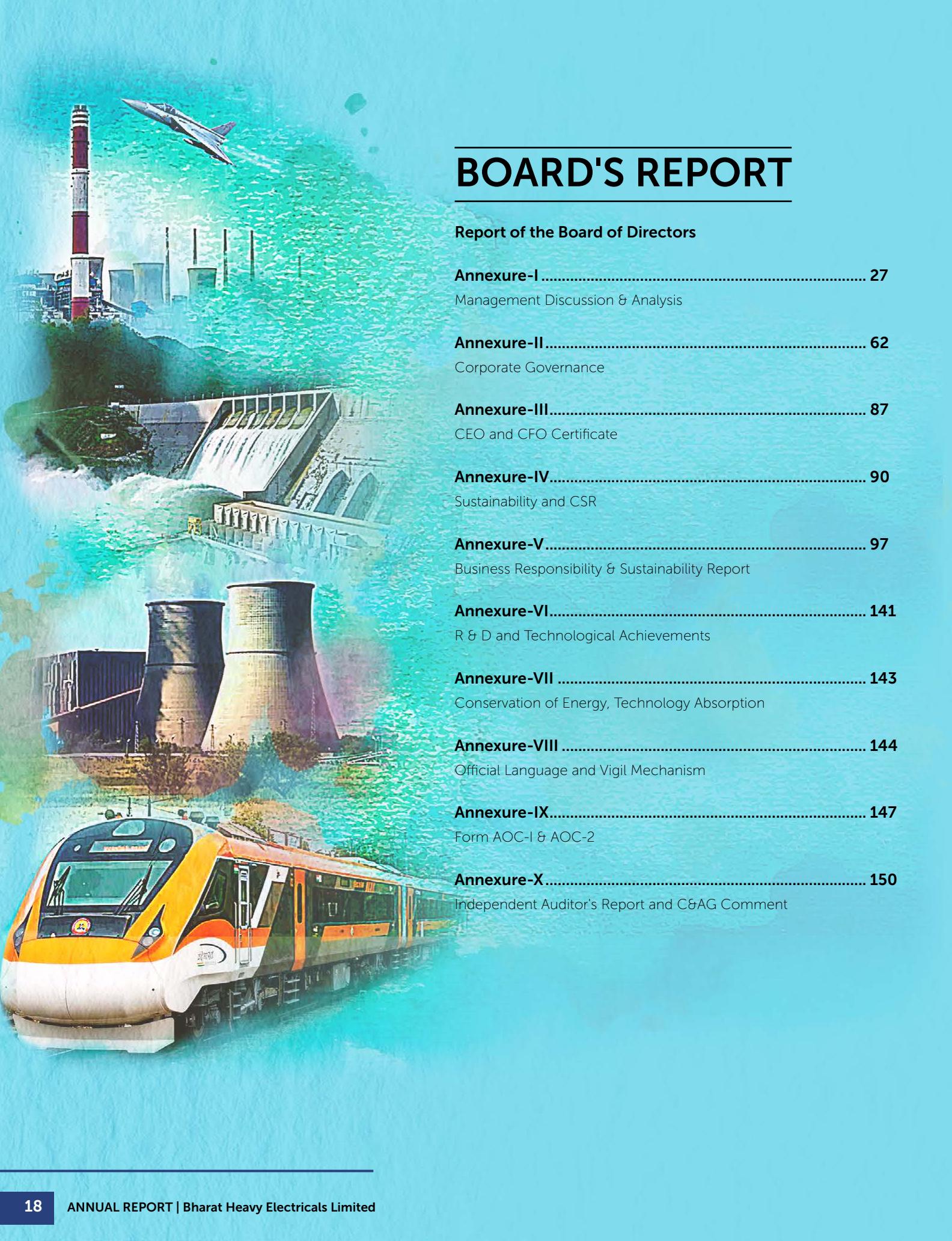
1. BHEL won three prestigious SCOPE awards i.e. '**SCOPE Eminence Award 2019-20**', '**SCOPE Meritorious Award 2016-17**' in R&D, Technology Development & Innovation and '**SCOPE Excellence Award 2016-17**' in Digitalisation. The Hon'ble Vice President of India, Sh. Jagdeep Dhankhar presented the awards to CMD, BHEL
2. BHEL won the prestigious '**CII-EXIM Bank Award for Business Excellence – 2023**'. While BHEL's Trichy unit has secured the coveted award; Haridwar, Bhopal, Hyderabad, Electronics Division Bengaluru, Jhansi, Ranipet and Project Engineering Management units/divisions have won the Platinum recognition. In addition, the company's Northern Region and Eastern Region have received the Gold Plus recognition.
3. BHEL received **three PSE Excellence Awards** from the Indian Chamber of Commerce (ICC) for the year 2022-23 for the categories Contribution of Women and Differently Abled Resources in PSEs, Operational Performance Excellence, CSR & Sustainability.
4. BHEL received **Special Commendation Award at the 32nd National Award for Innovative Training Practices** for FY 2021-22 from ISTD.
5. BHEL received **Platinum Award** for HR under '**Apex India HR Excellence Awards 2023**' and the Gold Award under the '**Apex India Occupational Health & Safety Award 2023**' for best practices in the fields of Human Resource and Occupational Health & Safety in the Engineering Sector respectively.
6. BHEL won **Governance Now PSU Awards 2023-24** for Best PSU in 'Increase in Geo-Strategic Reach' and 'Reskilling of Employees (Training & Development)'





7. BHEL won the 'Special Trophy for Excellence in Export of Engineering Services, Large Enterprises for 2019-20 and 2020-21' in Large Enterprises Group at the 52<sup>nd</sup> & 53<sup>rd</sup> EEPC India National Awards.
8. BHEL won **Greentech Environment Awards 2023** in the category of 'Innovative Technology Adoption' for implementation of the Regenerative Braking System in the WAG-7 Electrical Locomotive and 'Environmental Excellence' for outstanding commitment to and best practices in environmental protection.
9. BHEL received **SKOCH order of Merit Award** for the project 'Environmental Qualification of BHEL Class F VPI Insulation System for Radiation Zone PCP Motors of Nuclear Power Plants' in 'Innovation' category.
10. BHEL won three **Governance Now PSU IT Awards** for the year 2023 for the categories of 'Cybersecurity & Data Protection', 'IT Innovation' and 'Excellence in Software Development'.
11. BHEL was conferred the 'Dun & Bradstreet PSU Award 2023' in the 'Heavy & Medium Engineering - Electronics & Machinery (CPSU)' category.
12. BHEL was chosen as winner of Platinum Award in 'Top CPSEs w.r.t. Order Volume in FY 2022-23' category by GeM during 'क्रेता-विक्रेता गौरव सम्मान समारोह 2023'.
13. BHEL received 'Certificate of Merit' by CFBP Jamnalal Bajaj Uchit Vyavhaar Puraskar for Fair Practices 2023-24, in the 'Manufacturing Enterprise - Large' category.
14. BHEL received the 'Excellence in Rolling Stock Traction Solutions' award in the Corporate Leadership category at 3<sup>rd</sup> Urban Infra Business Leadership Awards 2023
15. BHEL was conferred with 'Excellence in Indigenization of Rail Components in India' at 5<sup>th</sup> Edition Rail Analysis innovation & Excellence Summit 2024.
16. BHEL was conferred with 'The Top Exporter for the year 2018-19' - Gold Trophy at 51<sup>st</sup> EEPC India Regional Awards by Engineering Exports Promotion Council. The award was presented by Hon'ble Raksha Rajya Mantri, MoD.
17. Shri Jai Prakash Srivastava was conferred with prestigious award of 'Best CFO of India Capital Goods (Mid Cap Category)' for the Year 2023 by the Dalal Street Investment Journal (DSIJ).





# BOARD'S REPORT

## Report of the Board of Directors

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## Report of the Board of Directors

**Dear Members,**

Your Directors have pleasure in presenting the 60<sup>th</sup> Annual Report on the business and operations of your Company, and the Audited Financial Statements for the year ended March 31, 2024.

### Performance Highlights

(₹ Crores)

	For the year ended	
	March 31, 2024	March 31, 2023
Order Receipt	77,907	23,548
Order Book outstanding	1,31,598	91,336
Revenue	22,921	22,136
EBITDA	1,201	1,468*

\*Restated owing to change in Accounting Policy

### State of Company's Affairs

The year 2023-24 has been momentous in terms of order inflows which reached its zenith at ₹77,907 Crores, with the company receiving several prestigious orders, not only in its core thermal power business but also in diversified segments of transportation, defence etc. The company has maintained its leadership position in thermal main power plant business in the country. The Industry segment also witnessed the highest ever order inflow of ₹21,951 Crores. A major milestone during FY 2023-24 was achieved by securing one of the largest order for the supply of 80 numbers Vande Bharat Trains in consortium as Lead Partner. The total outstanding Order Book as on March 31, 2024 stands at ₹1,31,598 Crores (net of taxes), with the executable Order Book being ₹1,23,916 Crores.

Making a head start in Coal Gasification area, the company entered into Joint Venture agreement with Coal India Ltd in February 2024 for setting up a Coal to 2,000 TPD Ammonium Nitrate Plant using BHEL's indigenously developed PFBG (Pressurized Fluidized Bed Gasification) technology – a step towards Aatmanirbhar Bharat. The Joint Venture Company "Bharat Coal Gasification and Chemicals Limited" has been incorporated as a Private Limited Company in May 2024.

In FY 2023-24, the company posted a revenue of ₹22,921 Crores and Profit After Tax of ₹260 Crores with an EBITDA of ₹1,201 Crores. With reasserted focus on project execution and significant order inflows, higher volumes are expected in the forthcoming years.

The company maintained gross margins at the similar levels of previous year despite moderate corrections in metal prices and restrictions on global procurements, especially from land border sharing countries. The Company is taking multipronged measures for cost reduction including targeting benefits of bulk procurement through centralized procurement/ sub-contracting, enhancing vendor base etc.

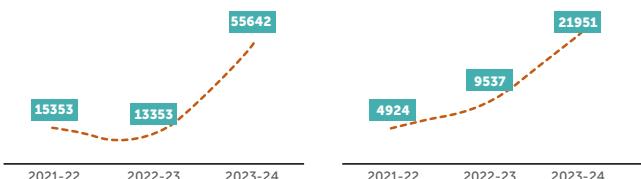
The profitability during the year has also been impacted by change in accounting policy w.r.t. Expected Credit Losses (ECL) on Contract Assets and change in estimate w.r.t. Contractual obligation provisioning. The company has adopted the changed accounting policy with respect to factoring time value of money while calculating Expected Credit Losses (ECL) in respect of Contract Assets in line with the opinion of Expert Advisory Committee obtained during the year from ICAI.

Your Company accords highest priority for liquidation of receivables. During the year cash collection from customers increased by ~₹3,000 Crores (13%) over the previous year. However, to enable faster execution of Projects, significant cash outflows, primarily on materials/ sub-contracting, resulted in net overdraft at the end of March 2024. Nevertheless, liquidity shall improve in FY 2024-25 with the progressive achievement of major milestones in key projects and liquidation of outstanding receivables.

Increase in Trade Receivables to 122 days at the end of FY 2023-24 from 102 days at the end of previous year (₹8,010 Crores as compared to previous year level of ₹6,544 Crores) is mainly on account of short term liquidity constraints of certain large customers. It is also notable that the payment terms are comparatively better in recently received project contracts, which would eventually ease the pressure on liquidity.

### Transfer to Reserve

The company has not transferred any amount to the Reserves during FY 2023-24.



## Dividend

The Board of Directors, in its meeting held on May 21, 2024 has recommended a final dividend @12.5% on the paid-up equity share capital (₹0.25 per share of ₹2 each), amounting to ₹87.05 Crores, out of profit for FY 2023-24, subject to your approval.

The Company has a dividend distribution policy in place in pursuance of the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). Dividend distribution policy is available on the Company's website at <https://www.bhel.com/dividend-distribution-policy-bhel-0>. Furthermore, Total Return to Shareholders during the year was 253%.



BHEL paid a final dividend of Rs. 88 Crores for the Financial Year 2022-23 to the Government of India

## Deposits

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 during FY 2023-24.

## Capital & Finance

During FY 2023-24, the company has met its CAPEX and operating fund requirements largely through internal accruals. However, due to higher cash outflows, primarily on materials / sub- contracting required for expeditious project execution, the company was in a net overdraft position as at the end of March 2024. The company invests any intermittent available surplus funds to maximize the interest income to the company. To meet any operational fund requirement, short-term borrowing options are used by the company including WCDL, Loan against FDs, Commercial Papers (listed on NSE and BSE) etc.

## Loans and Investments

There is no transaction relating to loans or advances covered under section 186 of the Companies Act 2013 in FY 2023-24. Further, it is clarified that investment, if any, is as per Note 5 Investment of Audited Annual Accounts 2023-24 of the company.

## Credit Rating

The credit ratings of your Company are as follows:

Rating Agency	Date of Rating	Long Term Rating	Outlook	Short Term Rating
CRISIL	18-10-2023	CRISIL AA-	Negative	CRISIL A1+
	25-07-2022	CRISIL AA-	Negative	CRISIL A1+
INDIA RATINGS	27-06-2024	Ind AA-	Stable	IND A1+
	28-06-2023	Ind AA-	Negative	IND A1+
	30-06-2022	Ind AA-	Negative	IND A1+
CARE	18-06-2024	CARE AA-	Stable	CARE A1+
	19-06-2023	CARE AA-	Stable	CARE A1+
	17-06-2022	CARE AA-	Stable	CARE A1+

## Material Changes and Commitments affecting the Financial Position

There are no material changes and commitments affecting the financial position of the Company between the end of FY 2023-24 and the date of this report. There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

## Suspension of Trading

The Equity Shares of the company are listed on NSE & BSE. The shares of the company were not suspended from trading during FY 2023-24.

## Directors' Responsibility Statement

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

- In the preparation of the Annual Accounts, the applicable Accounting Standards (Ind AS) have been followed along with proper explanations relating to material departures;
- The Directors have selected such accounting policies & applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;
- The Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the Annual Accounts on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively;

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

### Management Discussion & Analysis

Your company has continued to focus on regaining growth, strengthening the core business, expediting execution and taking concrete steps towards diversification including enhancing business in non-coal areas being critical enablers for long term sustainable growth. For further details, please refer **Annexure-I to the Board's Report**.

### Corporate Governance

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

- Certificate of Non-Disqualification of Directors under Schedule V of the SEBI Listing Regulations.
- Auditors certificate on Corporate Governance under SEBI Listing Regulations & Department of Public Enterprises (DPE) guidelines on Corporate Governance.
- Secretarial Audit Report under Section 204 (1) of the Companies Act, 2013.

### Declaration of Independence

Declaration under Section 149(6) of the Companies Act, 2013 pertaining to criteria of independence has been given by the Independent Directors to the Board of Directors. All the Independent Directors have registered themselves on the online database of the Indian Institute of Corporate Affairs (IICA), notified under Section 150 of the Companies Act, 2013. In the opinion of the Board, the Independent Directors possess integrity and necessary expertise & experience.

### Compliances

Your company continuously reviews and strengthens its compliance of systems and processes.

- Company maintains integrity in its operations and functions in ethical & transparent manner to attain the highest standard of Corporate Governance.
- To ensure compliances a quarterly legal compliance report on the Applicable Laws/ Acts is reviewed by the Board of Directors.
- Being a listed company, compliance with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is ensured. There was no adverse comment from SEBI for the FY 2023-24 on any financial matter.
- The Company has complied with all the applicable secretarial standards.
- For preparation of financial statements, the company ensures compliance to the Indian Accounting Standards (Ind AS), Guidance Notes and other authoritative literature issued by the ICAI, Companies Act 2013 and other applicable statutes.

(Ind AS), Guidance Notes and other authoritative literature issued by the ICAI, Companies Act 2013 and other applicable statutes.

### Contribution to the Exchequer

The Company, over the years, has been consistently making significant contribution to the Exchequer, and maintaining high standards of integrity with respect to tax compliances. During the current year, the company's contribution to exchequer stood at over ₹4,102 Crores (inclusive of ITC utilised).

### Audit Committee

The Company has in place a Board Level Audit Committee in terms of the requirements of the Companies Act, 2013 read with rules made thereunder and Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the details in respect of which are given in the Corporate Governance Report. All the issues are fairly and transparently deliberated in the meetings which are held at regular intervals. The views and suggestions of the Board Level Audit Committee members are taken into account and imbibed into the Company's processes. Further, there has been no instance where the Board of Directors have not accepted the recommendation of the Board Level Audit Committee.

### Details of changes in Directors & Key Managerial Personnel Appointment

Shri K. Sadashiv Murthy has been appointed as Chairman & Managing Director (CMD) w.e.f. November 1, 2023 and has taken charge as CMD.

Shri Tajinder Gupta has been appointed as Whole Time (Functional) Director w.e.f. September 20, 2023 and has taken charge as Director (Power).

Ms. Bani Varma has been appointed as Whole Time (Functional) Director w.e.f. October 9, 2023 and has taken charge as Director (Industrial Systems and Products).

Shri Rajesh Kumar Dwivedi has been appointed as Whole Time (Functional) Director w.e.f. June 19, 2024 and has taken charge as Director (Finance).

Shri K. Sadashiv Murthy, CMD with additional charge of Director (Finance) was designated as Chief Financial Officer (CFO) of the Company w.e.f. April 25, 2024 in place of Shri Jai Prakash Srivastava, Director (E, R&D) who had been earlier designated as CFO w.e.f. May 26, 2023. Subsequently, Shri Rajesh Kumar Dwivedi, Director (Finance) has been designated as Chief Financial Officer (CFO) of the Company w.e.f. June 19, 2024.

In accordance with applicable statutory provisions and Article 67(iv) of the Articles of Association of the Company, S/ Shri Tajinder Gupta, Ms. Bani Varma, K. Sadashiv Murthy and Rajesh Kumar Dwivedi, having been appointed as additional directors, shall hold directorship upto the 60<sup>th</sup> Annual General

Meeting of the Company and are eligible for appointment as Directors at the Meeting.

Further, pursuant to Section 152 of the Companies Act, 2013 and Article 67(i) of the Articles of Association of the Company, Ms. Arti Bhatnagar and Shri Krishna Kumar Thakur, Directors will retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-appointment.

#### Cessation

Dr. Nalin Shinghal, who was appointed as CMD on July 8, 2019, ceased to be CMD of the Company on attaining the age of superannuation on October 31, 2023.

Ms. Renuka Gera, who was appointed as Director (Industrial Systems & Products) on December 1, 2020, ceased to be a Director of the Company on attaining the age of superannuation on August 31, 2023.

Shri Upinder Singh Matharu, who was appointed as Director (Power) on March 21, 2022, ceased to be a Director of the Company on attaining the age of superannuation on August 31, 2023.

Dr. Lekhasri Samantsinghar who was appointed as Part-time Non-Official (Independent) Director on November 9, 2021, ceased to be a Director of the Company consequent to her resignation on April 12, 2024 from BHEL's Board of Directors. Dr. Samantsinghar tendered her resignation as she was contesting the Lok Sabha Elections from Odisha. Further, she also confirmed that there were no other material reasons other than those provided by her for resignation.

The Board of Directors places on record their deep appreciation for the valuable services rendered as well as advice and guidance provided by S/Shri Dr. Nalin Shinghal, Ms. Renuka Gera, Upinder Singh Matharu and Dr. Lekhasri Samantsinghar during their respective tenure on the BHEL Board.

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

Dr. Yogesh R Chhabra has been appointed as Company Secretary & Compliance Officer in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 w.e.f. July 11, 2024 consequent to the relinquishment of charge by Shri Rajeev Kalra on July 10, 2024.

#### CEO/ CFO Certificate

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

#### Consolidated Financial Statements

The brief on consolidated financial statements prepared pursuant to section 129 (3) of the Companies Act, 2013 and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations 2015, is given in section 1.4.3 under **Management Discussion & Analysis (Annexure – I)**.

#### Sustainable Development

BHEL's Mission Statement – Providing sustainable business solutions in the fields of Energy, Industry & Infrastructure – duly reflects the company's focus on sustainability. Since inception, the company has been conscious about its responsibility towards protection and conservation of environment encompassing issues such as prevention and control of pollution, conservation of natural resources, reducing-reusing-recycling of waste, plantation and creation of green covers, water harvesting etc. These practices are now one of the core company's ethos and organisational culture.

The company launched हरित बीएचईएल (HARIT BHEL) initiative for transforming BHEL into a Green Company with the target of achieving Net Zero by the year 2047 and making the company a model "Green PSU".

The company has enhanced its focus on the areas; such as responsible material and natural resource consumption, energy conservation/efficiency, water conservation, protecting the existing plantation and augmenting the same, promoting biodiversity, reducing carbon emission, reduce/recycle/reuse of waste etc. in all its business processes. The brief of some of these activities that help us move towards a sustainable future are given in **Annexure-IV to the Board's Report**.

#### Health, Safety & Environment (HSE)

BHEL is committed to sustainability, prioritizing the safety & well-being of employees and associates, as well as environmental considerations in operations.

Internal audits, surveillance audits by certifying bodies, and periodic reviews of HSE performance are rigorously conducted, facilitating continual improvement in the company's safety and environmental performance. Additionally, the Corporate HSE team conducts audits of manufacturing units and project sites to further ensure adherence to these high standards.

During the year, the company remained focused towards its goal of "Zero Harm" to employees and people working for the company and launched हरित बीएचईएल (HARIT BHEL) initiative for transforming BHEL into a Green Company with an objective of achieving **Net Zero by 2047**. Further details are provided in **Annexure-VIII to the Board's Report**.

#### Business Responsibility and Sustainability Report

In line with the requirement of the listing regulations, Business Responsibility and Sustainability Report providing disclosures in environmental, social and governance perspectives is

enclosed at **Annexure-V to the Board's Report**. A guide for understanding the ESG disclosure and BRSR mapping with five Global Reporting Framework (GRI, SDG, TCFD, CDP and SASB) is available at NSE website.

### Achievements of R&D and Technological Development

BHEL, in line with country's vision towards net zero carbon emissions by 2070 for a sustainable future has realigned its innovation ecosystem for development of cleaner technologies. The company is working towards development of products and systems in new business areas such as coal to chemicals, high efficiency thermal power plants, rail transportation, nuclear power, defence & aerospace, downstream oil & gas, hydrogen value chain, etc.

In FY 2023-24, BHEL has incurred an expenditure of ₹698 Crores towards R&D activities, which is more than 2.5% of the revenue. BHEL has filed 543 Intellectual Property Right (IPR) applications during the year, enhancing the company's intellectual capital to more than 5650 numbers. Approx. 18% of the company's revenue, amounting to ₹4,249 Crores has been achieved from its in-house developed products, systems and services. Further details of major developments have been provided in **Annexure-VI to the Board's Report**.

### Implementation of Official Language

BHEL is dedicated to promoting the use of 'Hindi' as the Official Language in compliance with the Government of India's Rajbhasha Policy to promote Rajbhasha 'Hindi'. The Company has ensured the implementation of Rajbhasha Policy and taken various initiatives, further details have been provided in **Annexure-VIII to the Board's Report**.

### Vigil Mechanism

BHEL upholds the principles of Good Governance, Transparency, Probity, and Ethics to ensure integrity in operations. The company has put in place a robust Vigil Mechanism to ensure probity and integrity in operations. The Company encourages reporting of unfair & unethical practices and in terms of Regulation 22 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013, the Company has put in place a Whistle Blower Policy which provides adequate safeguard to the complainant against victimization.

The "Board Level Audit Committee" (BLAC) reviews the functioning of the Whistle Blower / Vigil Mechanism, and annual review of the Vigilance function is also done by CMD / Board of Directors. Further, details are provided in **Annexure-VIII to the Board's Report**.

### Data and Cyber Security

In the contemporary interconnected landscape, the emphasis on data and cyber security holds paramount importance. Company has instituted security protocols to shield its IT assets and data from cyber threats. These protocols encompass a multi-faceted defence system integrating state-of-the-art technologies across data centers, networks, applications, and end-user devices. Moreover, proactive measures are consistently undertaken to augment cyber

security. Further details have been included in Section 1.12 of the Board Report.

### Other disclosures

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

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

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

### Proceedings under Insolvency and Bankruptcy Code

No applications against BHEL under Insolvency and Bankruptcy Code, 2016 (IBC) have been admitted during the year and no proceedings against BHEL under IBC are pending as on March 31, 2024.

### Auditors

The Statutory Auditors of your Company are appointed by the Comptroller and Auditor General of India. Three firms of statutory auditors were appointed as joint statutory auditors and four firms were appointed as branch auditors. The names of audit firms appointed for FY 2023-24 are given separately in the Annual Report.

### Auditors' Report on the Accounts

The Auditors' Report on Standalone and Consolidated Financial Statements for FY 2023-24 of the Company are given at **Annexure- X** to the Board's Report. There is no qualification in the Auditors report on the Financial Statements of the Company. The Supplementary Audit report under section 143(6) read with section 129(4) of the Companies Act, 2013 issued by the Comptroller & Auditor General of India also forms part of **Annexure-X**.

### Secretarial Audit

In terms of section 204(1) of the Companies Act, 2013, the Company engaged M/s Akhil Rohatgi & Co., Company Secretaries in whole-time practice, as Secretarial Auditors for

conducting Secretarial Audit for FY 2023-24 and their report forms part of Corporate Governance section.

Secretarial Auditor in his Audit report has observed non-compliance during the year under review, as the number of independent directors on the Board was less than half of the total strength of the Board as required under Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of the DPE Guidelines on Corporate Governance. The Secretarial Auditor has also noted in his report the explanation given by the Company that BHEL, being a Government Company, all the directors are appointed by the President of India, acting through administrative ministry and as such appointment of requisite number of independent directors is beyond the control of the Company. Further, the Company has been in constant communication with its administrative ministry requesting for appointment of independent directors on its Board so as to ensure compliance with corporate governance norms enunciated under the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.

The Management noted the observation and explained that the matter of filling up of the vacancies of the Independent Directors is under process at the end of the Government of India.

#### **Cost Auditors**

In terms of provisions of Section 148 of the Companies Act, 2013 and as per the Companies (Cost Records and Audit) Rules, 2014 and amendments thereof, the Board, on the recommendation of the Audit Committee, approved the

appointment of seven firms of Cost Accountants as Cost Auditors for auditing the cost accounts of your Company for FY 2023-24. Cost accounts and records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 have been properly maintained and complied with.

The details of cost auditors appointed for FY 2023-24 are given separately in the Annual Report. The Cost Audit Report for FY 2022-23 with Nil qualification has been filed under XBRL mode, within due date.

#### **Appreciation and Acknowledgements**

Your Directors gratefully acknowledge with deep sense of appreciation, the co-operation and guidance received from the Government of India, particularly the Ministry of Heavy Industries in various spheres of the company's operations and strategic initiatives.

We are deeply appreciative of and thankful to various ministries and statutory authorities/ departments of the Government of India for their valuable support and continuous cooperation.

The Directors place on record their sincere appreciation towards the Company's valued customers in India and abroad for their co-operation in addressing various issues faced in complex long gestation construction contracts.

The Directors also express their gratitude to the Comptroller and Auditor General of India, professional bodies, Statutory Auditors, Branch Auditors, Secretarial Auditor and Cost Auditors for their constructive suggestions and continuous cooperation.

The Directors place on record their sincere appreciation towards the company's esteemed shareholders for the support and confidence reposed by them in the management of the company and look forward to the continuance of in future.



Hon'ble Union Minister of Steel and Heavy Industries, along with senior officials of MHI and BHEL's functional directors at Noida Township of the company - on the occasion of International Day of Yoga 2024

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

Last but not the least, your Directors wish to place on record their sincere appreciation for the diligent efforts, hard work and commitment put in by all BHEL employees, who have worked day and night, to meet the company's commitments.

**For and on behalf of the Board of Directors of  
BHARAT HEAVY ELECTRICALS LTD.**



**K. Sadashiv Murthy**

Chairman & Managing Director

Place: New Delhi

Date: July 27, 2024

# **POWERING SUSTAINABILITY : BHEL's Early Substation Commissioning Boosts Neemuch REZ**

BHEL commissions three substations ahead of schedule, providing evacuation of renewable energy generated by Rewa Ultra Mega Solar under Neemuch Renewable Energy Zone (REZ). The project comprised of three substations (S/s) viz. 400/220 kV Neemuch (New) S/s, Extension of 400 kV Chittorgarh S/s and Extension of 400 kV Mandsaur S/s.

Notably, BHEL has commissioned these projects within 14 months, thereby setting a new performance benchmark in project execution. The early commissioning of these substations is a testament to BHEL's execution excellence, technical expertise and unwavering dedication to provide high-quality infrastructure solutions. This facilitated POWERGRID in achieving the targeted commissioning of Neemuch TCB project within March 2024, which is 4 months ahead of the completion schedule.

In recognition of the above, BHEL has been honoured by POWERGRID at the CEO Meet 2024 on 10<sup>th</sup> May 2024.



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

### 1.1 Economic & Business Overview

Domestic economic activity has witnessed strengthening during FY 2023-24, backed by the momentum in investment demand, optimistic business sentiments and rising consumer confidence. As a result, country's GDP grew at a healthy rate of 8.2% during this period, as one of the fastest growing economies in the world.

Maintaining this kind of growth momentum requires several enablers, and energy is one of them. India experienced a peak power demand deficit of (-) 4% and energy deficit of (-) 0.5% during FY 2022-23. This was a cause of concern for the power capacity planners, revising coal based power capacities projection upward for 2032. Currently, it is projected that ~280 GW of coal based installed capacity may be required by 2032. These developments have resulted into a robust pipeline of coal based power projects lined up for ordering in near future.

Coal has been the mainstay source of energy, fuelling the economic growth of the country. Although climate change is fast becoming a reality, the economics and technological advancement to address intermittency of renewable power are yet to be established at a desired scale. In all probability, it is expected that coal would continue to play a major role in domestic economy as a source of energy. A strategic balance between energy security of the nation and sustainable development will require coal-based power plants to cater to energy demand of the nation. Additionally, coal has found to be of strategic use as a feedstock for chemical industry using low emission technologies. National Coal Gasification Mission is one such focus area wherein a phase-wise implementation for 100 million metric tonnes of Coal Gasification by 2030 is planned. Making a head start, BHEL along with Coal India Limited has incorporated Joint Venture company - Bharat Coal Gasification and Chemicals Limited. The JV company will set up a Coal to 2,000 TPD Ammonium Nitrate Plant using BHEL's indigenously developed PFBG (Pressurized Fluidized Bed Gasification) technology – which is suited to high ash Indian coal.

India, in its updated Nationally Determined Contribution (NDC) targets, has adopted the target of achieving 50% of cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030 and long term goal of reaching net-zero by the year 2070. Hydro power contributes majorly to non-fossil sources along with Renewable and Nuclear power. Hydro and Nuclear power is bouncing back with a good number of projects in pipeline.

With focus on increasing the services business, BHEL has made an entry into Industry 4.0 solutions for industrial customers with order of Remote Monitoring and Diagnostic Services (RMDS) from BPCL-Mumbai Refinery. Moreover, successful execution of orders for flexi-operation of coal based power plants has established credentials of BHEL in the flexible operations solutions for thermal power plants. This is a critical success towards integration of intermittent

renewable source based electricity in the power grids.

In Industry Sector businesses, capex drive by Government of India (GoI) and capacity expansion by companies operating in core sectors of economy are presenting substantial opportunities. However, the businesses are experiencing heightened level of competition, while customers are expressing demands for products based on latest technologies.

In transportation business, Indian Railways is pressing ahead with initiatives to upgrade, modernize and decarbonize railway operations. Both freight and passenger segments are offering sizable business opportunities that include high-horsepower electric locomotives to move freight, and semi high-speed trains of different configuration for passengers.

In defence business, Government of India's focus on modernization and indigenization has resulted into new sizable business opportunities; and BHEL is working on these to enhance its presence.

Business in transmission is steadily improving both in substation EPC business as well as equipment supply like transformers, switchgears etc. Furthermore, some big ticket opportunities in the form of large HVDC projects are already in the pipeline for grid expansion and integration of mega solar power projects.

In oil & gas business, both upstream and downstream businesses are either expanding the capacities or modernizing their existing capital assets. This has resulted into demand for equipment and system in upstream side, as well as captive power plants, compressors and other equipment in downstream side for refineries and petrochemical complexes.

### 1.2 Opportunities & Threats

Indian economy is expected to register strong and steady growth in medium term, offering significant business opportunities to BHEL, a leading engineering enterprise in the infrastructure and capital goods sector.

One of the primary opportunities for BHEL lies in the Government's ambitious plans to augment the country's thermal power generation capacity to ~280 GW by 2032. The company is well positioned to capitalize on the opportunity, leveraging the expertise in manufacturing power equipment, and experience in setting up thermal power plants. Hydro and Nuclear business segments too are expected to offer steady business opportunities as the Government intends to boost non-fossil sources of electricity to 50% of total installed power capacity by 2030. Steady business of after sales & services from, BHEL make thermal and hydro sets, is expected to continue. Government's vision of 100 million tonnes of coal gasification by 2030 has enabled BHEL to capitalise on indigenously developed coal gasification technology in form of a Joint Venture with Coal India Limited for 'Coal to Ammonium Nitrate' plant.

Upgradation and modernisation of Indian Railways, both in freight segment and passenger segment continue to offer us the opportunities in form of high power locomotives,

and high speed trains respectively. Signalling is another area in this business domain where company is set to make entry. Modernisation of Indian Defence forces too is presenting numerous opportunities and company is working upon suitable partnerships with global original equipment manufacturers. With robust economic growth, capex expansion is likely to continue in core industries including steel, cement, upstream and downstream oil & gas, creating demand for captive power plants, and equipment like motors, transformers, compressors etc. Similarly, for integration of intermittent renewables in power grids, capex is expected to continue in transmission businesses, both in AIS and GIS substations, as well as in HVDC corridors.

At the same time, company is facing increased competition from both domestic and international players across businesses. Since the Indian market is directly accessible to foreign players, sourcing technology and forging partnerships with global OEMs has become challenging. On execution front, the slowdown in the power sector in last couple of years has disrupted the vendor ecosystem, and the same is required to be restored to timely complete the projects.

To navigate these challenges and capitalize on the opportunities, company is investing on Research & Development, forging strategic partnerships and adapting to the evolving energy landscape. Effective risk management, cost optimization and a strong focus on quality and timely project execution are the key areas that the company is pursuing.

### 1.3 Profile and Performance of Businesses

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

The Power segment comprises thermal, gas, hydro and nuclear power plant businesses, 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 number of industries including transportation, transmission, defence, aerospace, captive power plants, process industries, renewables, downstream oil & gas, and energy storage, among others.

**Profile & Performance  
Business Segments**

**POWER  
SECTOR**

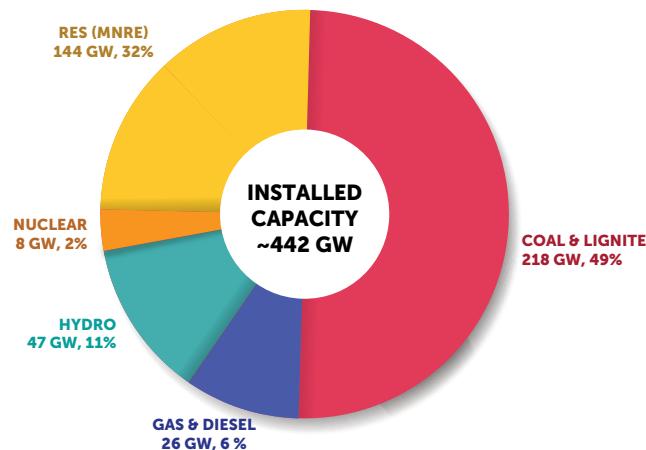


### 1.3.1 Power Sector

#### Overview

Indian economy is witnessing strong growth with rapid infusion of capital for creation of infrastructure, and augmentation of manufacturing and consumption base. As the economic growth of the country remains strongly correlated with the growth of energy sector, availability of reliable and quality power at affordable rates becomes imperative for sustaining the pace of economic growth.

As on March 31, 2024, India has installed capacity base of ~442 GW and an annual electricity generation of ~1,295 Billion Units (BUs). Notably, the electricity generation has witnessed a growth rate of 7% on year-to-year basis, a trend which is expected to continue in near-to-medium term.



As on March 31, 2024

Source: Central Electricity Authority (CEA), Ministry of Power

#### Business Environment

In FY 2023-24, the peak electricity demand in India touched an unprecedented level of 243 GW and is further expected to touch 384 GW by 2031-32. This has alarmed the power capacity planners and accordingly, the Government has undertaken measures to meet the rising demand. This resulted into a marked shift towards thermal power plants, which are affordable and reliable power generation sources to the country's basic electricity needs. As per the latest Government projections, ~280 GW of coal based installed capacity may be required by 2031-32 to sustain India's rapid growth and increasing energy need. In line with this, Government has renewed its focus on thermal capacity addition of around 80 GW by 2032 to ensure nation's energy security.

Coal based power plants are expected to remain the mainstay of India's power generating capacity in the coming years, in view of their suitability for continuous & round-the-clock operation, availability of technology as well as transmission infrastructures and the large domestic reserves of coal. To meet the demand for power in the near future, coal based high-efficiency supercritical power plants are expected to play a crucial role, especially till other reliable technology options achieve commercial acceptability.

The year 2023-24 witnessed robust ordering of around 9.6 GW of thermal power projects, and the company expects the momentum to continue going forward. During last year, private sector has again evinced interest in the thermal power sector after a long gap and has placed orders on BHEL for supply of Boiler, Turbine & Generator (BTG) equipment.

As a result of the Government's focus on lower emissions from thermal power plants, opportunities are expected to





BHEL has commissioned the nation's first utility-scale thermal power plant equipped with Air Cooled Condenser (ACC) at NTPC North Karanpura Super Thermal Power Project Unit-2 (3x660 MW)

continue from Emission Control Equipment business and R&M Business. Thermal utilities in the country are likely to follow implementation of Government norms for reduction in Suspended Particulate Matter (SPM), NOx & SOx in the coming years. In coal gasification area, Union Cabinet also accorded approval to the scheme for promotion of Coal or Lignite Gasification Projects of Government PSUs and Private Sector, with an outlay of ₹8,500 Crores. Under this scheme, Joint Venture company of BHEL and CIL, Bharat Coal Gasification and Chemicals Limited, for setting up a commercial coal gasification project by converting coal to ammonium nitrate is eligible for financial incentive.

Hydro-electric capacity, both conventional (large & small hydro plants) as well as pumped storage generating stations, needs expansion on account of meeting the grid balancing and stabilization requirements necessitated by the inherent variability of Renewable Energy Sources (RES) based power systems. Further, over 30% of India's hydropower plants have completed 30-35 years, providing substantial potential for Renovation & Modernization (R&M) for life extension and performance & efficiency upgrades. The company is strategically placed to address these upcoming opportunities.

Nuclear power will form an essential part of country's overall power mix as it is globally accepted as a clean fuel technology. In India, presently Nuclear with about 8.1GWe installed capacity, has the huge potential to provide the long term energy security in a sustainable manner. Government of India plans to triple the nuclear generation capacity by 2031-32 which will provide multiple opportunities for your company. BHEL is strategically placed to address this market.

## Achievements during the Year Order Booking

In FY 2023-24, BHEL has secured orders for 12,480MW in power sector, aggregating to ₹55,642 Crores (excl. taxes), amidst renewed focus on the Thermal power sector by Government of India. This includes the highest ever order booking for ₹48,723 Crores (excl. taxes) in the Thermal Power Segment.

BHEL has maintained its market leadership in the Indian thermal power industry by securing twelve numbers of 800MW thermal power units totalling to 9.6GW, tendered out in the country. The company has received the EPC orders of 2x800MW NTPC Lara Stage-II STPP, 3x800MW NLCIL Talabira STPP, 1x800MW HPGCL Yamununagar expansion STPP, 2x800MW NTPC Singrauli Stage-III STPP along with BTG orders of 2x800MW MEL Mahan Phase-II STPP and 2x800MW APL Raigarh Phase-II STPP.

With these orders, BHEL has contracted 69 numbers Supercritical Steam Generators (SGs) and 64 numbers Supercritical Turbine Generators (TGs) in the country, of which, 34 SGs and 25 TGs have been commissioned.

In the hydro power business, company received prestigious order for the Electro-Mechanical (E&M) works of the country's largest capacity hydropower project of 2,880MW Dibang Multipurpose Project in Arunachal Pradesh. With this order, BHEL has affirmed its leadership in India's hydro segment with a portfolio of over 550 hydroelectric sets and a cumulative capacity of more than 35,000MW in India and abroad.

In addition, some of the significant orders in Spares, Services and R&M business segment booked in FY 2023-24 includes ESP Retrofit of SAIL Bokaro, PSPCL Lehra Mohabat (210MW) and UPRVUNL Parichha (210MW), R&M of Critical Piping System and Hanger Supports in NTPC Singrauli (5x200MW) and Generator Stator as Pool Spares in NTPC Mouda (660MW).



## BHEL wins prestigious order for country's largest Hydro Project

### DIBANG MULTIPURPOSE PROJECT

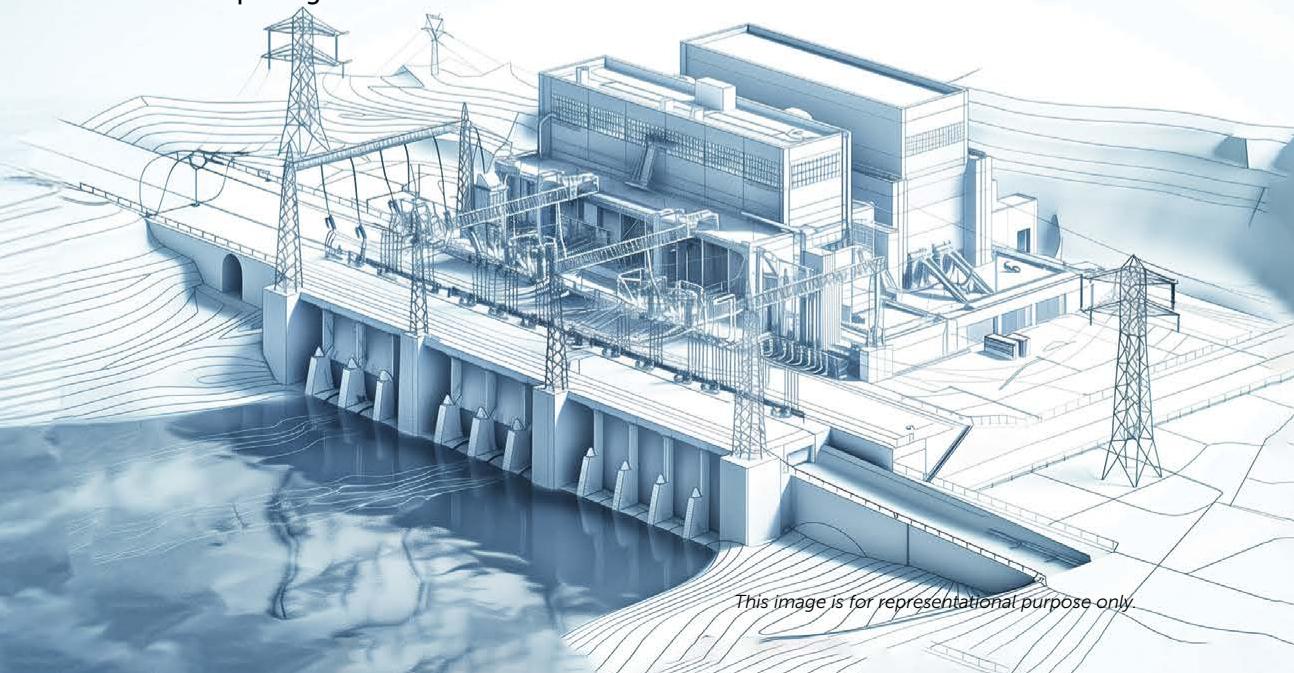
BHEL, with over 5 decades of experience and more than 40% market share, is a leader in India's Hydro Power Electro-Mechanical (E&M) package Segment.

The company has supplied over 550+ hydroelectric sets, with a cumulative capacity of more than 35,000 MW in India and abroad, on the foundation of state-of-the-art manufacturing facilities and strong R&D activities for technology development. The manufacturing facilities are equipped to deliver a vast range of products for Hydro Power Plant E&M requirements.

In 2023-24, BHEL has received E&M package order from NHPC Ltd. for the 12x240 MW hydro project located in Roing in the Lower Dibang Valley district of Arunachal Pradesh. This prestigious

order includes design, engineering, manufacture, supply, erection and commissioning of Turbines, Generators, Digital Governing Systems, Static Excitation Systems, Transformers, Bus Reactors, Gas Insulated Switchgear, Outdoor Pot Yard & Switchyard Equipment and Electrical & Mechanical Balance of Plant items.

BHEL has been closely associated with NHPC for more than 4 decades with the commissioning of the first project - Bairasiul (3x60 MW), in 1981. Amongst various other orders, the company is presently executing orders for the 850 MW Ratle HEP (J&K) for limited scope of E&M works and renovation and modernisation (R&M) of the 105 MW Loktak HEP (Manipur) for NHPC and its JVs.



This image is for representational purpose only.

Such orders showcase BHEL's engineering capabilities, and will be helpful in opening up newer avenues for engineering services in the future.

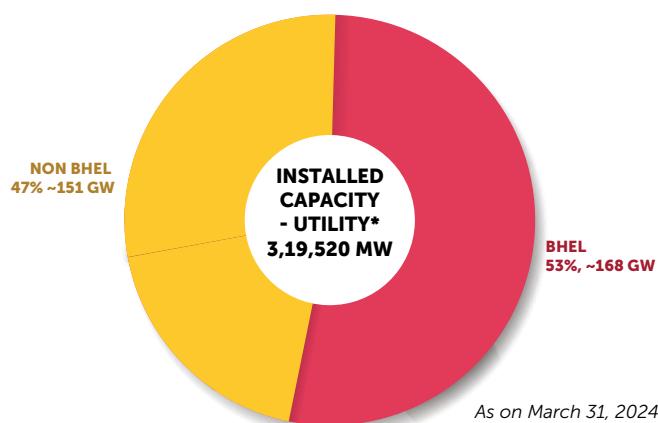
### Project Execution

Since its inception in 1964, BHEL has supplied 465 coal based utility sets, 23 diesel sets, 424 hydro utility sets, 103 gas based utility sets and 14 nuclear based utility sets in India up to FY 2023-24. Through its concerted efforts, BHEL achieved a capacity addition of 2,310MW<sup>#</sup> in FY 2023-24 in utility power projects. Further, capacity addition of 2,260 MW was achieved where BHEL scope includes Steam Generator/ Power Cycle piping only. In addition to capacity addition, synchronization of 2,395MW in FY 2023-24 in utility power projects has been achieved. Also, commercial operation for Unit#2 of the prestigious 2x660MW Maitree Super Thermal Power Project (one of the biggest coalfired power plants in Bangladesh) has been declared in March 2024.

BHEL has installed the Nation's another unit fitted with Air Cooled Condenser (ACC) at NTPC North Karanpura Super Thermal Power Project Unit-2 in February 2024 after installing its Unit-1 in January 2023, proving once again the engineering prowess of the company. This Unit with ACC has 1/3rd water footprint as compared to typical unit with Water Cooled Condenser (WCC). In the Lift Irrigation Scheme (LIS) project, wet run & trial operation was completed for U#1 of Palamuru Rangareddy Stage-1 (8x145MW) in October 2024.

Further, BHEL has diversified into supplying large size Francis type Pump-motors sets for Lift Irrigation Schemes, and is currently executing the Pump–Motor Sets for the world's largest lift irrigation project at Kaleshwaram, Telangana.

BHEL maintained its lion's share of 54% in the country's total installed thermal capacity of utility scale power projects, along with 57% of nuclear power generation capacity (secondary side) and 44% of hydro power generation capacity in the country by end of FY 2023-24. Overall at utility scale, including thermal, nuclear and hydro segment, BHEL enjoys 53% share in total installed conventional capacity of the country.

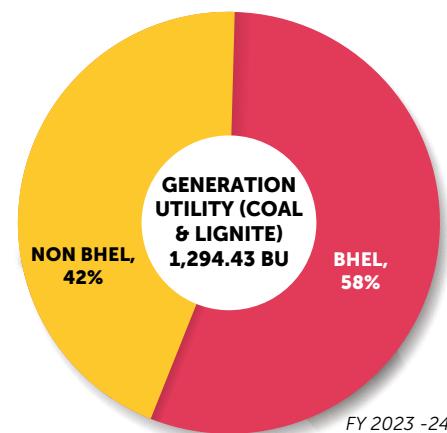


<sup>\*</sup>Includes Thermal, Nuclear & Hydro; Excludes Solar, Wind and Bio-Power;  
Based on capacity at the time of installation.

<sup>#</sup>-Includes Shirpur Unit#4 (2x150MW). Project was being executed by BHEL Industry sector & went into litigation. The same has been commissioned & taken as Capacity addition by CEA.

### Performance of Equipment

During FY 2023-24, 58.1% (752.05 BUs) of the country's total generation of 1294.43 BUs from Coal & Lignite based utility sets has been contributed by BHEL supplied sets.



In terms of Plant Load Factor (PLF), 106 thermal sets achieved PLF of 80% and above, out of which 32 thermal sets achieved PLF of 90% & above and 74 thermal sets achieved PLF between 80% and 90%. In terms of Operational availability (OA), 177 thermal sets registered OA of 90% and above.

It is a matter of great pride and testament of BHEL's product quality that BHEL supplied five subcritical units which are more than 40 years old, achieved PLF of more than 95% in which Singrauli-4 TPS (200MW) has achieved the PLF of 98.8% and OA of 98.0%. This is the highest PLF among BHEL supplied units across all the sectors. Subcritical sets (195 - 600MW) registered \*OA of 87.8%. Further, BHEL supplied Supercritical sets (660/ 700/ 800MW) registered OA of 85.8%. Among BHEL supplied supercritical sets, Kothagudem-12 (800MW) achieved highest PLF of 85.5% and OA of 94.4%.

In Nuclear Segment, BHEL supplied equipment continues to exhibit excellent performance. Two nuclear sets supplied by BHEL registered PLF of more than 90% and Three nuclear sets registered OA of 90% and above. Kakrapar unit-1 achieved PLF of 95.8% and Kaiga unit-2 achieved PLF of 95.4%. Kaiga unit-1 has completed its uninterrupted run of 591 days last year.

Power plants with BHEL supplied equipment continue to exhibit above par performance in respect of high OA & PLF, and low outages, and are testimonial to our robust designs and high quality standards.

## Digital offerings and solutions

BHEL is progressing ahead with Industry 4.0 Initiatives; like Remote Monitoring and Diagnostic Services (RMDS), Remote Vibration & Diagnostic System (RVDS) and Plant Automation & Live Monitoring (PALM). Notably, Spares & Services business has received the prestigious and strategic order for providing RMDS from BPCL-Mumbai Refinery and order for RVDS- KAMPAN 1.0 (Key to vibration Analysis and Monitoring for Plant's Agility and Novelty) from M/s TVNL Tenughat. With the receipt of these orders, BHEL forays into providing Industry 4.0 solutions, thereby opening new horizons for business expansion.

BHEL has also successfully implemented its first PALM solution at 1x25MW NEEPCO-Khandong HEP in Assam, and has received appreciation from the customer. Further, BHEL also secured second order from NHPC for PALM implementation at seven of their power stations.

## Coal Gasification Business

The Joint Venture Company of BHEL and CIL, "Bharat Coal Gasification and Chemicals Limited", has been incorporated as a Private Limited Company in May 2024. The JV Company will set up a Coal to Ammonium Nitrate Plant.

Further, in a separate development, NLCIL has issued a work order to BHEL in March 2024, to prepare feasibility study report for the proposed lignite gasification based Integrated Gasification Combined Cycle Pilot Plant.

## Future perspective

Rising domestic consumption, Government's push for manufacturing and creation of infrastructure is expected to



*Unit 1 of Kakrapar Nuclear Power plant (220 MWe), equipped with BHEL supplied equipment, achieved PLF of 95.8%*

drive the energy demand in the near future. This coupled with energy security and energy affordability will drive addition of thermal based power in the near future. Company is working towards catering this upcoming demand for thermal power plants through the efforts in areas like strengthening EPC capabilities, vendor facilitations, standardization of drawings, offering emission reduction solutions etc.

Apart from meeting new demand for power generating equipment, company has set its eyes on after sales & services and competency building for upcoming areas like coal to chemicals and carbon capture & its utilization and sequestration technologies.

BHEL has taken proactive steps for increase in spares and services business through long term spares supply and service agreements with customers, fast supply of spares, offering Flexibilisation solutions for BHEL & non-BHEL sets

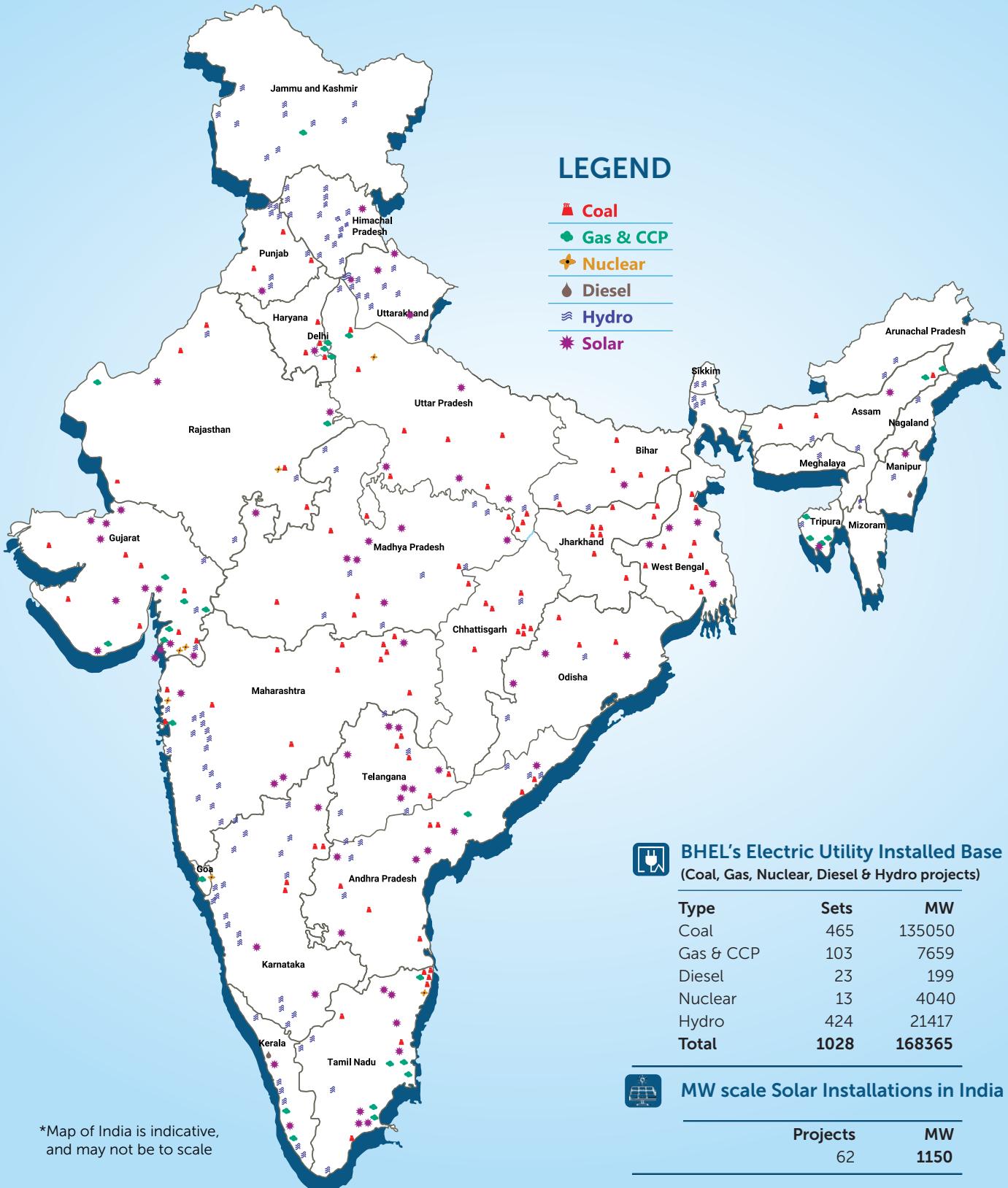


*NHPC's 45 MW Nimoo Bazgo Power Station (UT of Ladakh), commissioned by BHEL (electro-mechanical works)*

# BHEL

## Make Electric Utility Installations

Commissioned as on 31.03.2024



\*Map of India is indicative, and may not be to scale



*BHEL has manufactured India's first set of catalysts for Selective Catalytic Reduction for limiting NOx emissions for the 5x800 MW Yadadri Thermal Power Station in Telangana*

for dealing with grid stability issues due to fluctuations in renewable power generation.

Given India's reserves of around 300 billion tonnes of coal and the fact that international gasification technologies are not available for high ash coals, the development of indigenous technology by BHEL for gasification of Indian high ash coal is a major step forward in reducing nation's dependence on imports, and is expected to open up major business potential for conversion of coal to chemicals. The same technology can also be used for greener electricity production through "Integrated Coal Gasification Combined Cycle" technology. The company is working to capitalize opportunities in these areas in a time bound and focussed manner. CIL and BHEL have taken the first leap in this business area by associating for setting up a commercial coal gasification project, which has been identified by Government of India for financial incentive under the scheme. Further, other coal based PSUs like NLCIL, SCCL etc. are also in discussion with BHEL to benefit under this scheme, which would eventually materialize in the form of gasification projects in future.

Nuclear power is likely to play an important role in catering to base loads in the coming decades. The company continues to remain the only Indian supplier for nuclear steam turbines and generators as well as associated with the country's three stage nuclear programme and has been a partner for five decades in the development of the indigenous Nuclear Power

Programme. The previous nuclear orders are expected to give BHEL a competitive edge during the next round of bidding for the fleet mode ordering of turbine island EPC packages. The company is also executing works at Kudankulam 2x1000MW Unit 3 & 4, being setup with Russian co-operation and is further working with various stakeholders to indigenize and increase its offerings in the sector.

Hydro power will play a key role for management of peak power requirements due to the variability of renewable energy generation. With its own NABL accredited hydro lab for developing in-house hydro profiles, BHEL is the undisputed market leader in E&M packages for green field hydro projects and is a lead player for R&M of old hydro sets. The company is the ideal partner of hydropower producers for achieving an efficient upgradation of turbine profiles (for BHEL as well as non-BHEL make), increasing their lifespan as well as reliability. BHEL is also a leading player in large size pumpmotors required in Lift Irrigation Scheme (LIS) projects.

**Profile & Performance  
Business Segments**

**INDUSTRY  
SECTOR**



### 1.3.2 Industry Sector

The growing Indian economy is opening up new opportunities in infrastructure sectors viz., Transportation, Transmission, Defence etc. BHEL's Industry Sector offers a broad range of industrial systems and products for the major sectors of the Indian economy. Industry Sector, comprising of market-focused groups, offers comprehensive and customised solutions for Rail Transportation, Defence & Aerospace, Transmission, Renewables, Oil & Gas, Captive Power Plant, Industrial Products, and upcoming business like Hydrogen, Battery Energy Storage and e-Mobility etc.

In FY 2023-24, Industry Sector secured orders worth ₹21,951 Crores (excluding taxes) which is the highest ever order booked by Industry Sector.

#### 1.3.2.1 Transportation

BHEL has played a key role in the growth journey of India's Rail Transportation for the last six decades. Company has been meeting Indian Railways' rolling stock requirements by offering innovative solutions and "Made in India" systems & equipment. Further, BHEL has been providing world class solutions to Indian Railways in the field of electric propulsion equipment for rolling stock and mainline electric locomotives.

Indian Railways has envisaged advancement and gradual transition of India's Rail Transportation infrastructure towards better safety, improved productivity & efficiency, reduced carbon imprint, and thereby creating significant opportunities for the industry. As a part of this endeavor, it is projected that large opportunities would come up in the domain of MEMU, EMU & high speed/ semi-high speed trainsets, conventional & high power locos, and signaling systems over the next 10 years.



Flagged off Prototype MEMU Rake equipped with BHEL developed propulsion system from MCF, Raebareli

#### Achievements during the year

- Secured major breakthrough order, as lead partner of consortium, from Indian Railway for supply and 35 years' maintenance of 80 numbers Vande Bharat Trains—marking BHEL's entry into domestic semi high-speed mobility segment.
- Secured largest value order from Banaras Locomotives Works (BLW), Varanasi for 830 Traction Motors (Type 6FRA6068) for WAG-9 Locomotives.
- Secured export order from RITES for manufacture and supply of 10 Traction Alternators (TA9901 BY) & 60 Traction Motors (IM4513AZ) to Mozambique for 3300HP Cape Gauge Locomotive.
- Traction Motor for Vande Bharat Trainset developed in house at BHEL, Bhopal.
- Designed & manufactured first-ever Dual Cab Diesel Electric Locomotive (700 HP rating) indigenously at BHEL, Jhansi. The locomotive complies with US EPA Tier-2 equivalent emission norms thereby offering an environmental friendly solution for the Industry.
- Supplied 22 numbers WAG-9H Electric Locomotives (6000HP) to Indian Railways.
- Rolled out 1<sup>st</sup> and 2<sup>nd</sup> Non-AC EMU rake fitted with BHEL propulsion electrics from ICF, Chennai.
- 17 numbers MEMU rakes with BHEL's propulsion and electrics rolled out from RCF, Kapurthala and ICF, Chennai.
- Flagged off Prototype MEMU Rake equipped with BHEL developed propulsion system from MCF, Raebareli.
- Electric propulsion for rolling stock, locomotives and MEMUs for Indian Railways developed in-house at BHEL, EDN, Bengaluru.
- Prototype Clearance obtained from Chittaranjan Locomotive Works for BHEL-make Transformer for 9000 HP Electric Loco.



Designed & manufactured first-ever Dual Cab Diesel Electric Locomotive (700 HP rating) indigenously at BHEL, Jhansi

## Future perspective

Indian Railways has launched National Rail Plan (NRP) envisaging augmentation of capacity and increasing Railways' share in freight traffic. New generation rolling stock in the form of High Horse Power Electric locomotives for freight movement and Semi High Speed "Vande Bharat" Trains for passenger traffic are being introduced by IR with plans to extend the "Vande Bharat" Trains model to Urban Mobility segment as "Vande Metro".

With these prospects, rail transportation business is expected to grow significantly in future. By leveraging its design, engineering & manufacturing experience, technological competence and pan India presence, BHEL is working towards achieving technology self-sufficiency, and strengthen inhouse capability for design & manufacturing of advanced mechanical and electrical systems for all types of rolling stock.

Indian Railway is planning to implement train collision avoidance system (KAVACH). The system will be implemented across 44,000 km of track within the next five years. To capitalize on the opportunity, the company is foraying in the signaling segment and has undertaken development of KAVACH.

The company is also working with OEMs/ collaborators to address upcoming businesses, especially of high HP locos, Battery/ Hydrogen Fuel Powered Locomotives, High Speed Rail, and Push-Pull locomotives.

### 1.3.2.2 Transmission

BHEL has its presence across the value chain and offers a wide spectrum of products & systems to cater to the varied needs of Transmission Utilities. BHEL is well poised to further enhance its presence in the emerging areas like EHV GIS Substation, Digital Substation, HVDC projects, etc.

*All three Substations associated with Neemuch Transmission System – Neemuch, Chittorgarh & Mandsaur, for the evacuation of renewable energy from Neemuch REZ, were successfully energized within the stipulated timeline*



400kV Gas Insulated Switchgear (GIS) bay at Chamera HEP indigenously developed by BHEL under the Aatmanirbhar Bharat initiative

BHEL has established state-of-the-art manufacturing facilities for wide range of transmission equipment both for EHV & UHV (AC/DC) applications, including Converter Transformers, Thyristor Valves, Filter Capacitors, Instrument Transformers, Porcelain & Composite Insulators, Control & Protection etc.

### Achievements during the year

- Secured milestone order through competitive route from Maharashtra State Electricity Transmission Company (MSETCL) for HVDC Electrode Station at Malegaon (Maharashtra) for their Padghe HVDC Converter Terminal. This is the first standalone order for HVDC Electrode station secured by BHEL. The project is of national importance as it is linked with high speed rail corridor of NHRCL (National High-speed Railway Corp Limited) between Mumbai and Ahmedabad.
- Received Orders through competitive bidding for

following POWERGRID's TBCB projects:

- o 765/400 kV Bikaner Substation package (Rajasthan)
- o 765/400 kV New Substation at Koppal (Karnataka)
- o Extension of 765/400 kV Koppal & Raichur Substation package (Karnataka)
- o 765/400 kV New Substation at Vataman (Gujarat)
- Orders for 100 numbers 400 kV and 765 kV voltage class Transformers and Reactors.
- Orders for 36 numbers 220 kV voltage class Transformers from State Transmission Utilities.
- All three Substations associated with POWERGRID Neemuch Transmission System –Neemuch, Chittorgarh & Mandsaur, for the evacuation of renewable energy from Neemuch REZ, were successfully energized in March 2024, within the stipulated timeline.

#### **Future perspective**

India has planned to have 500 GW capacity of non-fossil fuel-based electricity by 2030. Evacuation of power from generating centres to load centres would require Grid expansion, comprising of high capacity AC transmission corridors and multiple HVDC systems. The Grid expansion is in various stages of planning and implementation. A total of 7.32 Lakh MVA substation capacity is expected to be added during the period 2022-2027 with a total Investment of approx. ₹ 4.76 Lakh Crores, to implement these additional transmission systems.

BHEL has a strong foot print in India's Transmission landscape, with capabilities in both projects as well as products, and is well placed to capitalize on the emerging opportunities.

#### **1.3.2.3 Defence and Aerospace**

BHEL has about five-decade long track record of supporting the country's defence forces. BHEL has designed and developed wide range of specialized equipment and weapon systems.

While BHEL is supplying upgraded state-of-the-art SRGMs, we are further augmenting our capacities for upgraded SRGMs in line with the requirement of Indian Navy. BHEL has proven expertise in permanent magnet motor technology and is fully geared up for the indigenous design and development of propulsion systems for naval application. Further, BHEL is also offering solutions in Renovation & Modernization, and Life Extension services of various equipment to the Indian Navy. BHEL is one of the few select firms in the world with the capability to design and manufacture compact heat exchangers and pump modules for military aircraft/helicopters and is currently developing the same for various airborne platforms. The company is also working in close coordination with customers such as CASDIC, HAL, ISRO, ADA, etc. for a diverse range of equipment and services. BHEL has a long standing association with ISRO and its various centres for various space related requirements, and



Packed with enhanced features, BHEL is offering 'Upgraded SRGM' to meet rising security requirements of Indian Navy

efforts are being made to expand product portfolio in Launch Vehicles, Satellites/ Payloads etc BHEL has contributed in Chandrayaan 3 mission by supplying Li-ion batteries for lander & propulsion module, titanium propellant tanks and friction welded bimetallic adaptors for cryogenic stage.

BHEL has upgraded and augmented its facilities to meet the wide spectrum of unique industry requirements for design, engineering, precision manufacturing, heavy forging, special purpose welding and advanced CNC machining activities, which are being utilized for manufacturing of defence & aerospace equipment and systems. These capabilities are also being capitalised to meet the requirements of the aerospace sector and the company is well placed to make a significant contribution in the segment.

#### **Achievements during the year**

- Order for 20 numbers Upgraded Super Rapid Gun Mounts (SRGM) for warships of Indian Navy from various shipyards.
- Largest ever order for Thermopressed plates (360 numbers) from Heavy Vehicles Factory (HVF).
- Order from Ministry of Defence for manufacturing of large size marine propellers with funding from Government of India for establishment of associated manufacturing infrastructure.
- Development order for Liquid Circulation Module for Su-30 aircraft.
- First ever order for design and development of 1,350 kW Alternator for Naval application.

#### **Future perspective**

Ministry of Defence (MoD) is focusing on "Make in India" under "Aatmanirbhar Bharat Abhiyan" to achieve self-reliance in Defence sector and promoting domestic manufacturing. Defence budget outlay for spending and investments has increased by 4.7% over the last year, as India fast tracks its military modernization and upgradation, especially considering the current geopolitical developments. MoD has released positive lists for indigenisation of imported



## 76/62 mm Upgraded Super Rapid Gun Mount – SRGM (U)

Since 1994, BHEL has been the sole supplier, manufacturing the state-of-the-art 76/62 mm SRGM (Super Rapid Gun Mount), main gun on-board major warships of Indian Navy, at its Haridwar Plant.

Till date, **BHEL has supplied 44 nos. SRGMs** to Indian Navy/ Coast Guard.

Post absorption and assimilation of technology for SRGM, BHEL has developed capabilities for manufacturing, assembly, integration, proof firing, installation, commissioning including complete life time product support through supply of spares, defect identification/rectification, Health Audit, etc.

In order to ensure maximum availability of SRGM to the Indian Navy, BHEL has augmented its facility at Haridwar plant, and has also set-up Water Front Support Facilities at Naval Dockyard Mumbai and Vizag.

To meet future challenges of Indian Navy, BHEL has also **offered Upgraded SRGM, with enhanced features** like capability to manage multiple types of ammunitions to engage fast manoeuvring / non-manoeuvring target, radio-controlled targets and fire programmable Vulcano Ammunition with higher range & precision.

We have **received orders for 38 Upgraded SRGMs** in the last two years.





*Sulphur Recovery Unit (SRU) project under execution at IOCL Paradip, Odisha*

defence equipment in a time bound manner. This reflects the growing confidence of the Government on the capabilities of domestic industry.

BHEL with its proven design, engineering & manufacturing capabilities is well placed to play a much wider role in supporting Gol initiative of Aatmanirbhar Bharat in defence business.

#### **1.3.2.4 Captive Power & Process Plant**

BHEL has been addressing the Captive Power business for more than 4 decades, with presence in the Metal & Mining, Process, and Refinery & Petro-chemicals industries of the country. Further, execution of maiden order for Sulphur Recovery Unit (SRU) package at IOCL Paradip Odisha, will open avenues to capitalize on business opportunities of process units of Downstream Oil & Gas Sector (DSOG).

#### **Achievements during the year**

- Received orders for four (04) numbers STG (above 40 MW) from existing and new customers.
- Extension of Technical Assistance and License Agreement (TALA) signed with General Electric Technology GmbH, Baden, Switzerland for Gas Turbines

#### **Future perspective**

Capacity expansions/ investments are anticipated across all major Industries being catered by the Captive Power & Process Plant Business segment of BHEL.

As per National Steel Policy (NSP), the country aims to achieve a steel production capacity of 300 MTPA, up from the current capacity of approximately 160 MTPA. SAIL plans to increase its capacity from the current 19.51 MTPA to 35.65 MTPA by 2030, while JSW Steel intends to expand capacity to 50 MTPA by the end of this decade, up from the current 29.7 MTPA.

In Oil & Gas Industry, projects worth ₹2 Lakh Crores have already been announced by PSU Oil & Gas Companies

in Petrochemical segment besides capacity addition of 60 MMTPA in Refinery segment by 2030. Additionally, significant demand and growth is expected in the Indian Aluminium Industry in the coming years. Major players like Vedanta, Hindalco, and Nalco are planning substantial capacity expansions driven by the various initiatives of the Government.

With its extensive experience across various industries and a focus to provide sustainable and diversified solutions to meet customer demand, BHEL is well-prepared to capitalize on the forth coming business opportunities arising from the planned expansions and investments in the industry.

#### **1.3.2.5 Industrial Products (including Oil & Gas and Electrical Machines)**

BHEL has been serving the Oil & Gas sector for more than five decades. Most of the refineries & petro-chemicals industries in India are equipped with BHEL supplied static and rotating equipment.

In addition to the increased oil demand, investments in Green Hydrogen and Ammonia Plants have been proposed by various industry players.

Business opportunities for Industrial Products such as centrifugal compressors, fired heaters, heat exchangers, valves, high tonnage columns & vessels etc. are expected in these forthcoming projects.

#### **Achievements during the year**

- Order for 700 Wellheads and 553 X-Mas Trees
- Order for 3 numbers Compressors for HPCL Vizag & NRL projects.
- First ever order of 43 Sucker Rod Pump (SRP) for supply against ICB tender for in-house developed product.
- Developed 15,000 PSI Well Head and X-Mas Tree & Supplied to ONGC in line with India's "Aatmanirbhar Bharat Mission",
- Successful completion of Hydro-test of Main



*Conventional X-Mas tree valves manufactured by BHEL*

Fractionator Column at HRRL, Barmer weighing ~700 tonnes. This is the largest column supplied by BHEL for refinery sector in terms of weight and diameter.

### Future perspective

The oil demand in India is slated to double till 2045 from current level of 19 million barrels of oil per day to 38 million barrels of oil per day. India has established its position as one of the largest refiners globally and is aiming to increase the refining capacity from 254 MMTPA to 450 MMTPA by 2030.

Considering the industries expansion plans and BHEL's established footprint through product and system offerings in various sectors viz. Oil & Gas (Downstream & Upstream), Steel, Fertilizers, Petrochemicals, BHEL is fully geared up to capitalize the upcoming opportunities.

### **1.3.2.6 New and Renewable Energy Business Areas**

COP28 agreement re-emphasises on reducing greenhouse gas emissions, building resilience to climate impacts and addressing the climate crisis. Alongside being reliant on coal power, India is also pushing renewable energy capacity addition to become a net zero country by 2070 in line with the five nectar elements (Panchamrit) of India's climate action plan. GoI is planning to build 500GW of RE capacity by 2030. This accelerated adoption of renewables is giving impetus to the Solar Energy and Energy Storage market in India alongside giving a boost to business areas like EV chargers, hydrogen business etc. where BHEL is targeting to diversify.

### Renewable Energy

India's recently updated NDC (Nationally Determined Contribution) commits for about 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. The majority of this is expected to be solar capacities.

### Hydrogen Business

Under the National Green Hydrogen Mission, GoI is targeting to make India a global hub of Green Hydrogen production and Electrolyser manufacturing. MNRE has launched Strategic Interventions for Green Hydrogen Transition (SIGHT scheme) of ₹ 17,490 Crores to incentivise Electrolyser manufacturing and Green Hydrogen production. As per MNRE, total installed capacity of Electrolysers in India is estimated to be 60-100 GW by 2030 with Green hydrogen production potential of 5MMTPA.

This growth trajectory opens up substantial opportunities across the hydrogen value chain, including Electrolyser manufacturing, hydrogen storage and distribution solutions, fuel cells, and biomass.

### Electric Mobility

Under the National Electric Mobility Mission Plan (NEMMP), Ministry of Heavy Industries (MHI) launched Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME) scheme in India. Government has also launched various other schemes, like ACC PLI, Auto-PLI etc. to develop the supply chain ecosystem for EVs, enabling faster adoption of EVs in India.

### Battery Energy Storage Systems (BESS)

The National Electricity Plan–2032 released by Ministry of Power (MoP) in May 2023, has made a projection of the installed BESS capacity in India to reach 8.6 GW/ 34 GWh by 2027 and further to 47GW/ 236GWh by 2032. MoP's Viability Gap Funding Scheme, with budgetary support of ₹ 3,760 Crore, has been launched in March 2024. This is expected to spur the BESS demand through allocation of 4GWh of VGF-linked BESS projects by 2025-26.

### Future perspective

BHEL is working to capitalize on its experience, engineering and execution strength in Floating Solar Power Plants. Further, BHEL has entered into an MoU with M/s REC Power Development Corporation Limited (RECPDCL – a subsidiary of REC) for exploring development of primarily RE Projects along with other energy source projects.

In line with the national commitments, BHEL intends to diversify its product portfolio by building a robust Hydrogen business. The ambition is to build GW scale Electrolyser manufacturing capacity by 2030. BHEL has entered into technology licensing agreement with Bhabha Atomic Research Centre (BARC) for 50kW Alkaline Electrolyser system and is further exploring opportunities for collaboration, with organizations interested in Electrolysers, Fuel cells, Biomass Gasification and Type IV cylinders. BHEL has developed 5kW PEM Fuel Cell (PEMFC) and has successfully completed capacity test of the 25kW PEMFC. The technology is being further scaled to higher capacities suitable for heavy duty application.

BHEL has successfully developed and received certification of 122 kW charger and 60 kW charger. First in-house manufactured 60 kW EV charger commissioned at BPCL retail outlet BKC Complex, Mumbai and subsequently total of 59 such chargers have been installed at BPCL retail outlets across India. Initiatives for in-house development and manufacturing of higher ratings of EV chargers (240 kW and above) are also underway.

BHEL is well prepared to address expected sharp uptick in BESS demand by offering integrated solutions by capitalizing on its vast experience in system engineering & project execution.



Profile & Performance  
Business Segments

**INTERNATIONAL  
OPERATIONS**



### 1.3.3 International Operations

#### Overview

BHEL has been the flag-bearer for the country in exports since decades, and is gradually expanding further in the international markets. Our references now encompass 89 countries with 13 GW installed capacity overseas and over 4 GW under installation.

Presently, major projects under execution in the overseas include (6x200 MW) Punatsangchhu-I and (6x170 MW) Punatsangchhu-II hydro projects in Bhutan; (4x225 MW) Arun-3 hydro project and (2x20 MW) Rahughat hydro project in Nepal; 26 MW Calabar Gas based power project & 1.3 MW Kaduna Solar Mini grid projects in Nigeria and a host of orders for products and spares & services.

Company's effort in the overseas business for products, after-sales & services are reaping positive results with receipt of recent significant orders including the largest order for Gas Turbine parts in UAE, largest ever order for consultancy services in Nigeria and other notable orders.

#### Achievements during the year

- Largest orders in Gas Turbine parts segment from overseas market:** secured largest ever orders (2 numbers) from the overseas Gas Turbine parts segment for supply of Fr-9E Gas Turbine Rotors & parts from International Energy Resources (IER) FZCO, UAE.

- Entry into new segment in international business - maiden direct export order in railways segment:** secured significant order for supply of locomotive spares for Sri Lanka Railways which is the maiden direct export order in the Railways segment.
- Largest ever consultancy services order in overseas market:** significant order in the consultancy services segment for technical services secured from Chrome Consortium Energy Nigeria Limited (CCENL), Nigeria. This is the largest ever consultancy services order from the overseas market.
- Overseas order for Transformers:** significant order from the Product sales segment has been secured from Bhutan for the supply of Generator Transformers (4 numbers) for Chhukha Hydropower Plant, Bhutan.
- Orders for Fr-9E Gas Turbine parts from Iraq:** orders (2 numbers) for the supply of Gas Turbine parts to Ministry of Electricity, Iraq secured from M/s Tareek-Al-Malak, Iraq. Notably, these are the largest ever GT parts orders received from the Iraqi market.
- Inauguration of BHEL's largest overseas project - 2x660 MW Maitree STPP, Bangladesh:** the prestigious overseas project, one of the largest power-projects of Bangladesh, was jointly inaugurated by Prime Ministers of India and Bangladesh in November 2023. Notably, the second unit of this project was synchronized ahead of challenging target committed in G2G meetings.



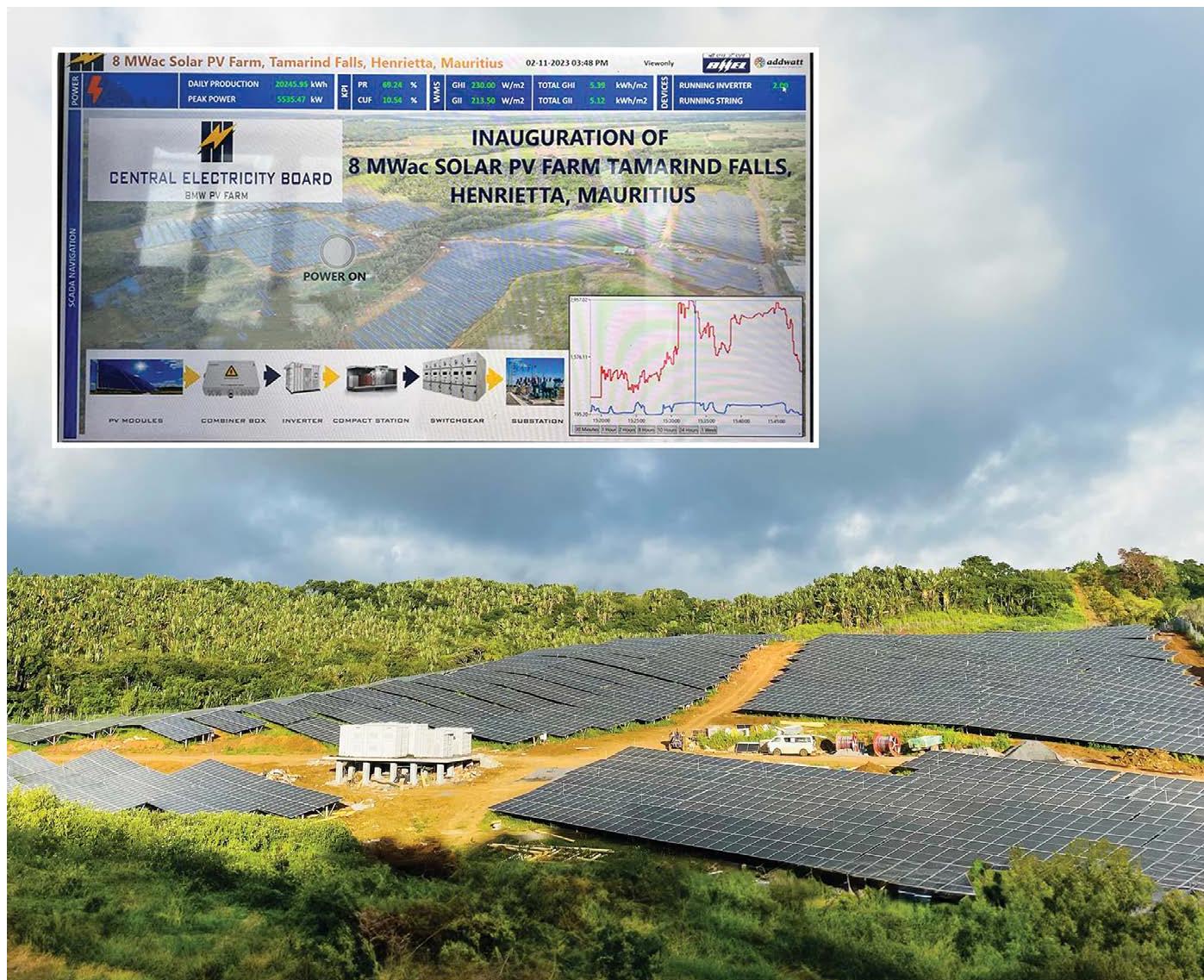
Unit 2 of 2 x 660 MW Maitree STPP, Bangladesh commissioned by BHEL

Subsequently, capacity addition was also achieved.

- Inauguration of BHEL's first ever overseas turnkey contract for grid-connected Solar PV Power Plant - 8 MW<sub>ac</sub> Solar PV Farm at Tamarind Falls, Henrietta, Mauritius:** project was jointly inaugurated by the Hon'ble Prime Minister of Mauritius and the Hon'ble Minister of State for External Affairs and Parliamentary Affairs, Government of India in November 2023. Notably, this is BHEL's first ever overseas turnkey contract for grid-connected Solar PV Power Plant as well as BHEL's first project in Mauritius.
- Maiden entry in Spain:** BHEL expanded its footprints to 89 countries (besides India) by securing its first ever order from Spain.

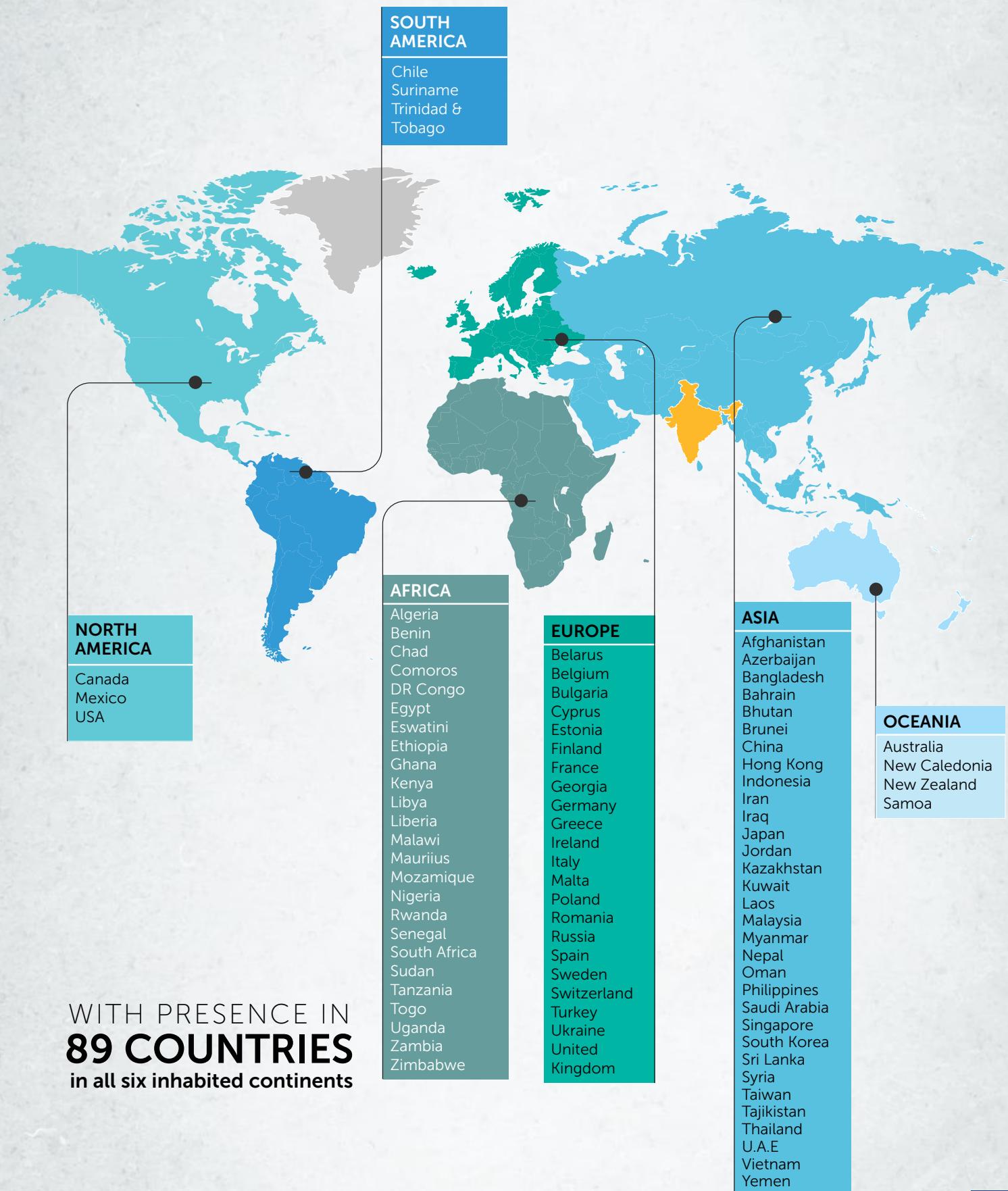
### Future perspective

Exports has been focus area for BHEL, and several steps are being taken to revitalize BHEL's export business. The company is focusing on leveraging its world-class design, engineering, and manufacturing capabilities to supply a wide range of customized products & turnkey solutions, especially in the power, oil & gas and industry sectors, and position itself as a viable alternative to traditional manufacturing destinations. The company is continuing its concerted efforts in the target markets of Africa, the Middle East with an emphasis on the conventional segment of Coal, Oil & Gas fired power projects. The company is targeting scaling up business by leveraging its dominant position in hydro segment in neighbouring countries viz. Nepal, Bhutan. The focus on product supplies combined with after sales has started yielding results.



8 MW<sub>AC</sub> Tamarind Fall Solar PV Project in Henrietta, Mauritius commissioned by BHEL

# BHEL Global Footprints





## MAITREE SUPER THERMAL POWER PROJECT

### - An Engineering Marvel

BHEL has successfully executed 2x660 MW Maitree Super Thermal Power Project in Bangladesh, jointly inaugurated by Hon'ble Prime Ministers of India & Bangladesh, symbolizing the enduring friendship and strategic partnership between India and Bangladesh.

BHEL's role in this project spans the entire spectrum of engineering, procurement, and construction (EPC), exemplifying BHEL's technological expertise and project execution capabilities.

The project is an engineering marvel, built on reclaimed land elevated with dredged river sand, and in a highly cyclone-prone area, with very high design wind speeds of 262 km/hr - highest ever by BHEL.

The project involved constructing unique features like 400kV GIS, River water Jetty (540 meters long, the largest in Bangladesh), Ship Unloaders, High Concentration Slurry Disposal System, large space frame covered sheds for coal, pneumatic fly ash loading from Silo, Pipe conveyors for lime and gypsum, FRP Flue cans with a 275-meter RCC

Chimney and an integrated FGD System (for meeting environment norms).

Equipped with advanced, world class supercritical technology, the Maitree Power Plant significantly reduces emissions and enhances fuel efficiency.

By spearheading such prestigious projects, BHEL continues to showcase the nation's engineering excellence on the world stage.



## 1.4 Comprehensive Analysis of Financial Performance

(Figures of previous year FY 2022-23 restated owing to change in Accounting Policy, Refer Note No. 44 of the Financial Statements)

### 1.4.1 BHEL Standalone

#### A. Financial Results

##### 1. Total Income

(₹ Crores)

Particulars	2023-24	2022-23
Revenue from contract with customers	<b>22,921</b>	22,136
Other operational Income	<b>972</b>	1,229
Other Income	<b>588</b>	515
<b>Total Income</b>	<b>24,481</b>	<b>23,880</b>

The revival of thermal business and multipronged diversification efforts of the company have given a renewed impetus to the operations of the company. Higher Revenue is expected in the coming years through the execution of record order inflow.

##### 2. Expenses

###### 2.1 Material consumption, erection and engineering expenses

(₹ Crores)

Particulars	2023-24	2022-23
Direct Material (incl. Subcontracting Cost)	<b>16,894</b>	15,954
Revenue	<b>22,921</b>	22,136
(Accretion)/Decretion in inventories of finished goods, work in progress and scrap	<b>(437)</b>	(57)
<b>Gross Revenue (Value of Production)</b>	<b>23,358</b>	22,193
Direct Material cost as % of Gross Revenue	<b>72%</b>	72%

Direct material cost, remained at previous year's level. The Company is strategizing for cost reduction through a series of measures especially targeting economy of scale through centralized procurement / sub-contracting, enhancing vendor base, liquidity support to vendors / sub-contractors, design optimisation, indigenization etc.

###### 2.2 Employee benefits expenses

(₹ Crores)

Particulars	2023-24	2022-23
Employee benefits expenses	<b>5,629</b>	5,701
No. of Employees	<b>28,673</b>	29,536

During the year 2023-24, employee benefit expenses have been adjusted for periodical wage review due once in three years, resulting in reversal of employee benefit expenditure pertaining to previous year 2022-23.

##### 2.3 Other expenses

(₹ Crores)

Particulars	2023-24	2022-23
a) Other expenses of Mfg., Admn., Selling & Distribution	1,534	1,466
b) Power & Fuel	452	488
<b>Sub-total</b>	<b>1,986</b>	<b>1,954</b>
As % of Revenue	8.7%	8.8%
c) Provisions (net)	(1,037)	(1,083)
d) Exchange Rate Variations	(105)	(460)
<b>Total</b>	<b>844</b>	<b>411</b>

Other expenses (as % to Revenue) have been optimized at 8.7% adopting budgetary control.

##### Details of Provisions (net) as under:

(₹ Crores)

Particulars	2023-24	2022-23
Doubtful debts (incl. ECL), liquidated damages, loans, advances & deposits and others	1,481	(663)
Bad debts, LD, Investment & losses written off	66	148
Contractual obligations	(2,584)	(568)
<b>Total</b>	<b>(1,037)</b>	<b>(1,083)</b>

During the year ended March 31, 2024, the company has changed its accounting policy in line with the Expert Advisory Committee opinion from ICAI for factoring time value of money while calculating Expected Credit Losses (ECL) on Contract Assets. This change in Accounting policy reflects better presentation of Contract Assets as on date.

The change has been applied retrospectively with restatement of balance sheet (as on April 01, 2022) in compliance with Ind AS 8. The impact provided for Expected Credit Loss on contract assets as on April 01, 2022 is reduction in total equity by ₹ 2,626.50 Crores, withdrawal in Provision for ECL for FY 2022-23 is ₹ 236.17 Crores and withdrawal in Provision for ECL for FY 2023-24 is ₹ 1,093.50 Crores.

Based on the historical experience / technical assessment, the company has reviewed its provisioning for warranties (contractual obligations) in line with the board approved accounting policies, which resulted in reduction of revenue by ₹ 92.47 Crores, and reduction in provisions by ₹ 1,356.12 Crores during the year.

Further, re-balancing of provisioning cost has been done to mitigate immediate future risk and merit based provisioning has been done in certain cases on the basis of management assessment. Focus on provision withdrawals through customer settlements continues to be a priority.

### 3. Finance costs

(₹ Crores)

Particulars	2023-24	2022-23
Discount & exp. on commercial papers	9	51
Interest expense	601	309
Un-winding of provisions	121	161
<b>Total</b>	<b>731</b>	<b>521</b>

There has been an increase in Finance Cost as compared to the previous year in view of higher interest rates on borrowings as well as comparatively higher levels of borrowings.

### 4. Depreciation & amortization expenses

(₹ Crores)

Particulars	2023-24	2022-23
Depreciation & amortisation	249	260

Depreciation cost varies depending on the capitalization time period & mix of assets class. Overall, there is a reduction in the depreciation cost as compared to previous financial year.

### 5. Tax expenses

(₹ Crores)

Particulars	2023-24	2022-23
Current tax - Current year	31	48
- Earlier years	(143)	(159)
Deferred tax -Current year	59	173
- Earlier years	13	(1)
<b>Total</b>	<b>(40)</b>	<b>61</b>

The Current tax expense for the year is lower, mainly due to reversal of tax expense on account of adjustment of Income Tax refunds pertaining to earlier assessment years.

### 6. Profitability

The company posted Profit Before Tax of ₹ 220 Crores and post-tax profit at ₹ 260 Crores for FY 2023-24 with EBITDA @4.9% for ₹ 1,201 Crores.

Material Cost remained at elevated levels of 72%, similar to FY 2022-23, impacting gross margin and profitability adversely. However, lower profits as compared to previous year have been primarily due to factors like lower ERV Gains & higher borrowing cost as compared to previous year.

The profitability during the year has also been impacted

by change in accounting policy w.r.t. ECL on Contract Assets & change in estimate w.r.t. Contractual obligation provisioning. Further, re-balancing of provisioning cost has been done to mitigate immediate future risk through merit based provisioning, done in certain cases on the basis of management assessment.

### 7. Other comprehensive income

(₹ Crores)

Particulars	2023-24	2022-23
Re-measurement of defined employee benefits gain/(loss)	(110)	(23)
Less: Income tax related to above item	(28)	(6)
<b>Total</b>	<b>(82)</b>	<b>(17)</b>

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

### B. Financial position

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

(₹ Crores)

Particulars	March 31, 2024	March 31, 2023
Gross carrying value	7,236	6,949
Less: Accumulated depreciation / amortisation	4,662	4,473
<b>Net carrying value (net block)</b>	<b>2,574</b>	<b>2,476</b>
CWIP & intangible assets under development	308	354
<b>Total</b>	<b>2,882</b>	<b>2,830</b>

Certain properties have been identified for sale under asset monetisation drive, subject to requisite approvals (details at Note 3.1 (Additional disclosure)).

### 9. Equity investments

(₹ Crores)

Particulars	March 31, 2024			March 31, 2023		
	Investment	Impairment / FV adj.	Net	Investment	Impairment / FV adj.	Net
Investment in joint ventures	718	(52)	666	718	(52)	666
Investment in other equity instruments	1	1	2	1	3	4
<b>Total</b>	<b>719</b>	<b>(51)</b>	<b>668</b>	<b>719</b>	<b>(49)</b>	<b>670</b>

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

**10. Trade receivables (Net)**

(₹ Crores)

Particulars	March 31, 2024			March 31, 2023		
	Non- Current	Current	Total	Non- Current	Current	Total
Gross Receivables	15,284	5,889	21,173	14,920	3,801	18,721
Less: Allowances for Bad & doubtful debts	12,059	1,104	13,163	11,504	673	12,177
Trade receivables (net)	3,225	4,785	8,010	3,416	3,128	6,544

Trade Receivables were at the level of ₹ 8,010 Crores as at the end of March 2024 vis-à-vis ₹ 6,544 Crores at the end of March 2023. Increase in Trade receivables is mainly on account of delayed/ irregular payments by certain large customers.

**11. Cash & cash equivalents and bank balances**

(₹ Crores)

Particulars	March 31, 2024	March 31, 2023
Cash & cash equivalents	1,835	1,561
Deposits having maturity more than 3 months but not more than 12 months	3,740	4,852
Earmarked bank balances & FD against margin money	582	285
<b>Total</b>	<b>6,157</b>	<b>6,698</b>

The company accords top priority to cash collection resulting in increased collection by nearly 13% over the previous year including Customer advances.

**12. Deferred tax assets (Net)**

(₹ Crores)

Particulars	March 31, 2024	March 31, 2023
Deferred tax assets (net)	4,201	4,247

The reduction in Deferred Tax Assets during the year is mainly on account of set-off of brought forward loss. Deferred Tax Assets as at March 31, 2023 has been restated on account of change in accounting policy w.r.t. impairment of Financial Assets.

**13. Other assets**

(₹ Crores)

Particulars	March 31, 2024			March 31, 2023		
	Non- Current	Current	Total	Non- Current	Current	Total
Contract assets (Net)	13,296	13,452	26,748	16,606	9,860	26,466
Input tax credit receivable	-	1,301	1,301	-	1,086	1,086
Claim recoverable	570	951	1,521	300	801	1,101

Deposit with tax authorities & others	105	413	518	112	450	562
Advances & others	142	65	207	70	138	208
Less: Provision	423	269	692	133	236	369
<b>Total</b>	<b>13,690</b>	<b>15,913</b>	<b>29,603</b>	<b>16,955</b>	<b>12,099</b>	<b>29,054</b>

The major component is pertaining to Contract Assets, which represent unbilled revenue not yet due for payment as per contract terms.

**14. Inventories**

(₹ Crores)

Particulars	March 31, 2024	March 31, 2023
Raw material & components	3,069	3,029
WIP	3,918	3,483
FG	503	512
Stores & spare parts	215	203
Other inventory	298	273
<b>Sub total</b>	<b>8,003</b>	<b>7,500</b>
Less: Provision for non-moving inventory	782	744
<b>Total</b>	<b>7,221</b>	<b>6,756</b>

The inventories are carried at optimised levels keeping in view the future production needs of higher order inflows.

**15. Current tax assets /liabilities – Net**

(₹ Crores)

Particulars	March 31, 2024	March 31, 2023
Current tax assets/(liabilities)-net of provisions	229	226

The amount mainly represents TDS (net of provision for tax), which is due for refund in near future.

**16. Share Capital**

(₹ Crores)

Particulars	March 31, 2024	March 31, 2023
Authorised share capital	2,000	2,000
Issued, subscribed & paid up share capital	696	696

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

## 17. Other equity

(₹ Crores)

Particulars	March 31, 2024	March 31, 2023
Opening balance	<b>24,116</b>	26,275
Reinstatement due to change in policies or prior period errors	-	(2,627)
Add: Total comprehensive income/(loss) for the year	<b>177</b>	607
Less: Dividend (incl. interim dividend) paid during the year	<b>(139)</b>	(139)
<b>Closing balance</b>	<b>24,154</b>	<b>24,116</b>

During the year ended March 31, 2024, the company changed its accounting policy with respect to factoring time value of money while calculating Expected Credit Losses in respect of Contract Assets, in line with the Expert Advisory Committee opinion obtained during the year from ICAI. The change has been applied retrospectively and a balance sheet (as on April 01, 2022) is provided to restate financial statements in compliance with Ind AS 8.

Further, change in net worth is due to total comprehensive income during the year & dividend for FY 2022-23 paid during the year. Dividend @20% for the year 2022-23 was approved by the Shareholders in the AGM held on August 24, 2023 & subsequently paid during the year.

## 18. Borrowings & Lease Liabilities

(₹ Crores)

Particulars	March 31, 2024			March 31, 2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Borrowings	-	8,808	<b>8,808</b>	-	5,385	5,385
Lease Liabilities	23	25	<b>48</b>	34	35	69
<b>Total</b>	<b>23</b>	<b>8,833</b>	<b>8,856</b>	<b>34</b>	<b>5,420</b>	<b>5,454</b>

The company resorted to intermittent short term borrowings to bridge the gaps in cash inflows/outflows. Short term borrowings in the form of WCDL, loan against FD's and commercial paper were availed. The company has continued to ensure repayment of its borrowings on or before the due date.

## 19. Financial liabilities

(₹ Crores)

Particulars	March 31, 2024			March 31, 2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Trade payables	2,293	8,696	<b>10,989</b>	2,066	9,896	11,962
Other financial liabilities	326	1,418	<b>1,744</b>	256	1,405	1,661
<b>Total</b>	<b>2,619</b>	<b>10,114</b>	<b>12,733</b>	<b>2,322</b>	<b>11,301</b>	<b>13,623</b>

There has been reduction in Trade Payables as at the end of March 2024, as compared to March 2023 for timely liquidity support to vendors/sub-contractors.

## 20. Provisions

(₹ Crores)

Particulars	March 31, 2024			March 31, 2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Provision for contractual obligation	1,373	449	<b>1,822</b>	2,990	784	3,774
Provision for employee benefits	904	1,228	<b>2,132</b>	878	1,384	2,262
Other provisions	212	639	<b>851</b>	233	623	856
Provision for CSR	-	2	<b>2</b>	-	6	6
<b>Total</b>	<b>2,489</b>	<b>2,318</b>	<b>4,807</b>	<b>4,101</b>	<b>2,797</b>	<b>6,898</b>

Based on the historical experience / technical assessment, the company has reviewed its provisioning for warranties (contractual obligations) in line with the board approved accounting policies, during the year 2023-24. The provision for employee benefits is based on actuarial valuation of leave, medical and gratuity benefits. Other provisions mainly include provisions for loss making contracts.

## 21. Other liabilities

(₹ Crores)

Particulars	March 31, 2024			March 31, 2023		
	Non-Current	Current	Total	Non-Current	Current	Total
Advances from customers (incl. valuation adjustments)	4,063	3,070	<b>7,133</b>	2,586	3,049	5,635
Statutory dues	-	993	<b>993</b>	-	908	908
Govt. grants	39	4	<b>43</b>	20	5	25
<b>Total</b>	<b>4,102</b>	<b>4,067</b>	<b>8,169</b>	<b>2,606</b>	<b>3,962</b>	<b>6,568</b>

The company had its highest ever order booking during the year 2023-24, which has also led to increase in Advances progressively adjustable during execution of the projects. Statutory dues are mainly on account of GST liability regularly being discharged on due dates as disclosed under "other assets" (Refer SI No. 13).

## C. Fund Position

### 22. Fund flow position and liquidity

(₹ Crores)

Particulars	2023-24	2022-23
Cash generated from Operations before working capital changes	<b>(490)</b>	(54)
Net cash inflow / (outflow) from working capital changes	<b>(3,445)</b>	(797)
Net cash inflow / (outflow) from operating activities	<b>(3,713)</b>	(741)
Net cash inflow / (outflow) from investing activities	<b>1,331</b>	1,480
Net cash inflow / (outflow) from financing activities	<b>2,656</b>	89

Liquidity situation has been quite challenging during the year 2023-24 due to delayed / irregular payments by certain large customers, and cash outflows had been higher, primarily on

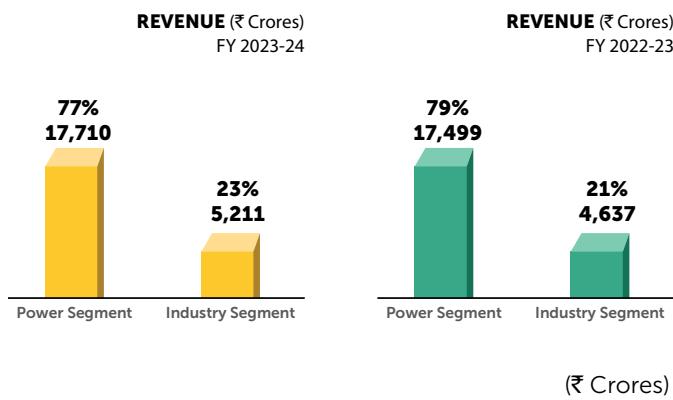
materials / sub- contracting required for project execution. Nevertheless, liquidity situation is expected to improve from the year 2024-25, partly due to initial milestone advances of recently received projects, and achievement of major milestones in certain projects.

#### D. Key Financial Ratios

In compliance with the requirement of listing regulations, the key financial ratios along with explanations, wherever required, have been provided in Note [43] of the financial statements.

#### E. Segment performance

The company has two operating segments, power and industry. Both segments have reported growth in revenue with a positive bottom line. The performance of segments is given below:



Particulars	2023-24		2022-23	
	Power	Industry	Power	Industry
Segment revenue	17,710	5,211	17,499	4,637
Segment results	1,657	137	1,585	484
Segment capital employed	18,891	2,337	14,751	2,735

#### 1.4.2 Financial Review of Joint Venture Companies

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

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

(₹ Crores)

Particulars	2023-24*	2022-23
BHEL share (%)	One share less than 50%	One share less than 50%
BHEL's investment in equity	2.38	2.38
Revenue from operations	1,054.74	967.13
Profit/(Loss) after tax	127.95	112.56
Net worth	508.97	464.59

\* based on provisional unaudited figures

In FY 2023-24, BGGTS paid final dividend of 350% (for FY 2022-23) and interim dividend of 1400% on the equity share capital of ₹4.76 Crores.

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

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

(₹ Crores)

Particulars	2023-24*	2022-23
BHEL share (%)	50%	50%
BHEL's investment in equity	50.00	50.00
Revenue from operations	19.07	51.27
Profit/(Loss) for the year	(4.16)	(15.97)

\* based on provisional unaudited figures

The provision for impairment in value of investment in NTPC-BHEL Power Projects Private Limited has been made to the extent of ₹ 50.00 Crores (same as last year) 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), Gol, in August 2019 had 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. Subsequently, in a meeting held on October 03, 2022 at MoP, it has been decided to wind up NBPPL after the completion of balance ongoing works at Unchahar TPP (1x500MW).

##### c. Raichur Power Corporation Limited (RPCL):

Raichur Power Corporation Limited (RPCL) is a Joint Venture Company of BHEL and Karnataka Power Corporation Limited (KPCL) promoted for setting up of 800 MW supercritical thermal power plants in Karnataka on build, own and operate basis. The paid-up equity capital as on March 31, 2024 was ₹ 2,999.76 Crores with contribution of ₹ 2,335.72 Crores from KPCL and ₹ 664.04 Crores from BHEL. The financials of the Company are as under:

(₹ Crores)

Particulars	2023-24*	2022-23
BHEL share (%)	22.14%	22.14%
BHEL's investment in equity	664.04	664.04
Revenue from operations	3,924.29	3,078.86
Profit/(Loss) for the year	(1,529.03)	(1,389.22)

\* based on provisional unaudited figures

Though at PBT level, the company had higher losses in FY 2023-24, however, the company had positive EBITDA. With

improved power demand, the operations of the plant are expected to improve, aiding the bottom-line of the company.

#### **d. Powerplant Performance Improvement Private Limited (PPIL):**

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

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

Investment in PPIL is ₹ 2 Crores is fully provided for.

#### **1.4.3 Consolidated Financial Statements (CFS)**

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

In the financial statements, for joint ventures, Equity Method is adopted in line with Ind AS. M/s PPIL was not considered for CFS as it is under liquidation.

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

#### **Financial performance**

(₹ Crores)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Revenue from operations	<b>23,893</b>	23,365
Profit /(Loss) before tax	<b>243</b>	716
Profit /(Loss) after tax	<b>282</b>	654
Other comprehensive income/ (Loss)	<b>(83)</b>	(17)
Total comprehensive income / (Loss)	<b>200</b>	637

The share of profit in respect of joint venture - BGGTS was ₹ 63.98 Crores in FY 2023-24 as against profit of ₹ 56.02 Crores in FY 2022-23. The joint venture companies (NBPPL and RPCL) have incurred losses in FY 2023-24. The accumulated losses equal to the cost of investment in these two JVs have already been recognized in the consolidated financial results, in FY 2018-19.

#### **Financial position**

(₹ Crores)

Particulars	March 31, 2024	March 31, 2023
<b>Assets</b>		
Property, plant and equipment, intangible assets and CWIP (net carrying value)	<b>2,882</b>	2,830
Investment accounted for using equity method	<b>254</b>	232
Non-current financial assets	<b>3,432</b>	3,561
Deferred tax assets (net)	<b>4,201</b>	4,247
Non-current other assets	<b>13,690</b>	16,956
Current assets	<b>34,546</b>	29,094
<b>Total</b>	<b>59,005</b>	56,920
<b>Equity and Liabilities</b>		
Equity share capital	<b>696</b>	696
Other equity	<b>23,742</b>	23,682
Non-current liabilities	<b>9,234</b>	9,062
Current liabilities	<b>25,333</b>	23,480
<b>Total</b>	<b>59,005</b>	56,920

The share of CAPEX in respect of joint venture – BGGTS, NBPPL and RPCL was ₹ 17.89 Crores in FY 2023-24.

#### **1.5 Capital investment**

During the year 2023-24, company made capital expenditure of ₹ 287 Crores towards modernization & upgradation of existing facilities as well as new areas. Majority of investments were made to strengthen capabilities in critical areas like Defence, Transportation and Nuclear. The facilities that cater to core business like Power generating equipment, transmission equipment etc., also underwent modernization for operational efficiency improvement and to meet rising market demand for the products.

#### **1.6 Internal Financial Control System**

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

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

BHEL has Internal Audit Department, commensurate with its size of operations and nature of its spread across the units/

divisions to cover internal audit activities at all locations of BHEL. To assess the adequacy and effectiveness of IFC, regular reviews of risk focused areas and critical appraisal of the functioning of the processes and systems is conducted by respective units/division/internal audit department at respective locations. Based on the report of internal audit, process owners undertake corrective action(s) in their respective area(s) to ensure effective internal financial controls.

Audit is conducted as per Annual Audit Plan, approved by Board Level Audit Committee (BLAC). Observations and recommendations of Internal Audit are shared with all units and regions and material internal Audit observations and CAG audit paragraphs are reviewed BLAC.

Independent Auditors Report on the Internal Financial controls of the company in terms of Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 by the Statutory Auditors is placed along with the Financial statements. Statutory Auditors in its report expressed an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

### **1.7 Quality focus**

Company has well established Quality Management Systems, and various initiatives are being implemented for continual improvement in quality, and further enhancement of Quality Management System effectiveness. Business Excellence journey has been reinvigorated by aligning to the European Foundation for Quality Management (EFQM) 2020 framework. In this regard, "BHEL Quality Maturity Model (BQMM)" is deployed to assess maturity of Quality System across BHEL. Additionally, to gauge the effectiveness of Quality Systems and Practices, a comprehensive "QHI (Quality Health Index)" model is being implemented. Furthermore, Quality Systems are digitalized to enable Digital Transformation. The best practices in Quality are shared across the organisation through Quality conversation platform, known as 'Qonverse'.



Lithium-ion cell manufacturing at Electronics Systems Division, Bengaluru

These focused efforts have yielded significant results in various areas. In the Business Excellence journey, one BHEL unit received the coveted CII EXIM Bank Award 2023, with seven BHEL Units received "Platinum" recognition and two Units "Gold Plus" recognition in CII EXIM Bank Award 2023. In other significant achievement, BHEL received the Silver Award in the 3<sup>rd</sup> edition of EEPC India Quality Awards 2023 under Government/ PSU/ Central Joint Ventures category. These awards are a testament to the company's unwavering commitment to excellence in the field of Quality by virtue of company-wide initiatives like Business Excellence, 5S, Digitalisation etc.



Quality Month with the theme of 'Quality First - Collaborating to Succeed' was observed across BHEL in November 2023

## 1.8 Human resource

### 1.8.1 Learning and Development

BHEL recognizes the importance of continuously enhancing the technical and behavioural competencies of its entire workforce. As the company navigates through the energy transition and diversification endeavours, it places significant emphasis on fostering a culture of unlearning and relearning. This strategic focus aims to cultivate an agile, adaptive, and forward-looking workforce.

Training programs in Technical, Functional, Behavioural/Managerial, safety areas have been conducted by Corporate Learning & Development (CLD) and other Human Resource Development Centres (HRDCs) across the organisation. The e-learning portal now has more than 120 online offerings for the employees. An overall Training Man-Days of 3.34 was achieved and 95,843 man-days of trainings were conducted in FY 2023-24.

In FY 2023-24, BHEL engaged 1,698 apprentices across its various units. Among them, 1,232 were Trade (ITI) Apprentices, while the remaining 466 comprised Graduate, Diploma, Vocational, and non-technical apprentices. The apprentices gained valuable hands-on learning experiences within our state-of-the-art engineering facilities, enabling them to develop essential skills for thriving in the manufacturing sector as they prepare for their future.

Inter-Organisation Meet was conducted to share best practices on Learning & Development (L & D) on March 14, 2024. L&D Professionals from different reputed PSUs participated in the event.

### 1.8.2 Performance and Career Development

HR collaborated with the Business/Product Heads in redesigning the competency framework. HR is also working on institutionalization of process to create succession roadmap.

Identification of critical roles in the organization based on business scenario done along with creation of successor profile. Further successor pool has been identified using In-person Assessment & Development Centres (ADCs) by engaging external certified assessors. Post ADCs, Individual Development Plans (IDPs) have been created. Taking this further, customized training interventions at reputed institutions are being provided for the identified people.

### Employee Satisfaction and Engagement Survey in BHEL

Employee Satisfaction and Engagement Survey is conducted online for all categories/ cadres of BHEL employees, across all units, through a centrally administered online platform once in two years. The opportunities for development are identified and addressed wherever feasible, either through policy support or improving operational framework.

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

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

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

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

Appointment of Independent Directors and their tenure (normally three years) is decided by the GoI. DPE, through BHEL's Administrative Ministry (MHI), has been evaluating/ assessing the performance of independent directors on the Board of the company.

### 1.8.3 Industrial Relations

Company's industrial relations journey has been guided by the principle of "Participation of All". This principle is upheld through the company's policy of open and continuous communication with every section of its workforce. Company's dedication to fostering a participatory culture, working closely with diverse employee groups, has played a pivotal role in nurturing a congenial and harmonious industrial relations climate within the organization.

During the year, BHEL's manufacturing units, divisions, and offices reported harmonious and peaceful industrial relations. Zero man-days were lost during the year on account of strike against company policies, bearing testimony to the concerted efforts undertaken by the management, as well as the employee groups to work jointly towards the company's goal.

In line with BHEL's dedication to fostering a participatory culture, a meeting of the apex level bipartite forum, known

as the "Joint Committee for BHEL," was held during the year, along with one special session involving representatives from all Central Trade Union Organizations, with limited participation from Units. Additionally, at the unit level, 39 meetings of "Plant Councils" and 689 meetings of "Shop Councils" were held at various manufacturing locations. The discussions in these forums revolved around improving the overall performance of the company by increasing productivity, enhancing quality, safety, and delivery to meet customer commitments and adopting various cost reduction measures to improve the financial health of the company. Through these efforts, BHEL aims to benefit its various stakeholders, including employees, by ensuring sustainable growth, competitiveness and profitability.

#### **1.8.4 Manpower Strength**

The Manpower Strength of BHEL as on March 31, 2024 is **28,673** consisting of **10,256** Executives, **4,210** Supervisors and **14,207** Workers.

#### **1.8.5 Status on Presidential Directives**

No Presidential Directives have been received w.r.t (A) Reservation policy for reserved category persons (B) Safeguard of women at workplace during the years 2021-22, 2022-23 and 2023-24.

##### **1.8.5.1 Directives on Reservation Policy for Reserved Category Persons**

Presidential Directives on reservation policy issued by Central Government from time to time provide for certain percentages of reservation in direct recruitment as well as

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

**Other relevant information on the subject is furnished below:**

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

The overall representation of SC/ST/OBC employees in total manpower as on December 31, 2023 was 20.71%, 7.59% and 37.76% for SCs, STs and OBCs respectively. During the year 2023, one employee belonging to SC category joined in Group D on compassionate grounds.

The Annual Statement in the prescribed format showing the representation of SCs, STs, OBCs and EWS as on December 31, 2023 and number of appointments made during the calendar year, is given at **Annexure - A**.

ii. **Manpower strength of PwD employees as on 31 Dec 2023**

Total number of PwD employees as on 31 December 2023 was 819. During the year 2023, no employee was recruited in PwD category. The group wise manpower



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

strength of PwD employees in the Company as on 31 December 2023 is given at **Annexure - B**.

#### **1.8.5.2 Safeguard of Women at Workplace**

An Act to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto called "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", has come into force from December 09, 2013 with notification of rules by Government of India, Ministry of Women and Child Development called "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013".

The provisions of the Act and the rules thereunder are being strictly complied with. In accordance with the Act, Internal Complaints Committee (ICC) has been constituted in all units of BHEL. ICC's constitution and contact details are hosted on the unit's website. Posters highlighting the key

provisions of the Act, Duties of the Employer, Complaints Redressal Mechanism, Action for Malicious Complaints & various misconceptions about Sexual Harassment have been displayed at conspicuous places in all units in Hindi, English and Regional languages. The Act requires companies to conduct orientation sessions or training for the ICC annually. Internal Complaints Committee must have knowledge and sensitivity to redress the grievances of women. This is mandatory not just legally but also for the workplace safety. In line with the Act a workshop for ICC Members was organized on pan BHEL basis. At unit level, 31 workshops / awareness programmes were conducted on Sexual Harassment Act and Gender Sensitization.

During the year 2023-24, 03 number cases has been reported out of which 02 cases have been disposed. As on April 01, 2024, 01 number case is pending.

## Annexure – A

**Annual Statement showing the representation of SCs, STs, OBCs and EWS as on December 31, 2023 and appointments made during the calendar year 2023**

Groups	Representation of SCs/STs/OBCs/EWS (As on December 31, 2023)					No. of appointments made during the calendar year 2023											
						By Direct Recruitment					By Promotion*			By Deputation/ Absorption			
	Total No. of Employees	EWS	SCs	STs	OBCs	Total	EWS	SCs	STs	OBCs	Total	SCs	STs	Total	SCs	STs	OBCs
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<b>Group A</b>	11370	8	2069	962	3286	0	0	0	0	0				0	0	0	0
<b>Group B</b>	3669	0	734	441	893	0	0	0	0	0				0	0	0	0
<b>Group C</b>	13636	3	3126	782	6633	0	0	0	0	0				0	0	0	0
<b>Group D (Excl. SW)</b>	109	0	35	2	57	1	0	1	0	0				0	0	0	0
<b>Group D (SW)</b>	27	0	4	1	11	0	0	0	0	0				0	0	0	0
<b>Total</b>	<b>28,811</b>	<b>11</b>	<b>5,968</b>	<b>2,188</b>	<b>10,880</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* In BHEL there are no appointments at induction level by promotion

## Annexure – B

Statement showing number of persons with disabilities appointed during the year 2022

Group	Number of Employees				Direct Recruitment						Promotion*						
	Total number of employees	VH	HH	OH	No. of vacancies reserved			Total	No. of appointments made			No. of Vacancies reserved	Total	No. of appointments made			
		VH	HH	OH	VH	HH	OH		VH	HH	OH			VH	HH	OH	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
<b>Group A</b>	11,370	4	15	299	0	0	0	0	0	0	0						
<b>Group B</b>	3,669	2	5	106	0	0	0	0	0	0	0						
<b>Group C</b>	13,636	16	25	343	0	0	0	0	0	0	0						
<b>Group D</b>	136	1	2	1	0	0	0	0	0	0	0						
<b>Total</b>	<b>28,811</b>	<b>23</b>	<b>47</b>	<b>749</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-----NA-----</b>	<b>-----NA-----</b>	<b>-----NA-----</b>	<b>-----NA-----</b>	<b>-----NA-----</b>	<b>-----NA-----</b>

**Note:**

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

\* In BHEL there are no appointments at induction level by promotion

## 1.9 Capacity Building for the Country

BHEL is a major contributor towards engineering and manufacturing capacity building for the Country. The company is carrying out following initiatives with support from Ministry of Heavy industries (MHI) under the Capital Goods Scheme Phase II:

- Company has established a "Common Engineering Facility Centre (CEFC)" for skill development in Welding Technology at WRI Trichy along with its extension centers at Varanasi, Ranipet, Bhopal, Jhansi and Haridwar units of BHEL. The centres have the capacity to train ~5000 Trainees annually in basic & advanced welding technologies.
- Company is establishing a Test Lab for Pumps at its Hyderabad unit. This lab shall be one of its kind in the country and shall allow for High Flow and High Temperature test which were earlier carried out abroad only, giving a push to "Make in India" endeavor.
- Company is establishing a testing facility comprising both Hardware in the Loop (HIL) and Software in the Loop (SIL) functionalities in the area of Industrial, Naval and Aircraft related processes at its Corporate R&D Unit at Hyderabad with support from MHI. This will help different defence related labs and design groups of process industry to vet the designs at different stages and aid the start-ups / MSME / Process Industries / Defence establishments to develop new designs and test their performance in line with Government's thrust on Make in India.
- Company is augmenting the test facilities of existing Technical Services Division Lab to develop a state-of-the-art NABL accredited test lab with facilities for testing the chemical, electrical, mechanical properties under a single roof at its Bhopal Unit. This lab is strategically located in Central India and will specifically cater the requirements of electrical capital goods industry.

## 1.10 Right to Information

In consonance with the provisions of the Right to Information Act, 2005 (the Act), BHEL has designated a Central Public Information Officer (CPIO) at corporate office, along with one Nodal Officer at Corporate Office and 25 other CPIOs at each of the major administrative units are functioning in the Company. 25 First Appellate Authorities also function in the Company to dispose-of first appeals filed against the orders of the CPIO(s), as provided under the Act. As a measure to facilitate citizens in filing their RTI applications and first appeals online, BHEL has adopted the online RTI web portal (<https://rtionline.gov.in>) launched by Department of Personnel & Training. Consequently, RTI applications and RTI first appeals filed on the portal are being replied through online mode. Section 4 (1) (b) disclosures have been made available on BHEL's website (<https://www.bhel.com/right-information>). In addition, certain guidelines & proforma(s) indicating procedure for obtaining information and for filing RTI first appeals under the Act have been placed on BHEL's website.

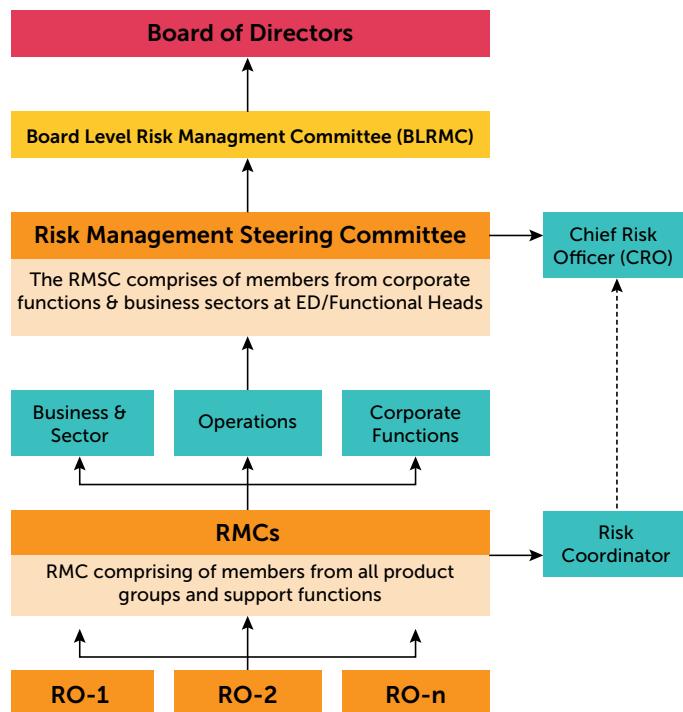
BHEL being a member of Steering Committee on RTI constituted by Standing Conference of Public Enterprise (SCOPE) actively participates in its meetings and discussions related to RTI matters organized by SCOPE. During FY 2023-24, 599 applications and 137 appeals were received online, and 511 applications (including 2 rejected) and 128 appeals were disposed-of.

## 1.11 Risks and Concerns

BHEL's business have exposure to various types of internal and external risks related to financial, operational, sectoral, technological, ESG specific, cyber security, changing business environment, technology considerations, long duration of projects and timely on-site product support requirements in adverse conditions.

BHEL has identified a need for an efficient and effective Risk management process within the company for ensuring the conduct of the business in a risk conscious manner.

The company has in place a Risk Management Charter & Policy to implement a structured and comprehensive Enterprise Risk Management system. The charter is intended to establish a common understanding, language and methodology for identifying, assessing, responding, monitoring and reporting risks. This ensures that key risks are being properly identified,



reported in time to management and effectively managed. The process for risk identification is consciously guided by the Company's growth objectives, external environment, Industry reports as well as internal and external stakeholders, amongst others.

The key risks faced by the company are:

1. Delivery: Delay in execution of Projects leads to LDs, penalties, customer dissatisfaction and impacts company's image.
2. Liquidity Risk: High demand for liquidity due to rising debtors
3. Material Cost: Rising material cost affecting margins
4. Cyber Security: Online data & information security breach leads to loss and critical information infrastructure breakdown.
5. Availability of technology: Upgradation of technologies
6. Order Booking: Changing business environment due to CoP26 needs the company to diversify in Non-fossil business areas

The mitigation measures against the above mentioned six identified risks are in place.

### **1.12 Data and Cyber Security**

To fortify BHEL against cyber threats and safeguard its IT assets, the company has implemented advanced security measures. This includes perimeter security features such as Next Generation Firewalls, Intrusion Prevention Systems (IPS), Secure Web Gateways, Virtual Private Networks (VPN), and Secure Email Gateways. Multi-factor authentication has been introduced for critical IT services to augment network and data security.

Furthermore, a centralized endpoint protection solution with Endpoint Detection and Response (EDR) capabilities has been deployed organization-wide. This solution incorporates advanced features like Anti-Bot, Threat Hunting, Anti-Ransomware, and Compliance features.

BHEL has established a centralized Cyber Security Operations Centre (SOC) equipped with advanced functionalities such as User and Entity Behaviour Analysis (UEBA), Security Orchestration Automation and Response (SOAR), and Web Application Firewall (WAF). This SOC monitors security logs from various devices around the clock and is integrated with threat intelligence from NCIIPC, CERT-In, and third-party agencies. A 24x7 helpdesk at the SOC addresses cybersecurity and endpoint-related issues promptly.

BHEL has a Cyber Crisis Management Plan in place for swift response and recovery in the event of a cyber-attack. The organization regularly conducts thorough security reviews of all internet-facing applications, devices, and servers with the assistance of professional external agencies. Recommendations and observations from these reviews are duly addressed.

Quarterly penetration testing of all internet-facing applications and devices is conducted by a CERT-In empanelled agency, ensuring that critical vulnerabilities are promptly resolved. All the critical / high / medium vulnerabilities are closed immediately. BHEL collaborates closely with CERT-In, NCIIPC, and other government agencies, taking prompt action on any input received from them to enhance the organization's cyber security posture.

For and on behalf of the Board of Directors of

**BHARAT HEAVY ELECTRICALS LTD.**



**K. Sadashiv Murthy**

Chairman & Managing Director

Place: New Delhi

Date: July 27, 2024

## Annexure – II to the Board's Report

### Corporate Governance

#### 2.1 Our Philosophy on Corporate Governance

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

Further, the Company believes in conducting its business in compliance with Corporate Governance procedures and Codes of Conduct, exemplifies each of the core values, which positions BHEL to deliver long-term returns to the shareholders, favourable outcomes to the customers, attractive opportunities to the employees, opportunity to the suppliers to partner the Company in progress, and enrichment of society. The Codes of Conduct are available at BHEL Corporate website ([www.bhel.com](http://www.bhel.com)) under 'Investor Relations' section.

#### 2.2 Board of Directors

##### i. Composition & Category of Directors

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

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

**The composition of the Board of Directors as on March 31, 2024 is as follows:**

Category of Directors	Board Structure	Actual Strength as on March 31, 2024
Chairman & Managing Director	1	1
Whole-time Executive (Functional) Directors	5	4
Part-time Official Directors (Government Nominees) representing the Ministry of Heavy Industries, Government of India	2	2
Part-time Non-official (Independent) Directors	8	3
<b>TOTAL</b>	<b>16</b>	<b>10</b>

As on March 31, 2024, there exists five vacancies of Part-time Non-official (Independent) Directors and one vacancy of Whole-time Executive (Functional) Director i.e. Director (Finance), on the Board of BHEL. The matter of filling up of vacancies is under consideration/ process at the end of Government of India.

##### ii. Attendance of each Director at the Board Meetings held during 2023-24 and the last AGM

Director's Name S/ Shri	No. of Board Meetings		Last AGM (held on 24.08.2023)
	Held during their tenure	Attended	
<b>Executive Directors</b>			
K. Sadashiv Murthy, Chairman & Managing Director (w.e.f. November 1, 2023)	4	4	*
Dr. Nalin Shinghal, Chairman & Managing Director (upto October 31, 2023) #	11	11	Yes
Jai Prakash Srivastava, Director (E, R&D) \$	15	15	Yes
Krishna Kumar Thakur, Director (HR) (w.e.f. July 4, 2023) @	11	11	Yes
Tajinder Gupta, Director (Power) (w.e.f. September 20, 2023)	6	6	*
Ms. Bani Varma, Director (IS&P) (w.e.f. October 9, 2023)	5	5	*
Subodh Gupta, Director (Finance) (upto April 17, 2023 as per Govt. letter dated May 17, 2023)	1	1	*
Ms. Renuka Gera, Director (IS&P) (upto August 31, 2023)	7	7	Yes
Upinder Singh Matharu, Director (Power) (upto August 31, 2023) &	7	7	Yes
<b>Part-Time Official Directors – Govt. Nominees</b>			
Ms. Arti Bhatnagar, Additional Secretary & Financial Advisor, Ministry of Commerce & Industry	15	10	Yes
Vijay Mittal, Joint Secretary, Ministry of Heavy Industries	15	15	Yes
<b>Part-Time Non-Official (Independent) Directors</b>			
Dr. K. Sivaprasad	15	15	Yes
Dr. Lekhasri Samantsinghar	15	14	Yes
Ramesh Patlya Mawaskar (w.e.f. June 8, 2023)	11	11	Yes

# Held additional charge of the post of Director (Power) w.e.f. September 1, 2023 upto September 19, 2023.

\$ Held additional charge of the post of Director (Finance) w.e.f. April 18, 2023.

@ Held additional charge of the post of Director (HR) upto July 3, 2023.

@ Held additional charge of the post of Director (IS&P) w.e.f. September 1, 2023 upto October 8, 2023.

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

**A. Details of Directorships, Committee Memberships and Committee Chairmanship in other companies as on March 31, 2024<sup>#</sup>**

Director's name S/ Shri	Details of Directorships in other Companies	Details of Committee Memberships and Committee Chairmanship in other Companies*
K. Sadashiv Murthy, Chairman & Managing Director	1. Bharat Pumps and Compressors Ltd. 2. Heavy Engineering Corporation Pvt. Ltd.	-NIL-
Jai Prakash Srivastava, Director (E, R&D)	BHEL-GE Gas Turbine Services Pvt. Ltd.	-NIL-
Krishna Kumar Thakur, Director (HR)	-NIL-	-NIL-
Tajinder Gupta, Director (Power)	-NIL-	-NIL-
Ms. Bani Varma, Director (IS&P)	Raichur Power Corporation Ltd.	-NIL-
Ms. Arti Bhatnagar, Part-time Official Director	1. H.M.T. Ltd. 2. India International Convention & Exhibition Centre Ltd. 3. Invest India 4. MMTC Ltd. 5. The State Trading Corporation of India Ltd. 6. India Trade Promotion Organization	<b>Audit Committee</b> 1. India International Convention & Exhibition Centre Ltd. (Chairperson) 2. Invest India (Chairperson) 3. MMTC Ltd. (Member) 4. India Trade Promotion Organization (Chairperson)
Vijay Mittal, Part-time Official Director	1. Andrew Yule & Co Ltd. 2. Tide Water Oil Co India Ltd. 3. Tumakuru Machine Tool Park 4. Heavy Engineering Corporation Pvt. Ltd.	-NIL-
Dr. K. Sivaprasad, Independent Director	-NIL-	-NIL-
Dr. Lekhasri Samantsinghar, Independent Director	-NIL-	-NIL-
Ramesh Patlya Mawaskar, Independent Director	-NIL-	-NIL-

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

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

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

Disclosure of relationship between Directors inter-se: NIL

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

As on March 31, 2024, the following Directors held Directorship in other listed entities, as under:

Director's name S/ Shri	Name of Listed Entity	Category of Directorship
Ms. Arti Bhatnagar, Part-time Official Director	1. H.M.T. Ltd. 2. MMTC Ltd. 3. The State Trading Corporation of India Ltd.	Government Nominee Director
Vijay Mittal, Part-time Official Director	1. Andrew Yule & Co Ltd. 2. Tide Water Oil Co India Ltd.	Government Nominee Director

**iii. No. of Board Meetings held, dates on which held**

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

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

During the year under review, the Board had fifteen meetings on the following dates:

(i) May 2, 2023	(ii) May 18, 2023	(iii) May 26, 2023
(iv) June 2, 2023	(v) July 13, 2023	(vi) August 4, 2023
(vii) August 29, 2023	(viii) September 2, 2023	(ix) September 18, 2023
(x) October 9, 2023	(xi) October 30, 2023	(xii) November 8, 2023
(xiii) January 23, 2024	(xiv) February 13, 2024	(xv) March 14, 2024

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

#### **iv. List of core skills/ expertise/ competence**

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

#### **v. Board's Responsibilities**

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

#### **vi. Independent Directors**

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

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

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

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

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

#### **vii. Information placed before the Board of Directors**

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

- Annual operating plans and budgets and any updates.
- Capital budgets and any updates.
- Significant Capital Investment proposals.

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

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

#### **viii. Selection of New Directors**

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

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

#### **ix. Membership Term & Retirement Policy**

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

#### **x. Code of Conduct**

BHEL has in place a Board approved 'Code of Business Conduct and Ethics for Board Members and Senior Management Personnel' in line with Clause 49 of the erstwhile Listing Agreement since 2005. The Code is revised from time to time in line with changes in the regulatory framework & business dynamics and to incorporate other relevant provisions to strengthen the Code. The extant Code is also in compliance with the Listing Regulations.

The Code encompasses:

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

A copy of the Code has been placed on the Company's website [www.bhel.com](http://www.bhel.com).

#### **xi. Charter of the Board of Directors**

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

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

tuned towards Company specific areas.

#### **xii. Certificate by Company Secretary in Practice**

A Company Secretary in Practice has issued a certificate to the Company (copy enclosed) that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by SEBI/ Ministry of Corporate Affairs or any such statutory authority.

#### **xiii. CEO/ CFO Certification**

In terms of Regulation 17(8) of the Listing Regulations, the Compliance certificate issued by the CEO and CFO on the financial statements and internal controls relating to financial reporting was placed before Board Level Audit Committee and the Board.

### **2.3 Board Level Audit Committee**

#### **i. Terms of reference**

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements and auditor's report thereon before

submission to the board for approval;

6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision;
11. Valuation of undertakings or assets of the company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower/ Vigil mechanism;
20. To review the Audit paras referred to BLAC by the Internal Audit/ Board and/ or Govt. of India and to provide its suggestions/ guidance/ comments on the issues referred to it;
21. Discussion with Statutory Auditors/ Internal Auditors periodically about internal control systems;
22. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
23. To seek professional advice from external sources in appropriate cases, wherever required;
24. The Audit Committee shall also review the following information:
  - i. Management discussion and analysis of financial condition and results of operations;
  - ii. Statement of significant related party transactions;
  - iii. Management letters/ letters of internal control weaknesses issued by the statutory auditors; and
  - iv. Internal audit reports relating to internal control weaknesses;
25. Carrying out any other function related to the terms of reference of the Audit Committee as prescribed under the Companies Act, SEBI Regulations and other statutory regulations.

#### **ii. Composition of Committee, name of Members & Chairperson**

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

The Audit Committee was last reconstituted w.e.f. July 13, 2023. The composition of the Audit Committee during the year comprised of the following Directors:

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Dr. K. Sivaprasad, Independent Director	Chairperson	6	6
Ms. Arti Bhatnagar, AS & FA, M/o Commerce & Industry, Part-time Official Director	Member	6	5
Dr. Lekhasri Samantsinghar, Independent Director	Member	6	6
Ramesh Patlya Mawaskar, Independent Director (w.e.f. July 13, 2023)	Member	4	4

Director (Finance), Director (IS&P) and Director (E, R&D) are permanent invitees. Company Secretary acts as Secretary to the Committee.

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

### iii. Meetings and Attendance

The Audit Committee had six meetings on May 26, 2023, July 13, 2023, August 4, 2023, November 8, 2023, February 13, 2024 and March 14, 2024 during the year under review. The details of attendance of each member is given in the above table.

## 2.4 Nomination and Remuneration Committee

### i. Remuneration Policy

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

### ii. Terms of Reference

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

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

directors summarized under major groups, such as incentives/ benefits, bonus, stock options, pension etc.;

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

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

### iii. Composition of Committee, name of Members & Chairperson

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

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Dr. Lekhasri Samantsinghar, Independent Director	Chairperson	1	1
Vijay Mittal, JS, MHI, Part-time Official Director	Member	1	1
Dr. K. Sivaprasad, Independent Director	Member	1	1

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

### iv. Meetings and Attendance

The Nomination & Remuneration Committee had one meeting on December 6, 2023 during the year under review. The details of attendance of each member is given in the above table.

v. Details of remuneration of Functional Directors during the year 2023-24 are given below

(in ₹)

Sl. No.	Name of the Director S/ Shri	Salary	Benefits	Other Benefits	Performance Linked Incentives	Total	Service Contract/ Notice Period Severance Fee
1.	K. Sadashiv Murthy, (w.e.f. November 1, 2023)	18,44,053	5,24,671	2,12,570	42,162	26,23,456	----
2.	Dr. Nalin Shinghal (upto October 31, 2023)	77,78,713	7,43,491	6,03,414	57,453	91,83,071	----
3.	Jai Prakash Srivastava, Director (E, R&D)	44,38,807	12,22,277	5,17,105	28,739	62,06,929	Liable to retire by rotation
4.	Krishna Kumar Thakur, Director (HR) (w.e.f. July 4, 2023)	31,82,139	7,34,138	2,66,257	-	41,82,534	Liable to retire by rotation
5.	Tajinder Gupta, Director (Power) (w.e.f. September 20, 2023)	27,72,126	6,38,600	17,190	-	34,27,917	Liable to retire by rotation
6.	Ms. Bani Varma, Director (IS&P) (w.e.f. October 9, 2023)	26,95,499	6,01,946	15,503	46,723	33,59,671	Liable to retire by rotation
7.	Subodh Gupta (upto April 17, 2023)	23,31,252	53,649	2,54,354	44,137	26,83,391	----
8.	Ms. Renuka Gera, Director (IS&P) (upto August 31, 2023)	51,04,180	4,89,700	7,43,879	44,640	63,82,399	----
9.	Upinder Singh Matharu, Director (Power) (upto August 31, 2023)	49,20,338	4,89,700	10,72,912	29,117	65,12,068	----

vi. Details of payments made to Independent Directors during the year 2023-24 are given below

(in ₹)

Name of the Independent Director	Siting Fees		Total
	Board Meeting	Committee Meeting	
Dr. K. Sivaprasad	4,50,000	3,00,000	7,50,000
Dr. Lekhasri Samantsinghar	4,20,000	3,00,000	7,20,000
Ramesh Patlya Mawaskar	3,30,000	2,40,000	5,70,000

During FY 2023-24, Independent Directors were entitled for sitting fee @ ₹ 30,000/- per Board Meeting and ₹ 20,000/- per Board Level Committee Meeting attended by them. Independent Directors are not entitled to stock option.

vii. Equity Shares held by Directors

None of the Directors held any equity shares in BHEL as on March 31, 2024.

The Company has not issued any stock options during the year 2023-24.

## 2.5 Shareholders Committees

### 2.5.1 Stakeholders Relationship Committee

#### i. Terms of Reference

The Board of Directors on May 12, 2014 reconstituted the Shareholders'/ Investors' Grievance Committee as the Stakeholders Relationship Committee (SRC), in line with the requirements of Companies Act, 2013 and erstwhile Listing Agreement (now Listing Regulations). The terms of reference of the Committee are in line with the requirements of Section 178 of the Companies Act, 2013 as well as the Listing Regulations and are as under:

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

reference of the Committee as prescribed under the Companies Act, SEBI Regulations and other statutory regulations.

## **ii. Composition of Committee, name of Members & Chairperson**

The Stakeholders Relationship Committee was last reconstituted w.e.f. July 13, 2023. The composition of the Committee during the year comprised of the following Directors:

<b>Name of the Director S/ Shri</b>	<b>Position</b>	<b>No. of Meetings</b>	
		<b>Held during their tenure</b>	<b>Attended</b>
Dr. K. Sivaprasad, Independent Director	Chairperson	4	4
Ms. Arti Bhatnagar, AS & FA, M/o Commerce & Industry, Part-time Official Director	Member (upto July 13, 2023)	1	0
Ramesh Patlya Mawaskar, Independent Director	Member (w.e.f. July 13, 2023)	3	3
Director (Finance)	Member (upto July 13, 2023)	1	1
Director (IS&P)	Member	4	4

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

Shri Rajeev Kalra, Company Secretary was the Compliance Officer in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 upto July 10, 2024. subsequently, Dr. Yogesh R Chhabra has been appointed as Company Secretary & Compliance Officer in terms of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 w.e.f. July 11, 2024 consequent to the relinquishment of charge by Shri Rajeev Kalra.

## **iii. Meetings and Attendance**

The Committee had four meetings on May 26, 2023, August 4, 2023, October 19, 2023 and January 23, 2024 during the year under review. The details of attendance of each member is given in the above table.

## **Detail of shareholders' complaints**

As reported by Alankit Assignments Limited (RTA) to SEBI, 8 complaints were received from the shareholders during the year under review and all complaints were redressed up to March 31, 2024. No complaint was pending at the end of the period under report.

## **2.5.2 Share Transfer Committee**

The Share Transfer Committee was constituted by the Board of Directors on March 25, 1992. Subsequently, the Board of Directors revised the terms of reference of the Committee w.e.f. August 1, 2014. The Share Transfer Committee considers

and approves share related matters pertaining to transposition, sub-division, consolidation, issue of duplicate share certificate etc., in physical mode. The Share Transfer Committee was last reconstituted w.e.f. September 2, 2023 with Director (E, R&D) as Chairperson along with Director (HR) and Director (IS&P) as Members.

## **Meetings during 2023-24**

The Share Transfer Committee had twelve meetings during the year. The minutes of the Share Transfer Committee meetings are periodically placed before the Board of Directors.

## **2.6 Board Level Committee for Corporate Social Responsibility**

### **i. Terms of Reference**

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

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

### **ii. Composition of Committee, name of Members & Chairperson**

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

<b>Name of the Director S/ Shri</b>	<b>Position</b>	<b>No. of Meetings</b>	
		<b>Held during their tenure</b>	<b>Attended</b>
Dr. K. Sivaprasad, Independent Director	Chairperson	1	1
Director (Finance)	Member	1	1
Director (HR)	Member	1	1

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

### iii. Meetings and Attendance

The Committee had one meeting on July 7, 2023 during the year under review. The details of attendance of each member is given in the above table.

## 2.7 HR Committee

### i. Terms of Reference

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

- Review of present policies with respect to promotion and reward/ incentive to the Executives.
- Suggest both short term and long term changes in the policies to prepare BHEL for the changed/ emerging business environment.

### ii. Composition of Committee, name of Members & Chairperson

The Committee was last reconstituted w.e.f. July 13, 2023. The composition of the Committee during the year comprised of the following Directors:

Name of the Director S/Shri	Position
Dr. Lekhasri Samantsinghar, Independent Director	Chairperson
Ramesh Patlya Mawaskar, Independent Director	Member (w.e.f. July 13, 2023)
Director (IS&P)	Member
Director (E,R&D)	Member
Director (HR)	Member

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

### iii. Meetings and Attendance

No meeting of the HR Committee took place during the year.

## 2.8 Committee of Independent Directors

### i. Terms of Reference

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

### ii. Composition of Committee, name of Members & Chairperson

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

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Dr. K. Sivaprasad	Chairperson & Lead Independent Director	1	1
Dr. Lekhasri Samantsinghar	Member	1	1
Ramesh Patlya Mawaskar (w.e.f. June 8, 2023)	Member	1	1

### iii. Meetings and Attendance

The Committee had one meeting on January 23, 2024 during the year under review. The details of attendance of each member is given in the above table.

## 2.9 Board Level Risk Management Committee

### i. Terms of Reference

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

- To formulate a detailed risk management policy which shall include (a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, (b) Measures for risk mitigation including systems and processes for internal control of identified risks, (c) Business continuity plan;
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- To seek information from any employees, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- To coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors;
- Carrying out any other function related to the terms of reference of the Committee as prescribed under the Companies Act, SEBI Regulations and other statutory regulations.

## ii. Composition of Committee, name of Members & Chairperson

The composition of the Committee during the year comprised of the following members:

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Ms. Arti Bhatnagar, AS & FA, M/o Commerce & Industry, Part-time Official Director	Chairperson	2	2
Dr. K. Sivaprasad, Independent Director	Member	2	2
Dr. Lekhasri Samantsinghar, Independent Director	Member	2	2
Director (Finance) #	Member	2	2
Director (IS&P)	Member	2	2
Director (Power)	Member	2	2
Director (E, R&D) #	Member	2	2
Director (HR)	Member	2	2
Chairman, Risk Management Steering Committee	Member	2	2
Chief Risk Officer	Member & Convener	2	2

# During these meetings Director (E, R&D) was holding additional charge of the post of Director (Finance)

## iii. Meetings and Attendance

The Committee had two meetings on July 7, 2023 and December 27, 2023 during the year under review. The details of attendance of each member is given in the above table.

### 2.10 Board Level Project Review Committee

#### i. Terms of Reference

The terms of reference of the Board Level Project Review Committee is as under:

- The Committee shall review the status of all projects with contract value of ₹ 500 Crores and above;
- The Committee shall review the periodical status of the debtors.

#### ii. Composition of Committee, name of Members & Chairperson

The Committee was last reconstituted w.e.f. July 13, 2023. The composition of the Committee during the year comprised of the following Directors:

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Vijay Mittal, JS, MHI, Part-time Official Director	Chairperson	2	2
Dr. Lekhasri Samantsinghar, Independent Director	Member	2	2
Ramesh Patlya Mawaskar, Independent Director	Member (w.e.f. July 13, 2023)	2	2
Director (IS&P)	Member	2	2
Director (Power)	Member	2	2

Head (PS-Project Management) & Head (Receivable Management) are Convener of the Committee for the respective agenda. Director (Finance) is invitee to the meetings of the Committee. Heads of respective Business Sectors are invited as and when required. Company Secretary acts as Secretary to the Committee.

## iii. Meetings and Attendance

The Committee had two meetings on August 4, 2023 and March 14, 2024 during the year under review. The details of attendance of each member is given in the above table.

### 2.11 Committee on Arbitration & Major Legal Disputes and Alternative Dispute Resolution

#### i. Terms of Reference

The terms of reference of the Committee is to review the arbitration cases as well as major legal disputes and thereafter apprise the Board accordingly and to act as the Competent Authority for accepting/ rejecting the draft settlement agreement under the BHEL Conciliation Scheme, 2018.

#### ii. Composition of Committee, name of Members & Chairperson

The Committee was last reconstituted w.e.f. July 13, 2023. The composition of the Committee during the year comprised of the following Directors:

Name of the Director S/ Shri	Position	No. of Meetings	
		Held during their tenure	Attended
Dr. Lekhasri Samantsinghar, Independent Director	Chairperson	3	3
Vijay Mittal, JS, MHI, Part-time Official Director	Member	3	2
Ramesh Patlya Mawaskar, Independent Director	Member (w.e.f. July 13, 2023)	2	2
Director (IS&P)	Member	3	3
Director (Power)	Member	3	3
Director (E, R&D)	Member (upto July 13, 2023)	1	1
Director (HR)	Member	3	3

Head-Law, Corporate Office is convener of the Committee and furnishes the required information for review by the Committee. Head (HR), Corporate Office is permanent invitee.

### iii. Meetings and Attendances

The Committee had three meetings on July 7, 2023, October 19, 2023 and March 14, 2024 during the year under review. The details of attendance of each member is given in the above table.

### 2.12 Particulars of senior management personnel (Executive Director- One level below Functional Directors) including the changes therein since closure of the previous financial year

Senior Management Personnel in BHEL as on March 31, 2024 for the purpose Regulation 16 (1) (d) of the SEBI Listing Regulations, 2015 comprise of the following employees:

Name (S/Shri)	Name (S/Shri)
M Arunmozhi Devan*	Jitendra Das*
Isadore Mariapron	K Ashok*
Anil Jain*	Y Srinivasa Rao*
Rahul Bansal*	R P S Sisodia*
Alok Kumar Singhal*	Pankaj Rastogi*
Rajesh Kohli*	Praveen Kishore
Rajeev Kumar Gupta*	Navin Saxena*
C Venkat Rao*	V J Rajasundar*
Rajeev Singh	Akhil Mehrotra*
B Shyam Babu*	S D Goswami*
T S Murali	Sanjeev Kumar Roy*
S M Ramanathan*	K Ravishankar*
K Bharaneedhar Raja*	Vinay Kumar Bassi*
S Jithender Reddy*	Vinay Nigam
S Prabhakar*	Rajeev Kalra
Sanjay Goel*	

\* promoted as Executive Directors of the Company on November 24, 2023

### 2.13 Senior Management Personnel (Executive Director- One level below Functional Directors) of the Company superannuated during FY 2023-24 as under:

Sl. No	Name (S/ Shri)	Date of Superannuation
1	Sanjeev Kumar Kak	May 24, 2023
2	S V Srinivasan	May 24, 2023
3	Meena Kesri	May 24, 2023
4	Sushil Kumar Baveja	August 24, 2023
5	T S Varadarajan	August 24, 2023
6	G Murali	August 24, 2023
7	Shakil Kumar Manocha	August 24, 2023
8	Anil Joshi	October 24, 2023
9	Pankaj Gupta	November 24, 2023
10	Amit Keretta*	December 24, 2023
11	Pravin Chandra Jha	January 24, 2024
12	Pushpendra Kumar Saxena*	February 24, 2024
13	S B Naithani	March 24, 2024

\* promoted as Executive Directors of the Company on November 24, 2023

Shri K. Sadashiv Murthy, CMD with additional charge of Director (Finance) has been designated as Chief Financial Officer (CFO) of the Company w.e.f. April 25, 2024 in place of Shri Jai Prakash Srivastava, Director (E, R&D) who had been earlier designated as CFO w.e.f. May 26, 2023.

### 2.14 General Meetings

#### i. Location and time of last three AGMs:

Year	Location	Date	Time
FY 2020-21 (57 <sup>th</sup> AGM)	Meeting was held through video-conferencing. Deemed venue was Registered Office of the Company	September 23, 2021	10.00 a.m.
FY 2021-22 (58 <sup>th</sup> AGM)		September 29, 2022	10.00 a.m.
FY 2022-23 (59 <sup>th</sup> AGM)		August 24, 2023	10.00 a.m.

#### ii. Details of Special Resolutions passed in previous three AGMs

In line with the provisions of Regulation 25(2A) of the SEBI Listing Regulations, Special Resolutions were passed in the 58<sup>th</sup> Annual General Meeting held on September 29, 2022 for appointment of Dr. Raj K. Agarwal, Dr. K. Sivaprasad and Dr. Lekhasri Samantsinghar as Independent Directors and thereafter in the 59<sup>th</sup> Annual General Meeting held on August 24, 2023 for appointment of Shri Ramesh Patlya Mawaskar as Independent Director of the Company.

#### iii. Postal Ballot

No special resolutions were passed through postal ballot in the previous year. Presently there is no proposal for passing any special resolution through postal ballot during FY 2024-25.

### 2.15 Disclosures

#### i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large

The Company has not entered into any materially significant related party transactions (RPTs) that may have potential conflict with the interests of the Company at large. Nonetheless, transactions with related parties have been disclosed in Notes to the financial statements 2023-24 in the Annual Report.

The Company's policy determining Material Subsidiaries and policy dealing with Related Party Transactions is available at

[https://www.bhel.com/sites/default/files/Policy%20on%20RPTs%20wef%2001042022\\_0.pdf](https://www.bhel.com/sites/default/files/Policy%20on%20RPTs%20wef%2001042022_0.pdf)

#### ii. Non-compliances, penalties & strictures imposed on the Company related to capital markets during the last three years

There were no cases of non-compliance by the Company on any matter related to capital markets during the last three

years and no penalties/ strictures were enforced on the Company by Stock Exchanges/ SEBI or any other statutory authority on any matter related to capital market.

However, the Company has been receiving notices from NSE as well as BSE imposing fine for non-compliance with the provision of Regulation 17 (1) of the SEBI Listing Regulations regarding composition of Board as number of Independent Directors are less than the minimum number prescribed. In response to the notices, the Company clarified to the Exchanges that the shortfall in Independent Directors was not due to any negligence/ default of the Company, as the appointment is not within its control. In view thereof, the Company has requested the Exchanges to waive-off the fine under their carve-out policies and pursuant to these submissions both the Exchanges have communicated that BHEL's request for waiver of the fines levied for the quarters upto 31.12.2021, has been approved. The matter of appointment of Independent Directors is under process with the Government of India. During FY 2022-23, the Company also received notices from NSE and BSE imposing fine for non-compliance with Regulation 57(1) of the SEBI Listing Regulations regarding delay in filing of intimation about redemption obligation of Commercial Paper during COVID in January, 2021. Based on the representation of the Company seeking waiver of fine considering exceptional COVID times, the Stock Exchanges waived the fine levied.

### **iii. Vigil Mechanism/Whistle Blower Policy**

In pursuance of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and Clause 49 of the Listing Agreement between listed Companies & the Stock Exchanges and Section 177 of the Companies Act, 2013, the Whistle Blower Policy was duly approved by the Board of Directors in its 464<sup>th</sup> meeting held on August 12, 2014. The policy is also in line with Listing Regulations. Subsequent to this, a Circular notifying the Whistle Blower Policy and informing the contact details of the Competent Authority and of Chairman, Audit Committee was issued for the notice of all employees.

A copy of the Whistle Blower Policy has also been placed on the website of the Company [www.bhel.com](http://www.bhel.com) for wide publicity. Changes in address, contact number(s) and email address of the Competent Authority and Chairman, Audit Committee are being notified from time to time.

The complaints received from whistle blowers are being dealt with as per provisions of Whistle Blower Policy of the Company. All employees have access to the mechanism provided under policy for making a complaint.

### **iv. Compliance with the requirements of DPE Guidelines on Corporate Governance, compliance with mandatory requirements and adoption of the non-mandatory Corporate Governance requirements of Listing Regulations**

All mandatory requirements of the DPE Guidelines on Corporate Governance for CPSEs and SEBI (Listing Obligations & Disclosure Requirements), 2015 have been duly complied with by the Company as on March 31, 2024. With regard to non-mandatory requirements under the Listing Regulations,

BHEL is already in the regime of financial statements with unmodified audit opinion.

No expenditure has been debited in books of accounts which is not for the purpose of business and no expenses incurred & accounted which are personal in nature and incurred for the Board of Directors & Top Management. The other expenses (including administrative, and other miscellaneous expenses) as a % age of total expenses have been curtailed to 6.32%.

### **v. Presidential Directives**

No Presidential Directive was received during the last three years i.e. 2021-22, 2022-23 and 2023-24.

### **vi. Risk Management**

In compliance of SEBI Regulations, 2015 & amendments thereof and DPE guidelines on Corporate Governance for CPSEs, BHEL has in place a Board approved Risk Management Charter & Policy, laying down procedures to inform Board members about the risk assessment, minimization and mitigation. An important purpose of the Charter is to implement a structured and comprehensive risk management system across the company which ensures that the risks are being properly identified and effectively managed. The risk management process includes risk identification, risk assessment, risk evaluation, risk mitigation and regular review & monitoring. Details are in Section 1.15 of 'Risks and Concerns'.

### **vii. Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013**

The information on disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 is part of Board's Report and is available as Annexure-I to Section 1.12.5.2 'Safeguard of Women at Workplace'.

### **viii. Utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

NIL

### **ix. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part**

Total fees for all services paid to the statutory auditors and branch auditors are disclosed in Note to the financial statements. The auditors of joint venture companies are appointed separately by them and are not the same auditors who are conducting audit of financial statements of BHEL.

### **x. Loans and advances to firms/companies in which directors are interested**

NIL

### **xi. Details of material subsidiaries of the listed entity & statutory auditors thereof**

Not Applicable

### **xii. Compliance Certificate on Corporate Governance**

Compliance Certificate on Corporate Governance is enclosed.

## 2.16 Means of Communication

Inline with the Listing Regulations, the Company issues a notice in advance, to the Stock Exchanges, of the Board Meetings in which the unaudited/ audited financial results are due for consideration. Further, the said results are intimated immediately to the Stock Exchanges, after they are taken on record/ approved. These approved financial results are published within 48 hours of conclusion of the Board Meeting in at least one English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated and also uploaded on the Company's website ([www.bhel.com](http://www.bhel.com)). Other information pertaining to shareholders viz., changes in directorship, details of unpaid dividend, Annual Reports etc., are also displayed on the Company's website. Official news releases including important events like receipt of major orders, major projects commissioned, important collaborations, other material events etc., are posted on the website of the Company and simultaneously sent to the Stock Exchanges. Detailed result documents & supplementary information/ presentations are uploaded post quarterly financial result declaration on the stock exchange websites as well as on company's website. Further, BHEL engages investors via multiple virtual meetings, face to face interactions and investor conferences. Information, latest updates and announcement regarding the company can be accessed at BHEL Corporate website ([www.bhel.com](http://www.bhel.com)) under 'Investor Relations' section.

In compliance with Regulation 46 of the SEBI Listing Regulations, the Company disseminates on its website information which interalia contains, details regarding composition of various committees of the Board of Directors, code of conduct, policy dealing with RPTs, contact information of the designated officials of the Company responsible for assisting and handling investor grievances etc.

In pursuance of the "Green Initiatives" of the Ministry of Corporate Affairs, Government of India, the Company sends the Annual Report and the Notice convening the Annual General Meeting through email to those shareholders who have registered their email ids with the Depository Participants/ RTA and have not opted for a physical copy of the Annual Report. For continued success of this initiative, shareholders are requested to register their email ids with their Depository Participants/ RTA.

## 2.17 General Shareholder Information

	AGM Date	Time	Venue
i.	August 22, 2024	10:00 AM	The Company is conducting meeting through VC pursuant to the MCA Circular dated September 25, 2023 read with MCA Circular dated May 5, 2020. The deemed venue for the AGM shall be the registered office of the Company. For details please refer to the Notice of this AGM.
ii.	Financial year	April 01, 2023 to March 31, 2024	
iii.	Record Date	Friday, August 09, 2024	
iv.	Dividend payment date	On or before September 20, 2024	

The annual return is available at <https://www.bhel.com/agm-related>

#### v. Dividend History:

The details of dividend paid by BHEL (and not due for transfer to Investor Education Protection Fund) are summarized as under:

Year	Rate of Dividend	Total Amount of Dividend Paid (₹ in Crores)	Date on which Dividend was Declared
2016-2017 (Final)	39%	190.92	22.09.2017
2017-2018 (Interim)	40%	293.72	08.02.2018*
2017-2018 (Final)	51%	374.48	19.09.2018
2018-2019 (Interim)	40%	278.57	05.02.2019*
2018-2019 (Final)	60%	417.85	19.09.2019
2021-2022 (Final)	20%	139.28	29.09.2022
2022-2023 (Final)	20%	139.28	24.08.2023
2023-2024 (Final)	12.5%	87.05	**

\* Date of meeting of Board of Directors in which interim dividend was declared.

\*\* The Board in its meeting held on May 21, 2024 recommended final dividend for FY 2023-24, subject to approval of shareholders in AGM.

#### Note:

- During FY 2017-18, the Company allotted Bonus equity shares to its Shareholders on 03.10.2017 in the ratio of 1:2 i.e. one fully paid up new Bonus equity share of ₹ 2 each for every two fully paid up equity shares. Consequently, the total number of shares increased from 244.76 Crores to 367.14 Crores.

2) During FY 2018-19, the Company made Buy Back of 18,93,36,645 fully paid up equity shares representing 5.16% of the total issued and paid-up equity share capital of the Company from its shareholders as on the record date (i.e. Tuesday, November 06, 2018), on a proportionate basis, through the "Tender Offer" process at a price of ₹86 per equity share payable in cash for an aggregate consideration of ₹1,628.30 Crores. Consequently, the total number of shares have decreased from 367.14 Crores to 348.21 Crores.

- In case a shareholder has not claimed/received dividend for any of the last seven years and the same has not yet been transferred to the Investor Education & Protection Fund (IEPF), he/ she can claim this unpaid dividend by following the procedure uploaded on the Company's website ([www.bhel.com](http://www.bhel.com)). Unclaimed dividend for the year 2015-16 (Final) and 2016-17 (Interim) have already been transferred to IEPF during the year 2023-24. Further, unclaimed dividends for the year 2016-17 (Final) and 2017-18 (Interim) are due for transfer to IEPF on 22.10.2024 and 09.03.2025 respectively. The unclaimed sale proceeds of fractional shares pertaining to issuance of Bonus shares in the year 2017, is also due for transfer to IEPF on 01.11.2024.
- In respect of dividend/shares which have been transferred to IEPF, shareholders can claim the same from IEPF authority by following the procedure prescribed under IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. These Rules are available on the website of IEPF ([www.iepf.gov.in](http://www.iepf.gov.in)) and company's website ([www.bhel.com](http://www.bhel.com)).

#### vi. a) Listing on Stock Exchanges and Stock Code

BHEL's equity shares are listed on the following Stock Exchanges for which listing fees for FY 2023-24 has been paid:

Name of the Stock Exchange	Stock Code
1. BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	500103
2. National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, Block - G, Bandra Kurta Complex, Bandra (East), Mumbai - 400 051	BHEL

In addition, the Commercial Papers issued by the Company are also listed on the BSE & NSE.

#### b) Payment of Annual Custodian Fee to Depositories

The Annual Custodian fee has been paid to NSDL and CDSL for the financial year 2023-24.

vii. The High, Low, Close & Volume of BHEL shares and market index during each month in the financial year 2023-24 at BSE & NSE are indicated below:

Market Price Data: High, Low, Close during each month in the financial year 2023-24											
Months	BSE				NSE				Market Index (Close)		
	High	Low	Close	Volume	High	Low	Close	Volume	S&P BSE SENSEX	NSE NIFTY	
	(in ₹)			(No. of shares in crore)	(in ₹)			(No. of shares in crore)			
Apr-23	78.60	67.63	78.36	1.89	78.65	67.60	78.40	31.61	61112.44	18065.00	
May-23	87.90	77.30	81.85	4.98	87.95	77.25	81.90	57.84	62622.24	18534.40	
Jun-23	90.05	81.80	87.69	2.67	90.15	81.80	87.65	41.47	64718.56	19189.05	
Jul-23	105.40	86.65	104.07	3.66	105.45	86.65	104.05	60.59	66527.67	19753.80	
Aug-23	122.00	94.80	121.30	5.33	122.00	94.80	121.25	78.55	64831.41	19253.80	
Sep-23	148.95	121.35	130.95	7.27	148.90	121.40	131.00	103.98	65828.41	19638.30	
Oct-23	133.70	113.50	120.90	2.37	133.75	113.50	120.85	36.43	63874.93	19079.60	
Nov-23	176.50	120.70	170.45	5.36	176.50	120.70	170.45	74.90	66988.44	20133.15	
Dec-23	199.70	166.00	193.45	5.58	199.70	165.80	193.55	64.67	72240.26	21731.40	
Jan-24	234.40	191.90	228.25	7.19	234.45	191.85	228.25	92.60	71752.11	21725.70	
Feb-24	243.30	201.50	227.45	5.29	243.25	201.35	227.55	71.60	72500.30	21982.80	
Mar-24	271.90	207.20	247.20	4.17	275.85	207.10	247.30	83.11	73651.35	22326.90	

Source: [www.bseindia.com](http://www.bseindia.com) / [www.nseindia.com](http://www.nseindia.com)

### viii. Policy on Insider Trading

BHEL endeavours to preserve the confidentiality of unpublished price sensitive information and to prevent misuse of such information. For this purpose and in line with the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company had adopted "Code of Conduct for Prevention of Insider Trading" on 26<sup>th</sup> August, 2002 which was subsequently revised w.e.f. 29<sup>th</sup> January, 2009.

The Board, in its 469<sup>th</sup> meeting held on 6<sup>th</sup> April, 2015, approved the "Code of Conduct for Regulating & Reporting Trading by Insiders and for Fair Disclosure, 2015" in line with SEBI (Prohibition of Insider Trading) Regulations, 2015. In pursuance to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Board had also approved the revised BHEL Code of Conduct for Regulating & Reporting Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure effective from 01.04.2019. The objective of the Code is to regulate, monitor and report trading by Designated Persons and Immediate Relatives of Designated Persons towards achieving compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code also provides for practices and procedures for fair disclosure of Unpublished Price Sensitive Information. Head-Corporate Strategic Management Department is the Chief Investor Relations Officer of the company under this code.

### ix. (A) Registrar & Share Transfer Agent for Equity Shares (RTA)

The Company has appointed M/s Alankit Assignments Limited as its Registrar and Share Transfer Agent (RTA) for handling all matters relating to the equity shares of BHEL (both physical as well as demat mode). All matters relating to the equity shares of the Company such as consolidation, loss of share certificates, transmission, dematerialization, dividend, change of address, etc., and related correspondence and queries may be addressed to: -

#### **M/s Alankit Assignments Limited**

Unit: Bharat Heavy Electricals Limited  
4E/2, Alankit House, Jhandewalan Extension,  
New Delhi-110055  
Tel No.: 011-42541234  
Fax No.: 011-23552001  
Email: rta@alankit.com  
Website: www.alankit.com

RTA's performance in servicing shareholders has been satisfactory. All the investor grievances have been promptly attended to.

### x. Share Transfer System

All share transfer activities under physical segment like receipt/dispatch of documents and their verification are being carried out by M/s Alankit Assignments Limited. As per SEBI (Listing Obligations and Disclosure Requirements (Fourth Amendment) Regulations, 2018, w.e.f. 01.04.2019, requests for effecting transfer (except in case of transmission or transposition) of securities shall not be processed unless the securities are held in the dematerialized form. In line with Listing Regulations, share certificates/letter of confirmations are being issued within the timeline prescribed for transmission, transposition, sub-division and consolidation.

### xi. Distribution of Shareholding

#### a. Distribution of shares according to size of holding as on March 31, 2024

No. of equity share(s) held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 - 500	1404817	91.54	114249621	3.28
501 - 1000	67462	4.40	53007607	1.52
1001 - 2000	35310	2.30	52043571	1.49
2001 - 3000	10641	0.69	27255162	0.78
3001 - 4000	4266	0.28	15255893	0.44
4001 - 5000	3364	0.22	15856312	0.46
5001 - 10000	4990	0.33	36695874	1.05
10001 & above	3726	0.24	3167699315	90.98
<b>Total</b>	<b>1534576</b>	<b>100.00</b>	<b>3482063355</b>	<b>100.00</b>

### (B) Registrar & Share Transfer Agent for Commercial Papers:

#### **M/s KFIN Technologies Limited**

Selenium Building, Tower-B,  
Plot No 31 & 32, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad, Rangareddy, Telangana - 500 032  
Toll Free No.: 1800 309 4001  
E-mail: einward.ris@kfintech.com  
Website: www.kfintech.com

**b. Shareholding Pattern as on March 31, 2024**

Category	2024		2023	
	Voting strength (%)	No. of Shares held	Voting strength (%)	No. of Shares held
Promoters Holding				
Indian Promoters-				
President of India (POI)	63.17	2199650402	63.17	2199650402
<b>Total Promoter holding</b>	<b>63.17</b>	<b>2199650402</b>	<b>63.17</b>	<b>2199650402</b>
<b>Non-promoters Holding</b>				
Banks, Financial Institutions, Insurance Companies, Qualified Institutional Buyers, Alternative Investment Fund	10.26	357584062	11.50	400542743
Foreign Institutional Investors (including Qualified Foreign Investor)	8.75	304940320	8.58	298734941
Mutual Funds and UTI	5.75	200053800	4.02	139820242
<b>Others</b>				
Individuals, HUF, Employees	10.70	372317681	11.48	399645637
Bodies Corporate	0.63	21908106	0.65	22462202
NRIs & Foreign National/ Entity	0.50	17368702	0.51	17837995
Trust	0.03	1077273	0.01	300464
Clearing Members	0.19	6607282	0.07	2559156
IEPF	0.02	554027	0.01	494773
Directors & Relatives	0	200	0	300
State Govt.	0	1500	0	14500
<b>Total Non-promoter holding</b>	<b>36.83</b>	<b>1282412953</b>	<b>36.83</b>	<b>1282412953</b>
<b>Grand Total</b>	<b>100</b>	<b>3482063355</b>	<b>100</b>	<b>3482063355</b>

**c. List of shareholders who are holding more than 1% of the shares of the Company as on March 31, 2024**

Category & Shareholder's Name	March 31, 2024	
	Voting strength	No. of shares held
<b>Promoters</b>		
President of India	63.17	2199650402
<b>Non-promoters</b>		
Life Insurance Corporation of India	8.18	284734170

**xii. Dematerialisation of shares and liquidity**

In accordance with the directions of the Securities & Exchange Board of India (SEBI), trading in BHEL shares by all categories of investors in demat form has been made compulsory w.e.f. 5<sup>th</sup> April, 1999. BHEL has executed agreement with both the depositories of the country i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of its securities under demat mode. As on 31<sup>st</sup> March, 2024, 99.98% (NSDL: 93.95%, CDSL: 6.03%) of the total equity share capital of BHEL is being held in demat mode by the shareholders. Shares held in physical mode by the shareholders are 0.02%. Shareholding of Hon'ble President of India (being the Promoter of the Company holding 63.17% of the paid-up share capital of

the Company) is also held in dematerialized form. The International Securities Identification Number (ISIN) allotted to the Company is INE257A01026.

**xiii. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity**

NIL

**xiv. List of Credit Ratings received during the current FY 2023-24 is disclosed in the main report of the Board of Directors.**

**xv. Foreign Exchange risk or Commodity price risk and hedging activities**

Hedging activities/ transactions during the financial year 2023-24 are in line with the Board approved Foreign Exchange Risk Management Policy.

Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

- a) Total exposure of the listed entity to commodities in INR: ₹2,651 crore (approx.)
- b) Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity (in ₹ Crores) (approx.)	Exposure in Quantity terms towards the particular commodity (in MT) (approx.)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market	Total	
			OTC	Exchange	OTC	Exchange	
Steel	2040	271883			-		
Copper	496	5679			-		
Aluminium	88	2963			-		
Nickel	21	120			-		
Tin	6	24			-		

- c) Major Industrial commodities like Steel, Copper, Aluminium etc. are being procured centrally by one of the identified Units by bulking the requirements of various BHEL Units, to the extent possible, to derive price advantage. To insulate the Company against price fluctuations, Framework Agreements with suitable PVC are finalized periodically. Further, a Unified Procurement Cell (UPC) has been created in January, 2024, which will address all aspects for bringing down the procurement costs for commodities.

#### xvi. Plant locations

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

#### xvii. Address for correspondence

Shareholders can send their queries and any other correspondence relating to the shares of the Company either to:

#### M/S Alankit Assignments Limited

##### UNIT: BHEL

4E/2, Alankit House  
Jhandewalan Extension  
New Delhi – 110055  
Phone: 011-42541234  
Fax: 011-23552001  
Email: rta@alankit.com

OR

Dr. Yogesh R Chhabra  
Company Secretary  
**BHEL Regd. Office:**  
BHEL House, Siri Fort,  
New Delhi – 110 049  
Phone: 011-26001046  
Email: shareholderquery@bhel.in

**Note:** Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

**Declaration:** Pursuant to Listing Regulations, it is hereby declared that all the Board members and Senior Management personnel have affirmed compliance with BHEL's "Code of Business Conduct and Ethics" for the financial year 2023-24.

For and on behalf of the Board of Directors of  
**BHARAT HEAVY ELECTRICALS LTD.**

**K. Sadashiv Murthy**  
Chairman & Managing Director

Place: New Delhi  
Date: July 27, 2024

**AS** *Ashu Gupta & Co.*

COMPANY SECRETARIES

204A, Second Floor, 23, S.B.I. Building  
Opp. DLF Tower, Shivaji Marg  
New Delhi-110 015  
Tel. : 011- 45700331 Mob. : 9899021740  
E-mail : ashugupta.cs@gmail.com

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(pursuant to Regulation 34(3) and Schedule V Para C clause 10(i) of the  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Bharat Heavy Electricals Limited**  
BHEL House, Siri Fort, New Delhi-110049

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Bharat Heavy Electricals Limited** having CIN: L74899DL1964GOI004281 and having registered office at BHEL House, Siri Fort, New Delhi-110049 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications {including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)} as considered necessary and explanations furnished to us by the Company & its Directors/ officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31<sup>st</sup> March, 2024** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities & Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

Sr. No.	Name of Director (as per DIN)	DIN	Date of appointment in Company
1.	Koppu Sadashiv Murthy	09184201	01.11.2023
2.	Arti Bhatnagar	10065528	14.02.2023
3.	Vijay Mittal	09548096	25.03.2022
4.	Sivaprasad Kodungallur	09392812	09.11.2021
5.	Lekhasri Samantsinghar	09392192	09.11.2021
6.	Ramesh Patlya Mawaskar	10194932	08.06.2023
7.	Jai Prakash Srivastava	09703643	12.08.2022
8.	Krishna Kumar Thakur	10172666	04.07.2023
9.	Tajinder Gupta	10327530	20.09.2023
10.	Bani Varma	10337787	09.10.2023

Ensuring the eligibility of the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: New Delhi  
Date: 30.05.2024

For Ashu Gupta & Co.

ASHU  
GUPTA  
Digitally signed by  
ASHU GUPTA  
Date: 2024.05.30  
12:39:09 +05'30'  
**Ashu Gupta**

Company Secretary in Practice  
FCS No.: 4123 | CP No.: 6646  
PR No.: 730/2020

UDIN: F004123F000492754

**AKHIL ROHATGI & COMPANY**

Company Secretaries

21, Shambhavi Marg, Civil Lines, Delhi – 110054

Phone : 9810690633, 8527087435

Email : rohatgi\_co\_secy@yahoo.co.in

csdelhi84@gmail.com

GST No: 07ABTFA2714K1Z7

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members,  
Bharat Heavy Electricals Limited  
BHEL House, Siri Fort, New Delhi-110049

We have examined the compliance of conditions of corporate governance by Bharat Heavy Electricals Limited ("BHEL"/ "the Company") for the year ended March 31, 2024, as stipulated in the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprise (DPE), Government of India.

The compliance of conditions of corporate governance is the responsibility of the management of the Company. Our examination has been limited to review of procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in the said Regulations and Guidelines. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with all the applicable conditions of corporate governance as stipulated in the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance during FY 2023-24 except that during the period under review the number of independent directors on the Board was less than half of the total strength of the Board as required under Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of the DPE Guidelines on Corporate Governance.

The Company has explained that BHEL, being a Government Company, all the directors are appointed by the President of India, acting through administrative ministry and as such appointment of requisite number of independent directors is beyond the control of the Company. Further, the Company has been in constant communication with its administrative ministry requesting for appointment of independent directors on its Board so as to ensure compliance with corporate governance norms enunciated under the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.

We further state that such compliance certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.



For Akhil Rohatgi &amp; Co.

Company Secretaries

CS Akhil Rohatgi

PCS: 1600, COP:2317

ICSI Unique Regn Code No: P1995DE072900

Peer Review No.1152/2021

UDIN No: F001600F000512352

**Place: Delhi**  
**Date: 31.05.2024**



**AKHIL ROHATGI & COMPANY**

Company Secretaries  
21, Shannath Marg, Civil Lines, Delhi – 110054  
Phone : 9810690633, 8527087435  
Email : rohatgi\_co\_secy@yahoo.co.in  
csdelhi84@gmail.com  
GST No: 07ABTFA2714K1Z7

**Secretarial Audit Report**

**For the Financial Year ended on 31<sup>st</sup> March 2024**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Bharat Heavy Electricals Limited  
BHEL House, Siri Fort,  
New Delhi-110049

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Bharat Heavy Electricals Limited (CIN: L74899DL1964GOI004281) (hereinafter called 'BHEL' / 'the Company'). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records or registers maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2024**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31<sup>st</sup> March 2024** according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; [Not applicable on the Company during the audit period];
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; [Not applicable on the Company during the audit period];
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Shares Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; [The Company was not engaged in the activities relating to Registrar to an Issue and was also not acting as Share Transfer Agent, Hence the aforesaid Regulations were not applicable to the Company during the audit period];
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; [Not applicable on the Company during the audit period];
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; [Not applicable on the Company during the audit period];
- (vi) Other labour, environment and specific applicable Acts/ Laws to the Company for which secretarial audit was conducted including as listed below (being verified on the basis of periodic certificate under internal compliance system submitted to the Board of Directors of the Company):
  - a) Factories Act, 1948 and other Labour Laws (to the extent as applicable);
  - b) Right to Information Act, 2005;
  - c) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
  - d) Atomic Energy (Radiation Protection) Rules, 2004;
  - e) Batteries (Management and Handling) Rules, 2001;
  - f) Indian Boilers Act, 1923; and
  - g) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989.

We have also examined compliance with the applicable clauses of the following:

- a. Mandatory Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI); and
- b. Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of India;

We have not examined the applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.



We report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above except that during the period under review the number of independent directors on the Board was less than half of the total strength of the Board as required under Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Para 3.1.4 of the DPE Guidelines on Corporate Governance.

The Company has explained that BHEL, being a Government Company, all the directors are appointed by the President of India, acting through administrative ministry and as such appointment of requisite number of independent directors is beyond the control of the Company. Further, the Company has been in constant communication with its administrative ministry requesting for appointment of independent directors on its Board so as to ensure compliance with corporate governance norms enunciated under the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. However, as mentioned above, the company did not have requisite number of Independent Director on its Board during the period under review. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the Board & Committee meetings as per the statutory provisions and agenda & detailed notes on agenda were sent atleast seven days in advance, except those which were sent at shorter notice, were taken up after obtaining requisite permission as required under Secretarial Standard-1 of ICSI. Further, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions made at the Board and Committee meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or respective Committee of the Board, as the case may be.

There was no prosecution initiated during the year under review against/ on the Company, its Directors and Officers. However, during the year under review, BSE Limited and National Stock Exchange of India Limited each have levied fine of Rs. 21,59,400 for non-compliance of Regulation 17 (1) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 in respect of non-appointment of requisite numbers of independent directors. In response to the notices, the Company has clarified to the Exchanges that the shortfall in Independent Directors was not due to any negligence/ default of the Company, as the appointment is not within its control. In view thereof, the Company has requested the Exchanges to waive-off the fine under their carve-out policies.



**We further report that** based on the information received and records maintained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with other applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above has occurred in the Company.



Place: New Delhi  
Date: 15/06/2024

ICSI Unique Firm Regn Code No: P1995DE072900  
UDIN No: F001600F000575074

[Note: This report is to be read with our letter of even date which is annexed as "Annexure-A" and forms an integral part of this report].



**AKHIL ROHATGI & COMPANY**

Company Secretaries  
21, Shaminath Marg, Civil Lines, Delhi – 110054  
Phone : 9810690633, 8527087435  
Email : rohatgi\_co\_secy@yahoo.co.in  
csdelhi84@gmail.com  
GST No: 07ABTFA2714K1Z7

To,

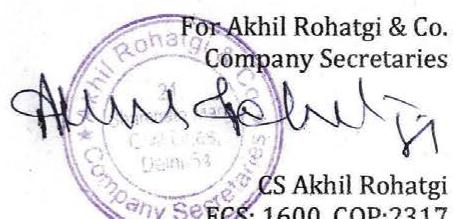
**Annexure -"A"**

The Members,  
Bharat Heavy Electricals Limited  
BHEL House, Siri Fort,  
New Delhi-110049

Our report of even date is to be read along with this letter as under:

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records, based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- 4) Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Akhil Rohatgi & Co.  
Company Secretaries



CS Akhil Rohatgi  
ECS: 1600, COP:2317

Peer Review No. 1152/2021

ICSI Unique Firm Regn Code No: P1995DE072900

UDIN No: F001600F000575074

Place: New Delhi  
Date: 15/06/2024

## Annexure – III: to the Board's Report:

### CEO and CFO Certificate

(in terms of Regulation 17(8) of SEBI (LODR) Regulations 2015)

To,

The Board of Directors  
Bharat Heavy Electricals Ltd.,  
New Delhi.

- (a) We have reviewed Financial Statements and the Cash Flow statement of Bharat Heavy Electricals Ltd for the year ended 31<sup>st</sup> March, 2024 and that to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with the applicable Ind AS, laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2023-24 which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and to the Audit Committee.
  - (i) Significant changes, if any, in internal control over financial reporting during the year 2023-24;
  - (ii) Significant changes, if any, in the accounting policies during the year 2023-24 and the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.



21/05/24

(K Sadashiv Murthy)

Chairman & Managing Director

Additional charge Director (Finance) & CFO

Place: New Delhi

Date: 21.05.2024

# BHEL- CIL JOINT VENTURE – Entering Into Coal to Chemicals Business

BHEL has ventured into coal to chemical business arena with incorporation of Joint Venture company "Bharat Coal Gasification and Chemicals Limited (BCGCL)" with Coal India Limited. Located in Odisha, incorporated on 21<sup>st</sup> May 2024, this company is setting up a Coal to 2000 tonnes per day (TPD) Ammonium Nitrate Plant using BHEL's in-house developed Pressurized Fluidized Bed Gasification (PFBG) technology, suitable for high ash Indian coal. BHEL holds equity share of 49% in this Joint Venture company.

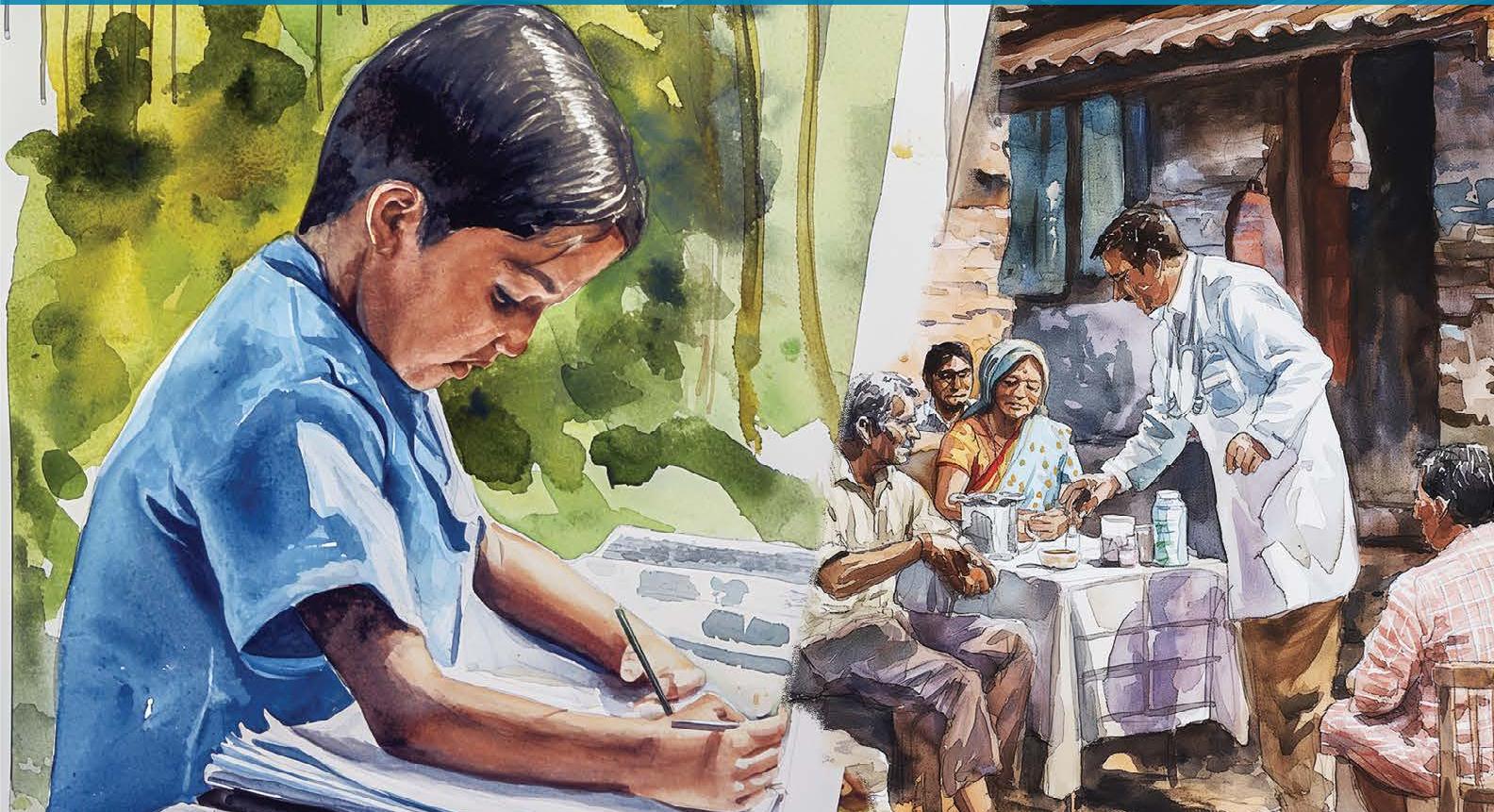
For demonstrating our PFBG technology, BHEL established 168 TPD coal gasification plant at Trichy, and 1.2 TPD coal gasification pilot plant for producing 0.25 TPD Methanol from high ash Indian coal at Hyderabad. Notably, conversion of high ash Indian coal to methanol through gasification route is the first of its kind technology demonstration in India.

BHEL has also signed MoU with NLCIL for exploring setting up of lignite-based gasification pilot plant for power generation





## SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY



“

BHEL's Mission Statement – 'Providing sustainable business solutions in the fields of Energy, Industry & Infrastructure' bears testimony to its unwavering commitment towards care for nature.

**"GREEN BHEL", an initiative launched by BHEL, aims to achieve Net Zero by the year 2047.** I feel proud to be associated with the World Economic Forum's "It.org" initiative, which also complements BHEL's commitment towards Environment Conservation.

**Krishna Kumar Thakur**  
Director, Human Resources, BHEL



## Annexure – IV to the Board's Report

### Sustainability and CSR

#### 4.1 Sustainability Performance – Environmental

The global business landscape has witnessed a paradigm shift where every facet of business operations needs to be consistent and compliant with the principles of sustainability. Company has consistently been steadfast in its dedication to drive positive environmental and social changes, ensuring that sustainability remains at the core of our operational ethos.

The following aspects highlight the company's commitment to environmental sustainability and climate actions and outlines key initiatives taken up during FY 2023-24:

##### 4.1.1 Responsible Material & Natural Resource Consumption

Resource conservation, and efficient use of natural resources is a key element in planning and review processes as well as optimization of Cost. It also aligns well with the UN Sustainable Development Goal 12 (SDG 12) - Responsible Production and Consumption.

Sustainable material consumption through optimization, waste minimization in manufacturing processes, nesting plans for cutting metal sheets and sections to reduce wastage,

recycling/utilisation of cut bits or offcuts generated are some of the measures taken for promoting resource efficiency.

##### 4.1.2 Energy Management

BHEL has been providing its customers with more energy efficient equipment and power plants with cleaner technologies and contributing towards energy efficiency and carbon emission reduction in consistency with UN Sustainable Development Goal 7 (SDG 7) - Affordable & Clean Energy.

Energy intensive manufacturing units have implemented Energy Management Systems with ISO 50001 certification. Periodical energy audits are conducted to identify opportunities for energy conservation/ efficiency for continual reductions in energy consumption. During the year 51 numbers of Energy conservation projects identified and its implementation led to reduction in electricity consumption across manufacturing units by 23.92 million units for the year.

Electricity generation from captive solar power plants installed across our premises increased by 8% from 29.78 million units to 32.17 million units during FY 2023-24 achieving cumulative generation of 192.17 million units in the last seven years.

### 4.1.3 Water & Biodiversity Management

Your Company is making concerted efforts for reducing water consumption, implementing recycling and reuse practices wherever feasible. Water conservation measures also include rooftop rainwater harvesting structures, check-dams to store rain water for groundwater recharging, and biodiversity preservation initiatives aligning seamlessly with UN Sustainable Development Goals 3, 6, 11, and 14.

BHEL has established more than 140 Rainwater Harvesting Systems of different sizes and capacities across its campuses for recharging ground water table. 9 new water harvesting structures have been added this year. To recharge ground water table, 8 new water bodies were also created during the year.

For prevention of water pollution and sustainable management of wastewater, the company has established 20 Effluent Treatment Plants (ETPs) and 19 Sewage Treatment Plants (STPs). New STPs at SBD Bengaluru and HPVP Vizag units were commissioned during FY 2023-24. Notably, 11 manufacturing units are not letting out any effluent outside their premises.

#### Green Cover

The premises of all BHEL units are covered with trees, shrubs and water bodies extending to about 40% of total land area in BHEL premises as per estimation with the help of <https://restor.eco>.

As per our internal estimation, the total number of shrubs and trees in our premises is about 30 lakhs. 03 BHEL units namely; Jhansi, Hyderabad and Trichy unit have developed Miyawaki forests with cumulative coverage in excess of 15,000 square meter.

There is a well-ingrained practice in all BHEL units to plant saplings in large numbers, especially during monsoon season. During last 5 years, more than 3.10 lakh saplings were planted in different BHEL units. Out of these, 81,608 saplings were planted during the year 2023-24.

In addition to green cover, larger manufacturing units have water bodies too inside their campuses. With an objective to promote biodiversity, eight new water bodies were created in different BHEL units during the year.

In FY 2023-24, BHEL became part of World Economic Forum's (WEF's) one trillion trees initiative by taking a pledge on '1t.org' aiming to empower the reforestation community and ensure the conservation and restoration of one trillion trees. BHEL has taken a pledge to conserve 3 million existing trees in its campuses, and augment the same by planting more saplings.



Miyawaki forests with cumulative coverage in excess of 15,000 square meters developed across BHEL units

### 4.1.4 Carbon Management

BHEL's carbon management strategies to achieve Net-zero status by 2047 is reflection of its commitment for transitioning towards a sustainable energy mix and reducing its carbon emissions.

To reduce carbon emission as well as air pollution, most of our Manufacturing Units have already switched to greener fuels such as LPG/ CNG/ RLNG in place of coal/ FO/ HSD/ LDO for heating purposes.

Our manufacturing units have onsite captive solar PV systems in excess of 35 MWp, resulting in 8% increase in avoidance of carbon footprints in FY 2023-24 over previous year.

The company's green cover also acts as a natural carbon sink, complementing carbon reduction efforts. Ongoing Energy Conservation (EnCon) and Energy Efficiency (EE) projects contribute to Scope-1 and Scope-2 emission reductions on a continual basis, reinforcing BHEL's commitment to carbon management and sustainability.

### 4.1.5 Waste Management

The Company has well laid out systems for management of different types of wastes based on the principles of 3R (Reduce, Recycle, Reuse) following below mentioned measures.

- All metallic wastes are segregated at source for re-use to maximum extent before selling to authorised agencies as scrap.
- Hazardous waste, e-waste and battery waste are safely

stored and disposed-off to the authorised agencies and prescribed returns are submitted to the concerned regulatory agencies.

- The biodegradable wastes are used for composting to the extent possible. In HEP, Bhopal the canteen waste is used in bio digester for generation of bio-gas.
- The inert (non-hazardous) wastes having no resale value, are used in construction for back filling or used for filling low lying areas within our premises.
- A Special Campaign 3.0 on Swachhata was initiated across BHEL during October 2023 focusing on collection and disposal of scrap.
- All fifteen BHEL townships have been certified as "Single Use Plastic Free" township.



#### 4.2 हरित बीएचईएल (HARIT BHEL) – Transforming BHEL into a Green Company

The हरित बीएचईएल (HARIT BHEL) – initiative for making BHEL is "Green Company" and a model "Green PSU" was officially launched by the Hon'ble Minister for Heavy Industries, Government of India on July 10, 2023 at BHEL Corporate Office, New Delhi. Furthermore, a concept paper, outlining the key aspects of the हरित बीएचईएल initiative was inaugurated by the Hon'ble Minister for Heavy Industries, Government of India on September 14, 2023 at BHEL's Jhansi Unit.

The हरित बीएचईएल (Harit BHEL) initiative encompasses three pivotal components:

- 1. Targeting Net Zero Emissions by 2047:** BHEL has

pledged to attain Net Zero status for Scope-1 and Scope-2 emissions by 2047. It shall also work with the spirit of collaboration and handholding with customers and vendors to curtail Scope-3 emissions in the value chain. Further, it has taken an intermediate target of 50% reduction in Scope-1 & Scope-2 Emissions by 2030 with respect to baseline emission of FY 2022-23.

- 2. Green Company Rating for Manufacturing Units:** As a part of road map for achieving net zero by 2047 and BHEL is aiming to obtain GreenCo rating by CII-Sohrabji Godrej Green Business Centre for the Manufacturing Units. During FY 2023-24, 05 units were identified for taking up assessment for GreenCo rating. The GreenCo rating achieved by them are given below.



- 3. Focused Sustainability Initiatives for the year 2023-24:** For the year 2023-24, 09 focused sustainability initiatives were identified and implemented across BHEL. The 09 initiatives and the achievements of the year are given below

- Augmenting the capacity of Solar PV Plant for captive use in manufacturing units
- Plantation of 81,608 saplings against target of 75,000 sapling across BHEL campuses
- Addition of 9 Rainwater harvesting systems for groundwater recharge
- Creating of 8 water bodies to promote biodiversity and supporting groundwater recharge bodies
- To achieve the objectives of हरित बीएचईएल (HARIT BHEL) 5 manufacturing Units underwent comprehensive water audits to identify the opportunities for water conservation
- 16 Manufacturing Units have completed Energy Audits to identify energy conservation and efficiency opportunities

- vii. Promoting increased use of daylight across the Company by replacement/repair of roof sheeting to enable natural lighting during daylight hours. This exercise has been completed across the company.

#### 4.3 Sustainability Performance – Social

BHEL has identified 7 Thrust Areas for carrying out its CSR initiatives. These seven thrust areas are elaborated in BHEL's CSR policy and are in line with activities and areas mentioned in Schedule VII of the Companies Act, 2013.

Brief description of some key interventions during the year are given below:

**Clean India (स्वच्छ भारत)**- Construction of 23 clusters of Bio-digester toilets in Haridwar & Rishikesh, UK.

**Educated India (शिक्षित भारत)** - Financial support for distribution of "You can be Happy" series books, followed by health & career counseling for KVS students in Delhi NCR through ISKCON.

#### Healthy India (स्वच्छ भारत)

- Financial Support for "Heal-A-Soul IV"- Providing Anti Haemophilic Factors (AHF) to Persons & Children with Haemophilia (P&Cwh) in various Aspirational Districts across India under its CSR initiative.



Financial support for providing Anti Haemophilic Factors (AHF) to Persons & Children with Haemophilia

- Financial support to Sulabh International Social Service Organisation for Construction, Operation and Maintenance of Sulabh Toilet Complexes at 11 identified Places in Varanasi and Chandauli, Uttar Pradesh.
- Financial support for Construction of Sarai building for approx. 100 People at Dr. Rajendra Prasad Government Medical College, Tanda, in Kangra District, Himachal Pradesh.
- Financial support to District Collector, Suryapet, Telangana for setting up 36 Gyms.



Financial support to Suryapet in Telangana for setting up open gyms

#### Inclusive India (समावेशी भारत)

- Financial support to Municipal Commissioner, Varanasi for installation of 100 numbers Heritage Street Lighting System at Varanasi.
- Financial support to the "Professional Assistance for Development Action" for the project: Motivating Agrarian communities of Kandhamal (Odisha) for their Economic Transformation.



Financial support for marketing of tomatoes through FPO in Kandhamal District of Odisha

#### 4.4 Annual report for CSR Activities

1. Brief outline on CSR Policy of the Company. (**Attached as Annexure-A**)
2. Composition of CSR Committee

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee Held during the year	Number of meeting of CSR Committee attended during the year
1	Dr. K. Sivaprasad Independent Director	Chairperson	1	1
2	Director (Finance)	Member	1	1
3	Director (HR)	Member	1	1

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

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company

**Web-link : --- <https://www.bhel.com/csr>**

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

**Not applicable**

5. (a) Average net profit of the company as per sub-section (5) of section 135.

**₹(-) 940.77 Crores**

- (b) Two percent of average net profit of the company as per sub-section (5) of section 135.

**₹(-) 18.82 Crores**

- (c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years. **Nil**

- (d) Amount required to be set-off for the financial year, if any. **Nil**

- (e) Total CSR obligation for the financial year [(b) + (c) – (d)]. **Nil**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). **₹382.25 Lakh**

- (b) Amount spent in Administrative Overheads.

**₹19.11 Lakh**

- (c) Amount spent on Impact Assessment, if

applicable. **Nil**

- (d) Total amount spent for the Financial Year [(a) + (b) + (c)]\*. **₹401.36 Lakh**
- (e) CSR amount spent or unspent for the Financial Year

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount (in ₹ Lakh)	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Nil	Nil	N/A	N/A	N/A	N/A

- (f) Excess amount for set off, if any:

S. No.	Particular	Amount (In ₹Lakh)
(i)	Two percent of average net profit of the company as per section 135 (5)	<b>(-)1,882.00</b>
(ii)	Total amount spent for the Financial Year*	Nil
(iii)	Excess amount spent for the financial year [(ii) – (i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii) – (iv)]	Nil

\* Unspent CSR amount of FY 2020-21 amounting to ₹2126.95 Lakh was transferred on 30.04.2021 to a separate bank A/c as per Companies (CSR Policy) Amendment Rules, 2021. Out of this ₹911.08 Lakh, ₹600.50 Lakh & ₹401.36 Lakh has been spent in FY 2021-22, 2022-23 & 2023-24 respectively. The unspent amount is transferred to PMNRF on 29.04.2024.

7. (a) Details of Unspent CSR amount for the preceding three financial years:

1 S. No.	2 Preceding Financial Year(s)	3 Amount Transferred to Unspent CSR Account under Sub-Section (6) of section 135 (in ₹ Lakh)	4 Balance Amount in Unspent CSR Account Under Sub Section (6) of section 135 (in ₹ Lakh)	5 Amount Spent in the Financial Year (in ₹ Lakh)	6 Amount transferred to A Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		7 Amount remaining to be spent in succeeding Financial Years (in ₹ Lakh)	8 Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1	2020-21#	2,126.95	2,126.95	1,441.99	N/A		2,126.95	Nil
2	2021-22	Nil	2,126.95	911.08	N/A		1,215.87	Nil
3	2022-23	Nil	1,215.87	600.50	N/A		615.37	Nil

# FY 2020-21:- Fund carried forward from previous year = ₹1,550.94 Lakh and CSR budget for the year = ₹2,018.00 Lakh, Total fund available for FY was ₹3,568.94 Lakh

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If Yes, enter the number of Capital assets created / acquired: **N/A**

Furnish the details relating to such asset (s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **N/A**

S. No.	Short Particulars of the property or Asset(s) [including complete address and location of the property]	Pincode of the Property or Asset(s)	Date of Creation	Amount of CSR amount spent	Details of entity / Authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
-	-	-	-	-	-	-	-

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

As per section 135 (5), two percent of average net profit of the company for FY 2023-24 was ₹(-) **18.82 Crores**. Therefore, CSR budget for FY 2023-24 was Nil.

CSR spent during FY 2023-24 was out of CSR projects continuing from previous year.

10. We hereby declare that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company.

Chairman & Managing Director

Chairperson  
(CSR Committee)

New Delhi

Date: July 27, 2024



5 MW in-house solar PV installation at BHEL Hardiwar for captive power generation

## Annexure – A

### BHEL Corporate Social Responsibility (CSR) Policy Outline

#### **CSR Vision:**

To be a responsible corporate citizen working towards a better tomorrow.

#### **CSR Mission:**

To sincerely & effectively discharge company's responsibility in the identified CSR thrust areas and other areas listed out in the Companies Act, 2013.

#### **Objectives of the Policy:**

- To define CSR projects or programs which BHEL plans to undertake and which fall within the purview of the Companies Act 2013, the Companies (CSR Policy) Rules, 2014 and the prevailing DPE Guidelines.
- Modalities of execution of such CSR projects or programs.
- Monitoring process of such CSR projects or programs.
- To make the stakeholders aware about CSR practices in BHEL.
- To work keeping in mind the larger objective of sustainable development in conduct of business and in pursuit of CSR agenda.

#### **Salient Features of the Policy:**

- It covers the requirements stated in the Companies Act-2013, the Companies (CSR Policy) Rules-2014 and DPE Guidelines on CSR & Sustainability;
- It defines the thrust areas for CSR activities, which are based on the activities mentioned in Schedule VII of the Companies Act, 2013.
- It specifies that 2% of average net profit during the three immediately preceding financial years will be allocated for CSR activities.
- The company shall give preference to the local areas for spending at least 75% of the amount earmarked for CSR activities.
- A project having total value equal to or more than ₹1 crore will be termed as Mega project and Impact assessment of such projects will be mandatorily got done through an external agency.
- There is a provision to reserve 5% of the annual CSR budget as Emergency Fund to take up relief activities for any disaster/ calamity.
- It stipulates that 5% of total CSR expenditure for the year shall be kept as a reserve for capacity building including administrative overheads.
- It provides information about organizational structure for CSR in BHEL.

#### **Web-Link to CSR Policy:**

BHEL CSR Policy is hosted on [www.bhel.com](http://www.bhel.com) under CSR section and can be accessed through the link  
<https://www.bhel.com/csr>

## Annexure-V to the Board's Report

### Business Responsibility & Sustainability Report

#### SECTION A: GENERAL DISCLOSURES

##### I. Details of the listed entity

1.	<b>Corporate Identity Number (CIN) of the Listed Entity</b>	L74899DL1964GOI004281
2.	<b>Name of the Listed Entity</b>	BHARAT HEAVY ELECTRICALS LIMITED
3.	<b>Year of incorporation</b>	13 November 1964
4.	<b>Registered office address</b>	BHEL House, Siri Fort, New Delhi – 110049
5.	<b>Corporate address</b>	BHEL House, Siri Fort, New Delhi – 110049
6.	<b>E-mail</b>	<a href="mailto:shareholderquery@bhel.in">shareholderquery@bhel.in</a>
7.	<b>Telephone</b>	011-66337598
8.	<b>Website</b>	<a href="http://www.bhel.com">www.bhel.com</a>
9.	<b>Financial year for which reporting is being done</b>	FY 2023-24
10.	<b>Name of the Stock Exchange(s) where shares are listed</b>	BSE LIMITED (BSE) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)
11.	<b>Paid-up Capital</b>	₹ 696.41 Crores
12.	<b>Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report</b>	Sandeep Singh Baraith (DGM – Corporate Strategic Management), email: s.baraith@bhel.in, 011-66337554
13.	<b>Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)</b>	Standalone basis
14.	<b>Whether the company has undertaken reasonable assurance of the BRSR core</b>	Yes, certificate at the end
15.	<b>Name of assurance provider</b>	BUREAU VERITAS (INDIA) PRIVATE LIMITED
16.	<b>Type of assurance obtained</b>	Reasonable assurance

##### II. Products/services

##### 17. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Power Segment	The Power segment comprises thermal, gas, hydro, nuclear power plant businesses, and spares & services business apart from new businesses of coal to chemicals, emission control equipment and spares for Non-BHEL sets	77%
2	Industry Segment	The Industry segment caters to major equipment supplies and EPC works for a number of industries including transportation, transmission, defence, aerospace, captive power plants, process industries, renewables, downstream oil & gas, and energy storage, among others	23%

**18. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product/Service	NIC Code	% of total contributed Turnover
1	Construction and maintenance of power plants, other than hydro-electric power plants	45207	27%
2	Manufacture of steam or other vapour generating boilers and hot water boilers other than central heating boilers	28131	26%
3	Manufacture of steam engines and turbines	29111	9%
4	Manufacture of transformers of all sizes and types & rewinding of electric motors	31102	7%
5	Manufacture of electricity distribution and control apparatus [electrical apparatus for switching or protecting electrical circuits (e.g. switches, fuses, voltage limiters, surge suppressors, junction boxes etc.) for a voltage exceeding 1000 volts; similar apparatus (including relays, sockets etc.) for a voltage not exceeding 1000 volts; boards, panels, consoles, cabinets and other bases equipped with two or more of the above apparatus for electricity control or distribution of electricity including power capacitors.]	31200	8%
6	Manufacture of generators/generating sets	31101	5%
7	Manufacture of electric motors : universal AC/DC motors and DC motors or generators	31103	3%
8	Manufacture of other movers n.e.c. hydraulic turbines, water wheels and their regulatory machinery; gas turbines for marine propulsion or for use as prime movers of electric generators or pumps; boiler-turbine set or a stationary steam engine with integral boiler.	29119	4%
9	Manufacture of distilling and rectifying plants; heat exchangers; machinery for liquefying air or gas; producer gas or water gas and acetylene gas generators	29198	2%

**III. Operations**

**19. Number of locations where plants and/or operations/offices of the entity are situated:**

Location	Number of plants	Number of offices	Total
National	16	29	45
International	0	1	1

The company has 16 manufacturing units (or plants), 2 repair units, 4 regional offices, 8 service centres, and 15 regional marketing centres. For plant names, refer 'Pan India Presence'.

**20. Markets served by the entity:**

a. Number of locations

Locations	Number
National (No. of States)	28 (states), 8 (Union Territories)
International (No. of Countries)	89

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute approx. 3.02% of total turnover.

c. A brief on types of customers

BHEL customers span across Government, Government ministries, Parastatal agencies, Government-owned entities, Independent Power Producers (IPP) and Private companies.

#### IV. Employees

Refer definitions of 'Employee' under Sec 2 (l) of the Industrial Relations Code, 2020 and 'worker' under Sec 2 (zr) of the Industrial Relations Code, 2020 as per the guidelines of BRSR format. Also refer definition of 'permanent employee', 'permanent worker', 'other than permanent employee' and 'other than permanent worker' in the guidelines of BRSR format. As per the assessment of the definition, 'Employees' include 'Employees' as well as 'Workers' for ' Permanent' and 'other than Permanent' category in below data points.

##### 21. Details as at the end of Financial Year:

- a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	28673	26996	94.15%	1677	5.85%
2.	Other than Permanent (E)	17361	15764	90.80%	1597	9.20%
3.	<b>Total employees (D + E)</b>	<b>46034</b>	<b>42760</b>	<b>92.89%</b>	<b>3274</b>	<b>7.11%</b>
<b>WORKERS</b>						
4.	Permanent (F)	14207	13846	97.46%	361	2.54%
5.	Other than Permanent (G)*	17244	15648	90.74%	1596	9.26%
6.	<b>Total workers (F + G)</b>	<b>31451</b>	<b>29494</b>	<b>93.78%</b>	<b>1957</b>	<b>6.22%</b>

- b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	821	799	97.32%	22	2.68%
2.	Other than Permanent (E)	51	40	78.43%	11	21.57%
3.	<b>Total employees (D + E)</b>	<b>872</b>	<b>839</b>	<b>96.22%</b>	<b>33</b>	<b>3.78%</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	383	380	99.22%	3	0.78%
5.	Other than Permanent (G)*	51	40	78.43%	11	21.57%
6.	<b>Total workers (F + G)</b>	<b>434</b>	<b>420</b>	<b>96.77%</b>	<b>14</b>	<b>3.23%</b>

\*BHEL awards job/ works contracts to contractors at its various Units/ Divisions/ Departments as per organizational needs. The number of workers with contractors varies from time to time.

##### 22. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	3	33.33%
Key Management Personnel	1	0	0%

Status as on March 31, 2024

### 23. Turnover rate for permanent employees and workers

Turnover rate for the year is defined as 'Number of persons who have left the employment of the entity in the year\*100/ Average number of persons employed in the category'.

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employee	3.34%	4.59%	3.42%	4.01%	4.97%	4.15%	5.45%	3.77%	5.29%
Permanent worker	2.55%	4.43%	2.60%	3.21%	7.66%	3.41%	3.71%	6.51%	3.78%

### V. Holding, Subsidiary and Associate Companies (including joint ventures)

#### 24. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	BHEL-GE GAS TURBINE SERVICES P. LTD	Joint Venture	49.99%	No
2.	NTPC BHEL POWER PROJECTS PVT LTD	Joint Venture	50.00%	No
3.	RAICHUR POWER CORPORATION LTD	Joint Venture	22.14%	No

Refer Annexure - IX to the Board Report - Form AOC - I

### VI. CSR Details

#### 25. CSR details

- (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes, CSR is applicable for BHEL
- (ii) Turnover: ₹ 22,920.52 Crores
- (iii) Net worth: ₹ 24,850.59 Crores

### VII. Transparency and Disclosures Compliances

#### 26. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="https://pgportal.gov.in/">https://pgportal.gov.in/</a>	186	1	Closed in April 2024	218	0	-
Investors (other than shareholders)	No	0	0	-	0	0	-

Shareholders	Yes The contact details provided at <a href="http://www.bhel.com">www.bhel.com</a>	8	0	-	13	0	-
Employees and workers	Yes (Internal system)	74	35	-	196	175	-
Customers*	Yes (Internal system)	330	74	-	466	219	-
Value Chain Partners	Yes <a href="https://suvidha.bhel.in/">https://suvidha.bhel.in/</a>	61	11	-	92	09	-
Other (please specify)	-	-	-	-	-	-	-

\* Consolidation of customer complaint under single system is under implementation

Refer Annexure – II to Board's Report, Corporate Governance, Shareholders committee

Refer Annexure – VIII to Board's Report, Vigil Mechanism

## 27. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Management & Carbon Footprint	O	Opportunity to utilize energy efficiently, fuel switching viz. use of renewable energy, enhanced green cover, and improved energy efficiency & conservation to address cost reduction and climate change. Refer Principle 6	-	Positive implications
2.	Water and waste management	O	Reduction in impact on the environment by efficiently managing & recycling/ reusing natural resources like water and waste generated during operations	-	Positive implications
3.	Skilled manpower	R	The lack of new skill set and competencies for New products/ business pose risk for future business revenues	Reskilling of workforce and lateral hiring of required skill sets. Refer Principle 3	Negative implications
4.	Health and Safety	R	Managing Safety and Health is an integral part of our business. The hazards and risks at the workplace(s), Project site(s), Shop(s) can cause harm to employees, workers and other stakeholders thereby hampering operations.	Employee and workers mandatorily undergo Health, Safety & Environment (HSE) related training on regular basis. These trainings are also provided at the induction level as well. Frequent Safety Assessment by HSE Team and third party audits are conducted. Refer Principle 3	Negative implications

**27. Overview of the entity's material responsible business conduct issues (Contd.)**

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Human Rights & Labour conditions	R	Responsibility to identify and manage Human Rights issues and uphold labor standards in the operations and supply chain. Non-compliance to regulations on Human Rights and labor standards has associated risks and consequential damages.	BHEL policies are in line with the principles of Human Rights, the constitution of India and applicable laws. The company has special provisions for ensuring safeguard of women employees at the workplace. BHEL complies with all the provisions of labour law applicable to BHEL. The company is one of the founding member of Global Compact network, India (GCNI) and is a part of initiatives in India. Refer Principle 3 and 5	Negative implications
6.	Employee engagement, diversity & inclusion	O	<ul style="list-style-type: none"> <li>• Employee engagement enhances productivity and hence affects the bottomline.</li> <li>• Diversity/ equal opportunity helps in upliftment of the civic society as a whole. The Company is an equal opportunity employer and does not discriminate on the basis of gender, race, caste, religion, linguistic, region etc. in recruitment and employment relationship guided by Gol policies leading to a diverse culture and talent</li> </ul>	-	Positive implications
7.	Social engagement & impact	O	CSR plays an important role in uplifting societies and communities who are vulnerable & marginalized. It also improves company's brand perception; attractiveness to customers, employees, and investors; and overall business success.	-	Positive implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8.	Data and Cyber Security	R	Risks emanating from cyber threat leads to loss in revenue on account of operational time loss, critical data loss (organisation & customer) affecting business.	The company has identified cyber security as one of the Top risks of the company. Accordingly, various mitigation measures have been taken for minimisation of the risk viz. the company is certified for ISO/ IEC 27001 and has implemented Information Security Management System (ISMS) across organisation; implementation of Centralized solution for Endpoint security, Next-Gen Cyber Security Operations Center (Cyber SOC), Security Orchestration Automation and Response (SOAR) and Web Application Firewalls (WAFs). Threat intelligence from external sources is integrated with Security Information and Event Management (SIEM) to ensure real time action. Further details have been included in Section 1.12 of the Board Report.	Negative implications
9.	Product Safety	R	Lack of Product quality and safe functioning of product impacts company's brand image, liability claims and increases cost (rework costs) etc.	The manufacturing facilities churn out a wide range of high quality & reliable products adhering to national and international standards. Every product offering of BHEL has product manuals and are labelled with detailed product labels/ name plates/ test certificates as per the requirement and terms of contracts with customers besides the mandatory statutory requirements. Customers are offered training on operating the products as per the contractual conditions.	Negative implications

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10.	Corporate Governance and business ethics	R	Values/ Ethical behavior is acting in ways that are consistent with how the company views moral principles and values. Not adhering can lead to reputational risks arising due to integrity, inter-personnel relationships at workplace, conflict of interest and adverse impact on business	BHEL believes in conducting its business in compliance with Corporate Governance procedures and code of conduct, exemplifies each of the core values, favourable outcomes to the customers, attractive opportunities to the employees, opportunity to the suppliers to partner the Company in progress and enrichment of the society. BHEL codes/ procedure are in place such as whistleblower policy, fraud prevention policy, CDA rules etc. Refer Principle 1.	Negative implications
11.	Climate change	R	Reduction in demand for capital goods product that emit GHG emissions. The reduction in demand is a direct consequence to country/ global level policy changes	Adoption of new technologies & diversifying product portfolio with low emission products.	Negative implications
12.	Sustainable product & services	O	New business opportunities due to energy transition and climate actions by our customers	-	Positive implications
13.	Material Sourcing	R	Geopolitical uncertainties, increasing same material demand from other sectors causes supply risk and material price volatility which leads to delay in product deliveries as well as challenge in product pricing	Promoting 'Make in India'/ indigenization of items, etc.	Negative implications
14.	Fuel Economy & Emissions in Use-phase (Operational life of the product)	O	Customer preferences for improved fuel economy combined with regulations & restricting emissions are increasing the demand for energy-efficient and lower-emission products in the industry.	Diversifying product portfolio with new products having improved features complying with the statutory norms.	Negative Implications

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7*	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No/NA)	Y	Y	Y	Y	Y	Y	N#	Y	Y
b. Has the policy been approved by the Board? (Yes/No/NA)	Y	Y	Y	Y	Y	Y	N#	Y	Y
c. Web Link of the Policies, if available@	i, ii, iii, iv	-	v	vi	vii	v	-	vi	-
2. Whether the entity has translated the policy into procedures. (Yes/No/NA)	Y	Y	Y	Y	Y	Y	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Y	N	N	N	N	N	N	N	N
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.*	e, f	a, b, c	b, c, e, f	f	e, f	b, d	f	f	a
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	NA	50% order book from non-fossil sectors (FY23-27)	NA	NA	NA	• Planting of 75,000 saplings • Green-Co rating assessment of five manufacturing unit	NA	NA	NA

6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	32% during FY24	NA	NA	NA	• 81,608 saplings planted • Five manufacturing units assessed for GreenCo rating. Received three Green-Co silver rating and two GreenCo Bronze rating	NA	NA	NA
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#### Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

The issue of climate change and imperative for climate action has become a key factor influencing business strategies and policies. BHEL has always been an environment conscious organization and already offering many products and solutions for mitigating the impacts of climate change and further working on many related emerging technologies. It has been working relentlessly for reducing environmental footprint of its own operations through a well laid out Environment Management System.

To address the emerging situation, BHEL has launched 'Harit BHEL' initiative, to position itself as a Green Company. This also includes enhanced focus on ESG principles, which in turn will help the company foster a culture of innovation in delivering environment friendly products and services.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Name: Krishna Kumar Thakur Designation: Director (HR) DIN: 10172666 Telephone: 011- 26001003 Email id: dhr@bhel.in
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Name: Krishna Kumar Thakur Designation: Director (HR) DIN: 10172666 Telephone: 011- 26001003 Email id: dhr@bhel.in

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
10. Details of Review of NGRBCs by the Company:																		
Performance against above policies and follow up action	Reviews and frequency are provided in Section C of BRSR wherever applicable.																	

Description of other committee for performance against above policies and follow up action	Reviews and frequency are provided in Section C of BRSR wherever applicable.
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Review and frequency on compliance with statutory requirement are provided in section C of BRSR wherever applicable.
Description of other committee for compliance with statutory requirements of relevance to the principles and rectification	Review and frequency on compliance with statutory requirement are provided in section C of BRSR wherever applicable.
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Policies and procedures of the organization are subject to audits/ reviews by ISO 9001, ISO 14001, ISO 45001, ISO 27001, CAG, Parliamentary Committees, Administrative Ministry, etc.

\*a. ISO 9001; b. ISO 14001; c. ISO 45001; d. ISO 50001; e. ten principles of UNGC on human rights, labour, environment and anti-corruption; f. DPE guidelines

@

- i. <https://www.bhel.com/code-business-conduct-ethics-board-members-senior-management-personnel>
- ii. <https://www.bhel.com/code-conduct-prevention-insider-trading>
- iii. <https://www.bhel.com/bhel-fraud-prevention-policy-0>
- iv. <https://www.bhel.com/whistle-blower-policy-0>
- v. <https://www.bhel.com/sites/default/files/HSEPOLICY.pdf>
- vi. [https://www.bhel.com/sites/default/files/BHEL\\_CSR\\_Policy\\_2022.pdf](https://www.bhel.com/sites/default/files/BHEL_CSR_Policy_2022.pdf)
- vii. <https://www.bhel.com/commitment-ungc-programme>

#### Notes:

# We have practices & procedures established based on these principles, but do not have formal policy document with respect to one of them.

#### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	No	No	No						
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	No	No	No	No	No	No	Yes	No	No
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	No	No	No						
It is planned to be done in the next financial year (Yes/No)	No	No	No						
Any other reason (please specify)	No	No	No						

In respect of Principle 7 referring to Policy Advocacy, although company doesn't have policy but follows established practices based on 'Policy advocacy in a responsible manner'

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### Principle 1: Ethics, Transparency and Accountability

#### Essential Indicators

##### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

BHEL conducts several training programmes for its employees and Directors. These training programmes are curated based on the requirements and include several topics (which in some form covers the nine principles) within a program.

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors	9	Familiarisation with Project activities & progress; BHEL's journey in manufacturing & EPC capabilities; Governance, Effectiveness of independent directors, Board dynamics & management relationships; Finance for effective decision making; Contribution of BHEL in Strategic & core sectors of economy; Roadmap for future- Strategic Plan 2022-27; Machining, testing & handling facilities for large-size Turbo Generator assemblies; Statutory & regulatory provisions under Companies Act, 2013, Listing (Obligation & Disclosure Requirements ) Regulations, 2015; DPE Guidelines and Secretarial Standards; Capacity Building of Functional Directors; Vigilance Management in CPSEs	100%
Key Managerial Personnel (other than Board of directors)	3	The topics covered were Digital Data Protection Act, Alternate Dispute Resolution & HR which are part of the legal framework under which the Company operates	100%
Employees other than BoD and KMPs	1690	Technical, functional, safety, managerial & behavioural topics in line with nine principles	72.8%
Workers	1690		48.4%

##### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (INR)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Penalty/ Fine	NIL	NIL	0	NIL	NIL
Settlement	NIL	NIL	0	NIL	NIL
Compounding fee	NIL	NIL	0	NIL	NIL

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Imprisonment	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL

**3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed-**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NA	NA

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, BHEL has a policy for anti-corruption and anti-bribery. As a part of BHEL's persisting endeavor to set a high standard of conduct for its employees (other than those governed by standing orders), 'BHEL Conduct, Discipline and Appeal Rules, 1975' is in place, which is updated periodically. This is augmented by 'Fraud Prevention Policy and Whistle Blower Policy. The Company is subject to RTI Act 2005, audit by Statutory Auditors and CAG audit under section 139 of the Companies Act, 2013.

<https://www.bhel.com/bhel-fraud-prevention-policy-0>

<https://www.bhel.com/whistle-blower-policy-0>

In the area of business dealings with vendors and customers, BHEL has signed an MoU with Transparency International India (TII) to adopt 'Integrity Pact' to make procurement and contracting more transparent by binding both the parties to ethical conduct. A panel of three Independent External Monitors (IEMs) has been appointed to oversee implementation of Integrity Pact in BHEL, with due approval of Central Vigilance Commission.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-24	FY 2022-23
<b>Directors</b>	0	0
<b>KMPs</b>	0	0
<b>Employees</b>	1	4
<b>Workers</b>	0	0

**6. Details of complaints with regard to conflict of interest:**

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	--	0	--
Number of complaints received in relation to issues of Conflict of Interest of the KMPs (other than directors)	0	--	0	--

**7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest-**

Refer Annexure - VIII to the Board's Report, Vigil Mechanism

**8. Number of days of accounts payable ((Accounts payable \* 365) / Cost of goods/ services procured) in the following format:**

	FY 2023-24	FY2022-23
Accounts payable x 365 days	4,18,83,75,00,00,000	3,98,65,30,00,00,000
Costs of goods/ service procured (₹)	1,72,55,00,00,000	1,64,80,00,00,000
Number of days of accounts payables	243	242

**9. Open-ness of business: Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:**

Parameter	Metrics	FY 2023-24	FY 2022-23
<b>Concentration of Purchases</b>	a. i) Purchases from trading houses (₹)	0	0
	ii) Total purchases (₹)	97,00,00,00,000	1,05,00,00,00,000
	iii) Purchases from trading houses as % of total purchases	0%	0%
	b. Number of trading houses where purchases are made	0	0
	c. i) Purchases from top 10 trading houses (₹)	0	0
	ii) Total purchases from trading houses (₹)	0	0
	iii) Purchases from top 10 trading houses as % of total purchases from trading houses (₹)	0%	0%
	a. i) Sales to dealer / distributors (₹)	0	0
	ii) Total Sales (₹)	2,29,20,52,00,000	2,21,36,30,00,000
<b>Concentration of Sales</b>	iii) Sales to dealer / distributors as % of total sales	0%	0%
	b. Number of dealers / distributors to whom sales are made	0	0
	c. i) Sales to top 10 dealers / distributors (₹)	0	0
	ii) Total Sales to dealer / distributors (₹)	0	0
	iii) Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	0%	0%
	a. i. Purchases (Purchases with related parties) (₹)	1,25,00,000	87,00,000
	ii. Total purchases (₹)	1,72,55,00,00,000	1,64,80,00,00,000
	iii. Purchases with related parties as % of Total purchases	0.01%	0.01%
	b. i. Sales (Sales to related parties) (₹)	3,15,83,00,000	2,50,87,00,000
<b>Share of RPTs in</b>	ii. Total sales (₹)	2,29,20,52,00,000	2,21,36,30,00,000
	iii. Sales to related parties as % of Total sales	1.38%	1.13%
	c. i. Loan & advances given to related parties (₹)	0	0
	ii. Total loans & advances (₹)	25,08,00,00,000	21,50,00,00,000
	iii. Loan & advances given to related parties as % of Total loans & advances	0%	0%
	d. i) Investments in related parties (₹)	0	0
	ii) Total Investments made (₹)	0	0
	iii) Investments in related parties as % of Total Investments made	0%	0%

## Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
43	<ul style="list-style-type: none"> <li>1. Awareness on Public Procurement Policy for Micro and Small Enterprises (MSEs) – Order for MSEs (issued by Ministry of MSME-GoI)</li> <li>2. Online supplier registration portal</li> <li>3. Government-e-Marketplace (GeM)</li> <li>4. BHEL General Conditions of Contract</li> <li>5. BHEL SAMVAAD with domestic industry to identify local sources and provide impetus for AtmaNirbhar Bharat</li> </ul>	20%

**2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company has a legal framework in place to avoid/manage conflict of interests involving members of the Board.

The Directors submit a certificate to the Board stating that they do not have any conflict of interest with regard to the business of the Company on account of their concern/interest and whenever any such conflict/ interest arises they shall promptly inform the same to the Board.

The Company's Board has approved a 'Code of Business Conduct & Ethics for all Board Members and Senior Management Personnel'. The Code encompasses (i) General Moral Imperatives (ii) Specific Professional Responsibilities and (iii) Specific Additional Provisions for Board Members and Senior Management Personnel. In addition, for the purpose of clearly defining the roles and responsibilities of the Board and individual Directors, and to enable the Board to effectively perform its role, the Board has laid down a Charter of the Board of Directors.

In addition to these processes, which are in place to avoid/manage conflict of interests involving members of the Board, the Independent Directors on the Board are required to comply with certain additional provisions viz., submission of declaration of their independence (i.e. they meet the criteria of independence & that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge duties with an objective independent judgment & without any external influence) and compliance with Schedule IV of the Companies Act which interalia provides for (i) Guidelines of professional conduct (ii) Role & functions and (iii) Duties for Independent Directors.

## Principle 2: Product lifecycle sustainability

### Essential Indicators

**1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details
R&D	2.09%	3.59%	More than 50 developmental projects were taken up
Capex	5.57%	10%	Major expenditure reported as : Installation of Regenerative Burner based Combustion System in Reheat Furnaces, installation of 2x30 kWp Solar Photo Voltaic (SPV) Power Plant and establishment of Selective Catalytic Reduction (SCR) manufacturing facility

Refer Annexure- VI to Board Report and Annexure-VII to the Board Report

- 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
- b. If yes, what percentage of inputs were sourced sustainably?**

Yes, BHEL has implemented e-procurement/ GeM as business improvement and sustainable

business practice. Also supplier registration is done in online mode only. BHEL sources varied input material and component from several of its value chain partners which are certified and compliant with standards such as ISO 14001, ISO 45001 etc.

100% of our inputs are sourced sustainably.

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

BHEL products fall under capital goods category where product life goes beyond 25 years in majority of cases. The market requirement is for extension of the life of products or systems through process of refurbishments. After end of desired life of capital goods, they become unfit for reuse and hence being disposed as scrap by owner of the capital good products.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Extended Producer Responsibility (EPR) is not applicable to BHEL's activities.

#### **Leadership Indicators**

- 1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No, company has not conducted Life Cycle Assessments for products.

- 2. If there are any significant social or environmental concerns and/or risks arising from production or**

**disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Not applicable

- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Company's manufacturing processes generate fair amount of metal scrap, however engineering measures are taken to minimize waste generation. The scrap subsequently undergoes recycling within the company and is reused. For example, Central Foundry Forge Plant (CFFP) in Haridwar manufactures Steel Forgings and Castings for which steel scrap is a major raw material. Reusable material is also used in packaging manufactured goods.

The value of such recycled/reused items is not being captured at the moment.

- 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

BHEL's business is B2B in nature and products/ systems we supply fall under capital goods category with long lifecycle (25 years and beyond). All the associated packaging material for supplies become the property of our customers that spread across the country and abroad. In this given situation, it is not feasible to reclaim the product (end of life) or packaging material from the customer.

- 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

As explained in point 4 (previous point).

### Principle 3: Employees' well-being

#### Essential Indicators

##### 1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	26996	26996	100%	26996	100%	0	0%	26996	100%	0	0%
Female	1677	1677	100%	1677	100%	1677	100%	0	0%	1677	100%
Total	28673	28673	100%	28673	100%	1677	5.85%	26996	94.15%	1677	5.85%
<b>Other than Permanent employees*</b>											
Male	15764	15648	99.26%	15648	99.26%	0	0%	0	0%	0	0%
Female	1597	1596	99.94%	1596	99.94%	1596	99.94%	0	0%	258	16.16%
Total	17361	17244	99.33%	17244	99.33%	1596	9.19%	0	0%	258	1.49%

BHEL extends medical facility to its employees and their dependents. The facility is extended to its employees/ spouse on superannuation/ death as well. Day care facilities are also extended in several premises including BHEL's manufacturing plants.

\*In 'other than permanent employees' category, BHEL extends reimbursement of premium on Medical Insurance/ Accident Insurance to Consultants/ FTA.

##### b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	13846	13846	100%	13846	100%	0	0%	13846	100%	0	0%
Female	361	361	100%	361	100%	361	100%	0	0%	361	100%
Total	14207	14207	100%	14207	100%	361	2.54%	13846	97.46%	361	2.54%
<b>Other than Permanent workers</b>											
Male	15648	15648	100%	15648	100%	0	0%	0	0%	0	0%
Female	1596	1596	100%	1596	100%	1596	100%	0	0%	258	16.17%
Total	17244	17244	100%	17244	100%	1596	9.26%	0	0%	258	1.50%

BHEL extends medical facility to its employees and their dependents. The facility is extended to its employees/ spouse on superannuation/ death as well. Day care facilities are also extended in several premises including BHEL's manufacturing plants. In case of 'other than permanent workers', insurance is inbuilt in the Works contract.

**c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

	FY 2023-24	FY 2022-23
i) Cost incurred on wellbeing measures (well-being measures means well-being of employees and workers (including male, female, permanent and other than permanent employees and workers) (₹) )	1,69,41,00,000	1,59,99,00,000
ii) Total revenue of the company (₹)	2,44,80,70,00,000	2,38,79,75,00,000
iii) Cost incurred on wellbeing measures as a % of total revenue of the company	0.69%	0.67%

**2. Details of retirement benefits, for Current and Previous Financial Year.**

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI *	-	-	-	-	-	-
Others (BHEL Pension scheme)	100%	100%	NA	100%	100%	NA

As a retirement benefit apart from PF and Gratuity, all employees and workers are also covered under BHEL pension scheme.

\* ESI is not applicable as BHEL extends medical facility scheme to all employees.

**3. Accessibility of workplaces**

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, BHEL's premises and office are accessible to differently abled employees and workers. The structural modifications and other changes (in policies, etc.) are made in accordance to the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes, the company takes affirmative action in recruitment and promotion for representation of employees from socio-economically backward sections of society, minorities, disabled personnel and women as mandated by the Government of India. The company is an equal opportunity employer, and does not discriminate on the basis of gender, race, caste, religion, language, region, disability etc. in recruitment and employment relationship.

In case of an employee retires prematurely on medical grounds, provisions of The Rights of Persons with Disabilities Act, 2016 are kept in consideration. Additionally, Transfer and Job Rotation policy mandated for applicability of Government guidelines for the transfers of PwD employees.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
<b>Male</b>	100%	100%	100%	100%
<b>Female</b>	100%	100%	100%	100%
<b>Total</b>	100%	100%	100%	100%

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

There is a well laid out grievance redressal mechanism through two schemes – one for workers and other for staff & officers. A grievance for the purpose of the scheme means a grievance of individual employee arising out of the implementation of Company policies/rules or Management Decisions. Both these schemes provide for three-tier resolution. Defined timelines are laid down for resolution of grievance at each stage. Besides, an appellate mechanism is also provided under the scheme, in the case of grievance redressal scheme for staff & officers, and aggrieved employee can approach in case he/she is not satisfied with the resolution of the grievance. For 'other than permanent employees/ worker', the grievances are settled on case to case basis or through the contractors as the case may be.

		Yes/No (If Yes, then give details of the mechanism in brief)
<b>Permanent Workers</b>		Yes
<b>Other than Permanent Workers</b>		Yes
<b>Permanent Employees</b>		Yes
<b>Other than Permanent Employees</b>		Yes

**7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) Or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
<b>Total Permanent Employees</b>	28673	28673	100.00%	29536	29536	100.00%
- Male	26996	26996	100.00%	27790	27790	100.00%
- Female	1677	1677	100.00%	1746	1746	100.00%
<b>Total Permanent Workers</b>	14207	14207	100.00%	14986	14986	100.00%
- Male	13846	13846	100.00%	14592	14592	100.00%
- Female	361	361	100.00%	394	394	100.00%

BHEL has 29 participative trade unions represented in the apex level bipartite body, namely the Joint Committee for discussing workers' and Company's interest related issues, based on the principle of participative management.

All three categories of employees viz. executives, supervisors and workers are represented by their respective associations/ trade unions. However, since there is no check-off facility to ascertain the exact membership of executive/ supervisor associations and workers' unions, a firm number is not available.

#### 8. Details of training given to employees and workers:

Category	FY 2023-24				FY 2022-23					
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	26996	3733	13.8%	11466	42.5%	27790	3869	13.9%	12182	43.8%
Female	1677	405	24.2%	1118	66.7%	1746	452	25.9%	1029	58.9%
<b>Total</b>	<b>28673</b>	<b>4138</b>	<b>14.4%</b>	<b>12584</b>	<b>43.9%</b>	<b>29536</b>	<b>4321</b>	<b>14.6%</b>	<b>13211</b>	<b>44.7%</b>
<b>Workers</b>										
Male	13846	1289	9.3%	3842	27.7%	14592	1462	10.0%	4031	27.6%
Female	361	96	26.6%	181	50.1%	394	128	32.5%	168	42.6%
<b>Total</b>	<b>14207</b>	<b>1385</b>	<b>9.7%</b>	<b>4023</b>	<b>28.3%</b>	<b>14986</b>	<b>1590</b>	<b>10.6%</b>	<b>4199</b>	<b>28.0%</b>

#### 9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	26996	26996	100%	27790	27790	100%
Female	1677	1677	100%	1746	1746	100%
<b>Total</b>	<b>28673</b>	<b>28673</b>	<b>100%</b>	<b>29536</b>	<b>29536</b>	<b>100%</b>
<b>Workers</b>						
Male	13846	13846	100%	14592	14592	100%
Female	361	361	100%	394	394	100%
<b>Total</b>	<b>14207</b>	<b>14207</b>	<b>100%</b>	<b>14986</b>	<b>14986</b>	<b>100%</b>

#### 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, Occupational Health and Safety Management System (OHSMS) is implemented across the company. Each and every employee of the company is covered under the OHSMS and the system is applicable at all the work places.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Company has robust systems & processes to identify the work-related hazards and assess risks on routine and non-routine basis. Some of them are mentioned below:

**HIRA (Hazard Identification and Risk Assessment)** – HIRA is implemented at all work places. This involves identification of hazards and attached risk for each and every process & activity in a comprehensive manner at every department level with the participation of all employees.

**JSA (Job Safety Analysis)** – It is essential that maintenance jobs and other repetitive jobs having accident potentials are analysed for hazards and adequate safety measures are laid down. This is done at the stage of planning for job / process. Procedures are being established to conduct JSA at work place. During Job safety Analysis, the procedure is to select the job based on frequent accidents, severity of injury and new job in which the accident potential is unknown, then divide the job into successive steps, then identifying the hazards at each step and develop ways to eliminate the hazards and prevent the accident potentials

**Method Statement** – It outlines the safe way of performing a specific job or accomplishing a project and ensure that necessary precautions or control measures are communicated to those involved. A method statement provides evidence that significant health & safety risks have been identified and there are safety systems in place.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, processes and procedures are in place for workers to report work related hazards and to remove themselves from such risks. Workers are made aware to identify the unsafe acts / unsafe conditions during the structured training programs organized on periodical basis at work places. The same can be reported through offline / online modes available at their respective work premises. Further, procedures are established to mitigate the reported cases in the system.

App based system 'HSE Observer' has been implemented for registration of work-related hazards/ unsafe acts / unsafe conditions at project sites. User can submit HSE violations/ issues, incidents/ near misses and good practices through the application. Any employee can register an HSE issue through the App and the role of Safety Officials is to report and highlight the issues. Also, for critical issues, work has to be stopped followed by reporting and resolution. Safety team is expected to highlight the issue in safety reviews and follow up for closure.

**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, employees and workers have access to non-occupational medical and healthcare services, offered through company operated health care facilities as well as external healthcare facilities which are compensated suitably as per the company policy. BHEL has ensured the availability of suitable medical facilities even at the remote work places.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.444	0.475
Total recordable work-related injuries	Employees	0	0
	Workers	43	47
No. of fatalities	Employees	0	0
	Workers	2	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	41	45

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

BHEL believes that the employees and people associated with other partner entities are important stakeholders and thus their health, safety and well-being becomes critical for business success. Company has been continuously working to reinforce systems, policies and procedures to achieve "Zero Harm" to the work force. Also, BHEL has been making every effort to strengthen the safety culture in the organization.

At BHEL, special initiatives are being taken to inculcate the safety values in the work force at all levels through structured training programs, safety reviews, work to permit system, HIRA & JSA, mega tool box talk, internal & external audits, etc. Awareness and sensitization are increased enormously by the help of HSE campaigns i.e. BHEL Safety Fortnight-2024 (March 4–17, 2024), Special Campaign 3.0 (October 2–31 2023), Swachhata Pakhwada-2023 (August 16–31, 2023), BHEL

Environment Awareness Month-2023 (June 5–4, 2023). Inter-unit competitions were organized in these campaigns to raise participation level of senior management.

The efforts taken by the company elucidate the intention towards providing safe and healthy environment for the human resource working for and with BHEL.

### **13. Number of Complaints on the following made by employees and workers:**

Benefits	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

Systems are in place at respective premises of BHEL for registration of unsafe conditions related to safety. The same is addressed promptly by concerned departments, and it is a continuous ongoing process.

### **14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

### **15. Provide details of any corrective action taken or underway to address safety-related (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Systems & Procedures are in place to conduct the regular safety inspections and safety internal & external audits at regular frequency. Corrective actions are being taken for all the observations given by the auditors (internal as well as external).

Also, Root Cause Analysis (RCA) are being conducted for all the safety-related incidences, and suitable corrective actions are being taken for the same. This is a continuous process / activity at BHEL.

### **Leadership Indicators**

#### **1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Yes, BHEL extends life insurance or compensatory package to employees and workers in the event of death.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

BHEL's value chain partners come under PF act and ESI act, which makes them liable to deposit statutory dues. Service contract between BHEL and service provider contains clause on 'payment terms' for necessary statutory payment like PF, ESI etc.

3. **Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

Nil. There are no eligible cases in respect of employees and workers, affected by high consequence work related injury/ ill-health/ fatalities during FY 2023-24 and FY 2022-23.

	Total no. of affected employees/ workers	No. of employees/ workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
		FY 2023-24	FY 2022-23
Employees	0	0	0
Workers	43	47	0

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, BHEL provides transition assistance to facilitate continued employability and the management of career endings resulting from retirement or termination.

5. Details on assessment of value chain partners:

All of the BHEL's value chain partners comes under relevant labour laws and acts. Because of which both central and state labour department conduct periodic inspections in related to Health and Safety practices and working conditions at the premise of value chain partners. Any gaps identified are suitably addressed by the partners.

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	100%
Working Conditions	100%

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Email, Newspaper Advertisement, Disclosure available on Stock Exchanges & BHEL Website	Engagement is done on Quarterly, Half yearly & Annual basis as well as whenever the event occurs	All material events affecting the Company as well as disclosures required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015
Suppliers	No	Email, Advertisement, Vendor meets, website etc.	Regular	To make suppliers aware of: <ul style="list-style-type: none"> <li>• Public Procurement Policy (Preference to Make in India)</li> <li>• Import substitution</li> <li>• Participating in tenders issued on GeM portal</li> <li>• Lodging and tracking grievances on BHEL's grievance redressal portal, SUVIDHA</li> <li>• BHEL's quality objectives</li> </ul>

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Refer point 5 (previous point).

**Principle 4: Stakeholder engagement**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

Stakeholders which directly or indirectly impact BHEL's revenue earning capability, its ability to share benefits are identified as key stakeholders. As an example, suppliers or value chain partners are stakeholders w.r.t procurement and they are identified against registration process and also through pre-qualification requirements in open tenders.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community, Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email, Monthly Newsletter, Notice Boards, Intranet Websites, Shop Floor, Shop Council, Plant Council and Joint Council Meetings	Monthly	Sharing monthly progress of the company and the business verticals, targets, achievements and department/section level concerns etc
Customers	No	Email, Advertisement, telephone calls, meetings, website etc	Regular	Assessment of customer needs, their requirement vis-à-vis existing capital good assets, complaints resolution, business enquiries etc
Communities	Yes	Meetings, local NGOs	Case-to-case basis	Assessing their problems that lead to their vulnerability and which hold back in attaining better standard of living

#### Leadership Indicators

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The most important forum for the shareholders of BHEL to have access to the Board of Directors is the Annual General Meeting of the Company. During these meetings, shareholders raise various queries regarding the performance, strategies and outlook of the Company, share their grievances as well provide valuable feedback regarding improvements in the Company performance, not only from a business perspective but also on critical economic, environmental and social topics/ areas.

BHEL value chain partners have access to Independent External Monitors (IEMs), who are nominated by CVC for consultation. They also can share their issues with Vigilance function of company during vendor meets etc. Business Associates meet are held for interactions with top management of BHEL, wherein the feedback received is addressed. Further, the Board is briefed on issues requiring their attention.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances**

**as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. Stakeholders have provided their support to various environmental & social endeavors of BHEL viz., indigenization of various items under "Atmanirbhar Bharat", utilization of solar energy & water harvesting capacity in BHEL's factories & project sites, empowerment of woman employees etc. Supplier feedback received during interactions are taken care like benefits of MSEs through waiver of EMD, purchase preference, PQR relaxation etc.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

For underprivileged section of the community, BHEL spend on CSR projects after baseline survey is conducted by local NGOs. These local NGOs during their baseline surveys engage with communities and understand their needs and problems.

As part of engagement with vulnerable and marginalized stakeholders, BHEL has conducted 43 supplier meets including Micro & Small Enterprises, during the FY 2023-24.

## Principle 5: Human rights

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	28673	5187	18.09%	29536	3332	11.28%
Other than permanent	17361	570	3.28%	15638	534	3.41%
<b>Total Employees</b>	<b>46034</b>	<b>5757</b>	<b>12.51%</b>	<b>45174</b>	<b>3866</b>	<b>8.56%</b>
<b>Workers</b>						
Permanent	14207	2036	14.33%	14986	1083	7.23%
Other than permanent	17244	570	3.31%	15638	534	3.41%
<b>Total Workers</b>	<b>31451</b>	<b>2606</b>	<b>8.29%</b>	<b>30624</b>	<b>1617</b>	<b>5.28%</b>

Note: For company policy related program, only HR policy related are considered here

2. Details of minimum wages paid to employees and workers, in the following format:

Category Total (A)	FY 2023-24					FY 2022-23				
	Total	Equal to Minimum Wage		More than Minimum Wage		Total	Equal to Minimum Wage		More than Minimum Wage	
		No. (A)	No. (B)	% (B / A)	No. (C)		Nos. (D)	No. (E)	% (E / D)	No. (F)
<b>Employees</b>										
<b>Permanent</b>	28673	0	0%	28673	100%	29536	0	0%	29536	100%
Male	26996	0	0%	26996	100%	27790	0	0%	27790	100%
Female	1677	0	0%	1677	100%	1746	0	0%	1746	100%
<b>Other than Permanent</b>	17361	7477	43.07%	9884	56.93%	15705	6225	39.64%	9480	60.36%
Male	15764	6862	43.53%	8902	56.47%	14495	5778	39.86%	8717	60.14%
Female	1597	615	38.51%	982	61.49%	1210	447	36.94%	763	63.06%
<b>Workers</b>										
<b>Permanent</b>	14207	0	0%	14207	100%	14986	0	0%	14986	100%
Male	13846	0	0%	13846	100%	14592	0	0%	14592	100%
Female	361	0	0%	361	100%	394	0	0%	394	100%
<b>Other than Permanent</b>	17244	7477	43.36%	9767	56.64%	15639	6225	39.80%	9414	60.20%
Male	15648	6862	43.85%	8786	56.15%	14430	5778	40.04%	8652	59.96%
Female	1596	615	38.53%	981	61.47%	1209	447	36.97%	762	63.03%

### 3. Details of remuneration/salary/wages

#### a. Median remuneration/ wages

Salary/ wage structure of BHEL employee and workers are set as per the guidelines of DPE.

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*^	4	₹ 56,00,000	1	₹ 86,00,000
Key Managerial Personnel^	1	₹ 49,00,000	0	0
Employees other than BoD and KMP^	26991	₹ 12,00,000	1676	₹ 18,00,000
Workers^	13846	₹ 10,00,000	361	₹ 11,00,000

\*Independent Directors are not considered. Total sitting fees paid to Independent Directors was ₹ 20,40,000 in FY 2023-24. Median sitting fees paid to Independent Director was ₹ 7,20,000 in FY 2023-24.

^Payments are excluding PP/SIP/PRP (performance linked payments) and reimbursements. Data pertains to employees on rolls as on 31 March 2024.

#### b. Gross wages paid to females are % of total wages paid by the entity, in the following format

	FY 2023-24	FY 2022-23
Gross wages paid to females (₹)	3,96,46,00,000	3,87,61,00,000
Total wages (₹)	56,40,17,00,000	53,19,44,00,000
Gross wages paid to females as % of total wages	7.03%	7.29%

#### 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. Grievance Redressal officers are there in each BHEL premise for addressing human rights issues.

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

There is a formal well laid out grievance redressal mechanism related to human rights issues. The mechanism provides for three-tier resolution. First stage with Controlling Officer, second stage with Head of the Department, third stage with Grievance Redressal Committee.

#### 6. Number of Complaints on the following made by employees and workers:

	FY 2023-24		FY 2022-23	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	3	1	0	0
Discrimination at workplace	0	0	0	0
Child Labour	0	0	0	0
Forced Labour/Involuntary Labour	0	0	0	0
Wages	0	0	0	0
Other human rights related issues	0	0	0	0

**7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013, in the following format:**

	FY 2023-24	FY 2022-23
i) Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013 (POSH)	3	0
ii) Female employees / workers	1677	1746
iii) Complaints on POSH as a % of female employees/ workers	0.18%	0
iv) Complaints on POSH upheld	2	0

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

As a preventive step, identity of complainant is known only to Internal Complaints Committee, and is protected. All meetings in the Enquiry (Complainant and Respondent) are never done face to face.

**9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, human rights requirement forms a part of business agreement or contract. The service contracts between BHEL and service provider contain a clause, meeting human rights requirement like child labour, minimum wages etc.

**10. Assessments for the year:**

All BHEL premises are periodically inspected by central and state labour departments, PF and ESI departments and other Government institutions or department for the compliance related to relevant law/ act/ statute and identifying gaps.

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Sexual Harassment	100%
Discrimination at workplace	100%
Wages	100%

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.**

No significant risk/ concern was identified.

**Leadership Indicators**

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

Upholding of Human Rights is central to the company's value system, and it strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed. The Company is committed to provide a safe inclusive environment for one and all, irrespective of the caste, colour, religion, gender, divyangjan etc. The same is ensured in company's policies, procedures and practices.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

Plants and offices are assessed periodically during the preventive/ statutory audit for ensuring compliance with all the Statutory laws/Regulatory requirement, and the rules made thereunder. The company also conducts training programmes/ sensitization sessions for its employees and trainees including apprentices on the subject.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes. Refer Principle 3, Essential Indicator, Point 3.

**4. Details on assessment of value chain partners:**

Value chain partners of BHEL are assessed on Human Rights criteria by virtue of them coming under labor related laws/ acts/ statutes and these are assessed or inspected by relevant Govt department/ institution.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/ Involuntary Labour	100%
Wages	100%

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Not applicable

## Principle 6: Environment

### Essential Indicators

#### 1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A) (in Giga Joules)	115816.82	107216.00
Total fuel consumption (B) (in Giga Joules)	0	0
Energy consumption through other sources (C) (in Giga Joules)	0	0
<b>Total energy consumed from renewable sources (A+B+C) (in Giga Joules)</b>	<b>115816.82</b>	<b>107216.00</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D) (in Giga Joules)	879106.76	893815.00
Total fuel consumption (E) (in Giga Joules)	1642736.83	1758770.00
Energy consumption through other sources (F) (in Giga Joules)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F) (in Giga Joules)</b>	<b>2521843.59</b>	<b>2652585.00</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>2637660.41</b>	<b>2759801.00</b>
<b>Energy intensity per rupee of turnover (in kilo Joule per ₹ of turnover)</b> (Total energy consumed/ Revenue from operations)	11.04	11.55
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (in kilo Joule per \$ of turnover adjusted for PPP)</b> (Total energy consumed/ Revenue from operations adjusted for PPP)	252.61	264.30
<b>Energy intensity in terms of physical output</b>	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N)  
If yes, name of the external agency.

Yes, assessment/ evaluation/ assurance has been carried out by BUREAU VERITAS (INDIA) PRIVATE LIMITED.

PPP rates of currency conversion is taken from OECD Data website.

#### 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

None of the BHEL facilities has been identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme.

Refer Annexure – VII to the Board's Report, 7.1 Conservation of Energy

#### 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	4584022	5407690
(iii) Third party water	13772049	12961712
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>18356071</b>	<b>18369402</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>18356071</b>	<b>18369402</b>
<b>Water intensity per rupee of turnover (Total water consumption/ Revenue from operations – Litre per ₹)</b>	0.077	0.079
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/ Revenue from operations adjusted for PPP – Litre per \$ of turnover adjusted for PPP)</b>	1.758	1.799

Parameter	FY 2023-24	FY 2022-23
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	--	--

Yes, assessment/ evaluation/ assurance has been carried out by BUREAU VERITAS (INDIA) PRIVATE LIMITED.

**4. Provide the following details related to water discharged**

Parameter	FY 2022-23	FY 2021-22
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	142621	106680
<b>Total water discharged (in kilolitres)</b>	<b>142621</b>	<b>106680</b>

There are number of Sewage Treatment Plants (STPs), Effluent Treatment Plants (ETPs) and Oxidation Ponds established at our units which gives the desired level of treatment to our sewage/trade effluent generated. At most of the places, it is used inside the premises and not let out. However, at some of our premises, the treated effluent is discharged to municipal sewer, nallah, stream etc. after meeting the discharge norms.

Yes, assessment/ evaluation/ assurance has been carried out by BUREAU VERITAS (INDIA) PRIVATE LIMITED.

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. As a responsible corporate citizen, BHEL has set up 19 Sewage Treatment Plants & 20 Effluent treatment Plants to ensure that the water, which is discharged from our premises, conform to the effluent standards as per the statutory requirement and its quantity is minimized to the extent feasible. In this regard, 11 numbers of our manufacturing units are not letting out any effluent outside their premises. Treated effluent/ sewage is used for horticulture inside the plant to maintain the green area inside our campuses.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Unit	2023-24	2022-23
NOx	Metric Tonne	105.06	136.59
SOx	Metric Tonne	103.38	164.28
Particulate Matters (PM)	Metric Tonne	203.8	344
Persistent organic pollutants (POC)	Metric Tonne	-	-
Volatile organic compounds (VOC)	Metric Tonne	2.45	5.17
Hazardous air pollutants (HAP)	Metric Tonne	7.35	9.4
Others – Carbon Monoxide	Metric Tonne	18.53	0.02

Yes, assessment/ evaluation/ assurance has been carried out by BUREAU VERITAS (INDIA) PRIVATE LIMITED.

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	2023-24	2022-23
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	111681.13	115744.00
Total Scope 2 emissions* (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	174844.57	176528.46

Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Gram of CO <sub>2</sub> emitted per ` of turnover achieved	1.199	1.25
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Gram of CO <sub>2</sub> emitted per \$ of turnover achieved adjusted to PPP	27.44	28.62
Total Scope 1 and Scope 2 emission intensity in terms of physical output		-	-
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Yes, assessment/ evaluation/ assurance has been carried out by BUREAU VERITAS (INDIA) PRIVATE LIMITED.

PPP rates of currency conversion is taken from OECD Data website.

\* In Scope 2 emission calculation, earlier project level emission methodology was being used which has been changed to corporate level emission resulting in restatement of Scope-2 emission

#### **8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes. BHEL has set up nearly 35 MWp of capacity of Solar Power plants including rooftop ones which has helped the organization in reducing its GHG Emissions. This large-scale solarisation has helped us in carbon footprint avoidance to the tune of 23,033 MTCO<sub>2</sub>-equivalent during FY 2023-24.

Furthermore, conventional burners of reheat furnaces are replaced with regenerative based combustion system at CFFP Hardwar. This has been implemented in 6 numbers of reheat furnaces with a potential of annual savings of 30% in fuel consumption (~ 27.60 lakhs m<sup>3</sup>)

Energy conservation/ efficiency related projects are regular feature in our units which helps us in demand side management of energy and consequently reducing the associated carbon emission which would have occurred otherwise at enhanced level

Refer Annexure – IV to the Board's Report, 4.1.2 Energy Management

Refer Annexure – IV to the Board's Report, 4.1.4 Carbon Management

Refer Annexure – VII to the Board's Report, 7.1 Conservation of Energy

#### **9. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste ( <b>A</b> )*	91.29	68.98
E-waste ( <b>B</b> )	36.36	42.17
Bio-medical waste ( <b>C</b> )	16.34	6.51
Construction and demolition waste ( <b>D</b> )	157.20	0
Battery waste ( <b>E</b> )	77.59	88.10
Radioactive waste ( <b>F</b> )	0	0
Other Hazardous waste. Please specify, if any. ( <b>G</b> )	1187.71	1278.90
Other Non-hazardous waste generated ( <b>H</b> ). <b>Please specify, if any.</b> (Break-up by composition i.e. by materials relevant to the sector)	51011.95	45944.15
<b>Total (A+B + C + D + E + F + G + H)</b>	52578.44	47428.81
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) – Gram per ₹	0.22	0.20
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total waste generated / Revenue from operations adjusted for PPP) – Gram per \$ in PPP	5.034	4.645
<b>Waste intensity in terms of physical output</b>	-	-

<b>Waste intensity</b> (optional) – the relevant metric may be selected by the entity	-	-
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	311.98	94.06
(ii) Re-used	465.83	669.37
(iii) Other recovery operations	0	0
<b>Total</b>	777.81	763.43
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
(i) Incineration	10.72	6.92
(ii) Landfilling	157.26	1359.29
(iii) Other disposal operations	38773.65	27615.08
<b>Total</b>	38941.63	28981.29

\*Quantity of plastic waste disposed during the year to authorized agency.

In table above, 'other disposal operations' include the data for sale of the scrap through e-auction/ other means to external agencies for recycle/reuse/recycling as well. After considerable amount of scrap is accumulated, it is sold to the agency for final disposal

Yes, assessment/ evaluation/ assurance has been carried out by BUREAU VERITAS (INDIA) PRIVATE LIMITED.

PPP rates of currency conversion is taken from OECD Data website.

Refer Annexure – IV to the Board's Report, 4.1.1 Responsible Material & Natural Consumption

Refer Annexure – IV to the Board's Report, 4.1.3 Water and Biodiversity Management

Refer Annexure – IV to the Board's Report, 4.1.5 Waste Management

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

In our manufacturing activity, reduction of waste generation is taken as a very important activity, and our nesting plan for cutting of metal sheet is prepared accordingly. However, once the scrap is generated, it is

either used in the local foundry shop for making castings/ forgings or sent to authorized recycler for melting into the furnace for avoidance of new raw material consumption.

Across BHEL, solid wastes/ scrap having resale value were collected, segregated, stored and sold to authorized recyclers. Some of it, not having any resale value, is used for filling up low lying areas. Hazardous wastes/ e-waste are disposed of as per the stipulations in the relevant statutes.

The hazardous waste generated at units are disposed as per the regulatory requirement and necessary records for scrutiny of authority is duly maintained. Hazardous waste, which can be used outside, is sent to authorized recyclers. Rest of the hazardous waste, which is to be incinerated or buried in secured landfill, is sent to Treatment Storage and Disposal Facility (TSDF) of their respective states for ultimate disposal of such hazardous wastes.

Refer Annexure – IV to the Board's Report, 4.1.1 Responsible Material & Natural Consumption

Refer Annexure – IV to the Board's Report, 4.1.3 Water and Biodiversity Management

Refer Annexure – IV to the Board's Report, 4.1.5 Waste Management

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

Not applicable

**12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Not applicable

**13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, BHEL is compliant with the applicable environmental law/ regulations/ guidelines in India.

## Leadership Indicators

### 1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres) :

For each facility / plant located in areas of water stress, provide the following information:

- i Name of the area: NIL
- ii Nature of operations: NIL
- iii Water withdrawal, consumption and discharge– Not Applicable

Yes, assessment/ evaluation/ assurance has been carried out by BUREAU VERITAS (INDIA) PRIVATE LIMITED.

### 2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>		-	-
<b>Total Scope 3 emission intensity (optional) –</b> the relevant metric may be selected by the entity		-	-

Data pertaining to Scope 3 emissions not being quantified at

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Upgradation from conventional to regenerative burners-based combustion system at CFFP Haridwar	Implemented on 6 Nos of reheat furnaces	Potential annual savings of 30% in fuel consumption (Approx. 27.60 lakhs m <sup>3</sup> )
2.	Centralised monitoring of manufacturing facilities through inhouse developed Industrial Internet of Things platform	Implemented on more than 100 machines / plants	Potential Power Savings: upto 4%  Predictive Maintenance: Breakdown time reduction upto 10%.

the moment. However, in following ways company is making efforts to reduce Scope 3 emissions

- i At many energy intensive units, we have switched over from LPG to RLNG which is being supplied through the pipeline and thereby avoiding scope-3 emissions associated with carriage of the fuel through roadways to that extent
- ii Employees are encouraged to pool their cars for commute to save energy and avoid Scope-3 emissions

Yes, assessment/ evaluation/ assurance has been carried out by BUREAU VERITAS (INDIA) PRIVATE LIMITED

### 3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

### 4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
3.	Zero Liquid Discharge	For prevention of water pollution and sustainable management of wastewater the company has established 20 Effluent Treatment Plants (ETPs) and 19 Sewage Treatment Plants (STPs). Through these ETPs/ STPs effluent is treated and reused inside our premises for process, toilet flushing, gardening etc. This has resulted in making our 11 units as Zero Liquid Discharge entities.	Due to non-discharge of effluent outside the premises, company has avoided land and water pollution
4.	Single use plastic free townships (SUPF Townships)	BHEL townships has been declared as single use plastic free through 3 <sup>rd</sup> Party Audit. Internal Audits and annual Audit of the status of SUPF is being carried out in all townships religiously making the residents aware about plastic menace	BHEL Townships has been developed as sustainable habitats and citizens have developed a habit of avoiding single use plastic resulting in avoidance of land & water pollution on account of plastic waste.
5.	Pledge for conservation of existing verdant cover and augmenting it further	During 2023-24, BHEL became a part of World Economic Forum's (WEF's) one trillion trees initiative by taking a pledge on 1t.org. It is a World Economic Forum's (WEF's) initiative aiming to empower the reforestation community and ensure the conservation and restoration of one trillion trees. BHEL has taken a pledge to conserve 3 million existing trees in its campuses and augment the same further by planting more saplings. Company has created 3 Miyawaki forests at manufacturing units in this regard.	The initiative has led to development of nice verdant cover in BHEL premises. As a consequence, lower temperature is observed in BHEL premises as compared to surroundings and increased biodiversity.

As a responsible global citizen, the organization acknowledges the relation between Green House Gas (GHG) emissions and climate change. To address this global challenge, BHEL has been putting efforts in reducing carbon footprint of its products and services, thereby enabling the customers to generate power in a sustainable manner, with reduced environmental footprints over the life cycle of the plant. In internal operations also, the organization is putting a major thrust on energy efficiency and use of renewable energy sources. The company has established a total of 35 MWp of Solar Photo Voltaic (ground mounted and roof-top) plants at various BHEL locations which have helped the company in making its energy mix more sustainable. Company's inventory of renewable application also includes solar water heaters, solar street lighting etc. The Company has also taken a number of projects related to water and energy conservation, tree plantation, waste management, resource conservation, etc.

Refer Annexure – IV to the Board's Report, Sustainability Performance – Environmental

Refer Annexure – VII to the Board's Report, Conservation of Energy

##### **5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, BHEL has a business continuity and disaster management plan. Same was acted upon during COVID-19 outbreak. Business continuity plan and/ or disaster management plan were not published on internet.

##### **6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No significant impact came to notice.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

100% of value chain partners were assessed for environmental impact by virtue of them coming under environment related laws/ acts/ statutes and these are assessed or inspected by relevant Govt department/ institution. BHEL's contract document with the value chain partner, contain practices to be followed with respect to Environment, and BHEL takes undertaking from them in this regard. However, BHEL is yet to adopt the practice of directly assessing value chain partner for environmental impacts.

**Principle 7: Policy advocacy**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/ associations.**

Ten (10) affiliations.

**b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	CIGRE India	International
2	Indian Electrical and Electronics Manufacturers' Association (IEEMA)	National
3	Confederation of Indian Industry (CII)	National
4	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
5	Standing Conference of Public Enterprises (SCOPE)	National
6	Engineering Export Promotion Council of India (EEPC)	National
7	Project Exports Promotion Council of India (PEPC)	National
8	PHD Chamber of Commerce and Industry	National
9	Central Board of Irrigation & Power (CBIP)	National
10	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National

**2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.**

No instance of anti-competitive conduct by BHEL has been raised

## Leadership Indicators

### 1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly/ Others – please specify)	Web Link, if available
1.	'BHEL SAMVAAD 3.0 - Dialogue with Success Partners of BHEL for promoting 'AatmaNirbhar Bharat' and Capacity Building in the Country (अनुसन्धान से आत्मनिर्भरता की ओर, BHEL की एक और पहल')	BHEL under the guidance of MHI conducted the event on 9 Nov 2023 at Bharat Mandapam, New Delhi.	Yes	-	-
2.	Manthan - “मंथन - लोकल से ग्लोबल : भारत-विनिर्माण से आत्मनिर्भरता” organized by Ministry of Heavy Industries, Govt.	Industry association presented challenges/ growth on behalf of industry players during event on 22 Nov 2023 at Yashobhoomi, New Delhi.	Yes	-	-
3.	Participation in various activities/ inputs to boost Capital Goods Sector, Public Sector Enterprise Council etc.	Through interaction with Industrial Bodies (CII, FICCI), Government Ministries viz. MHI, MoP, etc.	No	-	-
4.	Facilitation of international trade and collaboration	Through inputs to Industry Bodies/ Government agencies for FTAs, etc.	No	-	-
5.	Inputs on matters such as Customs, Export promotion & Export incentives	Pre-budget memorandum for Budget 2024-25	No	-	-

## Principle 8: Inclusive growth

### Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**  
Not applicable
- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**  
Not applicable

**3. Describe the mechanisms to receive and redress grievances of the community.**

Community raises their grievances, through Centralised Public Grievance Redress and Monitoring System (CPGRAMS)/ Public Grievance Portal, which are then assigned to Public Grievance Officer in BHEL.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	32.18%	32.55%
Sourced directly from within the district and neighbouring districts	10%	10%

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/ on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24	FY 2022-23
<b>Rural</b>		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	3297773379	3060520693
ii) Total Wage Cost	56401700000.00	53194400000.00
iii) % of Job creation in Rural areas	5.85%	5.75%
<b>Semi-urban</b>		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	13713313292	12734123081
ii) Total Wage Cost	56401700000.00	53194400000.00
iii) % of Job creation in Semi-urban areas	24.31%	23.94%
<b>Urban</b>		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	14102494878	13238100930
ii) Total Wage Cost	56401700000.00	53194400000.00
iii) % of Job creation in Urban areas	25.00%	24.89%
<b>Metropolitan</b>		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	24435039231	23274957187
ii) Total Wage Cost	56401700000.00	53194400000.00
iii) % of Job creation in Metropolitan areas	43.32%	43.75%

## Leadership Indicators

- 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not applicable

- 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by Government bodies:**

Amount spent on CSR projects in designated aspirational districts during FY 2023-24 are

S. No.	State	Aspirational District	Amount Spent (in ₹ Lakh)
1	Uttar Pradesh	Chandauli, Varanasi	1,00,07,037
2	Odisha	Kandhamal	52,58,790
3	Pan India (other than mentioned above)	Pan India (other than mentioned above)	15,64,000

- 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)**

Yes

- (b) From which marginalized / vulnerable groups do you procure?**

Company has been supporting Micro and Small Enterprises

(MSEs) as they tend to employ a larger share of the vulnerable sectors of the workforce, such as women, youth, and people from poorer households. Regular Vendor Meets and Supplier development programs are being organized by BHEL units, specifically for MSEs (including local suppliers) as well as specific to SC/STs, which serve as a platform for identification of needs and formulation of action plan for mutual benefits. Further, preferences as mandated in the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order for MSEs (issued by Ministry of MSME-GoI), are followed.

Further, BHEL complied with the provisions of DPE relating to TReDs and cleared 100% Invoices of Goods & Services through TReDS Portal within specified timeline.

- (c) What percentage of total procurement (by value) does it constitute?**

BHEL procured 32.18% of its procurement from SMEs in FY 2023-24.

- 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year) based on traditional knowledge:**

Company does not own or acquired Intellectual Property based on traditional knowledge. However, company has invested in Research & Development of products/ technologies and acquired Intellectual Properties based on knowledge derived through scientific evidences.

Refer Annexure –VI to the Board's Report of Annual Report, Research & Development and Technological achievements

- 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes where in usage of traditional knowledge is involved.**

No Intellectual Property dispute regarding usage of traditional knowledge during FY 2023-24 as BHEL does not own or acquired Intellectual Property based on traditional knowledge.

## 6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Financial support to Sulabh International, Lucknow for construction, operation and maintenance of Sulabh Toilet Complex at 11 Places in Varanasi and Chandauli	190000	100%
2	Financial support to the "Professional Assistance for Development Action (PRADAN), NOIDA" for the project: Motivating AgRarian communities of Kandhamal (Odisha) for their Economic Transformation	9070	100%

### Principle 9: Customer value

#### Essential Indicator

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Customer value is prominent part of BHEL's culture and is reflected in our Vision, Mission and Values statement. The company constantly focusses to create value for customers through products and services.

Complaints of customers are received through various channels like letters, emails, phone calls and during meetings. The complaints are subsequently escalated for resolution.

All major quality issues reported are being taken up for Root Cause Analysis (RCA) and are being resolved through RCA committees. Apart from complaints, customer feedback is taken through customer satisfaction surveys, customers' meets, face-to-face interactions, video-conferencing and appreciation letters.

**2. Turnover of Products and/services as a percentage of turnover from all products/services that carry information about "Environmental & social parameters relevant to the product", "Safe and responsible usage" and "Recycling and/or safe disposal".**

BHEL products are capital goods and hence have long operating life of 25 years. The products/ systems are offered to customers with manuals covering safety, operating in environmental friendly manner etc. The same aspects are covered in training of customer personnel by BHEL.

**3. Number of consumer complaints in respect of the following:**

	FY 2023-24		Remarks	FY 2022-23		Remarks
	Received during the year	Pending resolution end of year		Received during the year	Pending resolution end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	Not applicable					
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	-	-	-	-	-	-

**4. Details of instances of product recalls on account of safety issues:**

There are no instances of product recall that happened on account of safety issues.

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, BHEL has an approved cyber security policy, which is internal to the organisation. Moreover, BHEL is in B2B business and does not deal with individual customers. Hence, any individual customer data is not stored.

Refer 'Data and Cyber Security' in Report of the Board of Director

**6. Provide details of any corrective actions taken on Underway on issues relating of advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable

**7. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches  
One instance of data breach happened during the year.
- b. Percentage of data breaches involving personally identifiable information of customers  
Nil (0%)
- c. Impact, if any, of the data breaches

A ransomware incident on BHEL IT system occurred in January 5-6, 2024 night. The incident was reported to Computer Emergency Response Team (CERT-In), National Critical Information Infrastructure Protection Centre (NCIIP) and an online FIR was lodged with National Cyber Crime Reporting Portal. The impact of ransomware incident was seen mainly in few services like e-Office (file movement system), e-mail and File sharing server. Owing to robust cyber security measures and Disaster Recovery mechanism in place, the impacted services were restored successfully without any data loss and financial impact.

**Leadership Indicators**

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Information on products and services of BHEL can be accessed from [www.bhel.com](http://www.bhel.com)

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Operation Manual and Training on products or systems are provided to customers as per the contractual requirements. Furthermore, technical advisories are issued to customers for safe O&M of BHEL supplied machines on case-to-case basis.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

BHEL is in regular touch with its customers and any disruptions (e.g. due to pandemic in the recent past) are informed by emails, letter and any other communication means agreed to in the Contract/ Purchase Order. Further, proactive interactions with customers based on Performance Monitoring reports of the installed machines or customer feedback, helps in averting disruption of operations at the customer premise. Periodic communications in form of letters or other digital means are issued to customer about their, machines which are due for overhaul or mandatory inspections.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes. All the required and standard information are displayed on the products dispatched by BHEL.

Yes. BHEL conducts customer satisfaction survey for major products/ services. However, no survey was conducted during FY 2023-24.

**For and on behalf of the Board of Directors of  
BHARAT HEAVY ELECTRICALS LTD.**

**K. Sadashiv Murthy**

Chairman & Managing Director

Place: New Delhi

Date: July 27, 2024

To

**Bharat Heavy Electricals Limited (BHEL).**  
BHEL House, Siri Fort, New Delhi-110049 (India)

#### **Introduction and Objective of Work**

BUREAU VERITAS has been engaged by Bharat Heavy Electricals Limited (hereinafter abbreviated as "BHEL") to conduct an independent assurance of the Business Responsibility and Sustainability Report Core (hereinafter abbreviated as "BRSR Core"), consisting of the Key Performance Indicators (KPIs) under Environment, Social and Governance (ESG) attributes, which are mentioned in Annexure I, as prescribed under the Securities and Exchange Board of India (SEBI) Circular dated 12th July, 2023.

#### **Intended User**

The assurance statement is made solely for "BHEL and its stakeholders" as per the governing contractual terms and conditions of the assurance engagement contract between "BHEL" and "Bureau Veritas". To the extent that the law permits, we owe no responsibility and do not accept any liability to any party other than "BHEL" for the work we have performed for this assurance report or our conclusions stated in the paragraph below.

#### **Reporting Criteria**

Reporting Framework based on BRSR Core, Business Responsibility and Sustainability Report as per Annexure 1 of the SEBI circular (SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122,) dated July 12, 2023) BRSR Core KPIs.

The reported information of BRSR core based on following nine ESG attributes:

1. Green-house gas (GHG) footprint
2. Water footprint
3. Energy footprint
4. Embracing circularity - details related to waste management by the entity
5. Enhancing Employee Wellbeing and Safety
6. Enabling Gender Diversity in Business
7. Enabling Inclusive Development
8. Fairness in Engaging with Customers and Suppliers
9. Open-ness of business

#### **Assurance Standards Used**

Bureau Veritas conducted reasonable assurance of BRSR Core in accordance with the requirements of the International Federation of Accountants (IFAC), International Standard on Assurance Engagement (ISAE) 3000 (Revised) Reasonable Assurance & GHG as per "Assurance Engagements on Greenhouse Gas Statements" ISAE 3410. Under this standard, Bureau Veritas has reviewed the information presented in the report against the characteristics of relevance, completeness, materiality, reliability, neutrality, and understandability.

#### **Scope and Boundary of Assurance**

The scope of assurance involves evaluating the sustainability performance of non-financial disclosures for the period from 1st April 2023 to 31st March 2024, based on BRSR Core requirements.

Reporting Boundary: Only the standalone operations of BHEL.

As part of its independent reasonable assurance, we assessed the appropriateness and robustness of underlying reporting systems and processes, used to collect, analyse and review the information reported.

### Independent Assurance Statement



The Scope of Assurance for BRSR Core includes:

- An assessment of the procedures or approaches followed for data compilation and reporting of the sustainability performance non-financial disclosures for specific operations.
- Testing, on a sample basis, of evidence supporting the data.
- Verification of the sample data evidence and information on selected material topics reported at the above-mentioned operations for the defined reporting period.
- Assessment of the suitability between the backup data for the selected sustainability performance non-financial disclosures and the information presented as per BRSR Core requirements.
- The General and topic-specific sustainability non-financial standard disclosures are subject to limited assurance based on the extent of information available for assurance.
- Completion of assurance statement for inclusion in the report reflecting the verification, findings, and conclusion of the disclosure's assurance.

#### **The Methodology Adopted for Assurance**

Bureau Veritas' sustainability assurance process involves specified procedures to obtain evidence regarding the accuracy and reliability of the data provided related to BRSR core disclosures. The nature, timing, and extent of procedures selected depend on the data and evidence provided, including the verification of the associated risks with the material topics of the selected sustainability non-financial disclosures and their relevance for the reporting period.

As per the scope of the assurance, sample evidence, information, and explanations that were considered necessary in relation to the assurance scope and following conclusions have been made:

- Assessed the report preparation in accordance with BRSR Core parameters applicable to BHEL operations.
- Evaluated the appropriateness of various assumptions used for data estimation and reviewed the report to ensure no misrepresentation of disclosures within the scope of assurance.
- Assessed adherence to the BRSR framework for Reasonable Assurance of Core parameters, including the principles of materiality, inclusivity, and responsiveness, and evaluated the systems used for data compilation and reporting.
- Verified systems and procedures for quantification, collation, and analysis of sustainability performance disclosures included in the report through site visits.
- Discussed with corporate office officials to understand sustainability risks and opportunities, BHEL's strategy to address them, and assessed the month-wise data for similarity, reliability, and accuracy.
- Evaluated the stakeholder engagement process through interactions with relevant internal stakeholders and review of related documentation. Reviewed the materiality assessment process and the processes for collection, compilation, and reporting of sustainability performance disclosures at the corporate and operational levels.
- Reviewed claims and data streams to determine the accuracy of statements in the report and the reliability of specified sustainability performance – Non-Financial Disclosure Assurance. Executed an audit trail of claims and data streams to determine the accuracy of data collection, transcription, and aggregation.
- Reviewed plans, policies, and practices pertaining to Environmental, Social, and Governance aspects to assess and evaluate the adequacy and fairness of BRSR Core reporting. Ensured the

## Independent Assurance Statement



reports provide a balanced and reasonable representation of the organization's positive and negative contributions toward sustainable development.

- Assessed the reporting procedures for GHG emissions evaluated the appropriateness and reliability of various assumptions and calculations adopted for data estimation.
- Reviewed the report, supporting evidence, and documented data to ensure no misrepresentation of disclosures within the scope of assurance and findings.
- Discussed data presented in the report and the associated backup data with concerned personnel at BHEL Headquarters Corporate Level and operational level.
- Reviewed sustainability performance non-financial disclosures data based on data provided for respective units, including related backup, site visits to BHEL's operations and discussions with the concerned personnel.

### **Limitations and Exclusions**

The assurance is limited to the above-mentioned scope of work and excludes the information relating to:

- Data related to the Company's financial performance disclosures.
- Activities and practices followed outside the defined assurance period stated hereinabove.
- Positional statements, expressions of opinion, belief, aim, or future intention by "BHEL" and statements of future commitment.
- The assurance does not extend to the activities and operations of "BHEL" outside of the scope and geographical boundaries mentioned in the report as well as the operations undertaken by any other entity that may be associated with or have a business relationship with "BHEL".
- Compliance with any Environmental, Social, and legal issues related to the regulatory authority.
- Any of the statements related to company aspects or reputation.

### **Our Findings**

On the basis of our methodology and the activities described above,

- Nothing has come to our attention to indicate that the BRSR disclosures are inaccurate or that the information included therein is not fairly stated.
- It is our opinion that Company has established appropriate systems for the collection, aggregation, and analysis of data on Sustainability/Non-Financial performance disclosures in the BRSR.
- The BRSR disclosure on core parameter provides a fair representation of the Company's activities as included therein.
- The information is presented in a clear, understandable, and accessible manner, and allows readers to form a balanced opinion over the Company and status during the reporting period.
- BHEL's data and information on BRSR core disclosures for the period of 01 April 2023 to 31 March 2024 included in the Report, is, in all material respects, in accordance with the SEBI's BRSR guidelines.

### **Management Responsibility**

BHEL is completely responsible for the report contents, identification of material topics, and data reporting structure. The selection of reporting criteria, reporting period, reporting boundary, monitoring, and measurement of data, preparation, and presentation of information for the report are the sole responsibility of the management of "BHEL". Bureau Veritas (BV) was not involved in the drafting or preparation of the report and any other backup data for the reporting period. The

### Independent Assurance Statement



responsibility of BV was to provide reasonable independent assurance for the sustainability of non-financial disclosures as described in the scope of assurance.

The said assessment is properly based on the assumption that the data and information provided in the report are proper and without any discrepancy. Bureau Veritas shall not be held liable or responsible for any type of decision a person or entity would make based on this assurance statement. While reading the assurance statement, stakeholders shall recognize and accept the limitations and scope as mentioned above.

#### **Uncertainty**

The reliability of assurance is subject to uncertainty(ies) that is inherent in the assurance process. Uncertainties stem from limitations in quantification models used, assumptions, or data conversion factors used or may be present in the estimation of data used to arrive at results. Our conclusions with respect to this assurance are naturally subject to any inherent uncertainty(ies) involved in the assurance process.

#### **Statement of Independence, Impartiality, and Competence**

Bureau Veritas is an independent professional services company that specializes in Quality, Health, Safety, Social, and Environmental Management with almost 195 years of history in providing independent assurance services. Bureau Veritas has implemented a Code of Ethics across the business to maintain high ethical standards among staff in their day-to-day business activities. We are particularly vigilant in the prevention of conflicts of interest.

No member of the assurance team has a business relationship with "BHEL", its Directors, Managers, or officials beyond that required of this assignment. We have conducted this verification independently and there has been no conflict of interest.

#### **Competence**

The assurance team has extensive experience in conducting assurance over environmental, social, ethical, and health & safety information, systems and processes an excellent understanding of Bureau Veritas standard methodology for the Assurance of Sustainability Reports.

#### **Restriction on use of Our Report**

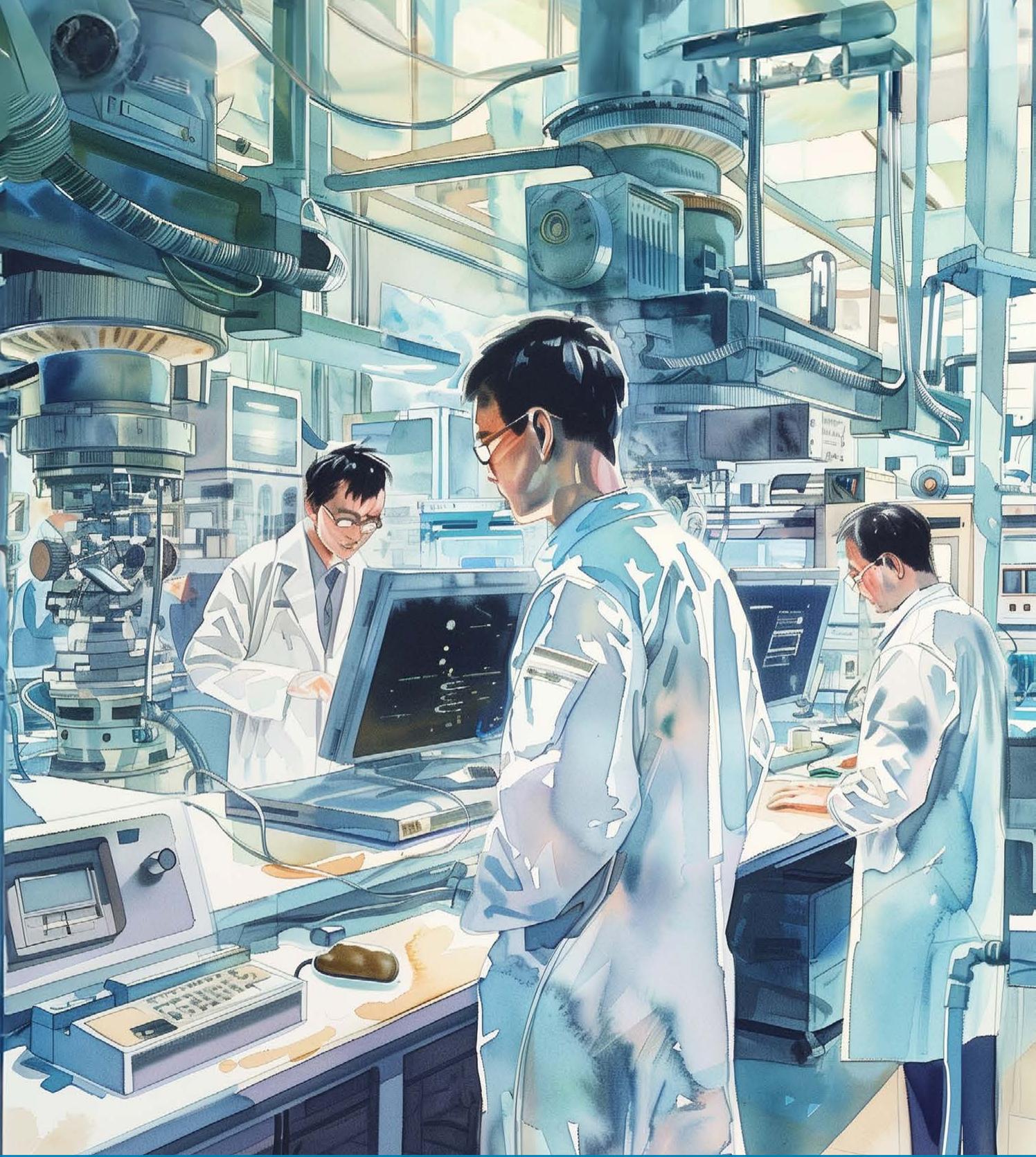
Our Reasonable assurance report has been prepared and addressed to the Board of Directors of the Company at the request of the company solely to assist the company in reporting on the Company's Sustainability performance and activities. Accordingly, we accept no liability to anyone, other than the Company. Our deliverables should not be used for any other purpose or by any person other than the addressees of our deliverables. The Firm neither accepts nor assumes any duty of care or liability for any other purpose or to any other party to whom our Deliverables are shown or into whose hands it may come without our prior consent in writing.

**Amit Kumar**  
**Lead Assurer**  
Bureau Veritas India Private Limited

**Munji Rama Mohan Rao**  
**Technical Reviewer**  
Bureau Veritas India Private Limited

New Delhi, India  
Date: July 19, 2024

Hyderabad, India  
Date: July 19, 2024



## RESEARCH & DEVELOPMENT AND TECHNOLOGICAL ACHIEVEMENTS

## Annexure – VI to the Board's Report

### Research & Development and Technological Achievements

#### 6.1 R&D Strategy

BHEL is committed towards developing innovative technologies & solutions and substantially invests in R&D for creation of intellectual property. In FY 2023-24 around ₹ 700 Crores were invested in R&D surpassing 2.5% of Revenue, resulting in 543 patents and copyrights filed, taking total IPR capital in excess of 5,650 (numbers) as on March 31, 2024. Also, in the year, nearly 18% of the company's revenues were generated from products, systems, and services developed in-house.

#### Significant Initiatives and Achievements

- High Efficiency Thermal Power Plants-** BHEL's focus on clean coal technologies such as coal gasification and Advance Ultra Super Critical (AUSC) technology for balancing energy security, economic growth, and environmental sustainability and promoting cleaner and more efficient coal-based power generation solutions.
- Clean Coal Technologies-** BHEL has showcased clean coal technologies through the indigenous design, installation, and demonstration of a 1.2 TPD coal to 0.25 TPD Methanol Generation Plant in Hyderabad, using BHEL's in-house developed Pressurised Fluidised Bed Gasification (PFBG) technology for gasification of high-ash Indian coal.

To commercialise the clean technology, BHEL has established a Joint Venture company with Coal India Limited (CIL) for setting up a Coal-to-Ammonium Nitrate Plant. The JV company has been incorporated with the name – Bharat Coal Gasification and Chemicals Limited.

- Rail Transportation-** BHEL's active pursuit of self-sufficiency and enhancement of in-house capabilities in the rail transportation sector manifest its commitment towards modernisation and indigenisation drive of Indian Railways.
- Defence & Aerospace-** BHEL's collaborations with esteemed customers and Industry bodies demonstrate its commitment towards supporting India's defence preparedness, technological advancement, and strategic autonomy.
- Technology Collaborations-** BHEL is strategically positioning itself to capitalize on emerging technologies and drive growth through collaborations with established Global players (BHEL has 13 active TCAs as on 31<sup>st</sup> March 2024).

The Company is committed to establishing a robust knowledge ecosystem within the organization as well as continuous reskilling of its engineering workforce. A specific area of focus for BHEL is engineering optimization, achieved through design optimization and streamlining product cycle times. This strategic approach aims at driving cost reduction and improving overall efficiency across BHEL products.

#### Achievement during the year

BHEL's R&D efforts towards development of new/ improved products, processes and systems have resulted in following major developments:

- Two sets of Well Head & X-MAS Tree Valve System of 15,000 PSI rating to ONGC being imported till now by ONGC.
- Surface units (160D, 456D, 640D (new variants)) of Sucker Rod Pump (also known as Beam Pumping unit) for oil rig applications. API certification has also been obtained for the same.
- Methanol to DME (Di-Methyl Ether) conversion technology and demonstrated through pilot plant at Corp R&D to generate DME of high purity that is suitable for blending with LPG.
- Largest size Guillotine Gate (duct size of 14m (height) x 7m (width)) which achieved leak tightness efficiencies of 99.95% (without seal air) & 100% (with seal air).



50 m tall testing stand for guillotine gates and dampers at BHEL Ranipet

- Direct drive train system for E-mobility applications comprising (i) 145kW, 6-Phase liquid cooled Permanent Magnet Motor and (ii) 360kVA, 6-Phase Traction Controller. The system has been successfully tested at Automotive Research Association of India (ARAI). The motor is designed for peak power of 227 kW and maximum operating speed of 2900 RPM
- BHEL has established a green field pilot scale facility for production of high energy space grade Li-ion cells. In FY 2023-24, BHEL has manufactured and supplied 5Ah Li-ion cells after successful qualification tests conducted at Vikram Sarabhai Space Center (VSSC-ISRO).
- Successfully completed Capability cum Capacity Assessment (CCA) for Train Collision Avoidance System (TCAS) - Kavach. Approval has been received from RDSO, Bengaluru, which will pave the way for BHEL to get developmental order for Kavach System from Indian Railways.
- Designed, manufactured and tested 1250kW, 6.6kV, 4 pole flameproof motor for hazardous area application.
- Design, development and successful field testing of burner to ensure stable operation of boiler for wider range of operation (upto 40% load) without oil support.
- Successfully designed, manufactured and supplied Slurry Re-circulation Pump (SRP) for handling wet limestone based slurry in FGD units.
- Following design automation initiatives have been completed:
  - › Design Automation of four pole Turbo Generator through Integrated Software Platform
  - › Design Automation of Complete Hydro Generator

## 6.2 Outlook for R&D and technology development

BHEL's R&D focus areas for future include:

- Post successful development & demonstration of coal gasification technology, specifically for high ash Indian coal, company is working to improve indigenous technology to generate chemicals and green fuels (methanol, hydrogen, etc.) from syngas.
- Total solutions for rail transportation in areas of three-phase AC drive system for Electric Locomotives & Electric Multiple Units (EMU), High Powered Locomotives and High Speed Trainsets.
- Products & systems for Hydrogen Value chain applications.
- Development of Products and systems for Marine Gas Turbines, Li-ion Battery System, Heat exchangers, etc.

- Development of Products for downstream Oil and Gas sector.
- Development of Products and systems for nuclear power plants.
- Development of solutions for E-mobility ecosystem (including power train, charging stations etc.) and Energy Storage Systems.
- Products and systems for digital substation and advanced power transmission.

BHEL is committed to achieve sustainable growth through innovation and technology leadership through dynamic realignment of its R&D processes. By remaining responsive to market needs, optimizing its R&D efforts, and fostering a culture of continuous improvement, BHEL is well-positioned to thrive in a rapidly evolving business environment.

For and on behalf of the Board of Directors of

**BHARAT HEAVY ELECTRICALS LTD.**



**K. Sadashiv Murthy**

Chairman & Managing Director

Place: New Delhi

Date: July 27, 2024

## Annexure – VII to the Board's Report

### 7.1 Conservation of Energy

Your company consistently engages itself towards initiatives focused on energy efficiency and conservation, as integral part of its operations. BHEL's energy-intensive units hold ISO 50001 certification, highlighting its commitment to rigorous energy management standards. Through systematic energy audits, conducted across its units, various conservation projects have been implemented, resulting in tangible reductions in energy costs.

BHEL installed captive solar plants collectively generated around 3.2 crore units of green energy across the organization in FY 2023-24 achieving cumulative generation of approximately 19.2 crore units in past seven years.

As an energy management initiative, ten Manufacturing Units (HEEP & CFFP Haridwar, HPBP & SSTP Trichy, Thirumayam, Ranipet, Bhopal, Hyderabad, Varanasi and Goindwal) are ISO 50001:2018 certified. Approximate 51 numbers of Energy conservation (ENCON) projects identified during Energy Audits of major units have been implemented across BHEL during FY 2023-24.

### 7.2 Technology Absorption and Research & Development

#### Research & Development

1.	Specific areas in which R&D carried out by the Company	 Given in the Board's Report under Annexure- VI "R&D and Technological Achievements"
2.	Benefits derived as a result of the above R&D	
3.	Future Focus areas	
<b>4. Expenditure on R&amp;D</b>		
Total		-- ₹697.6 Crores
a)	Recurring	-- ₹687 Crores
b)	Capital	-- ₹10.6 Crores
Expenditure as a percentage of revenue		-- 2.9%

### Technology Absorption

Details of technology imported during the last 5 years:

Technology	Year of import	Absorption status
New Generation C&I Automation	2020	Technology absorption in progress.
Upgraded Super Rapid Gun Mount (SRGM)	2021	
Circulating Fluidised Bed Combustion (CFBC) Boilers	2022	
Upgraded and New models of Gas Turbines	2023	

### 7.3 Foreign Exchange Earnings and Outgoing

Particulars	2023-24	2022-23	(₹ Crores)
Foreign Exchange Used	1,564	1,530	
Foreign Exchange Earned	1,062	1,565	

For and on behalf of the Board of Directors of

**BHARAT HEAVY ELECTRICALS LTD.**



**K. Sadashiv Murthy**  
Chairman & Managing Director

Place: New Delhi

Date: July 27, 2024

## Annexure – VIII to the Board's Report

### 8.1 Implementation of Official Language

BHEL is committed towards implementation of Official Language 'Hindi'. Quarterly meetings of Official Language Implementation Committees are held regularly to review the status of Rajbhasha implementation.

Major Initiatives taken to promote use of Rajbhasha 'Hindi' during FY 2023-24

- Large scale Hindi training for non-Hindi speaking employees in 'C' region under the Hindi Teaching Scheme of the Government of India.
- Inspection of 16 units/divisions to monitor and review the progress in the use of the Official Language.
- Hon'ble Parliamentary Committee on Official Language inspected 5 Units/Divisions of BHEL and expressed satisfaction/appreciation on the efforts being made towards implementation of Official Language, and further advised to achieve the targets.
- Coordination of seventh meeting of the Hindi Advisory Committee of Ministry of Heavy Industry organized at Mussoorie on June 16, 2023.
- On the occasion of Hindi Diwas, 2023, BHEL organised various competitions, seminars, and cultural programs during the month of September including 'Rajbhasha Ullas Parv' in Delhi-NCR based offices with participation of 1,211 employees.

- 22 officials of BHEL participated in Hindi Day Celebration & All India Rajbhasha Conference for the year 2023-24 organized by Department of Official Language, Ministry of Home Affairs at Pune.
- 25 newly established/renovated libraries of subordinate undertakings of the Ministry of Heavy Industries were inaugurated from BHEL Jhansi unit through video conferencing. Of these, 18 libraries belong to BHEL.
- On the occasion of World Hindi Day on January 10, 2024, 5 competitions were organized for Delhi-NCR based offices during the period January – February 2024 witnessing participation of 211 employees.
- BHEL is playing an active role in the Town Official Language Implementation Committees (TOLIC) located in various cities with membership of Heads of units/ divisions in respective cities. BHEL is making significant contribution in organizing competitions and other activities of TOLIC. 9 employees from Delhi - NCR based offices won awards in various competitions organized by TOLIC (Undertaking-1) Delhi during October- December 2023.
- 17 Hindi magazines are published in BHEL and 30 employees were awarded cash prizes for contributing excellent articles. BHEL's Hindi magazine 'Arunima' was honored with Protsahan Puraskar in the 58<sup>th</sup> meeting of TOLIC (Undertaking-1) Delhi held in January 2024.
- Hindi workshops are organized regularly with More than 4,500 participation.





Vigilance Awareness Week 2023 with the theme of 'Say No to Corruption; Commit to the Nation', was observed across BHEL

- Under the 'Inter-Unit Rajbhasha Shield' scheme, Rajbhasha Shield and Certificate for the year 2022-23 was awarded to 18 units/divisions of the Company for excellent implementation of Official Language.
- Under the 'Maulik Hindi Pustak Lekhan Yojana' of the company, cash prizes and certificates were presented to two employees.
- Children of employees who scored excellent marks in Hindi subject in board examinations were also rewarded.
- BHEL is contributing as member in the Testing Committee of memory based translation software "Kanthastha 2.0" and its mobile app released by Department of Official Language, Ministry of Home Affairs, Government of India.

## 8.2 Vigil Mechanism

The company has in place a full-fledged Vigil Mechanism founded on the principles of Good Governance, Transparency, Probity and Ethics. Vigilance function of BHEL is headed by Chief Vigilance Officer (CVO), who functions as a link between Central Vigilance Commission (CVC), Central Bureau of Investigation (CBI) and the Management. Each of the manufacturing Units and Power Sector Regions of BHEL have a Vigilance set-up, headed by a Vigilance Executive reporting to the CVO.

Preventive Vigilance has always remained the focus area of BHEL's Vigilance team. The approach to preventive vigilance includes a combination of review of systems, rules and policies, particularly concerning procurement & recruitment and awareness raising measures, targeting specific functional

areas/ issues, by engaging stakeholders, in order to progressively eliminate scope for corruption.

During the year, inspections of different manufacturing units/ power sector regions were done by the Corporate Vigilance team. In addition, routine inspections, surprise checks, system studies, CTE Type Inspections etc. were also conducted at unit level by the Unit Vigilance setups. Based on the findings of these inspections and studies, necessary corrective and punitive actions were taken, and system improvements suggested to the Management. The audit reports (internal, statutory and CAG reports) are also scrutinized as per the mandate of CVC, so as to determine whether there is any vigilance angle involved in respect of the irregularities brought out in such reports. Annual Property returns of 3,007 employees (about 21% of employee covered under CDA Rules) were scrutinized during the year FY 2023-24.

During FY 2023-24, 25 cases were taken up for investigation. Various actions against 35 employees were recommended for the deviations from norms and procedures. Another focus was on expeditious disposal of such actions. As a result, a total of 30 actions were concluded, that included current as well as past pending recommendations. Further, out of 197 complaints (192 received during the year FY 2023-24), 179 were disposed-off after examination, and the balance are under different stages of disposals. On the advice of Vigilance, recoveries of ₹100.27 lakh (approx.) have been made from various agencies, employees, vendors and contractors.

As per directives issued by CVC vide circular no. 08/09/2023 dated September 11, 2023, Vigilance Awareness Week (VAW) was observed from October 30, 2023 to November 5, 2023 with the theme "भ्रष्टाचार का विरोध करें; राष्ट्र के प्रति समर्पित रहें" (Say No to

Corruption; Commit to the Nation) across BHEL. The observance of VAW commenced with Integrity Pledge by the employees. The link of 'Integrity Pledge' <https://pledge.cvc.nic.in> was provided on BHEL internet Homepage, and all the intranet websites of various manufacturing Units/ Regions/ Offices, and all the stakeholders were encouraged to take the integrity pledge.

To generate awareness about rules, regulations & policies, 153 competitions of various types were organized for the employees and their wards (in respective units) on the theme of Vigilance Awareness Week. 4,023 employees participated in these competitions. A total of 90 awareness programmes on procurement policies, ethics, cyber hygiene, systems and procedures of the organisation were organized, where 4,346 employees participated. BHEL also reached out to various stakeholders, like vendors and also students, in generating awareness about Vigilance. E-mails having integrity quotes were also sent to all employees. Further, a system generated footnote for PIDPI awareness was also placed in all outgoing e-mails of BHEL during the week. Scrolling messages on VAW-2023 theme were hosted on Intranet and Internet websites. Screen saver having the theme of VAW-2023 were displayed on PCs of all employees. Selfie frames having VAW-2023 theme and logos of CVC & BHEL were installed across BHEL Units/ Offices.

### **8.3 Health, Safety & Environment (HSE)**

The company has a well-established Environment Management System (EMS) and Occupational Health and Safety Management System (OHMS), integrated into a single management system called HSE Management System. As there are wide variations in products, services and activities of various units and divisions, they all have their own HSE management system. The HSE management systems are based on the company's HSE Policy. All Manufacturing Units, Power Sector Regions, TBG & ISG (having project sites under them) and Noida Townships are having certification of ISO 14001 & ISO 45001. All these certificates are valid as on March 31, 2024.

The company has been continuously striving towards "Zero Harm" to employees as well all those who work for us. The manufacturing units and other divisions continued their thrust on safety trainings, safety inspections, mock drill for identified emergencies, promotional campaigns, displays in the form of banners/ posters/ board with promotional/ warning/ cautionary messages. All units have occupational health centres and occupational health check-up of employees continued in a planned manner.

At project sites, the work conditions are more hazard prone and very dynamic, and thus more challenging. There is greater thrust on trainings and retraining of workers, health check-up and fitness test of workers before engaging them in work,

toolbox talks, mass toolbox talks, safety inspections, mock drills, safety observations, preparation & implementation of Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA) & Method Statements (MS) for jobs, scrupulous implementation of work permit system, safety review at various levels, promotional campaigns, rewarding & recognizing good safety performers among workers.

As a part of Environmental Management system, the units continued their efforts for elimination and reduction of impact of operations on the environment. Our thrust continued on putting efforts towards conservation of natural resources, including water, energy conservation and energy efficiency, carbon emission reduction, greater use of renewable energy, maintain existing green cover and planting new saplings. हरित बीएचईएल (Harit BHEL) initiative was also launched during the year FY 2023-24, for transforming BHEL into a Green Company.

A number of promotional campaigns were organised during the year. BHEL Safety Fortnight-2024, was celebrated across the company starting with National Safety Day celebration on March 4, 2024 and continued till March 17, 2024. BHEL Environment Awareness Month-2023 was celebrated across the company, starting with celebration of World Environment day on June 5, 2023 and continued till July 4, 2023. Swachhata Pakhwada-2023 was celebrated during August 16-31, 2023 and the Special Campaign 3.0 for Swachhata was observed during October 02-31, 2023.

During the year, the company was awarded "Gold Award" under the Apex India Occupational Health & Safety Award 2023, in the "Engineering sector" and 23<sup>rd</sup> Annual Greentech Environment Award 2023 for outstanding achievements in "Environmental Excellence" category.

For and on behalf of the Board of Directors of

**BHARAT HEAVY ELECTRICALS LTD.**



**K. Sadashiv Murthy**

Chairman & Managing Director

Place: New Delhi

Date: July 27, 2024

## Annexure – IX to the Board's Report

### Form AOC - I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

#### **Statement containing salient features of the financial statement of subsidiaries/ associate Companies/ Joint Ventures**

#### **Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in ₹ Crore)

1	Sl. No.	NOT APPLICABLE
2	Name of the subsidiary	
3	The date since when subsidiary was acquired	
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
5	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries.	
6	Share capital	
7	Reserves & surplus	
8	Total assets	
9	Total Liabilities	
10	Investments	
11	Turnover	
12	Profit before taxation	
13	Provision for taxation	
14	Profit after taxation	
15	Proposed Dividend	
16	% of Shareholding	

1	Names of Subsidiaries which are yet to commence operations	NIL
2	Names of subsidiaries which have been liquidated or sold during the year.	NIL

## Part "B": Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(₹ in Crore)

	Name of Joint Ventures	BHEL-GE Gas Turbine Services Pvt Ltd	NTPC BHEL Power Projects Pvt Ltd	Raichur Power Corporation Ltd
1	Latest Audited Balance Sheet Date	31.03.2023	31.03.2023	31.03.2023
2	Date on which Associate or Joint Venture was associated or acquired	5 <sup>th</sup> May, 1997	28 <sup>th</sup> April, 2008	15 <sup>th</sup> April, 2009
3	Shares of JVs held by BHEL on the year end No.	2379999	50000000	664040000
	Amount of investment	2.38	50.00	664.04
	Extent of Holding %	50% minus one share	50%	22.14%
4	Description of how there is significant influence	Jointly controlled entities		
5	Reason why the associate/ JV is not consolidated	N.A.	N.A.	N.A.
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	232.29	NIL	NIL
7	Profit/ Loss for the year	As per equity method		
	i) Considered in Consolidation	63.98	NIL	NIL
	ii) Not considered in Consolidation	-	(2.08)	(338.53)

Figures given in brackets are negative. In RPCL, 300 shares are held by BHEL in the name of its nominee.

M/s Power Plant Performance Improvement Ltd. is under liquidation and hence not considered in consolidation. The investment in this JV amounting ₹2.00 Crore has been fully provided for.

For and on behalf of Board of Directors

  
**(Rajeev Kalra)**  
 Company Secretary  
 M. No. 14567

  
**(K. Sadashiv Murthy)**  
 Chairman and Managing Director  
 Additional charge of Director (Finance) & CFO  
 DIN: 09184201

Place : New Delhi  
 Date : May 21, 2024

## Form No AOC - II

(Pursuant to clause (h) of subsection (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 Including certain arm's length transactions under third proviso thereto

### **1. Details of contracts or arrangements or transactions not at arm's length basis:**

1	Name(s) of the related party and nature of relationship	NOT APPLICABLE
2	Nature of contracts/arrangements/transactions	
3	Duration of the contracts/arrangements/transactions	
4	Salient terms of the contracts or arrangements or transactions including the value, if any	
5	Justification for entering into such contracts or arrangements or transactions	
6	Date(s) of approval by the Board	
7	Amount paid as advances, if any	
8	Date on which the special resolution was passed in general meeting as required under proviso to section 188	

### **2. Details of materials contracts or arrangements or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship	NOT APPLICABLE
(b)	Nature of contracts/arrangements/transactions	
(c)	Duration of the contracts/arrangements/transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Date(s) of approval by the Board	
(f)	Amount paid as advances, if any	

For and on behalf of the Board of Directors of

**BHARAT HEAVY ELECTRICALS LTD.**



**K. Sadashiv Murthy**  
Chairman & Managing Director

Place: New Delhi  
Date: July 27, 2024

## Annexure – X to the Board's Report

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Bharat Heavy Electricals Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **BHARAT HEAVY ELECTRICALS LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the material accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements") in which are incorporated the returns for the year ended on that date for 19 branches audited by us and 10 branches audited by the branch auditors of the company.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

### Emphasis of Matter

1. We draw attention to Note No. 44 to the Standalone Financial Statements, the company has changed its accounting policy (w.r.t. impairment of financial assets) in line with the Expert Advisory Committee opinion received during the year from ICAI, with respect to factoring time value of money while calculating Expected Credit Losses in respect of Contract Assets. The impact provided for Expected Credit Loss on contract assets as on 1<sup>st</sup> April 2022 is reduction in total equity by ₹2,626.50 Cr, withdrawal in Provision for ECL for FY 2022-23 is ₹236.17 Cr and withdrawal in Provision for ECL for Current Year 2023-24 is ₹1,093.50 Cr.
2. We draw attention to Note No. 38 to the standalone financial statements that there has been a change in Accounting Estimates and judgment with respect to the Provision for Contractual Obligation, used in preparation of Financial Statements during the year 2023-24. The change is applied prospectively in line with IndAS 8. This has resulted in reduction of revenues by ₹92.47 Cr., and reduction in provisions by ₹1,356.12 Cr
3. We draw attention to Note No. 06 to the Standalone Financial Statements, the company has deferred the creation of provision for an amount of ₹211 Cr. on the Sudan Project citing delay in realization due to Civil War.
4. We draw attention to the Note No. 45 to the Standalone Financial Statements regarding the ransomware incident occurred on 05<sup>th</sup>, 06<sup>th</sup> Jan 2024 night. As per the company, the impacted services were restored successfully without any data loss and financial impact.

Our opinion is not modified in respect of matters mentioned in above paragraphs.

## Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and informing 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><i>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</i></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 39</b> to the Standalone Financial Statements.</p>	<p><b><i>Principal Audit Procedures</i></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><i>Assessment and recoverability of Trade Receivables and Contract Assets</i></b></p> <p>The Company has trade receivables outstanding (net) of <b>₹8,010.07 Crore</b> and contract assets (net) of <b>₹26,747.54 Crore</b> at the end of March 31, 2024.</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, 39</b> to the Standalone Financial Statements.</p>	<p><b><i>Principal Audit Procedures</i></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 ageing 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>

<b><i>Assessment of Contingent Liability</i></b>	<b><i>Principal Audit Procedures</i></b>
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.	The audit procedures included but were not limited to: <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.</li> </ul>
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 analyzing the facts of subject matter under consideration and judgments/interpretation of law involved.  <b>Refer Note 32</b> to the Standalone Financial Statements.	<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>

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report, Corporate Governance and Shareholder's information, but does not include the standalone 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 financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive

income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the standalone financial statements, Management of Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management of Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is

not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

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

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

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

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

## Other Matters

We did not audit the financial statements/information of **10 (Ten)** branches included in the standalone financial statements of the Company whose financial statements/financial information reflect total assets of **₹ 38,063 Crore** as at 31<sup>st</sup> March, 2024 and total revenue of **₹ 13,343 Crore** for the year ended on that date, as considered in the standalone financial statements. The financial statements/information of these branches have been audited by the Branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of these matters.

## Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143 (3) of the Act, based on our audit we report that:
- 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;
  - In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
  - The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
  - The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended;
  - In terms of Notification no. G.S.R. 463(E) dt. 05-06-2015 issued by Ministry of Corporate Affairs, the Provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of directors are not applicable to the Company, being a Government Company;
  - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**";
  - As per Notification No. GSR 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the company;

i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. **Refer Note 32** to the financial statements;
- The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. **Refer Note 38** to the financial statements;
- There has been no delay in transferring the amount, required to be transferred in accordance with the relevant provisions of the Companies Act, 2013 and the rules made thereunder, to the Investor Education and Protection Fund by the Company.
- The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v) (a) The final dividend proposed for the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) During the year the Company has not declared or paid any Interim dividend.
- (c) As stated in **Note 31** to the Standalone financial statements, the Board of Directors of the company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi) Based on our examination, which included test checks, and the reports of Branch Auditor's, we report that the company has used multiple accounting softwares for maintaining its books of accounts having a feature of recording audit trail (edit log) facility except in one branch where

DBase accounting software was used which did not have the feature of recording audit trail (edit log). The Audit Trail has operated throughout the year for all relevant transactions recorded in the software except from 06-01-2024 to 15-01-2024 since no transactions were recorded due to malware attack. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Our examination of the audit trail was in the context of an audit of financial statements carried out in accordance with the Standard of Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

- (3) On the basis of such checks of the books and records of the Company, as we considered appropriate and according to the information and explanations given to us, we are enclosing our report in terms of Section 143(5) of the Act, on the directions and sub directions issued by the Comptroller and Auditor General of India in "**Annexure C**".

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



**(Nirjanan Agrawalla)**  
Partner  
**M. No. 087939**

UDIN: 24087939BK CZTR9651

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



**(Suhas Basu)**  
Partner  
**M. No. 052684**

UDIN : 24052684BK CRUE7758

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



**(Vijit Baidmutha)**  
Partner  
**M. No. 406044**

UDIN: 24406044BK BEOV1119

Place : New Delhi

Date : May 21, 2024

## Annexure "A" TO INDEPENDENT AUDITORS' REPORT

**(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report to Member of Bharat Heavy Electricals Limited of even date)**

To best of our information and according to the explanation provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i) In respect of Company's Property, Plant and Equipment and Intangible Assets:
  - (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant & Equipment.
  - B. The Company has maintained proper records showing full particulars of Intangible assets.
- (b) The Company has program of verification to cover all the items of Property, Plant & Equipment in a phased manner, over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us, the records examined by us, the title deeds of immovable properties are held in the name of Company except those disclosed in Additional disclosure of Note 3.1 Property, Plant and Equipment.
- (d) The Company has not revalued its Property, Plant & Equipment (including Right of Use assets) or intangible assets during the year.
- (e) No proceedings have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii) (a) The physical verification of inventory (excluding stocks lying with third parties) has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of stores and spares, the Management has a verification programme with appropriate procedures designed to cover the items over a period of three years, which in our opinion, is appropriate. The discrepancies noticed on physical verification of inventory as compared to books record were not material.
- (b) According to the information and explanations given to us, and relevant records produced, the company has been sanctioned working capital limit of ₹60,000 Crores (Fund Based Limit of ₹9,000 Crore, Non-Fund Based Limits Letter of Credit (LC) ₹3,000 Crores and Bank Guarantees (BG) ₹48,000), under consortium finance from Banks/Financial institution against security of current assets. As per records verified by us, in our opinion, the quarterly returns or statement filed by the company with such Banks/Financial Institution are in agreement with books of accounts of the Company.
- (iii) According to the information given to us, the Company has not granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a-A, B), (iii) (b), (iii) (c), (iii) (d), (iii) (e) and (iii) (f) of Paragraph 3 of the Order are not applicable to the Company.
- iv) According to information and explanations given to us, Section 185 of the Act regarding loans to directors is not applicable to the Company by virtue of Notification No. G.S.R. 463(E) dated 05.06.2015 issued by the Ministry of Corporate Affairs, Govt. of India. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act with respect to the loans and investments made.
- v) According to the information and explanation given to us and based on our audit procedure, the company has not accepted any deposits within the meaning of section 73 to 76 of the Act or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules 2014.
- vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under section

148(1) of the Companies Act, 2013 and are of the opinion that *prima facie* the prescribed accounts and records have been made and maintained. However, we are not required to and have not carried out any detailed examination of such accounts and records.

vii)(a) According to the information and explanations given to us, in our opinion, the Company is generally regular

in depositing with appropriate authorities undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it.

(b) There was no undisputed amount payable in respect of Goods and Service Tax, Provident Fund, Employee

(₹ in Crore)

Sl. No.	Name of the Statute	Nature of the Dues	Pending Amount	Amount paid under protest	Amount not deposited	Forum where dispute is pending
1	Central Sales Tax Act, Value Added Tax and Sales Tax Act of various States	Sales Tax, VAT	119.81	11.50	108.31	Assessing Officer
			461.57	47.29	414.29	Dy. Commissioner /Jt. Commissioner/ Commissioner (Appeals)
			280.98	135.67	145.31	Appellate Tribunal
			44.98	4.13	40.85	High Court
			4.84	4.84	-	Supreme Court
2	Central Excise Act, 1944	Excise Duty	43.79	-	43.79	Assessing Officer
			12.29	0.06	12.23	Commissioner (Appeals)
			94.02	5.18	88.84	Appellate Tribunal
			27.49	-	27.49	Supreme Court
3	Service Tax under the Finance Act, 1994	Service Tax	43.71	1.06	42.65	Commissioner (Appeals) / Other Appellate Authority
			628.07	14.31	613.76	Appellate Tribunal
			1.56	-	1.56	High Court
4	Customs Act, 1962	Custom Duty	16.18	1.04	15.15	Commissioner (Appeals) / Other Appellate Authority
			24.02	0.55	23.47	Appellate Tribunal
			5.80	5.80	0.00	High Court
5	GST Act	GST	12.63	0.23	12.40	Commissioner (Appeals)
			0.96	0.18	0.78	Appellate Tribunal
6	Income Tax	Income Tax	0.84	0.84	-	Commissioner (Appeals)
7	Income Tax (Foreign)	Income Tax	17.74	2.66	15.08	Rawandan Court of Appeals
8	Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	0.62	0.62	-	RPFC Kanpur

State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value added Tax, Cess and any other Statutory dues as at March 31, 2024 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, the particulars of Goods and Service Tax, Provident Fund, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, which have not been deposited on account of dispute are as under:

viii) According to the records of the Company examined by us and the information and explanations given to us, no transactions

have been recorded in the books of accounts which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix) According to the records of the Company examined by us and the information and explanations given to us:

a) Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) Company is not a declared wilful defaulter by any bank or financial institution or other lender.

c) The Company has not taken any Term Loan during the year and there are no outstanding term loan at the beginning of the year and hence, reporting under clause 3(ix) (c) of Order is not applicable.

d) According to the information and explanation given to us, and the procedures performed by us, and on overall examination of the financial statement of the company, we report that no funds raised on short-term basis have been used for long –term purposes by the company.

e) According to the information and explanation given to us, and on an overall examination of the financial statement of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its joint ventures.

f) According to the information and explanation given to us, and procedures applied by us, we report that the company has not raised any loans during the year on the pledge of securities held in its joint ventures.

x) a) The Company has not raised any monies by way of initial public offer or further public offer (including debt instruments) hence reporting under clause 3(x) (a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or debentures (fully or partly or optionally) and hence reporting under clause 3(x) (b) of the Order is not applicable.

xi) a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the year, nor we have been informed of such case by the management.

b) No report under sub-section (12) of section 143 of the Companies Act, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government.

c) We have taken into consideration the whistle blower complaints received by the company during the year while determining the nature, timing and extend of audit procedures.

xii) Since the Company is not a Nidhi Company, provisions of clause no. 3(xii) of the Order is not applicable to the Company.

xiii) According to the information and explanations, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where ever applicable and the details have been disclosed in the Financial Statement, as required by the applicable accounting standard.

xiv) (a) In our opinion and based on examination, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit report of the company issued till date, for the period under audit.

xv) According to information and explanation given to us, in our opinion during the year Company has not entered into any non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

xvi) (a) In our opinion, Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi) (a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016) and accordingly reporting under clause 3(xvi) (d) of the order is not applicable.

xvii) The company has not incurred cash losses in the current and has not incurred cash losses in the immediately preceding financial year. Accordingly, provisions of clause 3(xvi)(d) of the order are not applicable.

xviii) There has been no resignation of the statutory auditors during the year.

xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing

and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx) According to the records of the Company examined by us and the information and explanations given to us:

(a) There are no unspent amount towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in schedule VII to the Companies Act in compliance with second proviso to sub section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility amount as at the end of previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act.

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



**(Niranjan Agrawalla)**  
Partner  
**M. No. 087939**  
UDIN: 24087939BK CZTR9651

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



**(Suhas Basu)**  
Partner  
**M. No. 052684**  
UDIN : 24052684BK CRUE7758

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



**(Viju Baidmutha)**  
Partner  
**M. No. 406044**  
UDIN: 24406044BK BEOV1119

Place : New Delhi

Date : May 21, 2024

## "ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BHARAT HEAVY ELECTRICALS LIMITED

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

We have audited the internal financial controls with reference to financial statements of Bharat Heavy Electricals Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over financial reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statement, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls with reference to Standalone financial statements

A Company's internal financial control with reference to financial statements 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 with reference to Standalone financial statements 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 with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone Financial Statements, 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 with reference to Standalone financial statements to

future periods are subject to the risk that the internal financial control with reference to Standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone financial statements and such internal financial controls with reference to Standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements 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



(Niranjan Agrawalla)  
Partner  
**M. No. 087939**  
UDIN: 24087939BK CZTR9651

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



(Suhas Basu)  
Partner  
**M. No. 052684**  
UDIN : 24052684BK CRUE7758

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



(Vijit Baidmutha)  
Partner  
**M. No. 406044**  
UDIN: 24406044BK BEOV1119

Place : New Delhi

Date : May 21, 2024

## "ANNEXURE C" TO INDEPENDENT AUDITOR'S REPORT

**Directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Bharat Heavy Electricals Limited (Standalone) for the year 2023-24:**

S. No.	Areas Examined	Replies
1	Whether the Company has system in place to process all the accounting transactions through IT system. If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	Yes, the Company has system in place to process all the accounting transactions through IT system at each Branch. However, each Branch is using different accounting Software's. Based on our Audit & Branch Auditor's Report, wherever the accounting transactions are based on workings outside IT System, no instances of lack of integrity of accounts and financial implications have been noticed/reported.
2	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable for statutory auditor of lender company).	According to the information and explanations given to us and based on our examination of the records of the company, there has been no restructuring/ waiver/ write off of debts/loans/interest etc. made by a lender due to the company's inability to repay the loan
3	Whether funds (grants/subsidy etc.) received / receivable for specific schemes from Central / State Government or its agencies were properly accounted for /utilized as per its term and conditions? List the cases of deviation.	Fund received / receivable for specific schemes from Central / State agencies were properly accounted for /utilized as per its term and conditions.

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



(Niranjan Agrawalla)  
Partner  
M. No. 087939  
UDIN: 24087939BK CZTR9651

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



(Suhas Basu)  
Partner  
M. No. 052684  
UDIN : 24052684BK CRUE7758

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



(Vijit Baidmutha)  
Partner  
M. No. 406044  
UDIN: 24406044BK BEOV1119

Place : New Delhi  
Date : May 21, 2024

## COMPLIANCE CERTIFICATE

We have conducted an audit of account of BHEL, Standalone and Consolidated accounts for the year ended on 31.03.2024 in accordance with the directions / sub-directions issued by the C&AG of India under section 143(5) of the Companies Act, 2013 and certify that we have compiled with all the directions / sub-directions issued to us.

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



(Niranjan Agrawalla)  
Partner  
**M. No. 087939**  
UDIN: 24087939BK CZTR9651

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



(Suhas Basu)  
Partner  
**M. No. 052684**  
UDIN : 24052684BK CRUE7758

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



(Vijit Baidmutha)  
Partner  
**M. No. 406044**  
UDIN: 24406044BK BEOV1119

Place : New Delhi

Date : May 21, 2024

DRA(E)/Rep/01-67/Acs-BHEL-SFS/2024-25/182



गोपनीय

**भारतीय लेखापरीक्षा और लेखा विभाग**  
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)  
नई दिल्ली

**INDIAN AUDIT & ACCOUNTS DEPARTMENT**  
Office of the Director General of Audit (Energy)  
New Delhi



Dated: २५.०८.२०२४

सेवा में,

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

**विषय:-** 31 मार्च 2024 को समाप्त वर्ष के लिए भारत हेवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

भारत हेवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के 31 मार्च 2024 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रही हैं।

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

भवदीया,

संलग्नक:- यथोपरि।

राज. ए. पंडा  
(एस. आङ्गादिनी पंडा)  
महानिदेशक

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL  
STATEMENTS OF BHARAT HEAVY ELECTRICALS LIMITED FOR THE YEAR  
ENDED 31 MARCH 2024**

The preparation of financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2024 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

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

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

Place: New Delhi

Date: 25.07.2024

  
(S. Ahladini Panda)  
Director General of ~~Audit~~ (Energy)



# Financial Statements

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Standalone Financial Statements ..... 168



## Standalone Balance Sheet as at March 31, 2024

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2024	As at March 31, 2023 (Restated)*	As at April 1st, 2022 (Restated)*
<b>A. ASSETS</b>					
<b>1. Non-current assets</b>					
(a) Property, plant and equipment	3a	182	2510.69	2408.74	2336.34
(b) Capital work-in-progress	3b	182	282.32	344.59	422.32
(c) Intangible assets	4a	189	63.35	67.24	62.12
(d) Intangible assets under development	4b	189	26.04	9.26	8.66
(e) Financial assets					
(i) Investments	5	191	667.60	669.54	669.71
(ii) Trade receivables	6	192	3224.69	3415.54	3203.84
(iii) Other financial assets	7	194	206.10	4098.39	4227.77
(f) Deferred tax assets (net of liabilities)	8	195		142.69	86.73
(g) Other non-current assets	9	196		4201.26	4246.54
					4413.44
					15833.50
<b>Total non-current assets</b>			<b>24871.74</b>	<b>28259.64</b>	<b>27036.66</b>
<b>2. Current assets</b>					
(a) Inventories	10	197	7220.57	6755.90	6560.21
(b) Financial assets					
(i) Trade receivables	6	192	4785.38	3128.35	3024.75
(ii) Cash and cash equivalents	11	198	1835.04	1561.34	732.62
(iii) Bank balances other than cash and cash equivalents	12	198	4322.43	5136.73	6421.07
(iv) Other financial assets	7	194	239.82	11182.67	186.44
(c) Current tax assets (net)	13	198		229.07	226.38
(d) Other current assets	9	196		15913.38	12099.36
					9975.71
<b>Total current assets</b>			<b>34545.69</b>	<b>29094.50</b>	<b>27045.16</b>
<b>TOTAL ASSETS</b>			<b>59417.43</b>	<b>57354.14</b>	<b>54081.82</b>
<b>B. EQUITY AND LIABILITIES</b>					
<b>3. Equity</b>					
(a) Equity share capital	14	199	696.41	696.41	696.41
(b) Other equity	15	199	24154.18	24115.98	23648.25
<b>Total Equity</b>			<b>24850.59</b>	<b>24812.39</b>	<b>24344.66</b>
<b>4. Liabilities</b>					
<b>4.1 Non-current liabilities</b>					
(a) Financial liabilities					
(i) Lease Liabilities	16	200	23.55	33.75	35.12
(ii) Trade payables	17	200	-	-	-
(i) Total outstanding dues of micro enterprises and small enterprises					
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			2292.76	2065.92	2004.48
(iii) Other financial liabilities	18	202	325.88	2642.19	255.70
(b) Provisions	19	202		2489.08	4101.02
(c) Other non-current liabilities	20	202		4102.77	2605.81
					2212.65
<b>Total non-current liabilities</b>			<b>9234.04</b>	<b>9062.20</b>	<b>8238.56</b>

## Standalone Balance Sheet as at March 31, 2024

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2024	As at March 31, 2023 (Restated)*		As at April 1st, 2022 (Restated)*	
<b>4.2. Current liabilities</b>							
(a) Financial liabilities							
(i) Borrowings	21	203	8808.00	5385.00		4745.00	
(ii) Lease Liabilities	16	200	24.91	34.76		49.81	
(ii) Trade payables	17	200					
(i) Total outstanding dues of micro enterprises and small enterprises			1157.45	1211.53		745.82	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			7538.79	8684.30		7003.77	
(iii) Other financial liabilities	18	202	1418.44	18947.59	1405.04	16720.63	1251.54
(b) Provisions	19	202		2318.27		2796.63	3066.70
(c) Other current liabilities	20	202		4066.94		3962.29	4635.96
<b>Total current liabilities</b>				<b>25332.80</b>		<b>23479.55</b>	<b>21498.60</b>
<b>Total liabilities</b>				<b>34566.84</b>		<b>32541.75</b>	<b>29737.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				<b>59417.43</b>		<b>57354.14</b>	<b>54081.82</b>

Basis of preparation, measurement and material accounting policies      2      176

The accompanying notes [1-56] are an integral part of these financial statements

\* The Company has presented a third statement of financial position as at the beginning of preceding period, because the change in accounting policy (see Note No. 44) has a material impact on the Financial Statement.

For and on behalf of Board of Directors

(Rajeev Kalra)  
Company Secretary

M. No. 14567

(K. Sadashiv Murthy)  
Chairman and Managing Director  
Additional charge of Director (Finance) & CFO  
DIN: 09184201

As per our report of even date

For ABP & Associates  
Chartered Accountants  
FRN – 315104E

(Niranjan Agrawalla)  
Partner  
M. No. 087939

For PSMG & Associates  
Chartered Accountants  
FRN – 008567C

(Suhas Basu)  
Partner  
M. No. 052684

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

(Viju Baidmutha)  
Partner  
M. No. 406044

Place : New Delhi  
Date : May 21, 2024

## Standalone Statement of Profit and Loss

For the year ended March 31, 2024

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2024	For the year ended As at March 31, 2023 (Restated)
<b>INCOME</b>				
Revenue from operations	22	204	23892.78	23364.94
Other income	23	204	587.92	514.81
<b>TOTAL INCOME</b>			<b>24480.70</b>	<b>23879.75</b>
<b>EXPENSES</b>				
Cost of raw materials consumed			6116.27	5875.28
Purchases of Bought out items			5868.46	4657.33
Civil, erection and engineering expenses			4908.84	5421.08
Consumption of stores & spares			350.28	404.18
"Changes in inventories of finished goods, work in progress and Scrap"	24	205	(436.74)	(57.15)
Employee benefits expense	25	205	5628.84	5700.63
Other Expenses	26	206	844.23	410.86
Finance costs	27	209	731.29	521.43
Depreciation & amortisation expense	3.1 4.1	184 189	248.90	260.34
<b>TOTAL EXPENSES</b>			<b>24260.37</b>	<b>23193.98</b>
<b>PROFIT BEFORE TAX</b>			<b>220.33</b>	<b>685.77</b>
<b>Tax expenses</b>	28	209		
a) Current tax			(112.56)	(111.22)
b) Deferred tax			73.00	(39.56)
<b>PROFIT FOR THE YEAR (A)</b>			<b>259.89</b>	<b>624.28</b>

## Standalone Statement of Profit and Loss

For the year ended March 31, 2024

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2024	For the year ended As at March 31, 2023 (Restated)
<b>OTHER COMPREHENSIVE INCOME</b>	<b>29</b>	<b>209</b>		
Items that will not be reclassified to profit or loss (net of tax)				
- Remeasurement of defined employee benefits			(82.41)	(17.27)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>			<b>(82.41)</b>	<b>(17.27)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>			<b>177.48</b>	<b>607.01</b>
<b>Earnings per equity share</b>	<b>30</b>	<b>210</b>		
(1) Basic [Face value of ₹2 each]			0.75	1.79
(2) Diluted [Face value of ₹2 each]			0.75	1.79

Basis of preparation, measurement and material accounting policies    **2**    **176**

The accompanying notes [1-56] are an integral part of these financial statements

For and on behalf of Board of Directors

(Rajeev Kalra)  
Company Secretary

M. No. 14567

(K. Sadashiv Murthy)  
Chairman and Managing Director  
Additional charge of Director (Finance) & CFO  
DIN: 09184201

As per our report of even date

For ABP & Associates  
Chartered Accountants  
FRN – 315104E

(Niranjan Agrawalla)  
Partner  
M. No. 087939

For PSMG & Associates  
Chartered Accountants  
FRN – 008567C

(Suhas Basu)  
Partner  
M. No. 052684

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

(Vijit Baidmutha)  
Partner  
M. No. 406044

Place : New Delhi  
Date : May 21, 2024

## Standalone Statement of Changes in Equity

For the year ended March 31, 2024

### A. Equity Share Capital

(₹ in Crore)

Equity shares of ₹2 each issued, subscribed and fully paid	Number of shares		Amount	
	2023-24	2022-23	2023-24	2022-23
Balance at the beginning of the year	3482063355	3482063355	696.41	696.41
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>3482063355</b>	<b>3482063355</b>	<b>696.41</b>	<b>696.41</b>

### B. Other equity

For the year ended March 31, 2024

(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings		
<b>Balance as at April 01, 2023</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(6098.20)</b>	<b>(335.53)</b>	<b>24115.98</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-
<b>Reinstated balance as at April 01, 2023</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(6098.20)</b>	<b>(335.53)</b>	<b>24115.98</b>
Add: Total comprehensive Income for the year	-	-	-	259.89	(82.41)	177.48
Less: Final dividend	-	-	-	(139.28)	-	(139.28)
<b>Balance as at March 31, 2024</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(5977.59)</b>	<b>(417.94)</b>	<b>24154.18</b>

For the year ended March 31, 2023 (Restated)

(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings		
<b>Balance as at April 01, 2022</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(3956.70)</b>	<b>(318.26)</b>	<b>26274.75</b>
Add: Changes in Accounting Policy or prior period errors (refer Note No. 44)	-	-	-	(2626.50)	-	(2626.50)
<b>Reinstated balance as at April 01, 2022</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(6583.20)</b>	<b>(318.26)</b>	<b>23648.25</b>
Add: Total Comprehensive Income for the year	-	-	-	624.28	(17.27)	607.01
Less: Final dividend	-	-	-	(139.28)	-	(139.28)
<b>Balance as at March 31, 2023</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(6098.20)</b>	<b>(335.53)</b>	<b>24115.98</b>

For and on behalf of Board of Directors

(Rajeev Kalra)  
Company Secretary

M. No. 14567

(K. Sadashiv Murthy)  
Chairman and Managing Director  
Additional charge of Director (Finance) & CFO  
DIN: 09184201

As per our report of even date

For ABP & Associates  
Chartered Accountants  
FRN – 315104E

(Nirjanan Agrawalla)  
Partner  
M. No. 087939

For PSMG & Associates  
Chartered Accountants  
FRN – 008567C

(Suhas Basu)  
Partner  
M. No. 052684

For S. L. Chhajed & Co. LLP  
Chartered Accountants  
FRN – 000709C/C40027

(Vijit Baidmutha)  
Partner  
M. No. 406044

Place : New Delhi  
Date : May 21, 2024

## Standalone Statement of Cash Flows

For the year ended March 31, 2024

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit /(Loss) before tax	<b>220.33</b>	<b>685.77</b>
Adjustments for:		
Provision and write off	(1188.18)	(630.96)
Depreciation and amortisation	248.90	260.34
Finance cost (including unwinding of interest)	731.29	521.43
Interest & dividend income	(535.43)	(447.30)
Unrealised Foreign Exchange loss/(gain)	56.03	(401.85)
Amortisation of Government Grant	(15.62)	(8.90)
Others include profit on sale of investment & PPE and Impairment of Investment	(7.78)	(33.02)
<b>Cash generated / (used) in operations before working capital changes</b>	<b>(490.46)</b>	<b>(54.49)</b>
Adjustment for changes in working capital:		
Trade Receivables	(2469.24)	92.04
Contract Assets	(13.70)	(2370.65)
Inventories	(503.04)	(192.40)
Loans, advances & other assets	(740.80)	(206.79)
<b>Sub total</b>	<b>(3726.78)</b>	<b>(2677.80)</b>
Trade payable	(962.56)	1975.57
Advances from customers, deposits and others	1244.73	(94.40)
<b>Sub total</b>	<b>282.17</b>	<b>1881.17</b>
<b>Net cash (used in) / from working capital</b>	<b>(3444.61)</b>	<b>(796.63)</b>
<b>Cash generated / (used) in operations</b>	<b>(3935.07)</b>	<b>(851.12)</b>
Income Tax paid	(158.48)	(155.54)
Refund of income taxes	380.65	265.96
<b>Net cash (used in) / from operating activities</b>	<b>(3712.90)</b>	<b>(740.70)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	1112.69	1358.78
Interest received	399.30	250.72
Sale proceeds from Investment	0.80	25.42
Dividend received from joint ventures	41.65	26.18
Sale of property, plant and equipment & Intangible Assets	8.92	7.76
Purchase of property, plant and equipment & Intangible Assets	(232.50)	(188.40)
<b>Net cash (used in) / from investing activities</b>	<b>1330.86</b>	<b>1480.46</b>

## Standalone Statement of Cash Flows

For the year ended March 31, 2024

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	3423.00	640.00
Proceeds / (repayment) of lease obligation (Principal)	(34.32)	(49.77)
Proceeds / (repayment) of lease obligation (Interest)	(4.73)	(7.27)
Dividend paid	(139.45)	(139.18)
Interest paid	(588.76)	(354.82)
<b>Net cash (used in) / from financing activities (refer point 4)</b>	<b>2655.74</b>	<b>88.96</b>
<b>D. Net increase/(decrease) in cash and cash equivalents</b>		
<b>Opening balance of cash and cash equivalents</b>	<b>1561.34</b>	<b>732.62</b>
<b>Closing balance of cash and cash equivalents [Refer Note 11]</b>	<b>1835.04</b>	<b>1561.34</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 ₹ Nil).

(4) Changes in liabilities arising from financing activities are available at Note [21 (vi)] and Note [35] b)

(5) During the year the company has accounted for income tax refund amounting to ₹380.65 Cr, including interest income of ₹112.30 Cr.

For and on behalf of Board of Directors

(Rajeev Kalra)  
Company Secretary

M. No. 14567

(K. Sadashiv Murthy)  
Chairman and Managing Director  
Additional charge of Director (Finance) & CFO  
DIN: 09184201

As per our report of even date

For ABP & Associates  
Chartered Accountants  
FRN – 315104E

(Niranjan Agrawalla)  
Partner  
M. No. 087939

For PSMG & Associates  
Chartered Accountants  
FRN – 008567C

(Suhas Basu)  
Partner  
M. No. 052684

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

(Vinit Baidmutha)  
Partner  
M. No. 406044

Place : New Delhi  
Date : May 21, 2024

# Notes to the Standalone Financial Statements for the year ended March 31, 2024

## 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] - Material 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. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs on Eligible Assets if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and

equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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: -

Assets Category	Estimated useful life (Years)
Plant & equipment	<b>15-30</b>
Buildings	<b>5-60</b>
Electricals installations & equipment	<b>10-30</b>
Erection equipment, Capital tools & tackles	<b>5</b>
Drainage, sewerage & water supply	<b>30</b>
Servers and networks	<b>5</b>
Solar Power Generation Plant	<b>25</b>

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively.

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

### 3. Leases

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

#### a. Right-of-use assets

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.

#### b. Lease liabilities

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.

#### c. Short term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

d. 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.

### **Research and development expenditure**

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 Joint ventures**

Investments in 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 from contracts with customers**

Revenue from contract with customers is recognized when a performance obligation is satisfied by transfer of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of

actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. i.e input method.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

- (a) the customer simultaneously consumes the benefit of the Company's performance or
- (b) the customer controls the asset as it is being created/enhanced by the Company's performance or
- (c) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents,

In all other cases, performance obligation is considered as satisfied at a point in time.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party.

### **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 initially recorded at the exchange rate prevailing on the date of the transaction first qualifies for recognition.

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.

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.

#### **Contingent liabilities**

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where there is present obligation arising from the past event but it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote (where no disclosure is required). Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

### **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.

In case of depreciable assets, the cost of the assets is shown at gross value and grant thereon is taken to deferred income which is recognized as income in the Statement of Profit and Loss over the useful life of the asset.

Where the Company receives non-monetary grants, the asset and the grant are accounted for 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.

#### **Current income 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**

Deferred tax is recognized using the balance sheet method, providing for temporary difference between the carrying amount of an asset or liability for financial reporting purpose at the reporting date 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 sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

### **14. Impairment of Assets**

#### **Impairment of financial assets**

The loss allowance in respect of trade receivables, contract assets 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. 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.

## 17. Cash and Cash Equivalents

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.

## 18. Dividend

The Company recognises a liability to pay dividend to equity shareholders when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by

the shareholders. A corresponding amount is recognised directly in equity.

## 19. Earnings per share

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

## 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, 2024	As at March 31, 2023 (Restated)*
Gross block	6897.00	6620.97
Less: Accumulated depreciation	4386.31	4212.23
<b>Net block (for details refer to Note 3.1)</b>	<b>2510.69</b>	<b>2408.74</b>

The Net block includes ₹142.17 Cr (Previous Year ₹155.26 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, 2024	As at March 31, 2023 (Restated)*
Plant & machinery and other equipments:		
Under Erection/ Fabrication/awaiting erection	81.86	82.41
In transit	48.86	130.72
Construction work-in-progress -Civil	151.16	253.96
Construction stores (including in transit)	0.44	1.27
<b>Total</b>	<b>282.32</b>	<b>344.59</b>

(₹ in Crore)

CWIP Ageing schedule - As at March 31, 2024	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	152.55	43.02	14.91	59.28	269.76
Projects temporarily suspended	-	-	0.59	11.97	12.56

(₹ in Crore)

CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2024	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	106.62	-	-	-	106.62
Other Projects less than ₹10 Crore (Total Nos - 14)	2.58	0.09	0.48	-	3.15
<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

(₹ in Crore)

CWIP Ageing schedule - As at March 31, 2023	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

(₹ in Crore)

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

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

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as on 01.04.2023	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2024	Accumulated Depreciation as at 01.04.2023	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2024	Net Block as at 31.03.2024	Net Block as at 31.03.2023
Land - Freehold land (including development expenses)	27.73	0.00	0.00	<b>27.73</b>	0.00	0.00	0.00	<b>0.00</b>	<b>27.73</b>	27.73
Buildings - Freehold Buildings	1824.08	160.46	(5.63)	<b>1978.91</b>	720.15	48.86	(5.14)	<b>763.87</b>	<b>1215.04</b>	1103.93
Roads, bridges & culverts	16.10	0.19	0.00	<b>16.29</b>	14.76	0.29	(0.00)	<b>15.05</b>	<b>1.24</b>	1.34
Drainage, Sewerage & water supply	36.21	3.07	0.00	<b>39.28</b>	9.37	1.40	(0.00)	<b>10.77</b>	<b>28.51</b>	26.84
Plant & Equipment	3325.63	100.68	(0.56)	<b>3425.75</b>	2504.39	119.30	(0.55)	<b>2623.14</b>	<b>802.61</b>	821.25
Railway Siding	8.85	0.00	0.00	<b>8.85</b>	5.75	0.42	(0.00)	<b>6.17</b>	<b>2.68</b>	3.10
Locomotives & Wagons	28.33	0.00	0.00	<b>28.33</b>	19.23	1.56	0.00	<b>20.79</b>	<b>7.54</b>	9.10
Furniture & fixtures	70.01	13.40	(1.41)	<b>82.00</b>	47.82	5.60	(1.25)	<b>52.17</b>	<b>29.83</b>	22.19
Vehicles	14.90	1.73	(0.03)	<b>16.60</b>	11.45	0.95	(0.03)	<b>12.37</b>	<b>4.24</b>	3.45
Office and Other equipments	147.36	10.83	(2.05)	<b>156.14</b>	128.57	8.55	(1.96)	<b>135.16</b>	<b>20.97</b>	18.79
Electronic Data Processing Equipment	165.25	3.67	6.07	<b>174.99</b>	160.36	1.59	6.07	<b>168.02</b>	<b>6.97</b>	4.89
Electrical Installations	286.28	24.84	0.00	<b>311.12</b>	188.06	9.14	0.00	<b>197.20</b>	<b>113.91</b>	98.21
Construction Equipment	71.89	0.26	(1.18)	<b>70.97</b>	70.24	0.47	(1.18)	<b>69.53</b>	<b>1.44</b>	1.65
Fixed Assets costing upto ₹10,000/-	22.92	2.50	(1.08)	<b>24.34</b>	22.92	2.49	(1.07)	<b>24.34</b>	-	-
Solar power generation	143.46	0.28	0.00	<b>143.74</b>	32.45	5.48	0.00	<b>37.93</b>	<b>105.81</b>	111.01
Right-of-use Assets	431.97	14.62	(54.63)	<b>391.96</b>	276.71	27.51	(54.43)	<b>249.80</b>	<b>142.17</b>	155.26
<b>TOTAL</b>	<b>6620.97</b>	<b>336.53</b>	<b>(60.51)</b>	<b>6897.00</b>	<b>4212.23</b>	<b>233.66</b>	<b>(59.53)</b>	<b>4386.31</b>	<b>2510.69</b>	<b>2408.74</b>
Previous Year	6330.90	319.60	(29.53)	<b>6620.97</b>	3994.55	246.25	(28.57)	<b>4212.23</b>	<b>2408.74</b>	2336.35

**Notes:**

Gross Block (as per earlier IGAAP) as at 31.03.2024 ₹13965.56 Crore and as at 31.03.2023 ₹13756.12 Crore

Gross Block as at 31.03.2024 includes assets condemned and retired from active use ₹5.04 Crore (Previous year ₹14.90 Crore)

Net Block as at 31.03.2024 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 ₹242.91 crore (Previous year ₹239.93 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 on 01.04.2023	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2024	Accumulated Depreciation as at 01.04.2023	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2024	Net Block as at 31.03.2024	Net Block as at 31.03.2023
Land (including development expenses)	119.84	4.75	(0.90)	<b>123.69</b>	17.51	4.25	(0.90)	<b>20.86</b>	<b>102.83</b>	102.33
Buildings	1.63	1.03	0.00	<b>2.66</b>	0.41	0.09	(0.00)	<b>0.50</b>	<b>2.16</b>	1.22
Plant & Equipment	40.01	4.95	(24.06)	<b>20.91</b>	27.46	6.94	(24.06)	<b>10.34</b>	<b>10.57</b>	12.55
Office & other equipment	16.51	0.00	(0.09)	<b>16.42</b>	15.13	0.39	(0.09)	<b>15.43</b>	<b>0.99</b>	1.38
EDP Equipment	225.76	2.44	(25.18)	<b>203.02</b>	203.06	10.02	(25.18)	<b>187.89</b>	<b>15.13</b>	22.70
Vehicle	6.42	1.45	(0.62)	<b>7.25</b>	1.68	1.52	(0.42)	<b>2.78</b>	<b>4.47</b>	4.74
Others	21.80	0.00	(3.78)	<b>18.02</b>	11.46	4.32	(3.78)	<b>12.00</b>	<b>6.02</b>	10.34
<b>TOTAL</b>	<b>431.97</b>	<b>14.62</b>	<b>(54.63)</b>	<b>391.96</b>	<b>276.71</b>	<b>27.51</b>	<b>(54.43)</b>	<b>249.80</b>	<b>142.17</b>	<b>155.26</b>
Previous Year	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

## 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 31.03.2024)

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
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**PPE:-**

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-Freehold	0.0002	Mutation is done in BHEL Name. However, in Khatauni BHEL Jhansi is not shown. It is shown as Dohri Railway Land.	No	1974-75	This is due to mistake at the end of State Revenue Department that they have made a typographical error while making the khatauni entry. Matter was taken up by Estate Department, TP Jhansi with District Revenue Authority for change of the name on the name of BHEL.
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	35 Years	Title in respect of 4 Flats are in dispute between builder & Land Owner
Building - Freehold	0.05	Maharashtra Cooperative Society	No	35 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 31.03.2023)

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PPE:-

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-Freehold	0.0002	Mutation is done in BHEL Name. However, in Khatauni BHEL Jhansi is not shown. It is shown as Dohri Railway Land.	No	1974-75	This is due to mistake at the end of State Revenue Department that they have made a typographical error while making the khatauni entry. Matter was taken up by Estate Department, TP Jhansi with District Revenue Authority for change of the name on the name of BHEL.
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 MVIDRC, thus MVIDRC 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 March 31, 2024	As at March 31, 2023
<b>2. Land and buildings includes</b>			
a. i) Acres of land for which formal transfer/lease deed have not been executed	(in acres)	8441.47	8441.47
Net Block	(₹ in Crore)	64.24	64.96
ii) Number of flats for which formal transfer/lease deed have not been executed	(in nos)	12	12
Net Block	(₹ in Crore)	0.97	1.01
iii) Acres of land for which the cost paid is provisional; [registration charges and stamp duty, (net of provision) would be] accounted for on payment.	(in acres)	480.04	480.04
Net Block	(₹ in Crore)	60.54	61.26
b. Acres of land leased to Ministry of Defence, Govt. of India Departments & others	(in acres)	20.47	20.47
c. Acres of land is under adverse possession/encroachment	(in acres)	947.40	873.48
d. 1297.86 acres (PY 1297.86 acres) of land pending mutation at Haridwar plant for which legal action is in process. It includes land measuring 934 acres (PY 934 acres) which is in BHEL's possession but has been wrongly got mutated in the name of SIDCUL Government of Uttarakhand in the year 2004 & 2007.			
e. Further at Haridwar plant, 8 Acres of land is pending transfer to IOCL /State Government under office memorandum dated 01.12.2003 of Uttarakhand Government.			

(Cost of land of (b to e) mentioned above is not material)

Particulars	As at March 31, 2024	As at March 31, 2023
3. i) Total Area of Land in acres	16660.72	16660.72
ii) Free hold land (Sale Deed) / Possessory Rights/license out of 3(i) in acres	15987.38	15987.38
iii) Leasehold land out of 3(i) in acres	673.34	673.34

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

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
100% depreciation on PPE upto ₹10,000/- charged off	4.48	7.21
Less: Normal depreciation on above.	(1.37)	(4.39)
Excess amount charged to depreciation for the year	3.11	2.82

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	As at March 31, 2024	As at March 31, 2023
Addition to PPE & Intangible Assets	347.89	338.82
Increase/ (Decrease) in CWIP	(62.27)	(77.73)
Increase/ (Decrease) in Intangible Assets under development	16.78	0.60
Increase/ (Decrease) in Capital Advance	(14.99)	0.25
<b>Total</b>	<b>287.41</b>	<b>261.94</b>

**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, 2024	As at March 31, 2023 (Restated)*
Gross block	339.23	327.88
Less: Accumulated amortisation	275.88	260.64
<b>Net block (for details refer to note 4.1)</b>	<b>63.35</b>	<b>67.24</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 4.1 - Details of Intangible Assets**

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as on 01.04.2023	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2024	Accumulated Depreciation as at 01.04.2023	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2024	Net Block as at 31.03.2024	Net Block as at 31.03.2023
<b>Internally Developed</b>										
-Others	71.46	4.44	0.00	<b>75.90</b>	69.25	1.78	0.00	<b>71.03</b>	<b>4.88</b>	2.21
<b>Other than Internally Developed</b>										
-Software	56.26	4.84	0.00	<b>61.10</b>	52.03	2.98	(0.00)	<b>55.01</b>	<b>6.09</b>	4.23
-Technical Know-how	200.16	2.07	0.00	<b>202.23</b>	139.36	10.48	0.00	<b>149.85</b>	<b>52.38</b>	60.80
<b>TOTAL</b>	<b>327.88</b>	<b>11.35</b>	<b>0.00</b>	<b>339.23</b>	<b>260.64</b>	<b>15.24</b>	<b>(0.00)</b>	<b>275.88</b>	<b>63.35</b>	<b>67.24</b>
Previous Year	308.92	19.21	(0.25)	<b>327.88</b>	246.80	14.09	(0.25)	<b>260.64</b>	<b>67.24</b>	62.12

Gross Block (as per earlier IGAAP) as at 31.03.2024 ₹606.94 Crore and as at 31.03.2023 ₹598.12 Crore

There is no impairment loss during the year.

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

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)*
Intangible assets under development	26.04	9.26
<b>Total</b>	<b>26.04</b>	<b>9.26</b>

(₹ in Crore)

Intangible Assets under development ageing schedule - As at March 31, 2024	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	20.03	3.47	-	2.54	26.04
Projects temporarily suspended	-	-	-	-	-

(₹ in Crore)

Intangible Assets under development Completion schedule (which are overdue or has exceeded its cost compared to its original plan) As at March 31, 2024	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress	20.03	3.47	-	2.54	26.04
Projects temporarily suspended	-	-	-	-	-

(₹ in Crore)

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

(₹ in Crore)

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

## Note [5] -Non current assets

### Financial assets - Investment

Refer point 6 of Note [2] for accounting policy on investment in joint ventures & point 16 (B) of Note [2] on Non - Derivative Financial Instruments

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	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) AP Gas Power Corporation Ltd.	728960 (10)	0.91	728960 (10)	0.91
Add / (Less) : Fair Value Adjustment		0.28	1.19	2.22
(ii) Engineering Projects (India) Ltd.	1892 (10)	**	1892 (10)	**
Share in Co-operative Societies #				
<b>Total</b>		<b>667.60</b>		<b>669.54</b>
**Value of less than ₹1 lakh				
<b>Aggregate amount of unquoted investment</b>		<b>719.33</b>		719.33
<b>Aggregate amount of impairment in value of investments</b>		<b>51.73</b>		49.79

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

## Information about joint ventures

Particulars	Country of incorporation	As at March 31, 2024		As at March 31, 2023 (Restated)*	
		Proportion (%) of ownership			
Name of the joint ventures (JVC)	India	One share less than 50%		One share less than 50%	
		50%		50%	
		22.14%		22.14%	
		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 NBPL. Ministry of Power (MoP), Govt. of India, in August 2019 had 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. Subsequently, in a meeting held on 3.10.2022 at MoP, it has been decided to wind up NBPL after the completion of balance ongoing works at Unchahar TPP (1x500 MW).
- (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 in F.Y. 2022-23 and an amount of ₹26.22 Crores has been received (₹25.39 Crores + TDS ₹0.03 Crores in F.Y. 2022-23 and ₹0.80 Crores in F.Y. 2023-24).

## 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, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
Unsecured, considered good	3601.58	5344.68	3743.94	3433.95
Credit impaired (included in allowances for B&D debts)	11682.32	544.70	11176.04	367.08
	<b>15283.90</b>	<b>5889.38</b>	<b>14919.98</b>	<b>3801.03</b>
Less: Allowances for bad and doubtful debts	12059.21	1104.00	11504.44	672.68
<b>Total Trade Receivable (Net)</b>	<b>3224.69</b>	<b>4785.38</b>	<b>3415.54</b>	<b>3128.35</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

-	-	-	-
-	-	-	-

**Note (i) :** Trade receivables includes overdue amount of ₹211 Cr (USD 25.5 million) from customer STPG (formerly NEC Sudan), stuck on account of civil war but considered good and not provided for (approved by the Board).

**(ii) :** The above includes adjustments of ₹67.23 Cr in Trade Receivables and Interest Income of ₹23.18 Cr in Other Income (Note 23). This amount is received from BPCL (erstwhile BORL Bina) against BG as an interim relief upon direction of the Hon'ble High Court (Mumbai), pursuant to Arbitral Award in BHEL's favour.

## Non current Trade receivable ageing schedule - As at March 31, 2024

(₹ 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	80.11	202.23	251.34	154.46	1173.65	-	-	1861.79
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	65.26	37.02	10.28	5.34	1621.89	-	-	1739.79
IV) Disputed Trade receivables - credit impaired	173.55	83.73	281.82	305.34	10837.88	-	-	11682.32

## Current Trade receivable ageing schedule

- As at March 31, 2024

(₹ 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	4009.53	638.13	387.24	142.68	167.10	-	-	5344.68
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
IV) Disputed Trade receivables - credit impaired	2.72	1.42	9.65	19.58	511.33	-	-	544.70

## 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

## Note [7] - Financial assets

### Other Financial assets

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

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
Deposits with SEBs, port trust & others				
Unsecured, considered good	100.83	58.27	106.39	25.19
Credit impaired	3.40	12.93	3.59	11.32
	<b>104.23</b>	<b>71.20</b>	<b>109.98</b>	<b>36.51</b>
Less: Allowances for bad & doubtful deposits	3.40	12.93	3.59	11.32
	<b>100.83</b>	<b>58.27</b>	<b>106.39</b>	<b>25.19</b>
<b>Fixed deposits against margin money for BG issued</b>	<b>105.27</b>	-	<b>36.30</b>	-
<b>Interest accrued on banks deposits</b>	-	<b>122.86</b>	-	<b>140.68</b>
<b>Advance to Employees</b>	-	59.00	-	20.61
Less: Allowance for bad and doubtful advances	-	0.31	-	0.04
	-	<b>58.69</b>	-	<b>20.57</b>
<b>Total</b>	<b>206.10</b>	<b>239.82</b>	<b>142.69</b>	<b>186.44</b>
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 13 of Note [2] for accounting policy on income taxes

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)*
<b>Deferred tax assets</b>		
Provisions	2614.51	2477.94
Dues allowed on payment basis	520.72	549.35
Depreciation (PP&E and Intangible assets)	(24.86)	12.13
On account of taxable loss	1012.04	1105.79
Others	78.85	101.33
<b>Sub Total</b>	<b>4201.26</b>	<b>4246.54</b>
Less : Deferred tax liabilities	-	-
<b>Deferred tax assets (net of liabilities)</b>	<b>4201.26</b>	<b>4246.54</b>

### Movement of deferred tax balances

(₹ in Crore)

Particulars	Balance as at April 01, 2023*	Recognized in retained earnings	Recognized in statement of profit & loss a/c	Recognized in OCI	Balance as at March 31, 2024
<b>Deferred tax assets</b>					
Provisions	2477.94	-	136.57	-	<b>2614.51</b>
Dues allowed on payment basis	549.35	-	(56.35)	27.72	<b>520.72</b>
Depreciation (PP&E and Intangible assets)	12.13	-	(36.99)	-	<b>(24.86)</b>
On account of taxable loss	1105.79	-	(93.75)	-	<b>1012.04</b>
Others	101.33	-	(22.48)	-	<b>78.85</b>
<b>Subtotal</b>	<b>4246.54</b>	-	<b>(73.00)</b>	<b>27.72</b>	<b>4201.26</b>
Less: Deferred tax liabilities	-	-	-	-	-
<b>Deferred tax assets (net of liabilities)</b>	<b>4246.54</b>	-	<b>(73.00)</b>	<b>27.72</b>	<b>4201.26</b>

## Note [9] - Other Assets

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

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
<b>Contract assets (including unbilled revenue)</b>				
Unsecured, considered good	14585.00	14342.73	18928.58	10811.45
Credit impaired	3635.34	441.72	2773.38	584.87
	<b>18220.34</b>	<b>14784.45</b>	<b>21701.96</b>	<b>11396.32</b>
Less: Allowances for bad and doubtful debts	4924.61	1332.64	5095.59	1,536.35
<b>Sub Total (A)</b>	<b>13295.73</b>	<b>13451.81</b>	<b>16606.37</b>	<b>9859.97</b>
<b>Security deposits</b>				
Deposits with tax authorities and others				
Unsecured, considered good	65.54	340.71	80.66	378.58
Unsecured, considered doubtful	39.88	72.04	31.19	71.19
	<b>105.42</b>	<b>412.75</b>	<b>111.85</b>	<b>449.77</b>
Less: Provision for bad & doubtful deposits	39.88	72.04	31.19	71.19
<b>Sub Total (B)</b>	<b>65.54</b>	<b>340.71</b>	<b>80.66</b>	<b>378.58</b>
<b>Loans &amp; advances</b>				
Unsecured, considered good				
Advances towards purchases (Vendors & sub - Contractors)	128.33	37.55	41.14	128.69
Input Tax credit receivable	-	1293.31	-	1079.97
Claims recoverable and others	197.79	790.00	210.04	652.15
Capital advances	2.30	-	17.29	-
Unsecured, considered doubtful				
Advances towards purchases (Vendors & sub - Contractors)	11.10	27.92	11.92	9.65
Input Tax credit receivable	-	7.66	-	6.44
Claims recoverable and others	372.60	161.00	90.29	149.02
Capital advances	-	-	-	-
	<b>712.12</b>	<b>2317.44</b>	<b>370.68</b>	<b>2025.92</b>
Less: Provision for bad & doubtful loans & advances	383.70	196.58	102.21	165.11
<b>Sub Total (C)</b>	<b>328.42</b>	<b>2120.86</b>	<b>268.47</b>	<b>1860.81</b>
<b>Total (A+B+C)</b>	<b>13689.69</b>	<b>15913.38</b>	<b>16955.50</b>	<b>12099.36</b>

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
II) Undisputed Contract Assets - credit impaired	-	-	-	-
III) Disputed Contract Assets - considered good	2992.50	-	3908.29	-
IV) Disputed Contract Assets - credit Impaired	3635.34	441.72	2773.38	584.87
<b>Total</b>	<b>18220.34</b>	<b>14784.45</b>	<b>21701.96</b>	<b>11396.32</b>
Loan & advances includes :				
(a) Due from Directors	-	-	-	-
(b) Due from Officers	-	-	-	-

## Note [10] - Current assets

### Inventories

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

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
Raw material & components	2866.04		2900.92	
Material-in-transit	203.29	3069.33	127.98	3028.90
Work-in-progress		3917.74		3482.75
(including items with sub-contractors)				
Finished goods	414.31		422.57	
Inter - division transfers in transit	89.18	503.49	89.20	511.77
Stores & spare parts				
Production	150.51		149.68	
Fuel stores	5.49		6.14	
Miscellaneous	58.64	214.64	47.37	203.19
Other Inventory				
Materials with fabricators/contractors	105.00		85.43	
Loose tools	19.20		24.35	
Scrap (at estimated realisable value)	173.33	297.53	163.30	273.08
	<b>8002.73</b>		<b>7499.69</b>	
Less: Provision for non-moving inventory		782.16		743.79
<b>Total</b>	<b>7220.57</b>		<b>6755.90</b>	
<b>Note :</b>				
Write down of inventories		105.78		59.72
Less : reversal thereof		67.41		63.01
<b>Net</b>	<b>38.37</b>		<b>(3.29)</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, 2024		As at March 31, 2023 (Restated)*	
Balances with banks				
EEFC a/c	284.68		226.21	
Current / cash credit a/c #	1547.21	1831.89	1206.04	1432.25
Cheques, demand drafts on hand		3.08		128.99
Cash & stamps on hand		0.07		0.08
Remittances in transit		-		0.02
<b>Total</b>	<b>1835.04</b>		<b>1561.34</b>	

#Includes ₹116.18 Cr for FY 2023-24 and ₹112.23 Cr for FY 2022-23 in escrow account for specified projects.

## Note [12] - Current assets

### Financial assets - Bank balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
Fixed deposits having maturity more than 3 months but not more than 12 months		3739.65		4852.34
Fixed deposits against margin money for BG issued		462.06		174.37
Balances with bank (earmarked):				
CEFC A/c	9.70		7.99	
Unclaimed dividend a/c	1.74		1.91	
Non-repatriable a/c	0.65		0.37	
Sale proceeds of fractional shares on bonus issue	0.03		0.03	
Sanrachna A/c	0.14		0.14	
Fixed Deposit with Court in BHEL A/C	106.07		91.79	
CSR	2.39	120.72	7.79	110.02
<b>Sub Total</b>		<b>4322.43</b>		<b>5136.73</b>
<b>Total Cash and Bank Balances [11 + 12]</b>		<b>6157.47</b>		<b>6698.07</b>

## Note [13] - Current assets

### Current tax assets / (liabilities) (net)

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

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
Advance tax & TDS		254.20		285.80
Less: Provisions for taxation		25.13		59.42
<b>Total</b>		<b>229.07</b>		<b>226.38</b>

## Note [14] - Equity

### Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	No.of Shares (Face value in ₹)	Amount	No.of Shares (Face value in ₹)	Amount
<b>Equity share capital</b>				
<b>Authorised</b>	100000000000	2000.00	100000000000	2000.00
	(2)		(2)	
<b>Issued, subscribed and fully paid up</b>	3482063355	696.41	3482063355	696.41
	(2)		(2)	
<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	284736920	8.18%	350770257	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) Share buyback (in immediately preceding Five years ended March 31, 2024)**

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] - Equity

### Other Equity

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)*
Capital reserve	35.18	35.18
Capital redemption reserve	37.87	37.87
General reserves	30476.66	30476.66
Retained earnings	(5977.59)	(6098.20)
OCI (Re-measurements of defined benefit plans)	(417.94)	(335.53)
<b>Total</b>	<b>24154.18</b>	<b>24115.98</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:

- (a) **Capital reserve:** It represents mainly the excess of net assets taken, over the cost of consideration paid during amalgamation of the then subsidiary company (HPVP) with BHEL.
- (b) **Capital redemption reserve:** The Company has recognised Capital Redemption Reserve on buy back of equity shares from its general reserve. The amount in capital redemption reserve is equal to nominal amount of equity shares bought back.

- (c) **General reserve:** This represents accumulation of profits retained by Company to meet future (known/unknown) obligations.
- (d) **Retained earnings:** Retained earnings are profits that Company has earned till date, less transfer to general reserve, dividends or other distributions to shareholders.
- (e) **Re-measurement of net defined benefit plans:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumption or experience adjustments within the plans, are recognised in 'Other comprehensive income' and these are subsequently not to be reclassified to the Statement of Profit and Loss.

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

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

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*		(₹ in Crore)
	Non Current	Current	Non Current	Current	
	Lease Liabilities	23.55	24.91	33.75	34.76
Total	23.55	24.91	33.75	34.76	(₹ in Crore)

Further disclosures available at Note [35] on lease.

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

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*		(₹ in Crore)
	Non Current	Current	Non Current	Current	
(i) Total outstanding dues of micro enterprises and small enterprises	-	1157.45	-	1211.53	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2292.76	7502.15	2065.92	8558.03	
(iii) Acceptances	-	36.64	-	126.27	
<b>Total</b>	<b>2292.76</b>	<b>8696.24</b>	<b>2065.92</b>	<b>9895.83</b>	

Micro and small enterprises disclosure	As at March 31, 2024	As at March 31, 2023	(₹ in Crore)
(i) The principal amount remaining unpaid to supplier as at the end of the accounting year#.	1170.68	1231.30	
(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, 2024.

## Non current Trade Payable Ageing schedule - As at March 31, 2024

(₹ 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) Others	0.01	0.04	0.14	-	7.81	1863.77	1871.77
II) Disputed dues - Others^	9.24	0.30	0.58	231.73	0.09	179.05	420.99

## Current Trade Payable Ageing schedule - As at March 31, 2024

(₹ 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	4.01	-	-	-	149.80	1002.50	1156.31
II) Others	495.55	18.32	15.13	19.48	1781.67	5198.29	7528.44
III) Disputed dues - MSME	-	-	-	-	-	1.15	1.15
IV) Disputed dues - Others^	-	-	-	7.00	-	3.35	10.35

## 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) Others	-	-	-	-	0.36	1710.97	1,711.33
II) 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

\$ 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- Other Financial Liabilities

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
Deposits from contractors & others	315.02	548.62	247.10	544.77
<b>Liabilities:</b>				
- Employee dues	-	353.32	-	384.33
- Capital Expenditure~	10.86	114.90	8.60	111.50
- Others#	-	374.89	-	354.33
Unpaid Dividend**	-	1.74	-	1.91
Interest accrued on borrowings	-	24.97	-	8.20
<b>Total</b>	<b>325.88</b>	<b>1418.44</b>	<b>255.70</b>	<b>1405.04</b>

~ includes MSME ₹13.23 Cr for FY 2023-24 & ₹19.77 Cr for FY 2022-23.

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

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
Contractual obligation	1373.26	448.91	2990.16	784.26
Provision for employee benefits^	903.47	1228.15	878.37	1383.68
Provision others	212.35	639.07	232.49	622.54
Corporate social responsibility **	-	2.14	-	6.15
<b>Total</b>	<b>2489.08</b>	<b>2318.27</b>	<b>4101.02</b>	<b>2796.63</b>

^Further disclosure available at Note [25] on employee benefits.

\*\*Disclosure as per 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, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
Contract liabilities (Advances received from customers incl. excess of billing over revenue)	4063.35	3070.10	2585.67	3049.34
Liabilities towards statutory dues	-	993.41	-	908.32
Deferred income- Govt. grant #	39.42	3.43	20.14	4.63
<b>Total</b>	<b>4102.77</b>	<b>4066.94</b>	<b>2605.81</b>	<b>3962.29</b>

#Govt. grant is received for setting up of solar PV plant, manufacturing of modules and under Common Engineering Facility Centre scheme, Nuclear Pump Test Facility.

## Note [21] - Current Liabilities

### Financial Liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)
<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)	8808.00	4270.00
<b>Sub Total (A)</b>	<b>8808.00</b>	<b>5385.00</b>
<b>Unsecured (B)</b>	-	-
<b>Total borrowings (A+B)</b>	<b>8808.00</b>	<b>5385.00</b>

#### (i) Details of sanctioned limits

Description	Sanctioned Limit	Utilization		Sanctioned Limit	Utilization		
		As at March 31, 2024			As at March 31, 2023 (Restated)		
		Value (₹/ Cr.)	% Utilisation		Value (₹/ Cr.)	% Utilisation	
<b>Non Fund Based Limits</b>	<b>51000</b>	<b>35096</b>	<b>68.82%</b>	<b>54000</b>	<b>33602</b>	<b>62.23%</b>	
Bank Guarantees#	48000	32828	68.39%	51000	30853	60.50%	
Letter of Credit (inc. Buyer's Credit)	3000	2268	75.60%	3000	2749	91.63%	
<b>Fund Based Limits</b>	<b>9000</b>	<b>8808</b>	<b>97.87%</b>	<b>6000</b>	<b>4270</b>	<b>71.17%</b>	
WCDL		8808			4270		
PCFC		NIL			NIL		
<b>Commercial Paper</b>	<b>5000</b>	<b>NIL</b>		<b>5000</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.

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

# Outstanding Bank Guarantees include ₹33 Cr. (P.Y. ₹4 Cr.) on a/c of BGs already replaced but pending vacation as on March 31, 2024. Excluding this, the outstanding BGs as on 31.03.2024 is ₹32795 Cr. (Previous Year ₹30849 Cr.).

- (ii) Loan from Banks ₹8808 Cr in FY 2023-24 represents WCDL (Working Capital Demand Loan). For Previous Year, ₹4270 Cr Loans represents WCDL & ₹1115 Cr Loans against Fixed Deposits.
- (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 31.03.2024 is ₹328 Cr. (previous year ₹403 Cr.).
- (vi) Changes in Borrowings arising from Financing activities

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)*
Opening Balance (excl. Cash Credit)	5385.00	4745.00
Cash Flow during the year	3423.00	640.00
<b>Closing Balance (excl. Cash Credit)</b>	<b>8808.00</b>	<b>5385.00</b>

For changes in lease liability arising from financing activities, refer Note No [35 (b)].

## Note [22]

### Revenue from operations

Refer point 8 of Note [2] for accounting policy on revenue from contracts with customers

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Revenue from contracts with customers</b>		
Revenue from Construction and Project related activity	15888.42	16083.09
Sale of Product & Other services	7032.10	6053.21
<b>Total (A)</b>	<b>22920.52</b>	<b>22136.30</b>
<b>Other operational income</b>		
Freight & insurance	163.78	187.84
Scrap sales	249.20	299.90
Recoveries from suppliers	220.12	131.33
Liabilities written back	161.16	406.22
Insurance claims	28.83	47.94
Export incentives	10.20	19.63
Others	138.97	135.78
<b>Total (B)</b>	<b>972.26</b>	<b>1228.64</b>
<b>Revenue from operations (A + B)</b>	<b>23892.78</b>	<b>23364.94</b>
Revenue from Operations excludes Goods and service tax :	3786.00	3566.00

## Note [23]

### Other income

Refer point 8 of Note [2] for accounting policy on revenue from contracts with customers

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Interest income *</b>		
From banks	345.35	302.35
Others	148.43	118.77
<b>Sub Total (A)</b>	<b>493.78</b>	<b>421.12</b>
<b>Dividend income</b>		
Dividend on investment in joint ventures (long term trade)	41.65	26.18
<b>Sub Total (B)</b>	<b>41.65</b>	<b>26.18</b>
<b>Other income</b>		
Profit on sale of investment	0.80	25.42
Government grants on Solar PV Plant for Captive Use / CEFC scheme.	15.62	8.90
Profit from sale of PPE & capital stores (Net)	8.92	7.76
Others	27.15	25.43
<b>Sub Total (C)</b>	<b>52.49</b>	<b>67.51</b>
<b>Total (A+B+C)</b>	<b>587.92</b>	<b>514.81</b>
*Includes TDS	5.28	13.44

**Note [24]****Changes in inventories of finished goods, work in progress and Scrap  
[(Accretion) / Decretion]**

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Work -in -progress</b>		
Closing balance	3917.74	3482.75
Opening balance	3482.75	(434.99)
	<hr/>	<hr/>
<b>Finished goods</b>		
Closing balance	414.31	422.57
Opening balance	422.57	8.26
	<hr/>	<hr/>
<b>Scrap</b>		
Closing balance	173.33	163.30
Opening balance	163.30	(10.03)
	<hr/>	<hr/>
<b>Inter-division transfer in transit</b>	0.02	0.65
<b>(Accretion) / Decretion</b>	(436.74)	(57.15)

**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, 2024	For the year ended March 31, 2023 (Restated)
Salaries, wages, bonus, allowances & other benefits	4802.44	4859.69
Contribution to provident and other funds	451.80	473.56
Staff welfare expenses	248.10	244.69
Contribution to gratuity fund	120.52	114.14
Group insurance	5.98	8.55
<b>Total</b>	<b>5628.84</b>	<b>5700.63</b>

**Note:** employee benefit expenses have been adjusted (in line with MHI directives dated 23.11.2023) for periodical wage review due once in three years, resulting in reversal of employee benefit expenditure to the extent of ₹183.50 Cr.

## Note [26]

### Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Power & fuel	452.20	487.67
Expenditure on other sub contracts	262.63	243.91
Carriage outward	199.95	249.55
Payment to security agencies	155.22	153.97
Repairs & maintenance:		
Buildings	43.15	33.00
Plant & machinery	34.26	32.41
Others	95.51	172.92
		77.55
		142.96
Insurance	139.72	108.03
Travelling & conveyance	105.22	110.59
Bank charges	96.35	90.76
R&D related expense	9.95	12.81
Hire charges	55.01	51.01
Expenditure on collaborations & royalty	60.41	54.61
Rates & taxes	25.21	36.62
Office expense	29.83	29.32
Expenditure on skill development	13.49	11.47
Legal, audit & certification expense	55.15	47.67
EDP, software & lease line expense	16.64	17.61
Water charges	23.39	22.83
Rent non-residential	2.59	9.85
Expenditure in connection with exports	14.12	8.64
Entertainment & courtesy expenses	3.54	3.14
Environmental protection	5.53	5.14
Seminar, development and training expense	4.47	2.90
Unrealised loss in investment of equity share	1.94	0.16
Publicity & public relation expense	3.08	3.62
Miscellaneous expense	78.01	49.29
Exchange variation [Net (gain) / loss]	(105.20)	(459.93)
Provisions & Write off (Details at point no. vi below)	(1037.14)	(1083.34)
<b>Total</b>	<b>844.23</b>	<b>410.86</b>

## Note [26]

### Other Expenses (Contd.)

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Further Details:</b>		
(i) Legal, audit & certification expense includes:		
Payment to Statutory Auditors:		
Audit fees	1.07	1.01
Tax audit	0.24	0.22
Quarterly limited review & others	0.65	0.60
Audit expense	0.16	0.12
Payment to Cost Auditors fees:	0.16	0.16
(ii) Director's fees	0.20	0.26
(iii) Expenditure on departmental repair & maintenance:		
Plant & machinery	175.27	175.59
Buildings	28.01	31.41
Others	28.60	33.34
(iv) Expenditure on research & development	126.08	128.49
(v) Expenditure on foreign travel		
No. of tours	220	302
Expenditure	5.10	5.57

#### (vi) Provisions & Write-offs:

(Refer Point 11 &amp; 14 of Note [2] for accounting policy on provision and impairment of assets)

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended As at March 31, 2023 (Restated)
<b>Doubtful debts, liquidated damages and loans, advances &amp; deposits</b>		
Created during the year	3271.76	885.10
Less: withdrawal during the year	1819.13	1452.63
<b>Contractual obligations</b>		
Created during the year	109.43	313.68
Less: withdrawal during the year	2693.53	(2584.10)
<b>Other Provisions</b>		
Created during the year	320.56	171.95
Less: withdrawal during the year	292.40	28.16
<b>Bad debts written off</b>		
	19.94	30.62
<b>Liquidated damages &amp; contractual charges charged off</b>		
	29.59	113.55
<b>Losses written off</b>		
	16.64	3.73
<b>Total</b>	<b>(1037.14)</b>	<b>(1083.34)</b>

### (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:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)	(₹ in Crore)
A. Amount required to be spent during the year	-	-	-
B. Amount available from previous year	6.15	12.16	
<b>C. Total (A+B)</b>	<b>6.15</b>	<b>12.16</b>	
D. Amount spent during the year on -			
(i) Construction/ acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	4.01	6.01	
<b>Total</b>	<b>4.01</b>	<b>6.01</b>	
Amount carried forward:	2.14	6.15	6.15
Current	2.14	6.15	6.15
Non-current	-	-	-

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023 (Restated)		(₹ in Crore)
	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	3.97	0.04	4.69	1.32	
<b>Total</b>	<b>3.97</b>	<b>0.04</b>	<b>4.69</b>	<b>1.32</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, 2024	For the year ended March 31, 2023 (Restated)
Discount on commercial papers	8.77	51.17
Unwinding of provisions	121.38	160.50
Interest cost:		
Banks / Financial Institutions	595.05	296.55
Foreign Financial Institutions	-	1.45
On lease obligation	4.38	7.03
Others	1.67	601.10
Other expenses on issuance of Commercial paper	0.04	0.49
<b>Sub - Total</b>	<b>731.29</b>	<b>521.43</b>
Less: Borrowing cost capitalised	-	-
<b>Total</b>	<b>731.29</b>	<b>521.43</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, 2024	For the year ended March 31, 2023 (Restated)
<b>Current tax</b>		
For current year	30.72	47.88
For earlier years	(143.28)	(112.56)
<b>Deferred tax</b>		
For current year	59.69	173.46
For earlier years	13.31	73.00
<b>Total</b>	<b>(39.56)</b>	<b>61.49</b>

## Note [29]

### Other comprehensive income / (expenditure)

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Income / (expenditure)</b>		
Re-measurement of defined employee benefits	(110.13)	(23.08)
Less: Income tax related to above items*	(27.72)	(5.81)
<b>Total</b>	<b>(82.41)</b>	<b>(17.27)</b>
* Includes		
Current tax	-	-
Deferred tax	(27.72)	(5.81)

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

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Total Comprehensive Income / (Loss) (TCI) before tax (A)</b>	110.20	662.69
<b>Statutory income tax rate (B)</b>	25.168%	25.168%
<b>Tax expense [C = (AxB)]</b>	27.74	166.79
<b>Difference due to: (D)</b>		
Expenses not deductible for tax purposes	34.95	48.74
Difference in tax due to Income chargeable to tax at special rate	-	-
Change in tax expense - earlier years	(129.97)	(159.85)
<b>Sub-total (D)</b>	<b>(95.02)</b>	<b>(111.11)</b>
<b>Net Tax Expense [E = (C+D)]</b>	<b>(67.28)</b>	<b>55.68</b>

### Note [30] Earnings per share

Refer point 19 of Note [2] for accounting policy on Earning per share

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Profit / (loss) attributable to equity shareholders	259.89	624.28
Weighted average number of equity shares	348.21	348.21
<b>Basic and diluted earnings per share (having par value of ₹2 each)</b>	<b>0.75</b>	<b>1.79</b>

### Note [31] Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Proposed dividend on equity shares not recognised as liability</b>		
Proposed final dividend of ₹0.25 per share for FY 2023-24 (FY 2022-23 ₹0.40 per share)	87.05	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, 2024	As at March 31, 2023
<b>A. Contingent liabilities</b>		
Claims against the company not acknowledged as debt:		
(a) Sales tax matters	1243.96	1227.09
(b) Service tax matters	700.83	606.56
(c) Court & arbitration matters	883.87	711.81
(d) Excise duty matters	174.03	166.39
(e) Customs duty and others	897.19	934.51
(f) Goods & Service Tax	13.63	4.14
(g) Other matters ( incl. disputed staff cases)	105.40	59.69
(h) Claim towards Liquidated damages (LD)	3926.30	3596.61
<b>Total</b>	<b>7945.21</b>	<b>7306.80</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, 2024	As at March 31, 2023
<b>Balance at the beginning of the year</b>	<b>7306.80</b>	<b>6755.70</b>
Less: Reduction out of opening balance	1308.15	727.70
Add: Additions (net) during the year	1946.55	1278.81
<b>Balance at the end of the year</b>	<b>7945.21</b>	<b>7306.80</b>

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>B. Commitments</b>		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for (The above includes related to acquisition of intangible assets)	298.77	282.05
(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	59.43	32.71
(c) BHEL has signed a Joint Venture Agreement with M/s Coal India Ltd. on 28 <sup>th</sup> Feb 2024 for formation of a Joint Venture Company (JVC). As per the JVA, BHEL shall make equity contributions of ₹1732 Crore in the JVC over a period of 4 Years (after pre-construction period of 1 year)	50.00	50.00
(d) 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.	1732.00	-

## Note [33]

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 [34]

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 ₹7906 Crore (Previous Year ₹7963 Crore). Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹4943 Crore (previous year ₹6185 Crore).

## Note [35]

### Disclosure on Leases - Ind AS 116

#### Lease Commitments - Company as Lessee

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

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

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

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

(₹ in Crore)

Particulars	Future minimum lease payments		Interest		Present value [PV] of minimum lease payments	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Not later than 1 year #	26.33	36.62	2.72	3.52	23.61	33.10
Later than 1 year and not later than 5 years	23.04	34.60	0.99	2.78	22.05	31.82
Later than 5 years	4.46	2.14	2.96	0.21	1.50	1.93

# The amount of future minimum lease payments in respect of leases where remaining lease term as at the end of March 31, 2024 is less than 12 months is ₹9.18 Cr (Previous year ₹16.70 Cr).

#### b) Movement in lease liabilities during the FY 2023-24

(₹ in Crore)

Particulars	As at	
	March 31, 2024	March 31, 2023
<b>Lease Liabilities As at April 1*</b>	68.50	84.93
Add: Additions	14.62	33.58
Add: Accretion of interest	4.38	7.03
Less : Payments/Adjustment	39.05	57.04
<b>Lease Liabilities as at March 31*</b>	48.45	68.50

\* includes interest accrued of ₹1.29 Cr (PY ₹1.66 Cr) & ₹1.66 Cr (PY ₹1.90 Cr) as at March 31, 2024 & March 31, 2023 respectively.

## c) Amounts recognised in Statement of Profit &amp; Loss:

(₹ in Crore)

Particulars	For the Year Ended	
	March 31, 2024	March 31, 2023
Expense relating to Short-term leases	2.10	4.91
Expense relating to low value assets leases	1.11	1.26
Depreciation charge of right-of-use assets	27.51	33.00
Interest expense (included in finance cost)	4.38	7.03

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

(₹ in Crore)

Particulars	As at	
	March 31, 2024	March 31, 2023
Not later than 1 year	1.20	0.04
Later than 1 year and not later than 5 years	4.81	0.06
Later than 5 years	-	-

**Note [36]****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 ( $15/26 \times$  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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Opening balance</b>	1850.22	1933.60	1453.48	1581.44	396.74	352.16
Included in Profit for the Year:						
Current Service Cost	91.16	89.49	-	-	91.16	89.49
Past Service Cost	-	-	-	-	-	-
Interest cost /(income)	136.92	135.35	107.56	110.70	29.36	24.65
<b>Total amount recognised in Profit for the Year</b>	<b>228.08</b>	<b>224.84</b>	<b>107.56</b>	<b>110.70</b>	<b>120.52</b>	<b>114.14</b>
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	29.74	(74.88)	-	-	29.74	(74.88)
Experience Adjustment	(25.66)	23.95	9.72	(0.73)	(35.38)	24.68
<b>Total amount recognised in other comprehensive income</b>	<b>4.08</b>	<b>(70.29)</b>	<b>9.72</b>	<b>(0.73)</b>	<b>(5.64)</b>	<b>(69.56)</b>
<b>Others</b>						
Contributions paid by the Employer	-	-	125.00	-	(125.00)	-
Benefits paid	(161.31)	(237.93)	(161.31)	(237.93)	-	-
Unpaid Benefits paid	-	-	-	-	-	-
<b>Closing balance</b>	<b>1921.07</b>	<b>1850.22</b>	<b>1534.45</b>	<b>1453.48</b>	<b>386.62</b>	<b>396.74</b>

### Details of Plan assets

Particulars	As at March 31, 2024	As at March 31, 2023
Funds managed by Insurer*	81.69%	79.03%
High quality Corporate bonds (quoted)	15.38%	16.52%
State Government securities (quoted)	2.84%	3.00%
Bank Balance	0.09%	1.45%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\* 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, 2024	As at March 31, 2023
<b>Economic assumptions:</b>		
Discount rate	7.25%	7.40%
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%	1%
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, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(96.30)	104.67	(91.64)	99.80
Change in Salary escalation rate (0.50% movement)	31.29	(37.52)	36.56	(42.09)

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, 2024	As at March 31, 2023
Less than 1 year	158.20	160.65
Between 1-2 years	125.81	135.51
Between 2-3 years	111.49	113.15
Between 3-4 years	98.46	100.52
Between 4-5 years	89.43	88.94
Between 5-6 years	78.90	80.57
Over 6 years	1258.78	1170.88
<b>Total</b>	<b>1921.07</b>	<b>1850.22</b>

Expected contributions to gratuity plans for the year ending 31 March 2025 are ₹120.01 crore.

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.83 years (31 March 2023: 14.60 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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Opening balance</b>	<b>2249.60</b>	<b>2210.85</b>	<b>1831.92</b>	<b>1919.34</b>	<b>417.68</b>	<b>291.51</b>
Included in Profit for the Year:						
Current service cost	44.73	40.29	-	-	44.73	40.29
Past service Cost	-	-	-	-	-	-
Interest cost / (income)	166.47	154.76	135.56	134.36	30.91	20.40
<b>Total amount recognised in Profit for the Year</b>	<b>211.20</b>	<b>195.05</b>	<b>135.56</b>	<b>134.36</b>	<b>75.64</b>	<b>60.69</b>
Included in Other Comprehensive Income (OCI):						
Remeasurement loss / (gain):						
Actuarial loss / (gain) arising from:						
Demographic assumptions	-	18.72	-	-	-	18.72
Financial assumptions	34.69	(96.85)	-	-	34.69	(96.85)
Experience adjustment	81.94	109.13	12.58	(34.48)	69.36	143.61
<b>Total amount recognised in other comprehensive income</b>	<b>116.63</b>	<b>31.00</b>	<b>12.58</b>	<b>(34.48)</b>	<b>104.05</b>	<b>65.48</b>
Others						
Contributions paid by the employer	-	-	125.00	-	(125.00)	-
Benefits paid	(201.29)	(187.30)	(201.29)	(187.30)	-	-
<b>Closing balance</b>	<b>2376.14</b>	<b>2249.60</b>	<b>1903.77</b>	<b>1831.92</b>	<b>472.37</b>	<b>417.68</b>

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, 2024	As at March 31, 2023
<b>Economic assumptions:</b>		
Discount rate	7.25%	7.40%
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%	1%
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, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(124.67)	129.20	(105.76)	104.84
Change in cost (0.50% movement)	131.61	(125.77)	106.07	(104.21)

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, 2024	As at March 31, 2023
Less than 1 year	201.18	183.29
Between 1-2 years	218.72	198.87
Between 2-3 years	224.64	203.84
Between 3-4 years	232.96	210.98
Between 4-5 years	243.93	220.47
Between 5-6 years	252.98	228.18
Over 6 years	1001.73	1003.97
<b>Total</b>	<b>2376.14</b>	<b>2249.60</b>

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2025 are ₹60.69 crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.53 years (31 March 2023: 12.34 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	
	March 31, 2024	March 31, 2023
Excess / (Shortfall) in PF interest liability based on actuarial valuation for the year	9.97	(14.90)
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	18.13	28.10
Remeasurement gain/(loss) recognised through other comprehensive income statement	(9.17)	(24.20)
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	(19.14)	(9.30)

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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
BHEL EPF Trust, Ranipur, Hardwar	1824.36	1764.84	1841.54	1776.01	17.18	11.17
BHEL Employee Provident Fund-Trichy	988.93	916.65	986.19	906.77	(2.74)	(9.88)
BHEL Employee Provident Fund Bhopal	1629.83	1493.84	1625.11	1487.41	(4.72)	(6.43)
BHEL New Delhi Employees Provident Fund Trust	1493.90	1433.99	1491.75	1433.50	(2.15)	(0.49)
BHEL Employee Provident Fund-Hyderabad	901.38	843.58	917.02	871.94	15.64	28.36
BHEL PPD EPF Trust, Chennai	955.03	907.95	946.51	896.65	(8.52)	(11.30)
BHEL Employee Provident Fund-Bengaluru	637.68	614.87	653.29	626.89	15.61	12.02
BHEL (BAP Unit) EPF Trust, Ranipet	322.00	332.24	323.44	332.46	1.44	0.22
BHEL Employee Provident Fund Trust Jhansi	494.82	476.99	508.78	491.52	13.96	14.53
Bharat Heavy Plates and Vesseles Limited Employee Contributory Provident Fund-Vizag	152.27	148.74	192.31	186.84	40.04	38.10
<b>Total</b>	<b>9400.20</b>	<b>8933.69</b>	<b>9485.94</b>	<b>9009.99</b>	<b>85.74</b>	<b>76.30</b>

**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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Opening balance</b>	<b>8933.68</b>	<b>8626.88</b>	<b>9009.99</b>	<b>8727.09</b>
Included in Profit for the Year:				
Current service cost	369.63	353.89	-	-
Interest cost / (income)	724.70	683.04	760.00	683.04
<b>Total amount recognised in Profit for the Year</b>	<b>1094.33</b>	<b>1036.93</b>	<b>760.00</b>	<b>683.04</b>
Included in Other Comprehensive Income (OCI):				
Remeasurement loss / (gain):				
Actuarial loss / (gain) arising from:				
Demographic assumptions	-	-	-	-
Financial assumptions	0.86	(1.22)	(0.28)	-
Experience adjustment	29.61	(4.04)	4.88	(29.15)
<b>Total amount recognised in other comprehensive income</b>	<b>30.47</b>	<b>(5.26)</b>	<b>4.60</b>	<b>(29.15)</b>
<b>Others</b>				
Contributions paid by the employer	-	-	369.63	353.89
Employee Contribution	710.44	717.79	710.44	717.79
Benefits paid	(1658.60)	(1862.90)	(1658.60)	(1862.90)
Settlements/Transfer-in	289.88	420.24	289.88	420.24
<b>Closing balance</b>	<b>9400.20</b>	<b>8933.68</b>	<b>9485.94</b>	<b>9009.99</b>

**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 ₹53.17 Cr. based on the best possible assessment of recovery.

**Details of Plan assets**

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Govt. of India securities [Quoted]	796.78	905.49
State Government securities [Quoted]	4678.27	4451.33
Corporate bonds [Quoted]	3259.15	3017.93
Special Deposit [Unquoted]	344.65	364.71
Liquid Fund [Quoted]	3.76	17.19
Short term deposit [Unquoted]	85.76	33.46
Mutual Fund & Equity shares [Quoted]	317.58	219.88
<b>Total</b>	<b>9485.94</b>	<b>9009.99</b>

### Actuarial assumptions

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

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Economic assumptions:</b>		
Discount rate	7.25%	7.40%
Expected statutory interest rate on the ledger balance	8.25%	8.15%
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%	1.00%
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, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(1.80)	1.89	(1.67)	1.83

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, 2024	As at March 31, 2023
Within the next 12 months	787.86	860.93
Between 2-5 years	1755.71	1706.54
Between 5-10 years	1554.56	1396.90
Beyond 10 years	5302.07	4969.31
<b>Total</b>	<b>9400.20</b>	<b>8933.68</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, 2024	As at March 31, 2023
<b>Opening balance</b>	<b>13.43</b>	<b>11.63</b>
Current service cost	0.89	0.81
Interest cost / (income)	0.99	0.81
<b>Included in Profit for the year</b>	<b>1.88</b>	<b>1.62</b>
Actuarial loss / (gain)	2.55	2.97
<b>Total amount recognised in TCI for the Year</b>	<b>4.43</b>	<b>4.59</b>
<b>Others</b>		
Contributions paid by the employer	-	-
Benefits paid	(2.80)	(2.79)
<b>Closing balance</b>	<b>15.06</b>	<b>13.43</b>

**Actuarial assumptions**

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

Particulars	Settlement Allowance	
	As at March 31, 2024	As at March 31, 2023
<b>Economic assumptions:</b>		
Discount Rate	7.25%	7.40%
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%	1%
Above 44 years	1%	1%

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

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

### Movement in long term leave liability

(₹ in Crore)

Particulars	Long Term Leave Liability	
	As at March 31, 2024	As at March 31, 2023
<b>Opening balance</b>	<b>1037.18</b>	<b>1030.72</b>
<b>Included in Profit for the Year:</b>		
Current service cost	138.96	130.91
Interest cost / (income)	76.75	72.15
Actuarial loss / (gain)	(23.73)	(61.60)
<b>Total amount recognised in Profit for the Year</b>	<b>191.98</b>	<b>141.46</b>
Benefits paid	164.14	135.00
<b>Closing balance</b>	<b>1065.02</b>	<b>1037.18</b>

### Actuarial assumptions

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

Particulars	Long Term Leave Liability	
	As at March 31, 2024	As at March 31, 2023
<b>Economic assumptions:</b>		
Discount rate	7.25%	7.40%
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%	1%
Above 44 years	1%	1%

## C. Pension Fund

The Company has recognised ₹278 Cr. [PY ₹247 Cr.] as contribution in respect of pension scheme [defined contribution plan] for the FY 2023-24.

**Note [37]****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. (NBPL) 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 Life Insurance Corporation of India

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. Koppu Sadashiv Murthy	Chairman & Managing Director	(w.e.f. 01.11.2023)
Dr. Nalin Shinghal	Chairman & Managing Director	(upto 31.10.2023)
Shri. Jai Prakash Srivastava	Director (E, R&D)	(w.e.f. 12.08.2022)
Shri. Subodh Gupta	Director (Finance) & CFO	(upto 17.04.2023)
Ms. Bani Varma	Director (IS & P)	(w.e.f. 09.10.2023)
Ms. Renuka Gera	Director (IS & P)	(upto 31.08.2023)
Shri. Krishna Kumar Thakur	Director (HR)	(w.e.f. 04.07.2023)
Shri. Tajinder Gupta	Director (Power)	(w.e.f. 20.09.2023)
Shri. Upinder Singh Matharu	Director (Power)	(upto 31.08.2023)
<b>Company Secretary</b>		
Shri Rajeev Kalra	Company Secretary	

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
<b>Compensation to Key management personnel</b>		
- Short term employee benefits	4.31	2.85
- Post employment benefits	0.64	0.50
- Other long term benefits	-	-
- Termination benefits	-	-
- Share based payment	-	-
<b>Total</b>	<b>4.95</b>	<b>3.35</b>

**b. Government Director/Independent Director**

Name		Held [w.e.f /upto]
Shri Vijay Mittal	Government Director	(w.e.f. 25.03.2022)
Smt. Arti Bhatnagar	Government Director	(w.e.f. 14.02.2023)
Shri (Dr.) K. Sivaprasad	Independent Director	(w.e.f. 09.11.2021)
Smt.(Dr.) Lekhasri Samantsinghar	Independent Director	(From 09.11.2021 to 12.04.2024)
Shri Ramesh Patlya Mavaskar	Independent Director	(w.e.f. 08.06.2023)

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Sitting Fees -- Independent Directors	0.20	0.26

**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, 2024	March 31, 2023
PRMB Trust	Post Retirement medical scheme	125.00	-
Gratuity Trust	Gratuity	125.00	-
Employees Superannuation Fund	Pension Fund	457.47	246.95
BHEL EPF Trust, Ranipur, Hardwar	Provident Fund	60.18	57.81
BHEL Employee Provident Fund-Trichy	Provident Fund	59.60	56.00
BHEL Employee Provident Fund Bhopal	Provident Fund	59.71	56.25
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	45.64	44.01
BHEL Employee Provident Fund-Hyderabad	Provident Fund	44.24	42.45
BHEL PPD EPF Trust, Chennai	Provident Fund	32.24	30.67
BHEL Employee Provident Fund-Bengaluru	Provident Fund	29.47	28.60
BHEL (BAP Unit) EPF Trust, Ranipet	Provident Fund	17.68	17.83
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	14.14	13.77
Bharat Heavy Plates and Vesseles Limited Employee Contributory Provident Fund-Vizag	Provident Fund	6.73	6.50

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

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
<b>Sales of Goods and services</b>		
BGGTS	305.92	239.24
RPCL	9.30	9.42
NBPPL	0.61	2.21
<b>Dividend income</b>		
BGGTS	41.65	26.18
<b>Royalty income</b>		
BGGTS	2.03	1.85
<b>Purchase of Goods and Services</b>		
BGGTS	1.18	0.87
RPCL	0.07	-
<b>Amounts due to BHEL at the end of the year</b>		
BGGTS	138.05	112.07
RPCL	643.84	636.90
NBPPL	277.02	225.17
<b>Amounts due from BHEL (incl. advances) at the end of the year</b>		
BGGTS	0.38	0.44
RPCL	8.55	20.90
NBPPL	41.69	23.58
<b>Provision for Doubtful debts &amp; advances</b>		
BGGTS	10.52	10.27
RPCL	20.73	20.81
NBPPL	222.12	190.15

**Note:** Refer Note [5] for provision for diminution in value of investments

## Note [38]

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

(₹ in Crore)

a.	Liquidated Damages	As at March 31, 2024	As at March 31, 2023
	<b>Opening Balance</b>	<b>8234.67</b>	<b>8559.20</b>
	Add: Additions	1165.80	259.62
	Less: Usage/ Write off/payment	21.72	86.73
	Less: Withdrawal/adjustments	212.21	497.42
	<b>Closing Balance</b>	<b>9166.53</b>	<b>8234.67</b>

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, 2024	As at March 31, 2024
	<b>Opening Balance</b>		
	As disclosed in Note (19)	<b>3774.42</b>	<b>3855.48</b>
	As disclosed in Note (6)	<b>552.05</b>	<b>708.05</b>
	As disclosed in Note (9)	<b>462.40</b>	<b>4788.87</b>
	Add: Borrowing Cost	121.38	160.11
	Add: Additions	118.15	409.04
	Less: PV Adjustment	3.81	94.65
	Less: Usage/ Write off/payment	106.97	192.24
	Less: Withdrawal/adjustments	2587.80	688.44
	Add/(Less): Change in estimate and rates	(4.91)	(0.71)
	<b>Closing Balance</b>		
	As disclosed in Note (19)	<b>1822.17</b>	<b>3774.42</b>
	As disclosed in Note (6)	<b>105.45</b>	<b>552.05</b>
	As disclosed in Note (9)	<b>397.29</b>	<b>2324.91</b>
		<b>462.40</b>	<b>4788.87</b>

The provision for contractual obligation is made considering the effect of time value of money in line with Material Accounting Policy No. 11 mentioned under Note No.[2], 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.

The company had reviewed its policy for providing contractual obligations w.e.f. 01<sup>st</sup> April 2021, wherein the provision for CO was to be considered @ 1% prospectively and the provisions created @ 2.5% and existing (upto 31<sup>st</sup> March 2021) was to be maintained till vacation. Based on the historical experience / technical assessment, the company has now decided that provisioning for cumulative warranties (contractual obligations) be maintained at 1% for all projects. Net impact of the change is ₹1263.65 crore which is derived as follows:

1. Reduction in CO Provision	₹2439.70 Crs	(Impact- Increase in profit)
2. Reduction in Revenue	₹92.47 Crs	(Impact- Decrease in profit)
3. Creation of LD/BD Provisions	₹1041.37 Crs	(Impact- Decrease in profit)
4. Provision of Inventory on Hold Project	₹5.97 Crs	(Impact- Decrease in profit)
5. Reversal of Loss making Provision	₹19.55 Crs	(Impact- Increase in profit)
6. CO Provision discounting impact	₹55.79 Crs	(Impact- Decrease in profit)
7. Net Impact on Profit	₹1263.65 Crs	(Impact- Increase in profit)

**Note [39]****Disclosure - Revenue from Contracts with Customers - Ind AS-115****a. Movement in impairment provisions**

(₹ in Crore)

Particulars	2023-24		2022-23	
	Trade receivables	Contract assets	Trade receivables	Contract assets
<b>Opening balance</b>	<b>4322.46</b>	<b>4652.34</b>	<b>4314.79</b>	<b>4700.40</b>
Add: Additions	1519.23	254.95	279.02	271.45
Less: Write off	26.55	1.26	57.46	-
Less: Reversal/adjustments	622.48	926.80	213.90	319.51
<b>Closing balance</b>	<b>5192.66</b>	<b>3979.22</b>	<b>4322.46</b>	<b>4652.34</b>

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

(₹ in Crore)

Particulars	Power		Industry		Total	
	Within India	Outside India	Within India	Outside India		
<b>2023-24</b>						
<b>Revenue from customers</b>						
Timing of revenue recognition						
(a) At a point in time (product/services)	3324.43	61.58	3603.94	42.14	7032.10	
(b) Over time (projects)	13737.26	586.36	1562.54	2.25	15888.42	
<b>2022-23</b>						
<b>Revenue from customers</b>						
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	

(₹ in Crore)

Particulars	2023-24		2022-23	
	Power	Industry	Power	Industry
<b>Revenue from customers</b>				
CPSUs	6888.04	2096.72	5581.63	1639.38
TSGENCO	2834.77	-	3112.02	-

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

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables	8010.07	6543.89
Contract assets (incl. unbilled revenue)	26747.54	29740.03
Contract liabilities	7133.45	5635.01

#### d. Contract revenue recognised

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	3011.15	3024.72
Revenue recognised against performance obligation satisfied in previous year (impact due to change in contract revenue)	163.16	892.15

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 [40]

### 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, 2024	As at March 31, 2023
<b>Financial assets:</b>		
Investment in unquoted equity instruments	1.19	3.13

#### 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, 2023</b>	<b>3.13</b>
Changes in fair value	1.94
<b>As at March 31, 2024</b>	<b>1.19</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:

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

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

### Risk management framework

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

### a) Management of Credit Risk

Credit risk is considered as an integral part of risk reward balance of doing business. BHEL is involved in setting up of power projects pertaining to Government sector (State utilities, PSU's, Railways and other govt. departments etc.) and private sectors in India and abroad. The projects are generally funded by Financial Institutions/ banks or payments are covered by Letter of Credit (LC). The project duration ranges from 3 to 5 years and payments are generally realised in stages as per the terms of the contract including advance, progress payments, milestone (including intermediate) payments and also retentions which are released on completion of such projects. Since majority customers' profile pertains to Government sector, constituting 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, 2024	As at March 31, 2023
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Cash and cash equivalents	1835.04	1561.34
Other bank balances	4322.43	5136.73
Other financial assets	445.92	329.13
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss</b>		
Trade receivables	8010.07	6543.89

Concentration of credit risk- Geographical	Percentage of total receivable	
	As at March 31, 2024	As at March 31, 2023
Within India	95%	94%
Outside India	5%	6%
<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 Receivables	
	As at March 31, 2024	As at March 31, 2023
Central Public Sector Undertakings incl. Railways and Govt. Deptt.	43%	39%
State Electricity Boards	40%	41%
Private Customers and others	13%	14%
Exports	5%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## (ii) Impairment losses

### 1. 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:

Particulars	(₹ in Crore)	
	As at March 31, 2024	As at March 31, 2023
<b>Balance as at April 1</b>	<b>14.91</b>	<b>14.56</b>
Impairment loss recognised/ write off/ withdrawal	1.41	0.35
<b>Balance as at March 31</b>	<b>16.32</b>	<b>14.91</b>

### 2. 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:

Particulars	(₹ in Crore)	
	As at March 31, 2024	As at March 31, 2023
<b>Balance as at April 1</b>	<b>8974.80</b>	<b>9015.19</b>
Impairment loss recognised	1774.18	550.47
Amounts written off/ withdrawal	(1577.09)	(590.86)
<b>Balance as at March 31</b>	<b>9171.88</b>	<b>8974.80</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.

### 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)			
	As at March 31, 2024		As at March 31, 2023	
	Within 1 year	Exceeding 1 year	Within 1 year	Exceeding 1 year
Financial Liabilities				
Non-derivative financial liabilities				
Trade payables	8696.24	2292.76	9895.83	2065.92
Deposits from contractors and others	548.62	315.02	544.77	247.10
Lease liabilities	24.90	23.55	34.76	33.75
Other Payables/liabilities				
Employee dues	353.32	-	384.33	-
Other dues	401.60	-	364.44	-
Capex dues	114.90	10.86	111.50	8.60
Short term borrowings	8808.00	-	5385.00	-
<b>Total</b>	<b>18947.58</b>	<b>2642.19</b>	<b>16720.63</b>	<b>2355.37</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 31.03.2024 is Nil (previous year Nil)
- (ii) The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2024	As at March 31, 2023
	Euro	Equivalent INR	Euro	Equivalent INR	Others INR	Others INR
<b>Assets</b>						
Trade receivable	53.64	484.16	55.50	496.43	1.86	3.44
Contract assets	235.03	2112.15	332.04	2959.08	39.52	11.92
Other assets	0.61	5.50	1.24	10.29	154.98	75.49
<b>Sub Total (A)</b>	<b>289.29</b>	<b>2601.82</b>	<b>388.78</b>	<b>3465.80</b>	<b>196.36</b>	<b>90.84</b>
<b>Liabilities</b>						
Advances from customer	35.46	238.77	36.15	240.84	22.65	22.65
Trade payables and others	29.79	272.79	34.70	315.32	308.96	579.03
<b>Sub Total (B)</b>	<b>65.25</b>	<b>511.56</b>	<b>70.85</b>	<b>556.15</b>	<b>331.61</b>	<b>601.68</b>
<b>Assets (Net of Liabilities)</b>	<b>224.04</b>	<b>2090.26</b>	<b>317.93</b>	<b>2909.64</b>	<b>(135.25)</b>	<b>(510.83)</b>

Particulars	USD	Equivalent INR	USD	Equivalent INR
<b>Assets</b>				
Trade receivable	77.52	644.22	70.72	579.07
Contract assets	234.62	1948.28	322.62	2640.15
Other assets	0.36	2.41	0.36	2.41
<b>Sub Total (A)</b>	<b>312.50</b>	<b>2594.91</b>	<b>393.70</b>	<b>3221.63</b>
<b>Liabilities</b>				
Advances from customer	50.09	253.59	58.00	326.40
Trade payables and others	132.79	1114.42	97.39	806.03
<b>Sub Total (B)</b>	<b>182.88</b>	<b>1368.01</b>	<b>155.40</b>	<b>1132.43</b>
<b>Assets (Net of Liabilities)</b>	<b>129.62</b>	<b>1226.90</b>	<b>238.31</b>	<b>2089.21</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 March 31, 2024		As at March 31, 2023	
Effect on Profit/(loss) on 1 % movement		Strengthening	Weakening	Strengthening	Weakening
Euro		20.90	(20.90)	29.10	(29.10)
USD		12.27	(12.27)	20.89	(20.89)
Others		(1.35)	1.35	(5.11)	5.11

## 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 [41]

### Operating Segments

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 March 31, 2024			For the year ended March 31, 2023 (Restated)		
	Power	Industry	Total	Power	Industry	Total
<b>I. SEGMENT REVENUE</b>						
Operating Revenue-External	17709.64	5210.88	22920.52	17498.98	4637.32	22136.30
<b>II. SEGMENT RESULTS</b>						
a. Segment Results	1657.03	137.08	1794.11	1585.11	483.91	2069.02
b. Unallocated expenses (Net of income)			842.49			861.82
c. Profit before finance cost & Incometax (a) - (b)			951.62			1207.20
d. Finance cost (Includes unwinding of Interest)			731.29			521.43
e. Net Profit before Income Tax (c) - (d)			220.33			685.77
f. Income Tax			(39.56)			61.49
g. Net Profit/(loss) after Income Tax (e)-(f)			259.89			624.28
<b>III ASSETS &amp; LIABILITIES</b>						
a. Segment Assets	39561.83	8418.14	47979.97	37117.35	7876.15	44993.50
b. Common Assets			11437.46			12360.64
c. Total Assets			59417.43			57354.14
d. Segment Liabilities	20670.89	6081.21	26752.10	22366.53	5140.86	27507.39
e. Common Liabilities			7814.74			5034.36
f. Total Liabilities			34566.84			32541.75
<b>IV OTHER INFORMATION</b>						
a. Capital Expenditure	158.93	91.86		121.75	80.26	
b. Depreciation & Amortization	138.73	76.90		167.99	63.96	
c. Non Cash Expenses (other than depreciation & amortization)	(815.40)	147.31		(507.61)	(296.77)	

**Geographical Segments**

(₹ in Crore)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023 (Restated)		
	Within India	Outside India	Total	Within India	Outside India	Total
1 Net Sales / Revenue from Operations	22228.18	692.34	22920.52	21061.08	1075.22	22136.30
2 Non- Current Assets (PPE & Intangible Assets)	2880.44	1.96	2882.40	2826.69	3.14	2829.83
3 Capital Expenditure	286.57	0.85	287.41	261.79	0.15	261.94

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

(₹ in Crore)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023 (Restated)		
	Power	Industry	Total	Power	Industry	Total
CPSUs	6888.04	2096.72	8984.76	5581.63	1639.38	7221.01
TSGENCO	2834.77	-	2834.77	3112.02	-	3112.02

## Note [42]

### Additional Disclosures

(₹ in Crore)

A.	Category of Imports	For the year ended	
		March 31, 2024	March 31, 2023
<b>Imports on CIF basis</b>			
Raw materials		568.77	734.51
Components and spare parts		833.42	674.48
Capital goods		42.18	6.21
<b>Total Imports</b>		<b>1444.38</b>	<b>1415.20</b>

(₹ in Crore)

B.	Types of Expenditure (incurred in foreign currency)	For the year ended	
		March 31, 2024	March 31, 2023
i) Royalty		58.00	51.36
ii) Know-how		21.55	13.72
iii) Professional consultation fee		15.70	17.83
iv) Interest and others (incl. on foreign sites)		24.49	31.68

(₹ in Crore)

C.	Classification of Consumption [raw materials, components, stores & spare parts]	For the year ended	
		March 31, 2024	March 31, 2023
i) Imported (including custom duty)		1522.25	1609.95
ii) Indigenous		10812.76	9326.84
<b>iii) Percentage of total consumption</b>			
Imported		12.34	14.72
Indigenous		87.66	85.28

(₹ in Crore)

D.	Earnings in foreign exchange	For the year ended	
		March 31, 2024	March 31, 2023
Physical Export of goods (FOB basis)		351.19	395.58
Erection & other services		268.71	596.38
Foreign exchange on deemed exports (incl. domestic contracts and SEZ export)		442.14	592.61
<b>Total</b>		<b>1062.04</b>	<b>1584.57</b>

(₹ in Crore)

E.	Statement for raw materials and components consumed	For the year ended	
		March 31, 2024	March 31, 2023
<b>Raw Materials</b>			
i) Ferrous materials		2211.26	2575.80
ii) Non-ferrous materials		466.12	476.47
iii) Insulating materials		108.30	136.75
iv) Insulated cables and Magnet wires		8.98	6.34
v) Other Components		2973.24	2533.30
vi) Others		348.37	146.62
<b>Total</b>		<b>6116.27</b>	<b>5875.28</b>
<b>Bought out Materials</b>			
i) Ferrous materials		52.62	38.39
ii) Non-ferrous materials		42.61	43.10
iii) Insulating materials		109.14	105.15
iv) Insulated cables and Magnet wires		50.43	31.47
v) Other Components		3715.71	3190.16
vi) Others		1897.95	1249.06
<b>Total</b>		<b>5868.46</b>	<b>4657.33</b>

## Note [43]

### Ratios

Particulars	Numerator	Denominator	2023-24	2022-23	% Variance	Reason for variance
(a) Current ratio	Total Current Assets	Total Current Liabilities	1.36	1.24	-10.05	
(b) Debt-equity ratio						
(c) Debt service coverage ratio						
(d) Long term Debt to Working Capital						The company does not have any long term debt and hence these ratios are not applicable.
(e) Interest service coverage ratio						
(f) Total Debt to Total Assets ratio	Total Borrowings	Total Assets	0.15	0.10	-56.76	Higher working capital intensity
(g) Inventory turnover ratio	Revenue from contracts with customers	Average Inventory (Net)	3.28	3.32	-1.35	
(h) Trade receivables turnover ratio	Revenue from contracts with customers	Average Trade receivable (Net)	3.15	3.47	-9.13	
(i) Bad debts to accounts receivable ratio	Bad debts written off	Gross Trade Receivables	0.00	0.00	-57.21	Insignificant change in absolute terms
(j) Current Liability Ratio	Current Liabilities	Total Liabilities	0.73	0.72	1.57	
(k) Trade payables turnover ratio	Purchases and Subcontracting	Average Trade Payables	1.50	1.51	-0.35	
(l) Net capital turnover ratio	Revenue from contracts with customers	Total Current Assets - Total Current Liabilities	2.49	3.94	-36.89	Higher working capital intensity
(m) Return on equity ratio	Profit for the year (PAT)	Average Total Equity - OCI	1.03%	2.51%	-58.87	Due to lower ERV gain and higher finance cost
(n) Operating profit ratio	Profit Before Interest, Depreciation & Tax - Other Income	Revenue from operations	2.56%	4.08%	-37.12	Due to lower ERV gain
(o) Net profit ratio	Profit for the year (PAT)	Revenue from operations	1.09%	2.67%	-59.29	Due to lower ERV gain and higher finance cost
(p) Return on capital employed	Earning before interest and taxes	Capital Employed = Total Equity - CWIP - Intangible assets under development -Deferred tax assets	4.68%	5.97%	-21.67	Due to lower ERV gain
(q) Return on investment		NA				
(r) Net worth (₹ / Cr.)	Share Capital + Reserve and Surplus		24850.59	24812.39	0.15	
(s) Profit After Tax (₹ / Cr.)	Profit after Tax		259.89	624.28	-58.37	Due to lower ERV gain
(t) Earning Per Share (₹)	Profit for the year (PAT)	Weighted average No. of shares	0.75	1.79	-58.37	
(u) Capital redemption reserve (₹/ Cr.)			37.87	37.87	0.00	

**Note [44]****Change in Accounting Policy – Impairment of Financial Assets**

During the year ended March 31, 2024, the company has changed its accounting policy (w.r.t. impairment of financial assets) in line with the opinion obtained from Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), with respect to factoring the time value of money while calculating Expected Credit Losses in respect of Contract Assets. This change in policy reflects better depiction of Contract Assets as on date and therefore provides more relevant information to users of financial statements. The change in policy has been given effect retrospectively from April 1, 2022 keeping in view the practical expediency.

**The change has been applied retrospectively and has impacted the financial statements as follows:**

Balance Sheet	As at March 31, 2024 (Without considering the effect of change in accounting policy)	Increase/ (decrease) due to change in accounting policy	As at March 31, 2024 (After considering the effect of change in accounting policy)	As at March 31, 2023 (As previously reported)	Increase/ (decrease) due to change in accounting policy	As at March 31, 2023 (Restated)	As at April 1, 2022 (As previously reported)	Increase/ (decrease) due to change in accounting policy	As at April 1, 2022 (Restated)	(₹ in Crore)
Other current assets (Contract Assets)	16804.30	(890.92)	15913.38	13050.84	(951.48)	12099.36	10792.53	(816.82)	9975.71	
Other non-current assets (Contract Assets)	14978.96	(1289.27)	13689.69	19277.71	(2322.21)	16955.50	18526.54	(2693.04)	15833.50	
Deferred Tax Asset (Net of Liab.)	3652.55	548.71	4201.26	3422.62	823.92	4246.54	3530.08	883.36	4413.44	
Total Assets	61048.91	(1631.48)	59417.43	59803.91	(2449.77)	57354.14	56708.32	(2626.50)	54081.82	
Other Equity	25785.66	(1631.48)	24154.18	26565.75	(2449.77)	24115.98	26274.75	(2626.50)	23648.25	
Total Equity	26482.07	(1631.48)	24850.59	27262.16	(2449.77)	24812.39	26971.16	(2626.50)	24344.66	
Total Equity & Liabilities	61048.91	(1631.48)	59417.43	59803.91	(2449.77)	57354.14	56708.32	(2626.50)	54081.82	

Statement of Profit and Loss	For the year ended March 31, 2024 (Without considering the effect of change in accounting policy)	Increase/ (decrease) due to change in accounting policy	For the year ended March 31, 2024 (After considering the effect of change in accounting policy)	For the year ended March 31, 2023 (As previously reported)	Increase/ (decrease) due to change in accounting policy	For the year ended March 31, 2023 (Restated)	(₹ in Crore)
Other Expenses (Provision & Write off)	1937.73	(1093.50)	844.23	647.03	(236.17)	410.86	
Profit Before Tax	(873.17)	1,093.50	220.33	449.60	236.17	685.77	
Tax Expenses – Deferred Tax	(202.21)	275.21	73.00	113.27	59.44	172.71	
Profit for the year	(558.40)	818.29	259.89	447.55	176.73	624.28	

Earnings per share (basic as well as diluted) for the current year increased by ₹2.35 per share and the preceding year increased by ₹0.51 per share consequent to the change in accounting policy.

**Note [45]**

A ransomware incident on BHEL IT Systems occurred on 05<sup>th</sup> 06<sup>th</sup> Jan 2024 night. The incident was reported to Computer Emergency Response Team (CERT-In), National Critical Information Infrastructure Protection Centre (NCIIPC) and an online FIR was lodged with National Cyber Crime Reporting Portal. The impact of the ransomware incident was seen mainly in few services like e-Office (file movement system), e-mail and File sharing server. Owing to robust cyber security measures and Disaster Recovery mechanism in place, the impacted services were restored successfully without any data loss and financial impact.

**Note [46]**

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

- i) 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 [47]

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

## Note [48]

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

## Note [49]

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

## Note [50]

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

## Note [51]

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

## Note [52]

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

## Note [53]

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

## Note [54]

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]

The Board of Directors has authorised to issue the Financial Statements 2023-24 in its meeting held on May 21, 2024.

For and on behalf of Board of Directors



(Rajeev Kalra)  
Company Secretary

M. No. 14567



(K. Sadashiv Murthy)  
Chairman and Managing Director  
Additional charge of Director (Finance) & CFO  
DIN: 09184201

As per our report of even date

For ABP & Associates  
Chartered Accountants  
FRN – 315104E

  
(Niranjan Agrawalla)  
Partner  
M. No. 087939

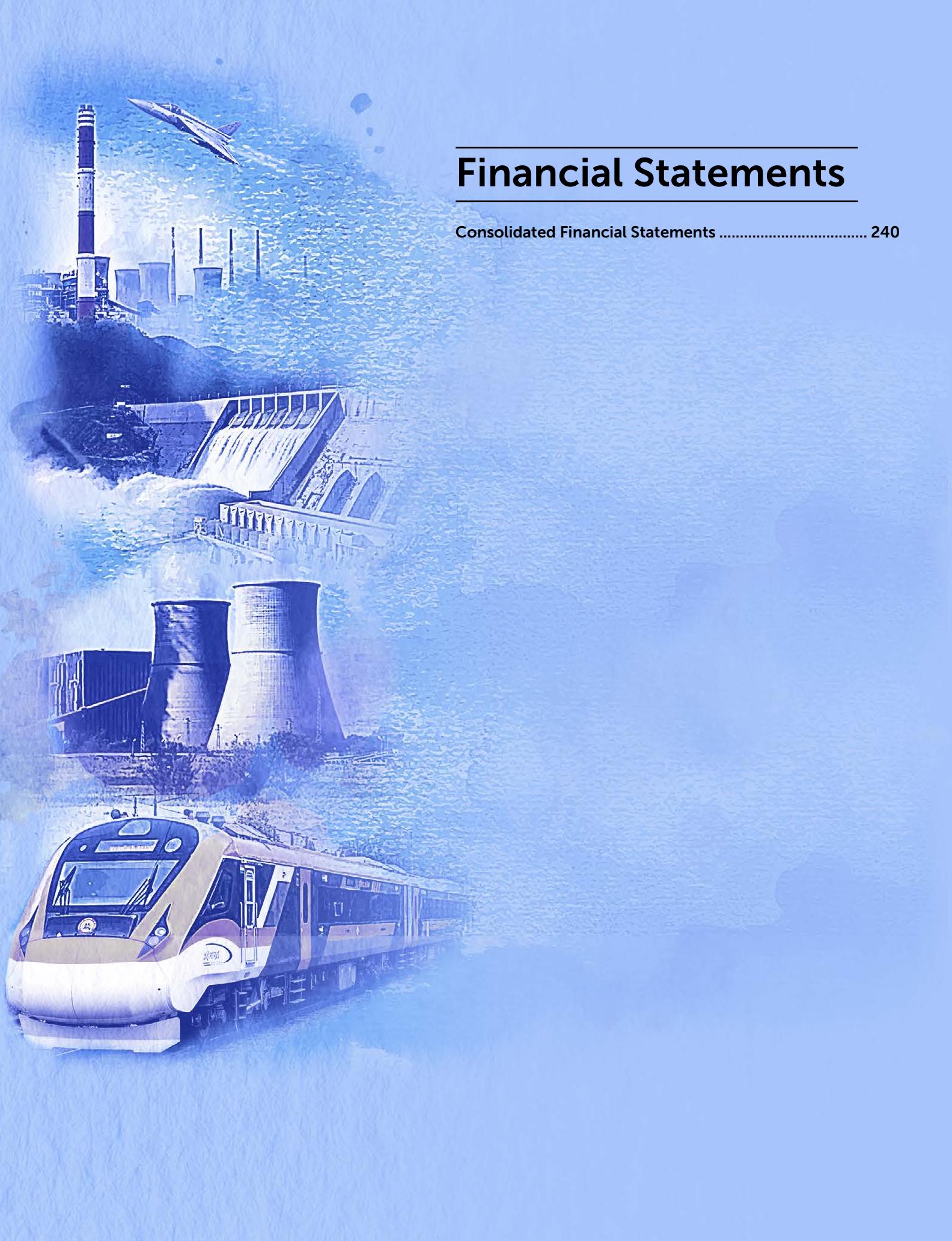
For PSMG & Associates  
Chartered Accountants  
FRN – 008567C

  
(Suhas Basu)  
Partner  
M. No. 052684

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

  
(Vijit Baidmutha)  
Partner  
M. No. 406044

Place : New Delhi  
Date : May 21, 2024



# 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 31<sup>st</sup> March, 2024, 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 material 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, 2024, 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.

### Emphasis of Matter

1. We draw attention to Note No. 44 to the Consolidated financial statements, the company has changed its accounting policy (w.r.t. impairment of financial assets) in line with the Expert Advisory Committee opinion received during the year from ICAI, with respect to factoring time value of money while calculating Expected Credit Losses in respect of Contract Assets. The impact provided for Expected Credit Loss on contract assets as on 1<sup>st</sup> April 2022 is reduction in total equity by ₹2,626.50 Cr, withdrawal in Provision for ECL for FY 2022-23 is ₹236.17 Cr. and withdrawal in Provision for ECL for Current Year 2023-24 is ₹1,093.50 Cr.
2. We draw attention to Note No. 40 to the Consolidated financial statements that there has been a change in Accounting Estimates and judgment with respect to the Provision for Contractual Obligation, used in preparation of Financial Statements during the year 2023-24. The change is applied prospectively in line with Ind AS 8. This has resulted in reduction of revenues by ₹92.47 Cr., and reduction in provisions by ₹1,356.12 Cr.
3. We draw attention to Note No. 06 to the Consolidated financial statements, the company has deferred the creation of provision for an amount of ₹211 Cr. on the Sudan Project citing delay in realisation due to Civil War.
4. We draw attention to the Note No. 46 to the Consolidated financial statements regarding the ransomware incident occurred on 05<sup>th</sup>-06<sup>th</sup> Jan 2024 night. As per the company, the impacted services were restored successfully without any data loss and financial impact.

Our opinion is not modified in respect of this matter.

### 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 41</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 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 ₹8,010.07 Crore and contract assets (net) of ₹26,747.54 Crore at the end of March 31, 2024.</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 matter 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, 41</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 ageing 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>
<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><b>(Refer Note 33</b> to the Consolidated Financial Statements).</p>	<p><b><u>Principal Audit Procedures</u></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</li> <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>

## 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 changes 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 misstatements, 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 misstatements, 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 misstatements 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 ₹63.98 Crore and other comprehensive income of ₹(0.14) Crore for the year ended 31<sup>st</sup> March, 2024 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, in so far 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 recognized 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/loss), 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) As per Notification No. GSR 463(E) dated 05-06-2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable on the company;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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/joint venture 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 including derivative contracts – Refer **Note 40** to the consolidated financial statements in respect of such items as it relates to the Group and jointly controlled/joint venture entities;
- 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/joint venture companies incorporated in India.
- iv. (a) The respective Managements of the Company and its jointly controlled/joint venture entities which are companies incorporated in India, whose financial statements are unaudited, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such jointly controlled/joint venture entities to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company and its jointly controlled/joint venture entities which are companies incorporated in India, whose financial statements are unaudited, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Company or any of such jointly controlled/joint venture entities from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. (a) The final dividend proposed for the previous year, declared and paid by the company during the year is in accordance with Section 123 of the Act, as applicable.

- (b) During the year the Company has not declared or paid any Interim dividend.
- (c) As stated in **Note 31** to the consolidated financial statements, the Board of Directors of the company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.
- vi. Based on our examination, which included test checks, we report that the company has used multiple accounting softwares for maintaining its books of accounts having a feature of recording audit trail (edit log) facility except in one branch where DBase accounting software was used which did not have the feature of recording audit trail (edit log). The Audit Trail has operated throughout the year for all relevant transactions recorded in the software except from 06-01-2024 to 15-01-2024 since no transactions were recorded due to malware attack. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Our examination of the audit trail was in the context

of an audit of financial statements carried out in accordance with the Standards on Auditing and only to the extent required by Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014. Regarding the joint ventures/jointly controlled entities, which are companies incorporated in India, we are unable to comment on the Audit Trail (edit log), since the audited financial statements of these joint ventures/jointly controlled entities are not available with the Company.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

- With respect to the matter of paras 3 (xxi) and 4 of the Companies (Auditor's Report) Order 2020, and three joint entities remain 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 2024, we report that there are no qualification or adverse remarks in the CARO report.

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



(Niranjan Agrawalla)  
Partner  
**M. No. 087939**  
UDIN:24087939BKCTZTS1641

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



(Suhas Basu)  
Partner  
**M. No. 052684**  
UDIN:24052684BKCRUF5791

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



(Vijit Baidmutha)  
Partner  
**M. No. 406044**  
UDIN:24406044BKBEQU1710

Place : New Delhi  
Date : May 21, 2024

## **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, 2024, 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 Controlled Entities out of which all three Jointly Controlled Entities are unaudited.

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

The respective Board of Directors of the Holding company and jointly controlled entities, 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 controls 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 to 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 companies 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, 2024, 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**



**(Nirjan Agrawalla)**  
Partner  
**M. No. 087939**  
UDIN:24087939BK CZTS1641

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



**(Suhas Basu)**  
Partner  
**M. No. 052684**  
UDIN:24052684BKCRUF5791

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



**(Viju Baidmutha)**  
Partner  
**M. No. 406044**  
UDIN:24406044BKBEOU1710

Place : New Delhi  
Date : May 21, 2024

NO. PDA(E) Rep/01-68/ BHEL-CPS/2024-25/ 184



गोपनीय  
भारतीय लेखापरीक्षा और लेखा विभाग  
कार्यालय महा निदेशक लेखापरीक्षा (ऊर्जा)  
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT  
Office of the Director General of Audit (Energy)  
New Delhi



आज़ादी का  
अमृत महोत्सव

Dated: 26.07.2024

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक,  
भारत हेवी इलेक्ट्रिकल्स लिमिटेड  
नई दिल्ली

विषय:- 31 मार्च 2024 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 2024 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 अधेष्ठित कर रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीया,

संलग्नक:- यथोपरि।

रस्ता राह पहुँचा  
(एस. आज़ादिनी पंडा)  
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 2024**

The preparation of consolidated financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2024 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139 (5) read with section 129 (4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129 (4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 21 May 2024.

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 2024 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

Place: New Delhi  
Date: 25.07.2024

  
(S. Ahlladini Panda),  
Director General of Audit (Energy)

## Consolidated Balance sheet

as at March 31, 2024

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2024	As at March 31, 2023 (Restated)*	As at April 1st 2022 (Restated)*
<b>A. ASSETS</b>					
<b>1. Non-current assets</b>					
(a) Property, plant and equipment	3a	264	2510.69	2408.74	2336.34
(b) Capital work-in-progress	3b	264	282.32	344.59	422.32
(c) Intangible assets	4a	267	63.35	67.24	62.12
(d) Intangible assets under development	4b	268	26.04	9.26	8.66
(e) Investment accounted for using equity method	5	268	254.48	232.29	201.86
(f) Financial assets					
(i) Investments	5a	269	1.19	3.13	3.29
(ii) Trade receivables	6	270	3224.69	3415.54	3203.84
(iii) Other financial assets	7	272	206.10	3431.98	142.69
(g) Deferred tax assets (net of liabilities)	8	272	4201.26	4246.54	4413.44
(h) Other non-current assets	9	273	13689.69	16955.50	15833.50
<b>Total non-current assets</b>			<b>24459.81</b>	<b>27825.52</b>	<b>26572.10</b>
<b>2. Current assets</b>					
(a) Inventories	10	274	7220.57	6755.90	6560.21
(b) Financial assets					
(i) Trade receivables	6	270	4785.38	3128.35	3024.75
(ii) Cash and cash equivalents	11	274	1835.04	1561.34	732.62
(iii) Bank balances other than cash and cash equivalents	12	275	4322.43	5136.73	6421.07
(iv) Other financial assets	7	272	239.82	11182.67	186.44
(c) Current tax assets (net)	13	275	229.07	226.38	119.24
(d) Other current assets	9	273	15913.38	12099.36	9975.71
<b>Total current assets</b>			<b>34545.69</b>	<b>29094.50</b>	<b>27045.16</b>
<b>TOTAL ASSETS</b>			<b>59005.50</b>	<b>56920.02</b>	<b>53617.26</b>
<b>B. EQUITY AND LIABILITIES</b>					
<b>3. Equity</b>					
(a) Equity share capital	14	275	696.41	696.41	696.41
(b) Other equity	15	276	23742.24	23681.85	23183.69
<b>Total Equity</b>			<b>24438.65</b>	<b>24378.26</b>	<b>23880.10</b>
<b>4. Liabilities</b>					
<b>4.1 Non-current liabilities</b>					
(a) Financial liabilities					
(i) Lease Liabilities	16	277	23.55	33.75	35.12
(ii) Trade payables	17	277	-	-	-
(ii) Total outstanding dues of micro enterprises and small enterprises					
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			2292.76	2065.92	2004.48
(iii) Other financial liabilities	18	278	325.88	2642.19	255.70
				2355.37	215.10
					2254.70

## Consolidated Balance sheet

as at March 31, 2024

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2024	As at March 31, 2023 (Restated)*	As at April 1st 2022 (Restated)*
(b) Provisions	19	279	2489.08	4101.02	3771.21
(c) Other non-current liabilities	20	279	4102.77	2605.81	2212.65
<b>Total non-current liabilities</b>			<b>9234.04</b>	<b>9062.20</b>	<b>8238.56</b>
<b>4.2. Current liabilities</b>					
(a) Financial liabilities					
(i) Borrowings	21	279	8808.00	5385.00	4745.00
(ia) Lease Liabilities	16	277	24.91	34.76	49.81
(ii) Trade payables	17	277			
(i) Total outstanding dues of micro enterprises and small enterprises			1157.45	1211.53	745.82
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			7538.79	8684.30	7003.77
(iii) Other financial liabilities	18	278	1418.44	18947.59	1405.04
(b) Provisions	19	279	2318.27	2796.63	3066.70
(c) Other current liabilities	20	279	4066.94	3962.29	4635.96
<b>Total current liabilities</b>			<b>25332.80</b>	<b>23479.55</b>	<b>21498.60</b>
<b>Total liabilities</b>			<b>34566.84</b>	<b>32541.75</b>	<b>29737.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>59005.50</b>	<b>56920.02</b>	<b>53617.26</b>

Basis of preparation, measurement and material accounting policies

2      258

The accompanying notes [1-55] are an integral part of these financial statements

\* The Company has presented a third statement of financial position as at the beginning of preceding period, because the change in accounting policy (see Note no. 44) has a material impact on the Financial Statements.

For and on behalf of Board of Directors

(Rajeev Kalra)  
Company Secretary

M. No. 14567

(K. Sadashiv Murthy)  
Chairman and Managing Director  
Additional charge of Director (Finance) & CFO  
DIN: 09184201

As per our report of even date

For ABP & Associates  
Chartered Accountants  
FRN – 315104E  
(Niranjan Agrawalla)  
Partner  
M. No. 087939For PSMG & Associates  
Chartered Accountants  
FRN – 008567C  
(Suhas Basu)  
Partner  
M. No. 052684For S. L. Chhajed & Co. LLP  
Chartered Accountants  
FRN – 000709C/C400277  
(Vijit Baidmutha)  
Partner  
M. No. 406044Place : New Delhi  
Date : May 21, 2024

## Consolidated Statement of Profit and Loss

For the year ended March 31, 2024

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>INCOME</b>				
Revenue from operations	22	280	23892.78	23364.94
Other income	23	281	546.27	488.63
<b>TOTAL INCOME</b>			<b>24439.05</b>	<b>23853.57</b>
<b>EXPENSES</b>				
Cost of raw materials consumed			6116.27	5875.28
Purchases of Bought out items			5868.46	4657.33
Civil, erection and engineering expenses			4908.84	5421.08
Consumption of stores & spares			350.28	404.18
Changes in inventories of finished goods, work in progress and Scrap	24	281	(436.74)	(57.15)
Employee benefits expense	25	281	5628.84	5700.63
Other Expenses	26	282	844.23	410.86
Finance costs	27	283	731.29	521.43
Depreciation & amortisation expense	3.1 4.1	265 267	248.90	260.34
<b>TOTAL EXPENSES</b>			<b>24260.37</b>	<b>23193.98</b>
<b>Profit / (loss) before share of net profits / loss of investments accounted for using equity method and tax</b>			<b>178.68</b>	<b>659.59</b>
Share of net profit / (loss) of joint venture accounted for using equity method			63.98	56.02
<b>PROFIT BEFORE TAX</b>			<b>242.66</b>	<b>715.61</b>
<b>Tax expenses</b>	28	283		
a) Current tax			(112.56)	(111.22)
b) Deferred tax			73.00	(39.56)
<b>PROFIT FOR THE YEAR (A)</b>			<b>282.22</b>	<b>654.12</b>
<b>OTHER COMPREHENSIVE INCOME</b>	29	284		
Items that will not be reclassified to profit or loss (net of tax)				
-Remeasurement of defined employee benefits			(82.41)	(17.27)
-Share of OCI of JV accounted using equity method			(0.14)	0.59
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)</b>			<b>(82.55)</b>	<b>(16.68)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)</b>			<b>199.67</b>	<b>637.44</b>
<b>Attributable to:</b>				
Equity holders of the parent			199.67	637.44
Non Controlling interest				
<b>TOTAL</b>			<b>199.67</b>	<b>637.44</b>
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>				
<b>Attributable to:</b>				
Equity holders of the parent			(82.55)	(16.68)
Non Controlling interest				
<b>TOTAL</b>			<b>(82.55)</b>	<b>(16.68)</b>

## Consolidated Statement of Profit and Loss

For the year ended March 31, 2024

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>TOTAL PROFIT FOR THE YEAR</b>				
<b>Attributable to:</b>				
Equity holders of the parent			282.22	654.12
Non Controlling interest				
<b>TOTAL</b>			<b>282.22</b>	<b>654.12</b>
<b>Earnings per equity share</b>	<b>30</b>	<b>284</b>		
(1) Basic [Face value of ₹2 each]			0.81	1.88
(2) Diluted [Face value of ₹2 each]			0.81	1.88
Basis of preparation, measurement and material accounting policies	2	258		

The accompanying notes [ 1 - 55 ] are an integral part of these financial statements

For and on behalf of Board of Directors

(Rajeev Kalra)  
Company Secretary

M. No. 14567

(K. Sadashiv Murthy)  
Chairman and Managing Director  
Additional charge of Director (Finance) & CFO  
DIN: 09184201

As per our report of even date

For ABP & Associates  
Chartered Accountants  
FRN – 315104E

(Niranjan Agrawalla)  
Partner  
M. No. 087939

For PSMG & Associates  
Chartered Accountants  
FRN – 008567C

(Suhas Basu)  
Partner  
M. No. 052684

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

(Viju Baidmutha)  
Partner  
M. No. 406044

Place : New Delhi  
Date : May 21, 2024

## Consolidated Statement of Changes in Equity

For the year ended March 31, 2024

### A. Equity Share Capital

(₹ in Crore)

Equity shares of ₹ 2 each issued, subscribed and fully paid	Number of shares		Amount	
	2023-24	2022-23	2023-24	2022-23
Balance at the beginning of the year	3482063355	3482063355	696.41	696.41
Changes in equity share capital during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>3482063355</b>	<b>3482063355</b>	<b>696.41</b>	<b>696.41</b>

### B. Other equity

For the year ended March 31, 2024

(₹ 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			
<b>Balance as at April 01, 2023</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(6533.10)</b>	<b>(334.76)</b>	<b>23681.85</b>	<b>0.00</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
<b>Reinstated balance as at April 01, 2023</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(6533.10)</b>	<b>(334.76)</b>	<b>23681.85</b>	<b>0.00</b>
Add: Total comprehensive Income for the year	-	-	-	282.22	(82.55)	199.67	0.00
Less: Final dividend	-	-	-	(139.28)	-	(139.28)	0.00
<b>Balance as at March 31, 2024</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(6390.15)</b>	<b>(417.32)</b>	<b>23742.24</b>	<b>0.00</b>

## Consolidated Statement of Changes in Equity

For the year ended March 31, 2024

For the year ended March 31, 2023 (Restated)

(₹ 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			
<b>Balance as at April 01, 2022</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(4421.45)</b>	<b>(318.08)</b>	<b>25810.19</b>	<b>0.00</b>
Changes in Accounting Policy or prior period errors (refer Note No. 44)	-	-	-	(2626.50)	-	(2626.50)	-
<b>Reinstated balance as at April 01, 2022</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(7047.95)</b>	<b>(318.08)</b>	<b>23183.69</b>	<b>0.00</b>
Add: Total Comprehensive Income for the year	-	-	-	654.12	(16.68)	637.44	0.00
Less: Final dividend	-	-	-	(139.28)	-	(139.28)	0.00
<b>Balance as at March 31, 2023</b>	<b>35.18</b>	<b>37.87</b>	<b>30476.66</b>	<b>(6533.10)</b>	<b>(334.76)</b>	<b>23681.85</b>	<b>0.00</b>

\* Total other equity represents owners of the parent

For and on behalf of Board of Directors

(Rajeev Kalra)  
Company Secretary

M. No. 14567

(K. Sadashiv Murthy)  
Chairman and Managing Director  
Additional charge of Director (Finance) & CFO  
DIN: 09184201

As per our report of even date

For ABP & Associates  
Chartered Accountants  
FRN – 315104E

(Niranjan Agrawalla)  
Partner  
M. No. 087939

For PSMG & Associates  
Chartered Accountants  
FRN – 008567C

(Suhas Basu)  
Partner  
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For S. L. Chhajed & Co. LLP  
Chartered Accountants  
FRN – 000709C/C400277

(Vijit Baidmutha)  
Partner  
M. No. 406044

Place : New Delhi  
Date : May 21, 2024

## Consolidated Statement of Cash Flows

For the year ended March 31, 2024

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) before tax	<b>242.66</b>	<b>715.61</b>
Adjustments for :		
Provision and write off	(1188.18)	(630.96)
Depreciation and amortisation	248.90	260.34
Finance cost (including unwinding of interest)	731.29	521.43
Interest & dividend income	(493.78)	(421.12)
Share of loss / (profit) in joint venture	(63.98)	(56.02)
Unrealised Foreign Exchange loss/(gain)	56.03	(401.85)
Amortisation of Government Grant	(15.62)	(8.90)
Others include profit on sale of investment & PPE and Impairment of Investment	(7.78)	(33.02)
<b>Cash generated / (used) in operations before working capital changes</b>	<b>(490.46)</b>	<b>(54.49)</b>
Adjustment for changes in working capital:		
Trade Receivables	(2469.24)	92.04
Contract Assets	(13.70)	(2370.65)
Inventories	(503.04)	(192.40)
Loans, advances & other assets	(740.80)	(206.79)
<b>Sub total</b>	<b>(3726.78)</b>	<b>(2677.80)</b>
Trade payable	(962.56)	1975.57
Advances from customers, deposits and others	1244.73	(94.40)
<b>Sub total</b>	<b>282.17</b>	<b>1881.17</b>
<b>Net cash (used in) / from working capital</b>	<b>(3444.61)</b>	<b>(796.63)</b>
<b>Cash generated / (used) in operations</b>	<b>(3935.07)</b>	<b>(851.12)</b>
Income Tax paid	(158.48)	(155.54)
Refund of income taxes	380.65	265.96
<b>Net cash (used in) / from operating activities</b>	<b>(3712.90)</b>	<b>(740.70)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	1112.69	1358.78
Interest received	399.30	250.72
Sale proceeds from Investment	0.80	25.42
Dividend received from joint ventures	41.65	26.18
Sale of property, plant and equipment & Intangible Assets	8.92	7.76
Purchase of property, plant and equipment & Intangible Assets	(232.50)	(188.40)
<b>Net cash (used in) / from investing activities</b>	<b>1330.86</b>	<b>1480.46</b>

## Consolidated Statement of Cash Flows

For the year ended March 31, 2024

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short term borrowings	3423.00	640.00
Proceeds / (repayment) of lease obligation (Principal)	(34.32)	(49.77)
Proceeds / (repayment) of lease obligation (Interest)	(4.73)	(7.27)
Dividend paid	(139.45)	(139.18)
Interest paid	(588.76)	(354.82)
<b>Net cash (used in) / from financing activities (refer point 4)</b>	<b>2655.74</b>	<b>88.96</b>
<b>D. Net increase/(decrease) in cash and cash equivalents</b>		
<b>Opening balance of cash and cash equivalents (excluding cash credit of subsidiary)</b>	<b>1561.34</b>	<b>732.62</b>
<b>Closing balance of cash and cash equivalents [Refer Note 11]</b>	<b>1835.04</b>	<b>1561.34</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 ₹ Nil).
- (4) Changes in liabilities arising from financing activities are available at **Note [21(vi)]** and **Note [37 b]**
- (5) During the year the company has accounted for income tax refund amounting to ₹380.65 Cr, including interest income of ₹112.30 Cr.

For and on behalf of Board of Directors

(Rajeev Kalra)  
Company Secretary

M. No. 14567

(K. Sadashiv Murthy)  
Chairman and Managing Director  
Additional charge of Director (Finance) & CFO  
DIN: 09184201

As per our report of even date

For ABP & Associates  
Chartered Accountants  
FRN – 315104E

(Niranjan Agrawalla)  
Partner  
M. No. 087939

For PSMG & Associates  
Chartered Accountants  
FRN – 008567C

(Suhas Basu)  
Partner  
M. No. 052684

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

(Vijit Baidmutha)  
Partner  
M. No. 406044

Place : New Delhi  
Date : May 21, 2024

# Notes to the Consolidated Financial Statements for the year ended March 31, 2024

## 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] - Material Accounting Policies (Consolidated Financial Statements)

### 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. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs on Eligible Assets if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and

equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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: -

Assets Category	Estimated useful life (Years)
Plant & equipment	<b>15-30</b>
Buildings	<b>5-60</b>
Electricals installations & equipment	<b>10-30</b>
Erection equipment, Capital tools & tackles	<b>5</b>
Drainage, sewerage & water supply	<b>30</b>
Servers and networks	<b>5</b>
Solar Power Generation Plant	<b>25</b>

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively.

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

#### 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.

Assets category	Estimated useful life (Years)
Plant and machinery	<b>2-25</b>
Electrical installations	<b>2-10</b>
Furniture and fixtures	<b>3-10</b>
Computers	<b>2-5</b>
Office equipment	<b>2-10</b>

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 Regulations 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.

#### a. Right-of-use assets

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.

#### b. Lease liabilities

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.

#### c. Short term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

- d. 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.

#### Research and development expenditure

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 from contracts with customers

Revenue from contracts with customers is recognized when a performance obligation is satisfied by transfer of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. i.e input method.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

- (a) the customer simultaneously consumes the benefit of the Company's performance or
- (b) the customer controls the asset as it is being created/enhanced by the Company's performance or
- (c) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents.

In all other cases, performance obligation is considered as satisfied at a point in time.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party.

#### 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 **initially** recorded at the exchange rate prevailing on the date of the transaction first qualifies for recognition.

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 plans 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 and Contingent liabilities**

##### **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.

#### **Contingent liabilities**

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where there is present obligation arising from the past event but it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote (where no disclosure is required). Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

#### **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.

In case of depreciable assets, the cost of the assets is shown at gross value and grant thereon is taken to deferred income which is recognized as income in the Statement of Profit and Loss over the useful life of the asset.

Where the Company receives non-monetary grants, the asset and the grant are accounted for 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.

##### **Current income 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**

Deferred tax is recognized using the balance sheet method, providing for temporary difference between the carrying amount of an asset or liability for financial reporting purpose at the reporting date 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 sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

#### **13. Impairment of Assets**

##### **Impairment of financial assets**

The loss allowance in respect of trade receivables, contract assets 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. 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.

## 16. Cash and Cash Equivalents

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.

## 17. Dividend

The Company recognises a liability to pay dividend to equity shareholders when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 18. Earnings per share

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

## 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, 2024	As at March 31, 2023 (Restated)*
Gross block	6897.00	6620.97
Less: Accumulated depreciation	4386.31	4212.23
<b>Net block (for details refer to Note 3.1)</b>	<b>2510.69</b>	<b>2408.74</b>

The Net Block includes ₹142.17 Cr (Previous Year ₹155.26 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, 2024	As at March 31, 2023 (Restated)*
Plant & machinery and other equipments:		
Under Erection/ Fabrication/awaiting erection	81.86	82.41
In transit	48.86	130.72
Construction work-in-progress -Civil		151.16
Construction stores (including in transit)	0.44	1.27
<b>Total</b>	<b>282.32</b>	<b>344.59</b>

(₹ in Crore)

CWIP Ageing schedule - As at March 31, 2024	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	152.55	43.02	14.91	59.28	269.76
Projects temporarily suspended	-	-	0.59	11.97	12.56

(₹ in Crore)

CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2024	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	106.62	-	-	-	106.62
Other Projects less than ₹10 Crore (Total Nos - 18)	2.58	0.09	0.48	-	3.15
<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

(₹ in Crore)

CWIP Ageing schedule - As at March 31, 2023	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

(₹ in Crore)

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

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

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as on 01.04.2023	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2024	Accumulated Depreciation as at 01.04.2023	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2024	Net Block as at 31.03.2024	Net Block as at 31.03.2023
Land - Freehold land (including development expenses)	27.73	0.00	0.00	<b>27.73</b>	0.00	0.00	0.00	<b>0.00</b>	<b>27.73</b>	27.73
Buildings - Freehold Buildings	1824.08	160.46	(5.63)	<b>1978.91</b>	720.15	48.86	(5.14)	<b>763.87</b>	<b>1215.04</b>	1103.93
Roads, bridges & culverts	16.10	0.19	0.00	<b>16.29</b>	14.76	0.29	(0.00)	<b>15.05</b>	<b>1.24</b>	1.34
Drainage, Sewerage & water supply	36.21	3.07	0.00	<b>39.28</b>	9.37	1.40	(0.00)	<b>10.77</b>	<b>28.51</b>	26.84
Plant & Equipment	3325.63	100.68	(0.56)	<b>3425.75</b>	2504.39	119.30	(0.55)	<b>2623.14</b>	<b>802.61</b>	821.25
Railway Siding	8.85	0.00	0.00	<b>8.85</b>	5.75	0.42	(0.00)	<b>6.17</b>	<b>2.68</b>	3.10
Locomotives & Wagons	28.33	0.00	0.00	<b>28.33</b>	19.23	1.56	0.00	<b>20.79</b>	<b>7.54</b>	9.10
Furniture & fixtures	70.01	13.40	(1.41)	<b>82.00</b>	47.82	5.60	(1.25)	<b>52.17</b>	<b>29.83</b>	22.19
Vehicles	14.90	1.73	(0.03)	<b>16.60</b>	11.45	0.95	(0.03)	<b>12.37</b>	<b>4.24</b>	3.45
Office and Other equipments	147.36	10.83	(2.05)	<b>156.14</b>	128.57	8.55	(1.96)	<b>135.16</b>	<b>20.97</b>	18.79
Electronic Data Processing Equipment	165.25	3.67	6.07	<b>174.99</b>	160.36	1.59	6.07	<b>168.02</b>	<b>6.97</b>	4.89
Electrical Installations	286.28	24.84	0.00	<b>311.12</b>	188.06	9.14	0.00	<b>197.20</b>	<b>113.91</b>	98.21
Construction Equipment	71.89	0.26	(1.18)	<b>70.97</b>	70.24	0.47	(1.18)	<b>69.53</b>	<b>1.44</b>	1.65
Fixed Assets costing upto ₹10,000/-	22.92	2.50	(1.08)	<b>24.34</b>	22.92	2.49	(1.07)	<b>24.34</b>	-	-
Solar power generation	143.46	0.28	0.00	<b>143.74</b>	32.45	5.48	0.00	<b>37.93</b>	<b>105.81</b>	111.01
Right-of-use Assets	431.97	14.62	(54.63)	<b>391.96</b>	276.71	27.51	(54.43)	<b>249.80</b>	<b>142.17</b>	155.26
<b>TOTAL</b>	<b>6620.97</b>	<b>336.53</b>	<b>(60.51)</b>	<b>6897.00</b>	<b>4212.23</b>	<b>233.66</b>	<b>(59.53)</b>	<b>4386.31</b>	<b>2510.69</b>	<b>2408.74</b>
Previous Year	6330.90	319.60	(29.53)	<b>6620.97</b>	3994.55	246.25	(28.57)	<b>4212.23</b>	<b>2408.74</b>	2336.35

### Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2024 ₹13965.56 Crore and as at 31.03.2023 ₹13756.12 Crore

Gross Block as at 31.03.2024 includes assets condemned and retired from active use ₹5.04 Crore (Previous year ₹14.90 Crore)

Net Block as at 31.03.2024 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 ₹242.91 crore (Previous year ₹239.93 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 on 01.04.2023	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2024	Accumulated Depreciation as at 01.04.2023	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2024	Net Block as at 31.03.2024	Net Block as at 31.03.2023
Land (including development expenses)	119.84	4.75	(0.90)	<b>123.69</b>	17.51	4.25	(0.90)	<b>20.86</b>	<b>102.83</b>	102.33
Buildings	1.63	1.03	0.00	<b>2.66</b>	0.41	0.09	(0.00)	<b>0.50</b>	<b>2.16</b>	1.22
Plant & Equipment	40.01	4.95	(24.06)	<b>20.91</b>	27.46	6.94	(24.06)	<b>10.34</b>	<b>10.57</b>	12.55
Office & other equipment	16.51	0.00	(0.09)	<b>16.42</b>	15.13	0.39	(0.09)	<b>15.43</b>	<b>0.99</b>	1.38
EDP Equipment	225.76	2.44	(25.18)	<b>203.02</b>	203.06	10.02	(25.18)	<b>187.89</b>	<b>15.13</b>	22.70
Vehicle	6.42	1.45	(0.62)	<b>7.25</b>	1.68	1.52	(0.42)	<b>2.78</b>	<b>4.47</b>	4.74
Others	21.80	0.00	(3.78)	<b>18.02</b>	11.46	4.32	(3.78)	<b>12.00</b>	<b>6.02</b>	10.34
<b>TOTAL</b>	<b>431.97</b>	<b>14.62</b>	<b>(54.63)</b>	<b>391.96</b>	<b>276.71</b>	<b>27.51</b>	<b>(54.43)</b>	<b>249.80</b>	<b>142.17</b>	<b>155.26</b>
Previous Year	429.75	33.59	(31.37)	431.97	274.92	33.00	(31.21)	276.71	155.26	154.83

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

Particulars		As at March 31, 2024	As at March 31, 2023
<b>1. Land and buildings includes</b>			
a.	i) Acres of land for which formal transfer/lease deed have not been executed	(in acres)	8441.47
	Net Block	(₹ in Crore)	64.24
	ii) Number of flats for which formal transfer/lease deed have not been executed	(in nos)	12
	Net Block	(₹ in Crore)	0.97
	iii) Acres of land for which the cost paid is provisional; [registration charges and stamp duty, (net of provision) would be] accounted for on payment.	(in acres)	480.04
	Net Block	(₹ in Crore)	60.54
b.	Acres of land leased to Ministry of Defence, Govt. of India Departments & others	(in acres)	20.47
c.	Acres of land is under adverse possession/ encroachment.	(in acres)	947.40
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.		873.48
e.	Further at Haridwar plant, 8 Acres of land is pending transfer to IOCL /State Government under office memorandum dated 01.12.2003 of Uttarakhand Government.		

(Cost of land of (b to e) mentioned above is not material)

Particulars	As at March 31, 2024	As at March 31, 2023
2. i) Total Area of Land in acres	16660.72	16660.72
ii) Free hold land (Sale Deed) / Possessory Rights/license out of 2(i) in acres	15987.38	15987.38
iii) Leasehold land out of 2(i) in acres	673.34	673.34
3. The company provides 100% depreciation on an item of PPE having cost / opening net block up to ₹10000/- each. The impact of providing 100% depreciation on an item of PPE on profit, without considering the impact of earlier years is as under :		(₹ in Crore)
100% depreciation on PPE upto ₹10,000/- charged off	4.48	7.21
Less: Normal depreciation on above	(1.37)	(4.39)
Excess amount charged to depreciation for the year	3.11	2.82
4. Properties (i) 2 <sup>nd</sup> 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 [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, 2024	As at March 31, 2023 (Restated)*
Gross block	339.23	327.88
Less: Accumulated amortisation	275.88	260.64
<b>Net block (for details refer to Note 4.1)</b>	<b>63.35</b>	<b>67.24</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 4.1 - Details of Intangible Assets

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as on 01.04.2023	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2024	Accumulated Depreciation as at 01.04.2023	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2024	Net Block as at 31.03.2024	Net Block as at 31.03.2023
<b>Internally Developed</b>										
-Others	71.46	4.44	0.00	<b>75.90</b>	69.25	1.78	0.00	<b>71.03</b>	<b>4.88</b>	2.21
<b>Other than Internally Developed</b>										
-Software	56.26	4.84	0.00	<b>61.10</b>	52.03	2.98	(0.00)	<b>55.01</b>	<b>6.09</b>	4.23
-Technical Know-how	200.16	2.07	0.00	<b>202.23</b>	139.36	10.48	0.00	<b>149.85</b>	<b>52.38</b>	60.80
<b>TOTAL</b>	<b>327.88</b>	<b>11.35</b>	<b>0.00</b>	<b>339.23</b>	<b>260.64</b>	<b>15.24</b>	<b>(0.00)</b>	<b>275.88</b>	<b>63.35</b>	<b>67.24</b>
Previous Year	308.92	19.21	(0.25)	<b>327.88</b>	246.80	14.09	(0.25)	<b>260.64</b>	<b>67.24</b>	62.12

Gross Block (as per earlier IGAAP) as at 31.03.2024 ₹606.94 Crore and as at 31.03.2023 ₹598.12 Crore

There is no impairment loss during the year.

## Note [4b] - Non current assets

### Intangible assets under development

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)*
Intangible assets under development	26.04	9.26
<b>Total</b>	<b>26.04</b>	<b>9.26</b>

(₹ in Crore)

Intangible Assets under development ageing schedule - As at March 31, 2024	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	20.03	3.47	-	2.54	26.04
Projects temporarily suspended	-	-	-	-	-

(₹ in Crore)

Intangible Assets under development Completion schedule (which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2024	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total

Projects in progress	20.03	3.47	-	2.54	26.04
Projects temporarily suspended	-	-	-	-	-

(₹ in Crore)

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

(₹ in Crore)

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

## Note [5] - Non current assets

### Investment accounted for using equity method

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)*
<b>BHEL Gas Turbine Services Private Limited</b>		
Opening net assets	232.29	201.86
Profit / (Loss) for the year	63.98	56.02
Other Comprehensive income	(0.14)	0.59
Less: Dividend paid	41.65	26.18
<b>Closing net assets</b>	<b>254.48</b>	<b>232.29</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 ₹1551 Crore as per their unaudited financial statement for the year ended March 31, 2024.

(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 ₹111 Crore as per their unaudited financial statement for the year ended March 31, 2024.

## Note [5a] - Non current assets

### Financial assets - Investments

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
I Quoted equity instruments		-		-
II Unquoted equity instruments (fully paid up shares)				
(a) Investment in joint ventures (at cost)				
(i) Powerplant Performance Improvement Ltd.	1999999 (10)	2.00	1999999 (10)	2.00
Less: Provision for impairment		2.00		2.00
(b) Investment in equity instruments fully paid up (at FVTPL)				
(i) AP Gas Power Corporation Ltd.	728960 (10)	0.91	728960 (10)	0.91
Add / (less) Fair Value Adjustment		0.28	1.19	2.22
(ii) Engineering Projects (India) Ltd.	1892 (10)	**	1892 (10)	**
Share in Co-operative Societies #				
<b>Total</b>		<b>1.19</b>		<b>3.13</b>
**Value of less than ₹1 lakh				
<b>Aggregate amount of unquoted investment</b>		<b>2.91</b>		2.91
<b>Aggregate amount of impairment in value of investments</b>		<b>1.72</b>		(0.22)

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

## Information about joint ventures

Particulars	Country of incorporation	As at March 31, 2024		As at March 31, 2023 (Restated)*	
		Proportion (%) of ownership			
Name of the joint ventures (JVC)					
BHEL-GE Gas Turbine Services Private Limited (BGGTS)		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%	
Powerplant 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), Govt. of India, in August 2019 had 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. Subsequently, in a meeting held on 03.10.2022 at MoP, it has been decided to wind up NBPPL after the completion of balance ongoing works at Unchahar TPP (1x500 MW).
- (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 in F.Y. 2022-23 and an amount of ₹26.22 Crores has been received (₹25.39 Crores + TDS ₹0.03 Crores in F.Y. 2022-23 and ₹0.80 Crores in F.Y. 2023-24).

## 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, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
Unsecured, considered good	3601.58	5344.68	3743.94	3433.95
Credit impaired (included in allowances for B&D debts)	11682.32	544.70	11176.04	367.08
	<b>15283.90</b>	<b>5889.38</b>	<b>14919.98</b>	<b>3801.03</b>
Less: Allowances for bad and doubtful debts	12059.21	1104.00	11504.44	672.68
<b>Total Trade Receivables (Net)</b>	<b>3224.69</b>	<b>4785.38</b>	<b>3415.54</b>	<b>3128.35</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

-	-	-
-	-	-

**Note (i)** : Trade receivables includes overdue amount of ₹211 Cr (USD 25.5 million) from customer STPG (formerly NEC Sudan), stuck on account of civil war but considered good and not provided for (approved by the Board).

**(ii)** : The above includes adjustments of ₹67.23 Cr in Trade Receivables and Interest Income of ₹23.18 Cr in Other Income (Note 23). This amount is received from BPCL (erstwhile BORL Bina) against BG as an interim relief upon direction of the Hon'ble High Court (Mumbai), pursuant to Arbitral Award in BHEL's favour.

## Non current Trade receivable ageing schedule - As at March 31, 2024

(₹ 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	80.11	202.23	251.34	154.46	1173.65	-	-	1861.79
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	65.26	37.02	10.28	5.34	1621.89	-	-	1739.79
IV) Disputed Trade receivables - credit Impaired	173.55	83.73	281.82	305.34	10837.88	-	-	11682.32

## Current Trade receivable ageing schedule - As at March 31, 2024

(₹ 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	4009.53	638.13	387.24	142.68	167.10	-	-	5344.68
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
IV) Disputed Trade receivables - credit Impaired	2.72	1.42	9.65	19.58	511.33	-	-	544.70

## 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

## Note [7] - Financial assets - Other Financial Assets

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

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
<b>Security deposits</b>				
Deposits with SEBs, port trust & others				
Unsecured, considered good	100.83	58.27	106.39	25.19
Credit impaired	3.40	12.93	3.59	11.32
	<b>104.23</b>	<b>71.20</b>	<b>109.98</b>	<b>36.51</b>
Less: Allowances for bad & doubtful deposits	3.40	12.93	3.59	11.32
	<b>100.83</b>	<b>58.27</b>	<b>106.39</b>	<b>25.19</b>
<b>Fixed deposits against margin money for BG issued</b>	<b>105.27</b>	-	<b>36.30</b>	-
<b>Bank deposits with more than 12 months maturity</b>	-	-	-	-
<b>Interest accrued on banks deposits</b>	-	<b>122.86</b>	-	<b>140.68</b>
<b>Advance to Employees</b>	-	59.00	-	20.61
Less: Allowance for bad and doubtful advances	-	0.31	-	0.04
	-	<b>58.69</b>	-	<b>20.57</b>
<b>Total</b>	<b>206.10</b>	<b>239.82</b>	<b>142.69</b>	<b>186.44</b>
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, 2024	As at March 31, 2023 (Restated)*
<b>Deferred tax assets</b>		
Provisions	2614.51	2477.94
Dues allowed on payment basis	520.72	549.35
Depreciation (PP&E and Intangible assets)	(24.86)	12.13
On account of taxable loss	1012.04	1105.79
Others	78.85	101.33
<b>Sub Total</b>	<b>4201.26</b>	<b>4246.54</b>
Less : Deferred tax liabilities	-	-
<b>Deferred tax assets (net of liabilities)</b>	<b>4201.26</b>	<b>4246.54</b>

## Note [9] - Other Assets

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

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
<b>Contract assets (including unbilled revenue)</b>				
Unsecured, considered good	14585.00	14342.73	18928.58	10811.45
Credit impaired	3635.34	441.72	2773.38	584.87
	<b>18220.34</b>	<b>14784.45</b>	<b>21701.96</b>	<b>11396.32</b>
Less: Allowances for bad and doubtful debts	4924.61	1332.64	5095.59	1,536.35
<b>Sub Total (A)</b>	<b>13295.73</b>	<b>13451.81</b>	<b>16606.37</b>	<b>9859.97</b>
<b>Security deposits</b>				
Deposits with tax authorities and others				
Unsecured, considered good	65.54	340.71	80.66	378.58
Unsecured, considered doubtful	39.88	72.04	31.19	71.19
	<b>105.42</b>	<b>412.75</b>	<b>111.85</b>	<b>449.77</b>
Less: Provision for bad & doubtful deposits	39.88	72.04	31.19	71.19
<b>Sub Total (B)</b>	<b>65.54</b>	<b>340.71</b>	<b>80.66</b>	<b>378.58</b>
<b>Loans &amp; advances</b>				
Unsecured, considered good				
Advances towards purchases (Vendors & sub - Contractors)	128.33	37.55	41.14	128.69
Input Tax credit receivable	-	1293.31	-	1079.97
Claims recoverable and others	197.79	790.00	210.04	652.15
Capital advances	2.30	-	17.29	-
Unsecured, considered doubtful				
Advances towards purchases (Vendors & sub - Contractors)	11.10	27.92	11.92	9.65
Input Tax credit receivable	-	7.66	-	6.44
Claims recoverable and others	372.60	161.00	90.29	149.02
Capital advances	-	-	-	-
	<b>712.12</b>	<b>2317.44</b>	<b>370.68</b>	<b>2025.92</b>
Less: Provision for bad & doubtful loans & advances	383.70	196.58	102.21	165.11
<b>Sub Total (C)</b>	<b>328.42</b>	<b>2120.86</b>	<b>268.47</b>	<b>1860.81</b>
<b>Total (A+B+C)</b>	<b>13689.69</b>	<b>15913.38</b>	<b>16955.50</b>	<b>12099.36</b>

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
I) Undisputed Contract Assets - considered good	11592.50	14342.73	15020.29	10811.45
II) Undisputed Contract Assets - credit impaired	-	-	-	-
III) Disputed Contract Assets - considered good	2992.50	-	3908.29	-
IV) Disputed Contract Assets - credit Impaired	3635.34	441.72	2773.38	584.87
<b>Total</b>	<b>18220.34</b>	<b>14784.45</b>	<b>21701.96</b>	<b>11396.32</b>
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, 2024		As at March 31, 2023 (Restated)*	
Raw material & components	2866.04		2900.92	
Material-in-transit	203.29	3069.33	127.98	3028.90
Work-in-progress (including items with sub-contractors)		3917.74		3482.75
Finished goods	414.31		422.57	
Inter - division transfers in transit	89.18	503.49	89.20	511.77
Stores & spare parts				
Production	150.51		149.68	
Fuel stores	5.49		6.14	
Miscellaneous	58.64	214.64	47.37	203.19
Other Inventory				
Materials with fabricators/contractors	105.00		85.43	
Loose tools	19.20		24.35	
Scrap (at estimated realisable value)	173.33	297.53	163.30	273.08
		<b>8002.73</b>		<b>7499.69</b>
Less: Provision for non-moving inventory		782.16		743.79
<b>Total</b>		<b>7220.57</b>		<b>6755.90</b>
<b>Note:</b>				
Write down of inventories		105.78		59.72
Less : reversal thereof		6741		63.01
<b>Net</b>		<b>38.37</b>		<b>(3.29)</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, 2024		As at March 31, 2023 (Restated)*	
Balances with banks				
EEFC a/c	284.68		226.21	
Current / cash credit a/c #	1547.21	1831.89	1206.04	1432.25
Cheques, demand drafts on hand		3.08		128.99
Cash & stamps on hand		0.07		0.08
Remittances in transit		-		0.02
<b>Total</b>		<b>1835.04</b>		<b>1561.34</b>

#Includes ₹116.18 Cr for FY 2023-24 and ₹112.23 Cr for FY 2022-23 in escrow account for specified projects.

## Note [12] - Current assets

### Financial assets - Bank balances other than Cash and Cash Equivalents

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)*
Fixed deposits having maturity more than 3 months but not more than 12 months	3739.65	4852.34
Fixed deposits against margin money for BG issued	462.06	174.37
Balances with banks (earmarked):		
CEFC A/c	9.70	7.99
Unclaimed dividend a/c	1.74	1.91
Non-repatriable a/c	0.65	0.37
Sale proceeds of fractional shares on bonus issue	0.03	0.03
Sanrachna A/c	0.14	0.14
Fixed Deposit with Court in BHEL A/C	106.07	91.79
CSR	2.39	7.79
	120.72	110.02
<b>Total</b>	<b>4322.43</b>	<b>5136.73</b>
<b>Total Cash and Bank Balances [11 + 12]</b>	<b>6157.47</b>	<b>6698.07</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, 2024	As at March 31, 2023 (Restated)*
Advance tax & TDS	254.20	285.80
Less: Provisions for taxation	25.13	59.42
<b>Total</b>	<b>229.07</b>	<b>226.38</b>

## Note [14] - Equity

### Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	No.of Shares (Face value in ₹)	Amount	No.of Shares (Face value in ₹)	Amount
<b>Equity share capital</b>				
Authorised	100000000000	2000.00	100000000000	2000.00
	(2)		(2)	
Issued, subscribed and fully paid up	3482063355	696.41	3482063355	696.41
	(2)		(2)	
<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

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	No.of Shares (Face value in ₹)	Amount	No.of Shares (Face value in ₹)	Amount
b) Details of shares held by shareholders holding more than 5% of shares at the end of the year				
President of India (Promoter)	2199650402	63.17%	2199650402	63.17%
Percentage change of Promoter holding during the year		Nil		Nil
Life Insurance Corporation of India	284736920	8.18%	350770257	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) Share buyback (in immediately preceding five years ended March 31, 2024)

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] - Equity

### Other Equity

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)*
Capital reserve	35.18	35.18
Capital redemption reserve	37.87	37.87
General reserves	30476.66	30476.66
Retained earnings	(6390.15)	(6533.10)
OCI (Re-measurements of defined benefit plans)	(417.32)	(334.76)
<b>Total</b>	<b>23742.25</b>	<b>23681.85</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:

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

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

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

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
Lease Liabilities	23.55	24.91	33.75	34.76
<b>Total</b>	<b>23.55</b>	<b>24.91</b>	<b>33.75</b>	<b>34.76</b>

Further disclosures available at Note [37] on lease.

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

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
<b>Trade payables</b>				
(i) Total outstanding dues of micro enterprises and small enterprises	-	1157.45	-	1211.53
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2292.76	7502.15	2065.92	8558.03
(iii) Acceptances	-	36.64	-	126.27
<b>Total</b>	<b>2292.76</b>	<b>8696.24</b>	<b>2065.92</b>	<b>9895.83</b>

## Non current Trade Payable Ageing schedule - As at March 31, 2024

(₹ 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) Others	0.01	0.04	0.14	-	7.81	1863.77	1871.77
II) Disputed dues - Others^	9.24	0.30	0.58	231.73	0.09	179.05	420.99

## Current Trade Payable Ageing schedule - As at March 31, 2024

(₹ 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	4.01	-	-	-	149.80	1002.50	1156.31
II) Others	495.55	18.32	15.13	19.48	1781.67	5198.29	7528.44
III) Disputed dues - MSME	-	-	-	-	-	1.15	1.15
IV) Disputed dues - Others^	-	-	-	7.00	-	3.35	10.35

## 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) Others	-	-	-	-	0.36	1710.97	1711.33
II) 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

\$ 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 - Other Financial Liabilities

(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
Deposits from contractors & others	315.02	548.62	247.10	544.77
<b>Liabilities:</b>				
- Employee dues	-	353.32	-	384.33
- Capital Expenditure	10.86	114.90	8.60	111.50
- Others#	-	374.89	-	354.33
Unpaid Dividend**	-	1.74	-	1.91
Interest accrued on borrowings	-	24.97	-	8.20
<b>Total</b>	<b>325.88</b>	<b>1418.44</b>	<b>255.70</b>	<b>1405.04</b>

#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, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
Contractual obligation	1373.26	448.91	2990.16	784.26
Provision for employee benefits^	903.47	1228.15	878.37	1383.68
Provision others	212.35	639.07	232.49	622.54
Corporate social responsibility	-	2.14	-	6.15
<b>Total</b>	<b>2489.08</b>	<b>2318.27</b>	<b>4101.02</b>	<b>2796.63</b>

<sup>^</sup>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, 2024		As at March 31, 2023 (Restated)*	
	Non Current	Current	Non Current	Current
Contract liabilities (Advances received from customers incl. excess of billing over revenue)	4063.35	3070.10	2585.67	3049.34
Liabilities towards statutory dues	-	993.41	-	908.32
Deferred income- Govt. grant #	39.42	3.43	20.14	4.63
<b>Total</b>	<b>4102.77</b>	<b>4066.94</b>	<b>2605.81</b>	<b>3962.29</b>

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

## Note [21] - Current Liabilities

### Financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)*
<b>Secured</b>		
Loans from banks (secured by fixed deposits)		1,115.00
Loans from banks	8808.00	4270.00
(secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)		
<b>Sub Total (A)</b>	<b>8808.00</b>	<b>5385.00</b>
<b>Unsecured (B)</b>	<b>-</b>	<b>-</b>
<b>Total borrowings (A + B)</b>	<b>8808.00</b>	<b>5385.00</b>

**(i) Details of sanctioned limits**

Description	Sanctioned Limit	Utilization As at March 31, 2024		Sanctioned Limit	Utilization As at March 31, 2023	
		Value (Rs./ Cr)	% Utilisation		Value (Rs./ Cr)	% Utilisation
<b>Non Fund Based Limits</b>	<b>51000</b>	<b>35096</b>	<b>68.82%</b>	<b>54000</b>	<b>33602</b>	<b>62.23%</b>
Bank Guarantees#	48000	32828	68.39%	51000	30853	60.50%
Letter of Credit (inc. Buyer's Credit)	3000	2268	75.60%	3000	2749	91.63%
<b>Fund Based Limits</b>	<b>9000</b>	<b>8808</b>	<b>97.87%</b>	<b>6000</b>	<b>4270</b>	<b>71.17%</b>
WCDL		8808			4270	
PCFC		NIL			NIL	
<b>Commercial Paper</b>	<b>5000</b>	<b>NIL</b>		<b>5000</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.

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

- # Outstanding Bank Guarantees include ₹33 Crores (P.Y. ₹4 Cr.) on a/c of BGs already replaced but pending vacation as on March 31, 2024. Excluding this, the outstanding BGs as on 31.03.2024 is ₹32795 Cr. (Previous Year ₹30849 Cr.)
- (ii) Loan from Banks ₹8808 Cr in FY 2023-24 represents WCDL (Working Capital Demand Loan). For Previous Year, ₹4270 Cr Loans represents WCDL & ₹1115 Cr Loans against Fixed Deposits.
- (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 31.03.2024 is ₹328 crore (previous year ₹403 crore).
- (vi) Changes in Borrowings arising from Financing activities

(₹ in Crore)		
Particulars	As at March 31, 2024	As at March 31, 2023 (Restated)*
Opening Balance (excl. cash credit)	5385.00	4745.00
Cash Flow during the year	3,423.00	640.00
<b>Closing Balance (excl. cash credit)</b>	<b>8808.00</b>	<b>5385.00</b>

For changes in lease liability arising from financing activities, refer Note [37 (b)].

## Note [22]

### Revenue from operations

Refer point 7 of Note [2] for accounting policy on revenue from contracts with customers

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Revenue from contracts with customers</b>		
Revenue from Construction and Project related activity	15888.42	16083.09
Sale of Product & Other services	7032.10	6053.21
<b>Total (A)</b>	<b>22920.52</b>	<b>22136.30</b>
<b>Other operational income</b>		
Freight & insurance	163.78	187.84
Scrap sales	249.20	299.90
Recoveries from suppliers	220.12	131.33
Liabilities written back	161.16	406.22
Insurance claims	28.83	47.94
Export incentives	10.20	19.63
Others	138.97	135.78
<b>Total (B)</b>	<b>972.26</b>	<b>1228.64</b>
<b>Revenue from operations (A + B)</b>	<b>23892.78</b>	<b>23364.94</b>
Revenue from Operations excludes Goods and service tax :	3786.00	3566.00

## Note [23]

### Other income

Refer point 7 of Note [2] for accounting policy on revenue from contracts with customers

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Interest income*</b>		
From banks	345.35	302.35
Others	148.43	118.77
<b>Sub Total (A)</b>	<b>493.78</b>	<b>421.12</b>
<b>Other income</b>		
Profit on sale of Investment - NINL	0.80	25.42
Government grants on Solar PV Plant for captive use / CEFC	15.62	8.90
Profit from sale of PPE & capital stores (Net)	8.92	7.76
Others	27.15	25.43
<b>Sub Total (B)</b>	<b>52.49</b>	<b>67.51</b>
<b>Total (A+B)</b>	<b>546.27</b>	<b>488.63</b>
*Includes TDS	5.28	13.44

## Note [24]

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

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Work -in -progress</b>		
Closing balance	3917.74	3482.75
Opening balance	3482.75	(434.99)
		3349.47
<b>Finished goods</b>		
Closing balance	414.31	422.57
Opening balance	422.57	8.26
		518.09
<b>Scrap</b>		
Closing balance	173.33	163.30
Opening balance	163.30	(10.03)
		143.26
<b>Inter-division transfer in transit</b>	<b>0.02</b>	<b>0.65</b>
<b>(Accretion) / Decretion</b>	<b>(436.74)</b>	<b>(57.15)</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, 2024	For the year ended March 31, 2023 (Restated)
Salaries, wages, bonus, allowances & other benefits	4802.44	4859.69
Contribution to provident and other funds	451.80	473.56
Staff welfare expenses	248.10	244.69
Contribution to gratuity fund	120.52	114.14
Group insurance	5.98	8.55
<b>Total</b>	<b>5628.84</b>	<b>5700.63</b>

**Note:** Employee benefit expenses have been adjusted (in line with MHI directives dated 23.11.2023) for periodical wage review due once in three years, resulting in reversal of employee benefit expenditure to the extent of ₹183.50 Cr.

## Note [26]

### Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Power & fuel	452.20	487.67
Expenditure on other sub contracts	262.63	243.91
Carriage outward	199.95	249.55
Payment to security agencies	155.22	153.97
Repairs & maintenance:		
Buildings	43.15	33.00
Plant & machinery	34.26	32.41
Others	95.51	172.92
		77.55
		142.96
Insurance	139.72	108.03
Travelling & conveyance	105.22	110.59
Bank charges	96.35	90.76
R&D related expense	9.95	12.81
Hire charges	55.01	51.01
Expenditure on collaborations & royalty	60.41	54.61
Rates & taxes	25.21	36.62
Office expense	29.83	29.32
Expenditure on skill development	13.49	11.47
Legal, audit & certification expense	55.15	47.67
EDP, software & lease line expense	16.64	17.61
Water charges	23.39	22.83
Expenditure in connection with exports	14.12	8.64
Rent non-residential	2.59	9.85
Entertainment & courtesy expenses	3.54	3.14
Environmental protection	5.53	5.14
Seminar, development and training expense	4.47	2.90
Unrealised loss in investment of equity share	1.94	0.16
Publicity & public relation expense	3.08	3.62
Miscellaneous expense	78.01	49.29
Exchange variation [Net (gain) / loss]	(105.20)	(459.93)
Provision and Write off (Details at point no v below)	(1037.14)	(1083.34)
<b>Total</b>	<b>844.23</b>	<b>410.86</b>
<b>Further Details:</b>		
(i) Director's fees	0.24	0.22
(ii) Expenditure on departmental repair & maintenance:		
Plant & machinery	175.27	175.59
Buildings	28.01	31.41
Others	28.60	33.34
(iii) Expenditure on research & development	126.08	128.49
(iv) Expenditure on foreign travel		
No. of tours	220	302
Expenditure	5.10	5.57

**(v) Provisions and Write-offs:**

(Refer Point 10 &amp; 13 of Note [2] for accounting policy on provision and impairment of assets)

(₹ in Crore)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023 (Restated)	
<b>Doubtful debts, liquidated damages and loans, advances &amp; deposits</b>				
Created during the year	3271.76		885.10	
Less: withdrawal during the year	1819.13	1,453	1348.46	(463.36)
<b>Contractual obligations</b>				
Created during the year	109.43		313.68	
Less: withdrawal during the year	2693.53	(2584.10)	881.27	(567.59)
<b>Other Provisions</b>				
Created during the year	320.56		171.95	
Less: withdrawal during the year	292.40	28.16	372.24	(200.29)
<b>Bad debts written off</b>			19.94	30.62
<b>Liquidated damages &amp; contractual charges charged off</b>			29.59	113.55
<b>Losses written off</b>			16.64	3.73
<b>Total</b>			<b>(1037.14)</b>	<b>(1083.34)</b>

## Note [27]

### Finance costs

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

(₹ in Crore)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023 (Restated)	
Discount on commercial papers		8.77		51.17
Unwinding of provisions		121.38		160.50
Interest cost:				
Banks / Financial Institutions	595.05		296.55	
Foreign Financial Institutions	-		1.45	
On lease obligation	4.38		7.03	
Others	1.67	601.10	4.24	309.27
Other expenses on issuance of Commercial paper		0.04		0.49
<b>Sub - Total</b>		<b>731.29</b>		<b>521.43</b>
Less: Borrowing cost capitalised		-		-
<b>Total</b>		<b>731.29</b>		<b>521.43</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, 2024		For the year ended March 31, 2023 (Restated)	
<b>Current tax</b>				
For current year	30.72		47.88	
For earlier years	(143.28)	(112.56)	(159.10)	(111.22)
<b>Deferred tax</b>				
For current year	59.69		173.46	
For earlier years	13.31	73.00	(0.75)	172.71
<b>Total</b>		<b>(39.56)</b>		<b>61.49</b>

## Note [29]

### Other comprehensive income / (expenditure)

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Income / (expenditure)</b>		
Re-measurement of defined employee benefits	(110.13)	(23.08)
Less: Income tax related to above items *	(27.72)	(5.81)
<b>Total</b>	<b>(82.41)</b>	<b>(17.27)</b>
* Includes		
Current tax	-	-
Deferred tax	(27.72)	(5.81)

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

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Total Comprehensive Income / (Loss) (TCI) before tax (A)</b>	<b>132.39</b>	<b>693.12</b>
<b>Statutory income tax rate (B)</b>	<b>25.168%</b>	<b>25.168%</b>
<b>Tax expense [C = (Ax B)]</b>	<b>33.32</b>	<b>174.44</b>
<b>Difference due to: (D)</b>		
Expenses not deductible for tax purposes	45.44	55.34
Tax effect on share of JVs Profit / Loss	(16.07)	(14.25)
Change in tax expense - earlier years	(129.97)	(159.85)
<b>Sub Total (D)</b>	<b>(100.60)</b>	<b>(118.76)</b>
<b>Net Tax Expense [E = (C+D)]</b>	<b>(67.28)</b>	<b>55.68</b>

## Note [30]

### Earnings per share

Refer point 18 of Note [2] for accounting policy on Earnings per share

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
Profit / (loss) attributable to equity shareholders	282.22	654.12
Weighted average number of equity shares	348.21	348.21
<b>Basic and diluted earnings per share (having par value of ₹2 each)</b>	<b>0.81</b>	<b>1.88</b>

## Note [31]

### Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023 (Restated)
<b>Proposed dividend on equity shares not recognised as liability</b>		
Proposed final dividend of ₹0.25 per share for FY 2023-24 (FY 2022-23 ₹0.40 per share)	87.05	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

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

### Basis of Consolidation

1. 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.

2. 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	
		2023-24	2022-23
<b>Joint Venture Companies</b> (accounted for using equity method)			
BHEL-GE Gas Turbine Services Private Limited	India	One share less than 50%	One share less than 50%
NTPC-BHEL Power Projects Private Limited		50%	50%
Raichur Power Corporation Limited		22.14%	22.14%

- a) Interest in Joint Ventures in respect of BHEL-GE Gas Turbine Services Pvt. Ltd. is considered based on unaudited financial statements for the year ended on 31.03.2024.
- 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 31.03.2024.
- c) Interest in joint Ventures in respect of Powerplant 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, 2024	As at March 31, 2023
<b>A. Contingent liabilities</b>		
Claims against the company not acknowledged as debt:		
(a) Sales tax matters	1243.96	1227.09
(b) Service tax matters	700.83	606.56
(c) Court & arbitration matters	883.87	711.81
(d) Excise duty matters	174.03	166.39
(e) Customs duty and others	897.19	934.51
(f) Goods & Service Tax	13.63	4.14
(g) Other matters (incl. disputed staff cases)	105.40	59.69
(h) Claim towards Liquidated damages (LD)	3926.30	3596.61
<b>Total</b>	<b>7945.21</b>	<b>7306.80</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, 2024	As at March 31, 2023
<b>Balance at the beginning of the year</b>	<b>7306.80</b>	<b>6755.70</b>
Less: Reduction out of opening balance	1308.15	727.70
Add: Additions (net) during the year	1946.55	1278.81
<b>Balance at the end of the year</b>	<b>7945.21</b>	<b>7306.80</b>

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>B. Commitments</b>		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for (The above includes related to acquisition of intangible assets)	298.77	282.05
(b) Investment in the Joint Venture entity (NBPPPL) 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	59.43	32.71
(c) BHEL has signed a Joint Venture Agreement with M/s Coal India Ltd. on 28 <sup>th</sup> Feb 2024 for formation of a Joint Venture Company (JVC). As per the JVA, BHEL shall make equity contributions of ₹1732 Crore in the JVC over a period of 4 Years (after pre-construction period of 1 year)	50.00	50.00
(d) 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.	1732.00	-

## 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 ₹7906 Crore (Previous Year ₹7963 Crore). Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹4943 Crore (previous year ₹6185 Crore).

## Note [36]

### 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)

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	
		2024	2023	2024	2023
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	One share less than 50 %	One share less than 50 %	2.38	2.38
NTPC-BHEL Power Projects Private Limited (NBPPL)		50.00%	50.00%	-	-
Raichur Power Corporation Limited (RPCL)		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) 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), Govt. of India, in August 2019 had 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. Subsequently, in a meeting held on 03.10.2022 at MoP, it has been decided to wind up NBPPL after the completion of balance ongoing works at Unchahar TPP (1x500 MW).
- (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 Venture 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, 2024	As at March 31, 2023
Non-current assets	83.08	63.28
Current assets	859.72	813.49
Cash and Cash Equivalent (incl.bank balances) included in Current assets	162.92	50.02
Non-current liabilities	8.19	9.24
Non-Current financial liabilities (excluding Trade Payables)	1.45	4.09
Current liabilities	425.64	402.94
Current financial liabilities (excluding Trade Payables)	7.08	7.20

(₹ in Crore)

Statement of Profit and Loss	For the year ended	
	March 31, 2024	March 31, 2023
Revenue from operations	1054.74	967.13
Interest Income	23.67	18.32
Depreciation and Amortization	8.59	8.91
Interest Expense	0.62	0.87
Income tax Expense	43.75	38.54
Profit / (loss) for the year	127.95	112.56
Other Comprehensive Income	0.27	(1.18)
Total Comprehensive Income	127.68	113.75

## Raichur Power Corporation Ltd.

(₹ in Crore)

Balance Sheet	As at March 31, 2024	As at March 31, 2023
Non-current assets	12479.19	11057.24
Current assets	932.90	2227.02
Cash and Cash Equivalent [incl. bank balances] included in Current assets	12.19	10.61
Non-current liabilities	13996.35	13783.26
Non-Current financial liabilities (excluding Trade Payables)	13996.35	13783.26
Current liabilities	6422.71	4978.94
Current financial liabilities (excluding Trade Payables)	5658.78	4721.45

(₹ in Crore)

Statement of Profit and Loss	For the year ended	
	March 31, 2024	March 31, 2023
Revenue from operations	3924.29	3078.86
Depreciation and Amortization	660.00	650.54
Interest Expense	2041.00	1790.91
Income tax Expense	-	-
Profit / (loss) for the year	(1529.03)	(1389.22)
Total Comprehensive Income	(1529.03)	(1389.22)

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

(₹ in Crore)

Balance Sheet	As at March 31, 2024	As at March 31, 2023
Non-current assets	192.66	209.08
Current assets	385.14	378.49
Cash and Cash Equivalent [incl. bank balances] included in Current assets	7.48	6.91
Non-current liabilities	425.02	445.73
Current liabilities	375.74	360.67
Current financial liabilities (excluding Trade Payables)	24.34	24.01

(₹ in Crore)

Statement of Profit and Loss	For the year ended	
	March 31, 2024	March 31, 2023
Revenue from operations	19.07	51.27
Depreciation and Amortization	5.73	5.79
Interest Expense	0.97	15.73
Income tax Expense	2.85	(0.47)
Profit / (loss) for the year	(4.16)	(15.97)
Total Comprehensive Income	(4.14)	(16.24)

**Note [37]****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 March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Not later than 1 year #	26.33	36.62	2.72	3.52	23.61	33.10
Later than 1 year and not later than 5 years	23.04	34.60	0.99	2.78	22.05	31.82
Later than 5 years	4.46	2.14	2.96	0.21	1.50	1.93

# The amount of future minimim lease payments in respect of leases where remaining lease term as at the end of March 31, 2024 is less than 12 months is ₹9.18 Cr (Previous year ₹16.70 Cr).

**b) Movement in lease liabilities during the FY 2023-24**

(₹ in Crore)

Particulars	As at	
	March 31,2024	March 31,2023
<b>Lease Liabilities As at April 1*</b>	68.50	84.93
Add: Additions	14.62	33.58
Add: Accretion of interest	4.38	7.03
Less : Payments/Adjustment	39.05	57.04
<b>Lease Liabilities as at March 31*</b>	48.45	68.50

\* includes interest accrued of ₹1.29 Cr (PY ₹1.66 Cr) & ₹1.66 Cr (PY ₹1.90 Cr) as at March 31, 2024 & March 31, 2023 respectively.

**c) Amounts recognised in Statement of Profit & Loss:**

(₹ in Crore)

Particulars	For the Year Ended	
	March 31, 2024	March 31, 2023
Expense relating to Short-term leases	2.10	4.91
Expense relating to low value assets leases	1.11	1.26
Depreciation charge of right-of-use assets	27.51	33.00
Interest expense (included in finance cost)	4.38	7.03

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

(₹ in Crore)

Particulars	As at	
	March 31, 2024	March 31, 2023
Not later than 1 year	1.20	0.04
Later than 1 year and not later than 5 years	4.81	0.06
Later than 5 years	-	-

**Note [38]****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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Opening 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>
Included in Profit for the Year :						
Current Service Cost	91.16	89.49	-	-	91.16	89.49
Past Service Cost	-	-	-	-	-	-
Interest cost / (income)	136.92	135.35	107.56	110.70	29.36	24.65
<b>Total amount recognised in Profit for the Year</b>	<b>228.08</b>	<b>224.84</b>	<b>107.56</b>	<b>110.70</b>	<b>120.52</b>	<b>114.14</b>
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	29.74	(74.88)	-	-	29.74	(74.88)
Experience Adjustment	(25.66)	23.95	9.72	(0.73)	(35.38)	24.68
<b>Total amount recognised in other comprehensive income</b>	<b>4.08</b>	<b>(70.29)</b>	<b>9.72</b>	<b>(0.73)</b>	<b>(5.64)</b>	<b>(69.56)</b>
<b>Others</b>						
Contributions paid by the Employer	-	-	125.00	-	(125.00)	-
Benefits paid	(161.31)	(237.93)	(161.31)	(237.93)	-	-
Unpaid Benefits paid	-	-	-	-	-	-
<b>Closing balance</b>	<b>1921.07</b>	<b>1850.22</b>	<b>1534.45</b>	<b>1453.48</b>	<b>386.62</b>	<b>396.74</b>

### Details of Plan assets

Particulars	As at March 31, 2024	As at March 31, 2023
Funds managed by Insurer *	81.69%	79.03%
High quality Corporate bonds (quoted)	15.38%	16.52%
State Government securities (quoted)	2.84%	3.00%
Bank Balance	0.09%	1.45%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

\* 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, 2024	As at March 31, 2023
<b>Economic assumptions:</b>		
Discount rate	7.25%	7.40%
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%	1%
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, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(96.30)	104.67	(91.64)	99.80
Change in Salary escalation rate (0.50% movement)	31.29	(37.52)	36.56	(42.09)

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

Sensitivities such 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, 2024	As at March 31, 2023
Less than 1 year	158.20	160.65
Between 1-2 years	125.81	135.51
Between 2-3 years	111.49	113.15
Between 3-4 years	98.46	100.52
Between 4-5 years	89.43	88.94
Between 5-6 years	78.90	80.57
Over 6 years	1258.78	1170.88
<b>Total</b>	<b>1921.07</b>	<b>1850.22</b>

Expected contributions to gratuity plans for the year ending 31 March 2025 are ₹120.01 crore.

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.83 years (31 March 2023: 14.60 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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Opening balance</b>	<b>2249.60</b>	<b>2210.85</b>	<b>1831.92</b>	<b>1919.34</b>	<b>417.68</b>	<b>291.51</b>
Included in Profit for the Year :						
Current service cost	44.73	40.29	-	-	44.73	40.29
Past service Cost	-	-	-	-	-	-
Interest cost / (income)	166.47	154.76	135.56	134.36	30.91	20.40
<b>Total amount recognised in Profit for the Year</b>	<b>211.20</b>	<b>195.05</b>	<b>135.56</b>	<b>134.36</b>	<b>75.64</b>	<b>60.69</b>
Included in Other Comprehensive Income (OCI):						
Remeasurement loss / (gain):						

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

(₹ in Crore)

Particulars	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) / liability	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Actuarial loss / (gain) arising from:						
Demographic assumptions	-	18.72	-	-	-	18.72
Financial assumptions	34.69	(96.85)	-	-	34.69	(96.85)
Experience adjustment	81.94	109.13	12.58	(34.48)	69.36	143.61
<b>Total amount recognised in other comprehensive income</b>	<b>116.63</b>	<b>31.00</b>	<b>12.58</b>	<b>(34.48)</b>	<b>104.05</b>	<b>65.48</b>
<b>Others</b>						
Contributions paid by the employer	-	-	125.00	-	(125.00)	-
Benefits paid	(201.29)	(187.30)	(201.29)	(187.30)	-	-
<b>Closing balance</b>	<b>2376.14</b>	<b>2249.60</b>	<b>1903.77</b>	<b>1831.92</b>	<b>472.37</b>	<b>417.68</b>

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, 2024	As at March 31, 2023
<b>Economic assumptions:</b>		
Discount rate	7.25%	7.40%
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%	1%
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, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(124.67)	129.20	(105.76)	104.84
Change in cost (0.50% movement)	131.61	(125.77)	106.07	(104.21)

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, 2024	As at March 31, 2023
Less than 1 year	201.18	183.29
Between 1-2 years	218.72	198.87
Between 2-3 years	224.64	203.84
Between 3-4 years	232.96	210.98
Between 4-5 years	243.93	220.47
Between 5-6 years	252.98	228.18
Over 6 years	1001.73	1003.97
<b>Total</b>	<b>2376.14</b>	<b>2249.60</b>

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2025 are ₹60.69 crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.53 years (31 March 2023: 12.34 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	
	March 31, 2024	March 31, 2023
Excess / (Shortfall) in PF interest liability based on actuarial valuation for the year	9.97	(14.90)
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	18.13	28.10
Remeasurement gain/(loss) recognised through other comprehensive income statement	(9.17)	(24.20)
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	(19.14)	(9.30)

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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
BHEL EPF Trust,Ranipur, Hardwar	1824.36	1764.84	1841.54	1776.01	17.18	11.17
BHEL Employee Provident Fund-Trichy	988.93	916.65	986.19	906.77	(2.74)	(9.88)
BHEL Employee Provident Fund Bhopal	1629.83	1493.84	1625.11	1487.41	(4.72)	(6.43)
BHEL New Delhi Employees Provident Fund Trust	1493.90	1433.99	1491.75	1433.50	(2.15)	(0.49)
BHEL Employee Provident Fund-Hyderabad	901.38	843.58	917.02	871.94	15.64	28.36
BHEL PPD EPF Trust, Chennai	955.03	907.95	946.51	896.65	(8.52)	(11.30)
BHEL Employee Provident Fund-Bengaluru	637.68	614.87	653.29	626.89	15.61	12.02
BHEL (BAP Unit) EPF Trust, Ranipet	322.00	332.24	323.44	332.46	1.44	0.22
BHEL Employee Provident Fund Trust Jhansi	494.82	476.99	508.78	491.52	13.96	14.53
Bharat Heavy Plates and Vesseles Limited Employees Contributory Provident Fund-Vizag	152.27	148.74	192.31	186.84	40.04	38.10
<b>Total</b>	<b>9400.20</b>	<b>8933.69</b>	<b>9485.94</b>	<b>9009.99</b>	<b>85.74</b>	<b>76.30</b>

#### 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, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
<b>Opening balance</b>	<b>8933.68</b>	<b>8626.88</b>	<b>9009.99</b>	<b>8727.09</b>
Included in Profit for the Year:				
Current service cost	369.63	353.89	-	-
Interest cost / (income)	724.70	683.04	760.00	683.04
<b>Total amount recognised in Profit for the Year</b>	<b>1094.33</b>	<b>1,036.93</b>	<b>760.00</b>	<b>683.04</b>
Included in Other Comprehensive Income (OCI):				
Remeasurement loss /(gain):				
Actuarial loss / (gain) arising from:				
Demographic assumptions	-	-	-	-
Financial assumptions	0.86	(1.22)	(0.28)	-
Experience adjustment	29.61	(4.04)	4.88	(29.15)
<b>Total amount recognised in other comprehensive income</b>	<b>30.47</b>	<b>(5.26)</b>	<b>4.60</b>	<b>(29.15)</b>
<b>Others</b>				
Contributions paid by the employer	-	-	369.63	353.89
Employee Contribution	710.44	717.79	710.44	717.79
Benefits paid	(1658.60)	(1862.90)	(1658.60)	(1862.90)
Settlements/Transfer-in	289.88	420.24	289.88	420.24
<b>Closing balance</b>	<b>9400.20</b>	<b>8933.68</b>	<b>9485.94</b>	<b>9009.99</b>

**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 ₹53.17 Cr. based on the best possible assessment of recovery.

**Details of Plan assets**

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Govt. of India securities [Quoted]	796.78	905.49
State Government securities [Quoted]	4678.27	4451.33
Corporate bonds [Quoted]	3259.15	3017.93
Special Deposit [Unquoted]	344.65	364.71
Liquid Fund [Quoted]	3.76	17.19
Short term deposit [Unquoted]	85.76	33.46
Mutual Fund & Equity shares [Quoted]	317.58	219.88
<b>Total</b>	<b>9485.94</b>	<b>9009.99</b>

**Actuarial assumptions**

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

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Economic assumptions:</b>		
Discount rate	7.25%	7.40%
Expected statutory interest rate on the ledger balance	8.25%	8.15%
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%	1.00%
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, 2024		As at March 31, 2023	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(1.80)	1.89	(1.67)	1.83

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, 2024	As at March 31, 2023
Within the next 12 months	787.86	860.93
Between 2-5 years	1755.71	1706.54
Between 5-10 years	1554.56	1396.90
Beyond 10 years	5302.07	4969.31
<b>Total</b>	<b>9400.20</b>	8933.68

### 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, 2024	As at March 31, 2023
<b>Opening balance</b>	<b>13.43</b>	<b>11.63</b>
Current service cost	0.89	0.81
Interest cost / (income)	0.99	0.81
<b>Included in Profit for the Year</b>	<b>1.88</b>	<b>1.62</b>
Actuarial loss / (gain)	2.55	2.97
<b>Total amount recognised in TCI for the Year</b>	<b>4.43</b>	<b>4.59</b>
<b>Others</b>		
Contributions paid by the employer	-	-
Benefits paid	(2.80)	(2.79)
<b>Closing balance</b>	<b>15.06</b>	<b>13.43</b>

**Actuarial assumptions**

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

Particulars	Settlement Allowance	
	As at March 31, 2024	As at March 31, 2023
<b>Economic assumptions:</b>		
Discount rate	7.25%	7.40%
Salary escalation rate	6.50% P.A. for 1 <sup>st</sup> 4 yrs. & then 6% P.A. thereafter	6.50% P.A. for 1 <sup>st</sup> 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%	1%
Above 44 years	1%	1%

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

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

**Movement in long term leave liability**

(₹ in Crore)

Particulars	Long Term Leave Liability	
	As at March 31, 2024	As at March 31, 2023
<b>Opening balance</b>	<b>1037.18</b>	<b>1030.72</b>
Add/(less) Adjustment of sale of stake in subsidiary	-	-
<b>Included in Profit for the Year:</b>		
Current service cost	138.96	130.91
Interest cost / (income)	76.75	72.15
Actuarial loss / (gain)	(23.73)	(61.60)
<b>Total amount recognised in Profit for the Year</b>	<b>191.98</b>	<b>141.46</b>
Benefits paid	164.14	135.00
<b>Closing balance</b>	<b>1065.02</b>	<b>1037.18</b>

### Actuarial assumptions

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

Particulars	Long Term Leave Liability	
	As at March 31, 2024	As at March 31, 2023
<b>Economic assumptions:</b>		
Discount rate	7.25%	7.40%
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%	1%
Above 44 years	1%	1%

### C. Pension Fund

The Company has recognised ₹278 Cr. [PY ₹247 Cr.] as contribution in respect of pension scheme [defined contribution plan] for the FY 2023-24.

### Note [39] 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. (NBPPPL) 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 Life Insurance Corporation of India

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. Koppu Sadashiv Murthy	Chairman & Managing Director	(w.e.f. 01.11.2023)
Dr. Nalin Shinghal	Chairman & Managing Director	(upto 31.10.2023)
Shri. Jai Prakash Srivastava	Director (E, R&D)	(w.e.f. 12.08.2022)
Shri. Subodh Gupta	Director (Finance) & CFO	(upto 17.04.2023)
Ms. Bani Varma	Director (IS & P)	(w.e.f. 09.10.2023)
Ms. Renuka Gera	Director (IS & P)	(upto 31.08.2023)
Shri. Krishna Kumar Thakur	Director (HR)	(w.e.f. 04.07.2023)
Shri. Tajinder Gupta	Director (Power)	(w.e.f. 20.09.2023)
Shri. Upinder Singh Matharu	Director (Power)	(upto 31.08.2023)
<b>Company Secretary</b>		
Shri Rajeev Kalra	Company Secretary	

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
<b>Compensation to Key management personnel</b>		
- Short term employee benefits	4.31	2.85
- Post employment benefits	0.64	0.50
- Other long term benefits	-	-
- Termination benefits	-	-
- Share based payment	-	-
<b>Total</b>	<b>4.95</b>	<b>3.35</b>

**b. Government Director/Independent Director**

Name		Held [w.e.f /upto]
Shri Vijay Mittal	Government Director	(w.e.f. 25.03.2022)
Smt. Arti Bhatnagar	Government Director	(w.e.f. 14.02.2023)
Shri (Dr.) K. Sivaprasad	Independent Director	(w.e.f. 09.11.2021)
Smt. (Dr.) Lekhasri Samantsinghar	Independent Director	(From 09.11.2021 to 12.04.2024)
Ramesh Patlya Mavaskar	Independent Director	(w.e.f. 08.06.2023)

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
Sitting Fees -- Independent Directors	0.20	0.26

## 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, 2024	March 31, 2023
PRMB Trust	Post Retirement medical scheme	125.00	-
Gratuity Trust	Gratuity	125.00	-
Employees Superannuation Fund	Pension Fund	457.47	246.95
BHEL EPF Trust, Ranipur, Hardwar	Provident Fund	60.18	57.81
BHEL Employee Provident Fund-Trichy	Provident Fund	59.60	56.00
BHEL Employee Provident Fund Bhopal	Provident Fund	59.71	56.25
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	45.64	44.01
BHEL Employee Provident Fund-Hyderabad	Provident Fund	44.24	42.45
BHEL PPD EPF Trust, Chennai	Provident Fund	32.24	30.67
BHEL Employee Provident Fund-Bengaluru	Provident Fund	29.47	28.60
BHEL (BAP Unit) EPF Trust, Ranipet	Provident Fund	17.68	17.83
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	14.14	13.77
Bharat Heavy Plates and Vesseles Limited Employees Contributory Provident Fund-Vizag	Provident Fund	6.73	6.50

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

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2024	March 31, 2023
<b>Sales of Goods and services</b>		
BGGTS	305.92	239.24
RPCL	9.30	9.42
NBPPL	0.61	2.21
<b>Dividend income</b>		
BGGTS	41.65	26.18
<b>Royalty income</b>		
BGGTS	2.03	1.85
<b>Purchase of Goods and Services</b>		
BGGTS	1.18	0.87
RPCL	0.07	-
<b>Amounts due to BHEL at the end of the year</b>		
BGGTS	138.05	112.07
RPCL	643.84	636.90
NBPPL	277.02	225.17
<b>Amounts due from BHEL (incl. advances) at the end of the year</b>		
BGGTS	0.38	0.44
RPCL	8.55	20.90
NBPPL	41.69	23.58
<b>Provision for Doubtful debts &amp; advances</b>		
BGGTS	10.52	10.27
RPCL	20.73	20.81
NBPPL	222.12	190.15

**Note:** Refer Note [5a] for provision for diminution in value of investments

**Note [40]****Disclosure [Movement in provisions] - Ind AS - 37**

(₹ in Crore)

a	Liquidated Damages	As at March 31, 2024	As at March 31, 2023
<b>Opening Balance</b>		<b>8234.67</b>	<b>8559.20</b>
Add: Additions		1165.80	259.62
Less: Usage/ Write off/payment		21.72	86.73
Less: Withdrawal/adjustments		212.21	49742
<b>Closing Balance</b>		<b>9166.53</b>	<b>8234.67</b>

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, 2024	As at March 31, 2023
<b>Opening Balance</b>			
As disclosed in Note (19)		<b>3774.42</b>	<b>3855.48</b>
As disclosed in Note (6)		<b>552.05</b>	<b>708.05</b>
As disclosed in Note (9)		<b>462.40</b>	<b>4788.87</b>
Add: Borrowing Cost		121.38	160.11
Add: Additions		118.15	409.04
Less: PV Adjustment		3.81	94.65
Less: Usage/ Write off/payment		106.97	192.24
Less: Withdrawal/adjustments		2587.80	688.44
Add/(Less): Change in estimate and rates		(4.91)	(0.71)
<b>Closing Balance</b>			
As disclosed in Note (19)		<b>1822.17</b>	<b>3774.42</b>
As disclosed in Note (6)		<b>105.45</b>	<b>552.05</b>
As disclosed in Note (9)		<b>397.29</b>	<b>2324.91</b>
		<b>462.40</b>	<b>4788.87</b>

The provision for contractual obligation is made considering the effect of time value of money in line with Material Accounting Policy No. 10 mentioned under Note No. [2], 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.

The company had reviewed its policy for providing contractual obligations w.e.f. 01<sup>st</sup> April 2021, wherein the provision for CO was to be considered @ 1% prospectively and the provisions created @ 2.5% and existing (upto 31<sup>st</sup> March 2021) was to be maintained till vacation. Based on the historical experience / technical assessment, the company has now decided that provisioning for cumulative warranties (contractual obligations) be maintained at 1% for all projects. Net impact of the change is ₹1263.65 crore which is derived as follows:

1. Reduction in CO Provision	₹2439.70 Crs	(Impact- Increase in profit)
2. Reduction in Revenue	₹92.47 Crs	(Impact- Decrease in profit)
3. Creation of LD/BD Provisions	₹1041.37 Crs	(Impact- Decrease in profit)
4. Provision of Inventory on Hold Project	₹5.97 Crs	(Impact- Decrease in profit)
5. Reversal of Loss making Provision	₹19.55 Crs	(Impact- Increase in profit)
6. CO Provision discounting impact	₹55.79 Crs	(Impact- Decrease in profit)
7. Net Impact on Profit	₹1263.65 Crs	(Impact- Increase in profit)

## Note [41]

### Disclosure - Revenue from Contracts with Customers - Ind AS-115

#### a. Movement in impairment provisions

(₹ in Crore)

Particulars	2023-24		2022-23	
	Trade receivables	Contract assets	Trade receivables	Contract assets
<b>Opening balance</b>	<b>4322.46</b>	<b>4652.34</b>	<b>4314.79</b>	<b>4700.40</b>
Add: Additions	1519.23	254.95	279.02	271.45
Less: Write off	26.55	1.26	57.46	-
Less: Reversal/adjustments	622.48	926.80	213.90	319.51
<b>Closing balance</b>	<b>5192.66</b>	<b>3979.22</b>	<b>4322.46</b>	<b>4652.34</b>

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

(₹ in Crore)

Particulars	Power		Industry		Total	
	Within India	Outside India	Within India	Outside India		
<b>2023-24</b>						
<b>Revenue from customers</b>						
<b>Timing of revenue recognition</b>						
(a) At a point in time (product/services)	3324.43	61.58	3603.94	42.14	7032.10	
(b) Over time (projects)	13737.26	586.36	1562.54	2.25	15888.42	
<b>2022-23</b>						
<b>Revenue from customers</b>						
<b>Timing of revenue recognition</b>						
(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	

(₹ in Crore)

Particulars	2023-24		2022-23	
	Power	Industry	Power	Industry
Revenue from customers				
CPSUs	6888.04	2096.72	5581.63	1639.38
TSGENCO	2834.77	-	3112.02	-

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

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade Receivables	8010.07	6543.89
Contract assets (incl. unbilled revenue)	26747.54	29740.03
Contract liabilities	7133.45	5635.01

**d. Contract revenue recognised**

(₹ in Crore)

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	3011.15	3024.72
Revenue recognised against performance obligation satisfied in previous year (impact due to change in contract revenue)	163.16	892.15

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

- a. The Fair value of cash and cash equivalents, bank balances, loans, trade receivables, trade payables, 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).

Financial assets and liabilities measured at fair value- recurring fair value measurements	Level 3 Hierarchy	
	As at March 31, 2024	As at March 31, 2023
<b>Financial assets:</b>		
Investment in unquoted equity instruments	1.19	3.13

### 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

<b>As at March 31, 2023</b>	<b>3.13</b>
Changes in fair value	1.94
<b>As at March 31, 2024</b>	<b>1.19</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:

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

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

### Risk management framework

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

#### a) Management of Credit Risk

Credit risk is considered as an integral part of risk reward balance of doing business. BHEL is involved in setting up of power projects pertaining to Government sector (State utilities, PSU's, Railways and other govt. departments etc.) and private sectors in India and abroad. The projects are generally funded by Financial Institutions/ banks or payments are covered by Letter of

Credit (LC). The project duration ranges from 3 to 5 years and payments are generally realised in stages as per the terms of the contract including advance, progress payments, milestone (including intermediate) payments and also retentions which are released on completion of such projects. Since majority customers' profile pertains to Government sector, constituting 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, 2024	As at March 31, 2023
<b>Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Cash and cash equivalents	1835.04	1561.34
Other bank balances	4322.43	5136.73
Other financial assets	445.92	329.13
<b>Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss</b>		
Trade receivables	8010.07	6543.89

Concentration of credit risk- Geographical	Percentage of total receivable	
	As at March 31, 2024	As at March 31, 2023
Within India	95%	94%
Outside India	5%	6%
<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, 2024	As at March 31, 2023
Central Public Sector Undertakings incl. Railways and Govt. Deptt.	43%	39%
State Electricity Boards	40%	41%
Private Customers and others	13%	14%
Exports	5%	6%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### (ii) Impairment losses

#### 1. 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, 2024	As at March 31, 2023
<b>Balance as at April 1</b>	<b>14.91</b>	<b>14.56</b>
Impairment loss recognised/ write off/ withdrawal	1.41	0.35
<b>Balance as at March 31</b>	<b>16.32</b>	<b>14.91</b>

#### 2. 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, 2024	As at March 31, 2023
<b>Balance as at April 1</b>	<b>8974.80</b>	<b>9015.19</b>
Impairment loss recognised	1774.18	550.47
Amounts written off/ withdrawal	(1577.09)	(590.86)
<b>Balance as at March 31</b>	<b>9171.88</b>	<b>8974.80</b>

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

#### 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 Non-derivative financial liabilities	As at March 31, 2024		As at March 31, 2023	
	Within 1 year	Exceeding 1 year	Within 1 year	Exceeding 1 year
Trade payables	8696.24	2292.76	9895.83	2065.92
Deposits from contractors and others	548.62	315.02	544.77	247.10
Finance lease obligations	24.90	23.55	34.76	33.75
Other Payables/liabilities				
Employee dues	353.32	-	384.33	-
Other dues	401.60	-	364.44	-
Capex dues	114.90	10.86	111.50	8.60
Short term borrowings	8808.00	-	5385.00	-
<b>Total</b>	<b>18947.58</b>	<b>2642.19</b>	<b>16720.63</b>	<b>2355.37</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 31.03.2024 is Nil (previous year Nil)
- (ii) The foreign currency exposures that are not hedged by a derivative instrument or otherwise are as under:

FC' in Million  
(₹ in Crore)

Particulars	As at March 31, 2024		As at March 31, 2023		As at March 31, 2024	As at March 31, 2023
	Euro	Equivalent INR	Euro	Equivalent INR	Others INR	Others INR
<b>Assets</b>						
Trade receivable	53.64	484.16	55.50	496.43	1.86	3.44
Contract assets	235.03	2112.15	332.04	2959.08	39.52	11.92
Other assets	0.61	5.50	1.24	10.29	154.98	75.49
<b>Sub Total (A)</b>	<b>289.29</b>	<b>2601.82</b>	<b>388.78</b>	<b>3465.80</b>	<b>196.36</b>	<b>90.84</b>
<b>Liabilities</b>						
Advances from customer	35.46	238.77	36.15	240.84	22.65	22.65
Trade payables and others	29.79	272.79	34.70	315.32	308.96	579.03
<b>Sub Total (B)</b>	<b>65.25</b>	<b>511.56</b>	<b>70.85</b>	<b>556.15</b>	<b>331.61</b>	<b>601.68</b>
<b>Assets (Net of Liabilities)</b>	<b>224.04</b>	<b>2090.26</b>	<b>317.93</b>	<b>2909.64</b>	<b>(135.25)</b>	<b>(510.83)</b>

Particulars	USD	Equivalent INR	USD	Equivalent INR
<b>Assets</b>				
Trade receivable	77.52	644.22	70.72	579.07
Contract assets	234.62	1948.28	322.62	2640.15
Other assets	0.36	2.41	0.36	2.41
<b>Sub Total (A)</b>	<b>312.50</b>	<b>2594.91</b>	<b>393.70</b>	<b>3221.63</b>
<b>Liabilities</b>				
Advances from customer	50.09	253.59	58.00	326.40
Trade payables and others	132.79	1114.42	97.39	806.03
<b>Sub Total (B)</b>	<b>182.88</b>	<b>1368.01</b>	<b>155.40</b>	<b>1132.43</b>
<b>Assets (Net of Liabilities)</b>	<b>129.62</b>	<b>1226.90</b>	<b>238.31</b>	<b>2089.21</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 March 31, 2024		As at March 31, 2023	
	Strengthening	Weakening	Strengthening	Weakening
Euro	20.90	(20.90)	29.10	(29.10)
USD	12.27	(12.27)	20.89	(20.89)
Others	(1.35)	1.35	(5.11)	5.11

### 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 [43]

#### Consolidated Operating Segments

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 March 31, 2024			For the year ended March 31, 2023 (Restated)		
	Power	Industry	Total	Power	Industry	Total
<b>I. SEGMENT REVENUE</b>						
Operating Revenue-External	17709.64	5210.88	22920.52	17498.98	4637.32	22136.30
<b>II. SEGMENT RESULTS</b>						
a. Segment Results	1657.03	137.08	1794.11	1585.11	483.91	2069.02
b. Unallocated expenses (Net of income)			820.16			831.98
c. Profit before finance cost & Incometax (a) - (b)			973.95			1237.04
d. Finance cost (Includes unwinding of Interest)			731.29			521.43
e. Net Profit before Income Tax (c) - (d)			242.66			715.61
f. Income Tax			(39.56)			61.49
g. Net Profit/(loss) after Income Tax (e)-(f)			282.22			654.12

(₹ in Crore)

<b>III ASSETS &amp; LIABILITIES</b>							
a. Segment Assets		39561.83	8418.14	47979.97	37117.35	7876.15	44993.50
b. Common Assets				11025.53			11926.52
c. Total Assets				59005.50			56920.02
d. Segment Liabilities		20670.89	6081.21	26752.10	22366.53	5140.86	27507.39
e. Common Liabilities				7814.74			5034.36
f. Total Liabilities				34566.84			32541.75
<b>IV OTHER INFORMATION</b>							
a. Capital Expenditure		158.93	91.86		121.75	80.26	
b. Depreciation & Amortization		138.73	76.90		167.99	63.96	
c. Non Cash Expenses (other than depreciation & amortization)		(815.40)	147.31		(507.61)	(296.77)	

**Geographical Segments**

(₹ in Crore)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023 (Restated)		
	Within India	Outside India	Total	Within India	Outside India	Total
1 Net Sales / Revenue from Operations	22228.18	692.34	22920.52	21061.08	1075.22	22136.30
2 Non- Current Assets (PPE & Intangible Assets)	2880.44	1.96	2882.40	2826.69	3.14	2829.83
3 Capital Expenditure	286.57	0.85	287.41	261.79	0.15	261.94

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

(₹ in Crore)

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023 (Restated)		
	Power	Industry	Total	Power	Industry	Total
CPSUs	6888.04	2096.72	8984.76	5581.63	1639.38	7221.01
TSGENCO	2834.77	-	2834.77	3,112.02	-	3112.02

## Note [44]

### Change in Accounting policy – Impairment of Financial Assets

During the year ended March 31, 2024, the company has changed its accounting policy (w.r.t. impairment of financial assets) in line with the opinion obtained from Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), with respect to factoring the time value of money while calculating Expected Credit Losses in respect of Contract Assets. This change in policy reflects better depiction of Contract Assets as on date and therefore provides more relevant information to users of financial statements. The change in policy has been given effect retrospectively from April 1, 2022 keeping in view the practical expediency.

**The change has been applied retrospectively and has impacted the consolidated financial statements as follows:**

Balance Sheet	₹ in Crore								
	As at March 31, 2024 (Without considering the effect of change in accounting policy)	Increase/ (decrease) due to change in accounting policy	As at March 31, 2024 (After considering the effect of change in accounting policy)	As at March 31, 2023 (As previously reported)	Increase/ (decrease) due to change in accounting policy	As at March 31, 2023 (Restated)	As at April 1, 2022 (As previously reported)	Increase/ (decrease) due to change in accounting policy	As at April 1, 2022 (Restated)
Other current assets (Contract Assets)	16804.30	(890.92)	15913.38	13050.84	(951.48)	12099.36	10792.53	(816.82)	9975.71
Other non-current assets (Contract Assets)	14978.96	(1289.27)	13689.69	19277.71	(2322.21)	16955.50	18526.54	(2693.04)	15833.50
Deferred Tax Asset (Net of Liab.)	3652.55	548.71	4201.26	3422.62	823.92	4246.54	3530.08	883.36	4413.44
Total Assets	60636.65	(1631.48)	59005.17	59369.79	(2449.77)	56920.02	56243.76	(2626.50)	53617.26
Other Equity	25373.39	(1631.48)	23741.91	26131.62	(2449.77)	23681.85	25810.19	(2626.50)	23183.69
Total Equity	26069.80	(1631.48)	24438.32	26828.03	(2449.77)	24378.26	26506.60	(2626.50)	23880.10
Total Equity & Liabilities	60636.65	(1631.48)	59005.17	59369.79	(2449.77)	56920.02	56243.76	(2626.50)	53617.26

Statement of profit and loss	₹ in Crore						
	For the year ended March 31, 2024 (Without considering the effect of change in accounting policy)	Increase/ (decrease) due to change in accounting policy	For the year ended March 31, 2024 (After considering the effect of change in accounting policy)	For the year ended March 31, 2023 (As previously reported)	For the year ended March 31, 2023 (Restated)	Increase/ (decrease) due to change in accounting policy	For the year ended March 31, 2023 (Restated)
Other Expenses (Provision & Write off)	1937.73	(1093.50)	844.23	647.03	(236.17)	410.86	
Profit Before Tax	(850.84)	1093.50	242.66	479.44	236.17	715.61	
Tax Expenses – Deferred Tax	(202.21)	275.21	73.00	113.27	59.44	172.71	
Profit for the year	(536.07)	818.29	282.22	477.39	176.73	654.12	

Earnings per share (basic as well as diluted) for the current year increased by ₹2.35 per share and the preceding year increased by ₹0.51 per share consequent to the change in accounting policy.

**Note [45]****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	2023-24	98.96	24184.17	77.33	218.24	99.83	(82.41)	68.03	135.83
	2022-23	99.05	24145.97	91.44	598.10	103.54	(17.27)	91.12	580.83
<b>Joint Ventures (investment as per the equity method) -</b>									
BHEL-GE Gas Turbine Services Private Limited	2023-24	1.04	254.48	22.67	63.98	0.17	(0.14)	31.97	63.84
	2022-23	0.95	232.29	8.56	56.02	(3.54)	0.59	8.88	56.61
NTPC-BHEL Power Projects Private Limited	2023-24	-	-	-	-	-	-	-	-
	2022-23	-	-	-	-	-	-	-	-
Raichur Power Corporation limited	2023-24	-	-	-	-	-	-	-	-
	2022-23	-	-	-	-	-	-	-	-
<b>Total</b>	2023-24	100.00	24438.65	100.00	282.22	100.00	(82.55)	100.00	199.67
	2022-23	100.00	24378.26	100.00	654.12	100.00	(16.68)	100.00	637.44

**Note [46]**

A ransomware incident on BHEL IT Systems occurred on 05<sup>th</sup> 06<sup>th</sup> Jan 2024 night. The incident was reported to Computer Emergency Response Team (CERT-In), National Critical Information Infrastructure Protection Centre (NCIIPC) and an online FIR was lodged with National Cyber Crime Reporting Portal. The impact of the ransomware incident was seen mainly in few services like e-Office (file movement system), e-mail and File sharing server. Owing to robust cyber security measures and Disaster Recovery mechanism in place, the impacted services were restored successfully without any data loss and financial impact.

**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 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]

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

## Note [54]

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

## Note [55]

The Board of Directors has authorised to issue the Financial Statements 2023-24 in its meeting held on May 21, 2024.

For and on behalf of Board of Directors



(Rajeev Kalra)  
Company Secretary

M. No. 14567



(K. Sadashiv Murthy)  
Chairman and Managing Director  
Additional charge of Director (Finance) & CFO  
DIN: 09184201

As per our report of even date

For ABP & Associates  
Chartered Accountants  
FRN – 315104E



(Niranjan Agrawalla)  
Partner  
M. No. 087939

For PSMG & Associates  
Chartered Accountants  
FRN – 008567C



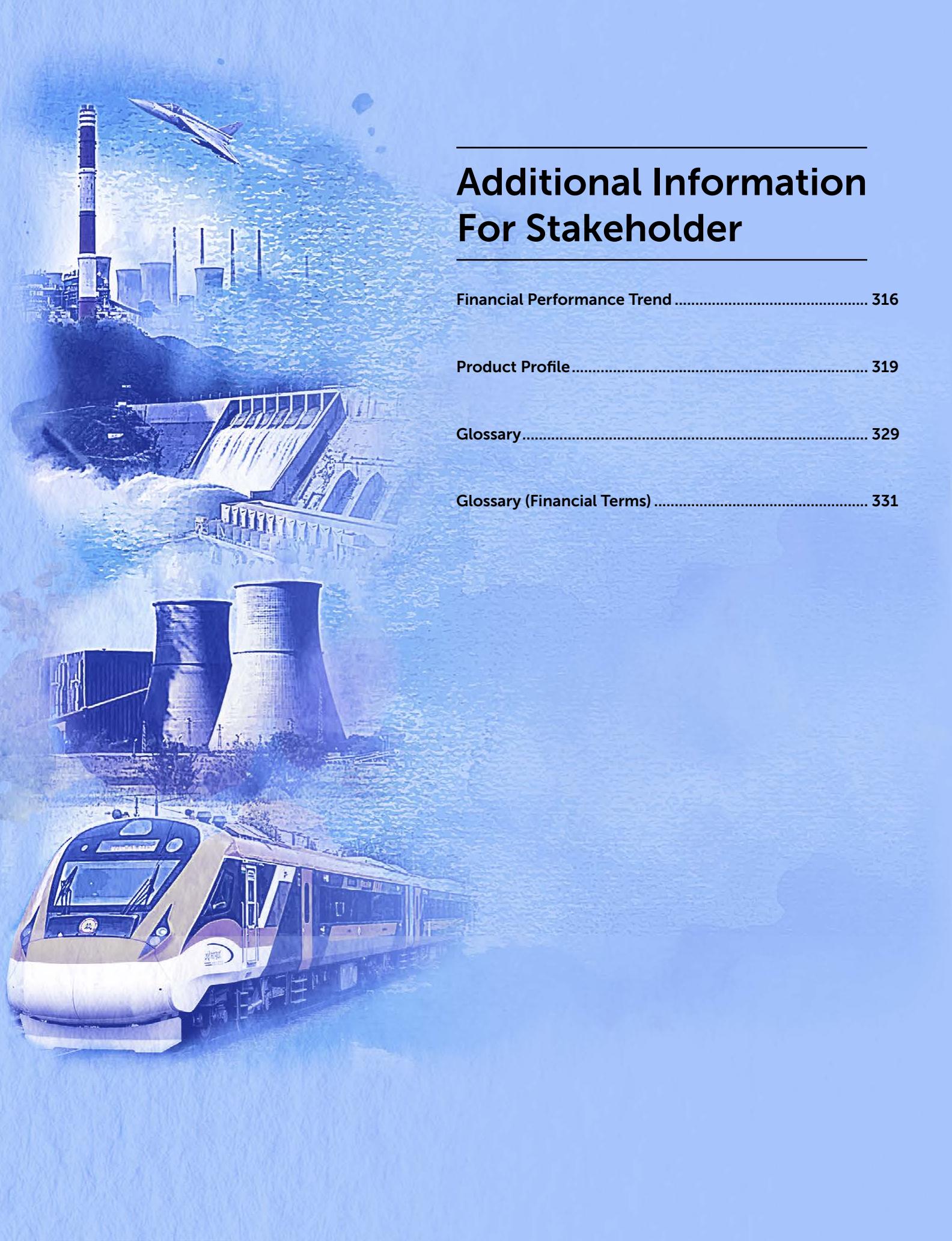
(Suhas Basu)  
Partner  
M. No. 052684

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



(Vijit Baidmutha)  
Partner  
M. No. 406044

Place : New Delhi  
Date : May 21, 2024



## **Additional Information For Stakeholder**

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## Financial Performance Trend

Sl. No.	Particulars		2023-24	2022-23*	2021-22	2020-21	2019-20
<b>Order Book (Excluding Taxes)</b>							
	Order Received	₹ in crore	77907	23548	20379	11470	20200
	Orders Outstanding	₹ in crore	131598	91336	90084	89813	95687
<b>A. Operating Results</b>							
<b>I</b>	<b>Total Income</b>						
	Revenue	₹ in crore	22921	22136	20153	16296	20491
	Other operational income	₹ in crore	972	1229	1058	1013	969
	<b>Revenue from operations (a)</b>	₹ in crore	<b>23893</b>	<b>23365</b>	<b>21211</b>	<b>17308</b>	<b>21459</b>
	<b>Other income (b)</b>	₹ in crore	<b>588</b>	<b>515</b>	<b>368</b>	<b>370</b>	<b>581</b>
	<b>Total (I= a+b)</b>	₹ in crore	<b>24481</b>	<b>23880</b>	<b>21579</b>	<b>17678</b>	<b>22040</b>
<b>II</b>	<b>Operating expenses</b>						
	Material consumption, Bought Out items,Civil,Erection and engg. expenses	₹ in crore	16894	15954	13997	11071	14727
	Consumption of stores & spares	₹ in crore	350	404	271	289	353
	Changes in inventories of FG , WIP & scrap	₹ in crore	(437)	(57)	526	511	(1042)
	Employee benefits expenses	₹ in crore	5629	5701	5517	5372	5427
	Power & Fuel	₹ in crore	452	488	415	319	459
	Other expenses of Mfg, Admn. & S&D	₹ in crore	1534	1466	1355	1480	1970
	Exchange variation (gain) / loss (net)	₹ in crore	(105)	(460)	(82)	(66)	(435)
	Provisions	₹ in crore	(1037)	(1083)	(1526)	1467	233
	Depreciation & amortisation expenses	₹ in crore	249	260	314	473	503
	Finance costs	₹ in crore	731	521	355	373	507
	<b>Total (II)</b>	₹ in crore	<b>24260</b>	<b>23194</b>	<b>21142</b>	<b>21290</b>	<b>22702</b>
<b>III</b>	<b>Operating Profit/(loss) (a-II)</b>	₹ in crore	<b>(368)</b>	<b>171</b>	<b>69</b>	<b>(3982)</b>	<b>(1243)</b>
<b>IV</b>	<b>Profit / (Loss) before tax (I-II)</b>	₹ in crore	<b>220</b>	<b>686</b>	<b>437</b>	<b>(3612)</b>	<b>(662)</b>
	Tax expense (Net)	₹ in crore	(40)	61	27	(894)	811
<b>V</b>	<b>Profit / (Loss) after tax</b>	₹ in crore	<b>260</b>	<b>624</b>	<b>410</b>	<b>(2717)</b>	<b>(1473)</b>
	<b>Other Comprehensive Income</b>	₹ in crore	<b>(82)</b>	<b>(17)</b>	<b>77</b>	<b>20</b>	<b>(274)</b>
<b>VI</b>	<b>Total comprehensive income</b>	₹ in crore	<b>177</b>	<b>607</b>	<b>487</b>	<b>(2697)</b>	<b>(1747)</b>
	Dividend payout	₹ in crore	87	139	139	-	-
	Dividend distribution tax	₹ in crore	-	-	-	-	-
	EBIT	₹ in crore	952	1207	792	(3239)	(155)
	EBITDA	₹ in crore	1201	1468	1106	(2765)	348
<b>Cash Flow:</b>							
	From Operating Activities	₹ in crore	(3713)	(741)	660	560	(2892)
	From Investing Activities	₹ in crore	1331	1480	(1125)	(43)	1877
	From Financing Activities	₹ in crore	2656	89	(330)	(393)	1622

Sl. No.	Particulars		2023-24	2022-23*	2021-22	2020-21	2019-20
<b>B. Financial Position (Assets, Equity &amp; Liabilities)</b>							
<b>VII</b>	<b>Assets</b>						
	Property, plant & equipment and intangible assets	₹ in crore	2574	2476	2398	2488	2814
	Capital WIP and intangible assets under development	₹ in crore	308	354	431	420	314
	Non-current investments	₹ in crore	668	670	670	670	670
	Other non current assets	₹ in crore	600	492	365	365	321
	Trade Receivables (Net)	₹ in crore	8010	6544	6229	7213	11641
	Contract Assets (Net)	₹ in crore	26748	26466	26940	24079	23794
	Cash & Bank Balances	₹ in crore	6157	6698	7154	6701	6419
	Inventory	₹ in crore	7221	6756	6560	7191	8905
	Deferred tax assets(Net)	₹ in crore	4201	4247	3530	3660	2756
	Other Current assets	₹ in crore	2930	2652	2432	2913	2601
	<b>Total Assets</b>	₹ in crore	<b>59417</b>	<b>57354</b>	<b>56708</b>	<b>55701</b>	<b>60236</b>
<b>VIII</b>	<b>Equity</b>						
	Equity share capital	₹ in crore	696	696	696	696	696
	Other equity	₹ in crore	24154	24116	26275	25788	28485
	<b>Total Equity</b>	₹ in crore	<b>24851</b>	<b>24812</b>	<b>26971</b>	<b>26484</b>	<b>29181</b>
<b>IX</b>	<b>Liabilities</b>						
	Borrowings	₹ in crore	8808	5385	4745	4834	4933
	Trade Payables	₹ in crore	10989	11962	9882	8559	9900
	Contract Liabilities	₹ in crore	7133	5635	6048	6864	6718
	Other Non current liabilities	₹ in crore	389	310	269	295	266
	Non current provisions	₹ in crore	2489	4101	3771	3913	4212
	Other Current liabilities	₹ in crore	2440	2353	1956	1589	1943
	Current provisions	₹ in crore	2318	2797	3067	3164	3082
	<b>Total liabilities</b>	₹ in crore	<b>34567</b>	<b>32542</b>	<b>29737</b>	<b>29217</b>	<b>31054</b>
<b>X</b>	<b>Total Equity &amp; Liabilities (VIII+IX)</b>	₹ in crore	<b>59417</b>	<b>57354</b>	<b>56708</b>	<b>55701</b>	<b>60236</b>
	Equity shares (Face Value of ₹ 2 each)	Nos.	348	348	348	348	348
	Market Capitalisation as at year end	₹ in crore	86077	24420	17184	16975	7243
	Net worth	₹ in crore	24851	24812	26971	26484	29181
	Net worth (excl. OCI & Capital Reserve)	₹ in crore	25233	25113	27254	26844	29561
<b>XI</b>	<b>Human Resources</b>	Nos	<b>28673</b>	<b>29536</b>	<b>30758</b>	<b>32131</b>	<b>33752</b>
	Executives	Nos	10256	10187	10280	9742	10075
	Non Executives	Nos	18417	19349	20478	22389	23677
<b>XII</b>	<b>Financial Performance Ratios</b>						
1	Return on Net worth	%	1.03	2.38	1.52	(9.63)	(4.82)
2	EBITDA margin	%	4.90	6.15	5.12	(15.64)	1.58
3	Operating Profit margin	%	(1.54)	0.73	0.33	(23.01)	(5.79)

Sl. No.	Particulars		2023-24	2022-23*	2021-22	2020-21	2019-20
4	Revenue per employee	₹ in lakhs	80	75	66	51	61
5	Revenue per rupee of employee benefit expenses	₹	4.07	3.88	3.65	3.03	3.78
<b>XIII Balance Sheet Ratios</b>							
1	Current ratio	Ratio	1.36	1.24	1.30	1.39	1.45
2	% liquidation of current year net billing	%	78	86	86	82	73
3	Trade receivable (no. of days)	Days	122	102	107	152	198
4	Inventory (no. of days)	Days	115	111	119	161	159
5	Assets Turnover	Times	0.41	0.42	0.38	0.32	0.37
<b>XIV Per Share data</b>							
1	Earning per share	(₹)	0.75	1.79	1.18	(7.80)	(4.23)
2	Net worth per share	(₹)	71.37	71.26	77.46	76.06	83.80
3	Market Price per share (BSE) as at year end	(₹)	247.20	70.13	49.35	48.75	20.80
4	Market Price to Book Value	Ratio	3.46	0.98	0.64	0.64	0.25
<b>XV Segment Revenue</b>							
	Power Segment	₹ in crore	17710	17499	15361	11386	14960
	Industry Segment	₹ in crore	5211	4637	4792	4910	5530
	<b>Total</b>	₹ in crore	<b>22921</b>	<b>22136</b>	<b>20153</b>	<b>16296</b>	<b>20491</b>
<b>Segment Share</b>							
	Power Segment	%	77	79	76	70	73
	Industry Segment	%	23	21	24	30	27

\* The Company has restated the financial figures for FY 2022-23 because of the change in accounting policy.

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

II Figures in () represent negative values.

III Dividend payout is interim dividend and proposed final dividend for the year.

#### Notes:

- 1 EBIT = PBT+Finance cost
- 2 EBITDA = EBIT+Depreciation & Amortisation
- 3 Return on Net worth = (PAT/Average Net Worth excl. OCI & Capital reserve)\*100
- 4 EBITDA Margin % = EBITDA/Total Income \*100
- 5 Operating Profit Margin = Operating profit/Revenue from operations \*100
- 6 Current ratio = Current Assets/Current liabilities
- 7 Trade receivable (no. of days) = Trade receivable \*365/Revenue from operations
- 8 Inventory (no. of days) = Inventory \*365/Revenue
- 9 Assets Turnover = Total Revenue/Total Assets

# Offerings across major businesses

## Coal Based Power Plants

- Complete EPC solutions, including state-of-the-art Emission Control Equipment
- Steam Generators, Steam Turbines, Turbo Generators (TGs) along with regenerative feed cycle, up to 1000 MW unit rating, including 350 /660 /700 /800 MW unit rating sets based on supercritical technology and up to 600 MW unit rating sets based on subcritical technology
- Water and Air Cooled Condensers, Condensate Extraction Pumps, Boiler Feed Pumps, Duplex Heaters, Valves and Heat Exchangers – meeting requirement of TG Sets up to 1000 MW
- Residual Life Assessment (RLA) of old Thermal Power Plants
- Plant performance improvement and life extension through Renovation and Modernization
- Flexibilisation (flexi-operations) solution for power plants

## Gas-Based Power Plants

- Complete EPC solutions, including Gas Turbines and matching generators ranging from 26 MW to 571 MW (ISO) rating with following features:
  - » Gas Turbine based co-generation and combined-cycle systems for industry and utility applications
  - » Capability to burn a variety of fuels (both gaseous and liquid including Blast Furnace Gas (BFG) & Coke Oven Gas (COG) for applications in the Steel Industry) along with mixed firing in different combinations of fuels
  - » Low exhaust emission levels up to 15 ppm of NOx with Dry Low NOx (DLN) combustors & noise reduction.
- Combined cycle plants up to 838 MW with higher plant efficiencies

## Nuclear Power Plants

- Complete EPC solutions for TG island of PHWRs (Pressurized Heavy Water Reactors), FBRs (Fast Breeder Reactors) and AHWRs (Advanced Heavy Water Reactors) including Steam Turbine, Turbo Generators, Exciters (Brushless and Static), MSRs (Moisture Separator Reheaters), other heat exchangers and pumps
- Reactor side components like Steam Generators, Reactor Headers, End Shields, special purpose Heat Exchangers, Pressure Vessels, Motors, etc.

## Hydro Power Plants

- Custom made conventional Hydro Turbines of Kaplan type up to 100 MW, Francis and Pelton types up to 400 MW.

- Custom made Salient Pole Vertical Synchronous Hydro Generator up to 400 MW with matching excitation system
- Reversible Pump-Turbines for Pumped Storage Plants up to 300 MW, and Fixed Speed Generator-Motors for Pump Storage Plants up to 300 MW
- High capacity pumps up to 200 MW and motor upto 200 MW for Lift Irrigation Schemes (LIS)
- Butterfly Valves, Spherical Valves and Auxiliaries for Hydro Stations
- Mini, Micro and Small Hydro Power Plants up to 25 MW rating
- Bulb turbines up to 10 MW and Horizontal Generator up to 20 MW along with matching generator & excitation system (Static/ Brushless)
- Microprocessor based Digital Governing System for all types of Hydro Power Plants
- Balance of Plant (BOP) & System Integration
- Renovation, modernization and uprating of Hydro Power Plants

## Solar Power System

- Complete EPC solutions of Solar Photo Voltaic (SPV) Power Plants including:
  - » Grid Interactive systems with & without BESS (Battery Energy Storage System)
  - » Floating Solar Power Plants
  - » Standalone Systems
  - » Roof Top Systems
  - » Hybrid Systems
  - » Canal Top Systems
  - » Erection, commissioning, O&M and consultancy services for all the above systems.

## Transportation Systems

- Rolling Stock including Electric locomotives, Diesel Electric locomotives, Semi-High Speed 'Vande Bharat' Trainsets, Track Machines and Diesel Electric Tower Car (DETC)
- Traction Motors and Traction Alternators
- Traction Drive System & Controls
- Traction Transformers

## Transmission Systems

- Complete EPC solution for transmission systems including Extra High Voltage Substations (both Air Insulated Substation (AIS) & Gas Insulated Substation (GIS) types)

up to 765 kV, and High Voltage Direct Current (HVDC) converter stations up to +/- 800 kV

- Power Transformers up to 1200 kV & Shunt Reactors up to 765 kV
- Gas Insulated Switchgear (GIS) up to 420 kV
- Insulators up to 800 kV
- Flexible AC Transmission System (FACTS) Solution

## Defense and Aerospace

- Super Rapid Gun Mount (SRGM) / Upgraded SRGM, including life time product support
- IPMS (Integrated Platform Management System) for ships
- Compact Heat Exchangers & Pump modules
- Space Grade Solar Panels & Batteries
- Motor Generator sets and Permanent Magnet based motors and generators
- Turbines, Turbo Alternators, Turbo Alternator Turbines, Condensers, Heat Exchangers & Valves for Naval applications

## Industrial Systems

- Complete EPC solutions for Process Packages and Equipment/ Solutions for Downstream Oil & Gas (DSOG) segment
- Top Recovery Turbine based Power Plant
- Coal Handling Plant and Ash Handling Plant including Civil & Structural, Mechanical, Electrical works and Automation systems
- Mine Winder Systems
- Electrics, Drives, Controls & Automation Systems for Processing & Compacting of Raw Materials, Iron Making, Primary & Secondary Steel Making, Casters & Steel Finishing like Mills & Process lines for both long and flat products
- Raw Material Handling Systems including Civil & Structural, Mechanical, Electrical and Automation systems for steel and other industries
- Electrics & Automation Systems for High Current Rectifiers of Smelters and Processing Mills for Aluminum Plants
- Automated Storage & Retrieval Systems (ASRS)

## Energy Storage System & E-Mobility

- Solar based Charging stations for Electric Vehicles charging
- Complete EPC Solutions for Battery Energy Storage System

## Detailed Product Profile is as follows:

### Steam Generators

- Steam Generators for utilities, ranging from 30 to 800 MW capacity, using coal, lignite, oil, natural gas or a combination of these fuels; capability to manufacture boilers with supercritical parameters up to 1000 MW unit size
- Circulating Fluidized Bed Combustion (CFBC) Steam Generators, with subcritical parameters up to 350 MW and with supercritical parameters from 151 MW to 660 MW unit size for utilities
- Fuel Flexible boilers capable of all combination of blending / co-firing diverse qualities of imported/ Indian coals, blending of lignite, petcoke, etc.
- Capability for manufacturing and supply of Steam Generators and Reactor Headers for Nuclear Power Plant as per ASME Sec.-III NB Class-1 requirements
- Steam Generators for industrial applications of the following types starting from 40 T/hr to 450 T/hr capacity, using coal, natural gas, industrial gases, biomass, lignite, oil, petcoke, bagasse or a combination thereof
  - » Pulverized coal / lignite fired boilers
  - » Stoker fired boilers
  - » Bubbling Fluidized Bed Combustion (BFBC) boilers
  - » Circulating Fluidized Bed Combustion (CFBC) boilers
  - » Heat Recovery Steam Generators (HRSG)
  - » Chemical recovery boilers for paper industry, ranging from capacity of 100 to 1000 T/Day of dry solids
- Expertise and capability in implementing the Biomass co-firing with coal in boilers
- Complete solutions for flexible operation of boilers

### Steam Generator Auxiliaries

- Air Preheaters
  - » Tubular Air Preheaters
  - » Rotary regenerative Air Preheaters (different types like Bisector, Tri Sector and Quad Sector)
- Particulate Emission Control
  - » Electrostatic Precipitators with outlet emission as low as 15 mg/Nm<sup>3</sup> (efficiency up to 99.97%)
  - » Bag Filters for utility and industrial applications
  - » Mechanical Dust Collector
  - » Ammonia Flue Gas Conditioning System
- Fans

- » Axial reaction fans of single stage and double stage for clean air application and dust laden hot gases applications up to 200 °C, with capacity ranging from 40 to 1300 m³/s and pressure ranging from 400 to 1,500 mmwc
- » Axial impulse fans for both clean air and flue gas applications up to 200 °C, with capacity ranging from 25 to 600 m³/s and pressure from 300 to 700 mmwc
- » Single and double-suction radial fans (plate aerofoil bladed) for clean air and dust-laden hot gases applications up to 400 °C, with capacity ranging from 4 to 660 m³/s and pressure ranging from 200 to 3000 mmwc
- Pulverizers
  - » Bowl Mills of slow and medium speed (for both pressurised & suction environment) with capacity from 10 T/hr to 120 T/hr
  - » Ball Tube Mills from 30 T/hr to 110 T/hr
  - » Wet Ball Mills (up to 50 T/hr) for FGD Applications
- Guillotine Gates & Dampers
  - » Guillotine gates with electric/ pneumatic actuator. 100% leak proof with seal air (Maximum Width/ Height): Type 1: 7m/14.5m, Type 2: 14.6m/4.5m, Type 3: 11.5m/6.5m
  - » Bi-plane dampers with electric/ pneumatic actuator. 100% leak proof with seal air (Maximum Width/ Height): Type-1: 7m/14.5m, Type-2: 12m/10.5m
  - » Louver dampers (open close/ regulating) with electric/ pneumatic actuator (Maximum Width/ Height): Type-1: 6.5m/14.5m, Type-2: 12m/10.5m
  - » Control dampers (regulating) with electric/ pneumatic actuator (Maximum Width/ Height): Type-1: 6.5m/14.5m, Type-2: 12m/10.5m
- Steel Chimneys
  - » Steel Chimneys for flue gas exhaust applications with maximum height of 80 m and inner diameter up to 6.5 m
- Flue Gas Desulphurization (FGD) systems
  - » Wet Limestone & Seawater based FGD systems
  - » Absorber – DCFS (Double Contact Flow Scrubber) Technology
  - » Wet Limestone FGD – Single & Twin Tower Absorber
  - » Seawater FGD – Grid Tower Absorber
  - » Absorber with & without Gas to Gas Heater
  - » FGD with SO<sub>2</sub> efficiency of 99.9%
- De NOx solutions
  - » In-furnace combustion control solutions to reduce NOx emission
- Selective Catalytic Reduction (SCR) systems (Honeycomb & Plate type) for NOx emission control
- SCR Plate Type Catalyst for NOx emission control
- Flexible operation of boilers for achieving 70-100% Turbine Maximum Continuous Rating (TMCR) at 3%/ minute ramp rate, 55-70 % TMCR at 2%/ minute ramp rate and 40-55% TMCR at 1%/ minute ramp rate as per CEA guidelines

## Soot Blowers

- Long Retractable Soot Blowers (LRSB) for travel up to 12.2m
- Furnace Temperature Probe (FTP) for travel length up to 10m
- Long Retractable Non-Rotating (LRNR) soot blowers with forward blowing for Air Pre Heaters
- Rotary Soot Blowers
- Rack type Long Retractable Soot Blowers
- Ash discharge valve for CFBC boiler application
- Soot Blowers with sequential PLC, control panel and integral starter

## Valves

- High and low-pressure Turbines Bypass Valves & hydraulic system for utilities and industrial application
- High and medium-pressure Valves, Cast and Forged Steel Valves of Gate, Globe, Non- Return (Swing- Check and Piston Lift-Check) types for steam, oil and gas duties up to 950 mm diameter, maximum pressure class 4500 (791 kg/cm<sup>2</sup>) and 650 °C temperature
- Hot reheat and cold reheat Isolating Devices up to 900 mm pipe size class 1500 and steam temperature up to 650 °C
- High capacity Spring Loaded Safety Valves for set pressure up to 372 kg/cm<sup>2</sup> and temperature up to 630 °C
- Automatic electrically operated Pressure Relief Valves for set pressure up to 320 kg/cm<sup>2</sup> and temperature up to 610 °C
- Safety Relief Valves for set pressure up to 421 kg/cm<sup>2</sup> and temperature up to 537 °C
- Reactive cum absorptive type Vent Silencers maximum diameter of 2700 mm
- Direct Water Level Gauges
- Angle Drain Valves - Single & Multi Stage for Turbine Drain Application
- Severe Service Control Valves for Re-Heater & Super Heater Spray Lines
- Quick Closing Non-return Valves for Extraction lines and Power Assisted Non-return Valves, up to 900 mm diameter, 158 kg/cm<sup>2</sup> pressure and 540 °C temperature
- Knife Edge Gate Valve of size 1300 mm & 1400 mm diameter for FGD applications

## Piping Systems

- Power Cycle piping, Constant Load Hangers, Variable Spring Hangers, Hanger components, Low Pressure piping including circulating water piping for power stations up to 1000 MW capacity including Super Critical sets
- Piping systems for Nuclear Power Stations, Combined Cycle Power Plants & Industrial boilers and process industries
- Prefabricated piping/ duct spools to cater to refinery segment complying with National Association of Corrosion Engineers (NACE) requirements

## Seamless Steel Tubes

- Hot-finished and cold-drawn seamless steel tubes with a range varying from outer diameter of 21 to 133 mm and wall thickness of 2 to 12.5 mm, in carbon steel and low-alloy steels to suit ASTM/ASME and other international specifications
- Rifled tubes (ribbed) with a range varying from tube outer diameter of 38.1 to 63.5 mm and wall thickness of 5.6 mm to 7.1 mm, in carbon steel and low-alloy steels to suit ASME and other international specifications
- Spiral finned tubes with a range varying from tube outer diameter of 31.8 to 114.3 mm and wall thickness of 2.4 mm to 9.5 mm and with fin height of 12.5 mm to 21 mm and fin density ranges from 40 to 240 fins per meter, in carbon steel and alloy steels to suit ASME standards

## Pressurized Fluidized Bed Gasifier (PFBG) (Coal to Chemicals)

- PFBG technology for the gasification of coals including lignite to generate syngas and other products
- High-Pressure Oxy-blown coal gasifier of single unit capacity up to 2500 Tonnes per day, capable of producing syngas, to meet the following applications:
  - » Hydrogen/Ammonia/Ammonium Nitrate
  - » Methanol/Dimethyl Ether
  - » Direct reduction of Iron ore
  - » Power through IGCC
  - » Synthetic Natural Gas

## Steam Turbines

- Steam Turbines up to 1000 MW unit rating, including 350/660/700/800 MW unit rating sets based on supercritical technology and up to 600 MW unit rating sets based on subcritical technology
- Steam Turbines up to 700 MWe ratings for Nuclear Power Plants
- 15000 HP Turbines for Marine Propulsion

## Turbo Generators

- Air, Hydrogen and Hydrogen/ Water cooled Turbo Generators up to 1000 MW unit rating alongwith related Auxiliary systems for Thermal/Gas Power Plants
- Air cooled up to 200 MW rating
- Hydrogen cooled up to 300 MW rating
- Hydrogen/Water cooled up to 1000 MW rating
- Generators for CCPP applications
- Generators up to 700 MWe for Nuclear Power Plants
- Generator Cooling System: Air, Hydrogen, Hydrogen / Water
- Excitation System: Brushless /Static
- Auxiliary Systems: Primary Water System, Seal Oil System, Gas System, etc.

## Hydro Power Plants

- Francis and Pelton type Hydro Turbines up to 400 MW unit size
- Kaplan type Hydro Turbines up to 100 MW unit size
- Bulb type Hydro Turbines up to 10 MW unit size
- Salient Pole Vertical Synchronous Hydro Generator up to 400 MW unit size
- Horizontal Generator up to 20 MW unit size
- Reversible Pump-Turbines and Fixed Speed Generator-Motor up to 300 MW for Pump Storage Plants (PSP)
- High speed Pump & Motor up to 200 MW for Lift Irrigation Schemes (LIS)

## Industrial Sets

- Steam Turbine based Captive Power Plants
  - » Steam Turbine-Generator (STG)/Boiler/Boiler-Turbine -Generator (BTG)/ Engineering - Procurement-Construction (EPC): Unit rating up to 200 MW
  - » Non Reheat up to 120 MW unit rating
  - » Reheat from 70 MW to 200 MW unit rating
- Steam Turbine to Mechanical drives like Compressors, Pump, Blowers, Marine Propulsion etc.
- Top Recovery Turbines (TRT) to meet the needs of Integrated Steel Plants
- Gas Turbine based Captive Power Plants GTG/HRSG/ EPC: 26 MW (Fr-5) to 571 MW (Fr-9HA.02) with versatile fuel burning capability (gaseous and liquid, including BFG and COG for Steel Industry applications), mixed fuel firing options, low exhaust emission levels (up to 15ppm of NOx) through Dry Low NOx (DLN) combustors, along with noise reduction

- Process Packages/ Equipment/ Solutions for the Downstream Oil & Gas (DSOG) segment

## Castings and Forgings

- Steel Castings from 0.5 MT up to 61 MT single piece and cast-fabricated Castings up to 120 MT weight and Forgings up to 36 MT in different material grades viz. Plain Carbon, Creep Resistant, Stainless Steel, Super Critical steels and Advanced Ultra Super Critical Alloy 625

## Condenser and Heat Exchangers

- Surface Condenser
  - » For Thermal Power Plants up to 1000 MW
  - » For Nuclear Power Plants up to 700 MWe
  - » 12.5 MW Marine applications
  - » Industrial Condensers
- Air Cooled Condenser for 660 and 800 MW Thermal Power Plants
- Feed Water Heaters (High Pressure Heaters, Low Pressure Heaters, Duplex Heater, De-Super Heaters, etc.) including retrofitting of Non-BHEL heaters
  - » Thermal from 7 to 600 MW (sub-critical) & 350 to 1000 MW (super critical with single stream)
  - » Nuclear: 220 MWe, 500 MWe & 700 MWe
  - » Industrial applications from 7 MW to 150 MW
- Moisture Separator & Reheater (MSR)
  - » Nuclear: 220 MWe, 500 MWe & 700 MWe
- Live Steam Reheater (LSR)
  - » 500 MW Fast Breeder Reactor (FBR) Nuclear sets
- D<sub>2</sub>O and Moderator Heat Exchangers for Nuclear primary cycle
- Auxiliary Heat Exchangers for Turbo and Hydro Generators
  - » Air Coolers (Frame & Tube Type)
  - » Oil Coolers (Shell & Tube Type and Plug in Type)
  - » Hydrogen Coolers (Frame & Tube Type)
- Transformer Oil Coolers
  - » Shell & Tube Type: Single Tube or Concentric Double Tube Type
  - » Frame & Tube Type: OFAF (Oil Forced/ Air Forced) with L-fin Tubes
- Air cooler for defense applications
  - » Shell & Tube Type
  - » CACW(Closed Air Circuit, Water Cooled) Type
- Butterfly Valves & Rubber Expansion joints for water application from 400NB to 2800NB

- Flash Tanks & Misc. Tanks for oil & water storage
- Auxiliary Heat Exchangers for Transformers
  - » Oil Coolers (Shell & Tube Type Single Tube or Concentric Double Tube Type) (Frame & Tube Type)
- Drain Coolers
  - » Thermal from 7 to 600 MW (sub-critical) & 350 to 1000 MW (super critical with single stream)
  - » Nuclear: 220 MWe, 500 MWe & 700 MWe
  - » Industrial applications up to 150 MW
- Auxiliary Heat Exchangers for general application and for Downstream Oil & Gas (DSOG) application
  - » Water - Water Coolers (Shell & Tube Type)
- Gland steam condensers
  - » Industrial applications from 7 MW to 150 MW
  - » Thermal Plants up to 1000 MW
  - » Nuclear Plants up to 700 MWe
- Air-cooled heat exchangers for GTG up to 126 MW (Fr-9E), and Compressor applications of all ratings for Downstream Oil & Gas (DSOG) application
  - » Steam jet air ejectors for condensers up to 150 MW
  - » Deaerators from 7 MW to 1000 MW
  - » Gas coolers for compressor applications
  - » Oil coolers- STG up to 150 MW, GTG up to 126 MW (Fr-9E)
  - » Generator air coolers up to 150 MW STG and GTG up to 250 MW (9 FA)

## Pumps

- Pumps for various utility power plant applications up to a capacity of 1000 MW:
  - » Boiler Feed Pumps (motor or steam turbine driven) and Boiler Feed Booster Pumps
  - » Condensate Extraction Pumps including Drip Pumps
  - » Circulating Water Pumps (Cooling Water Pumps)
  - » Concrete Volute Cooling Water Pumps
  - » Pumps (including BFP) for Secondary Side of Nuclear Power Plants up to 700 MWe ratings
  - » Slurry Recirculation Pumps for FGD Applications

## Compressors

- Complete range of Centrifugal compressors (driven by Steam Turbine, Electric Motor and Gas Turbine) along with auxiliary systems for all major compression applications in various industries like Refineries, Fertilizers, Petrochemicals, Oil & Gas, Steel, Power and Natural Gas Transportation sectors

- Offers Compressor packages for capacity up to 3,00,000 m<sup>3</sup>/Hr for various gases like Air, CO<sub>2</sub>, Syngas, N<sub>2</sub>, H<sub>2</sub>, NH<sub>3</sub>, Natural Gas, Wet Gas, Propylene and other services
- Horizontally split type up to 40 bar design pressure
- Vertically split type up to 350 bar design pressure
- Oxidation Blowers for FGD Applications

- » Sub-Station Automation (SAS)
- » Non-FST HVDC control panels
- » Electrical Control System (ECS) for Refineries
- » Energy Management System (EMS) for Power Plant
- » Electrical Interface System for MV/LV Switchgear
- » Electrical Interface System for Generator Synchronization

## Solar Photovoltaics

- Multi/ Mono Crystalline Solar cells
- Multi Crystalline/ Mono-PERC PV Modules (up to 400 Wp)
- Solar Inverter for utility and railway traction application
- Power Transformers (15 MVA and above)
- Passive Solar Tracking System
- Space Grade Solar Panels

## Automation and Control Systems

- Automation and Control Systems for
  - » Steam Generator/Boiler Controls including Boiler Protection
  - » Control & Protection Systems for Turbine & Generator for power plants
  - » Boiler Feed Pump (BFP) Drive Turbine Control
  - » Station Control and Instrumentation/DCS
  - » Automatic Generator Controls
  - » Vibration Monitoring System
  - » Offsite/ Off base controls/ Balance of Plant controls
    - ◊ Ash Handling Plant (AHP)
    - ◊ Coal Handling Plant (CHP)
    - ◊ Water System for power plant
    - ◊ Mill Reject System (MRS)
    - ◊ Condensate On-Load Tube Cleaning system (COLTCS)
    - ◊ Gas Booster Compressor (GBC)
    - ◊ Condensate Polishing Unit (CPU)
    - ◊ Heating, Ventilation & Air Conditioning (HVAC)
    - ◊ Fuel Oil Unloading System (FOUS)
  - » Hydro Power Plant Control System
  - » Gas Turbine Control System
  - » Nuclear Power Plant Primary Cycle Control Centre Instrumentation Package (CCIP)
  - » Nuclear Power Plant Turbine & Secondary Cycle Control System
  - » Power Block of Solar Thermal Power Plant
  - » Industrial Automation

## Transmission Systems

- Sub-stations/ switchyards both AIS & GIS type ranging from 33 kV to 765 kV
- HVDC transmission systems up to +/- 800 kV
- Digital Substation
- Flexible AC Transmission System (FACTS) solutions
  - » Fixed Series Compensation (FSC)
  - » Controlled Shunt Reactor (CSR)
  - » Phase Shifting Transformer (PST)
  - » Synchronous Condenser
- Power System Studies

## Software System Solution

- Performance Analysis, Diagnostics & Optimization (PADO) for Thermal Utilities
- Performance Calculation & Optimization system and Real Time Performance Data Monitoring system
- Open Platform Communications (OPC) connectivity from DCS to third party systems
- Enterprise Asset Management System (EAMS)
- Operator Training Simulator
- Remote Monitoring & Diagnostic System (RMDS)
- Software for electrical system analysis (load flow/ short circuit/ motor starting studies/ grounding studies/ relay co-ordination)

## Switchgear

- Medium Voltage Vacuum Switchgear for indoor and outdoor applications for voltage ratings up to 36 kV and Gas Insulated Switchgears up to 420 kV
  - » Indoor Switchgears
    - ◊ Up to 12 kV, 50 kA, 4000 A for thermal, nuclear, hydro and combined cycle power plant projects
    - ◊ Up to 36 kV, 31.5 kA, 2500 A for industries, solar power plants and refineries
    - ◊ Compact switchgear 12 kV, 25 kA, 1250 A for distribution system

- » Outdoor Vacuum Circuit Breakers
  - ◊ 12 kV, 26.3 kA, 1250 A for distribution segment
  - ◊ 36 kV, 26.3 kA, 1600 A for distribution segment
  - ◊ 25 kV & 52 kV (2x25 kV) Vacuum Interrupters and Vacuum Circuit Breakers for track side railway applications
- » Gas Insulated Switchgears
  - ◊ 36 kV, 40 kA, 2500 A for Refineries, Urban Distribution & Industries (Single Busbar & Double Busbar designs)
  - ◊ 420 kV, 40 kA, 3150 A for transmission sector (hydro station/ thermal power plant/ other substations)
  - ◊ 420 kV Gas Insulated Bus ducts

## On Load Tap Changers (OLTC)

- On Load Tap Changer up to 765 kV class Transformer & Off Circuit Tap Switch up to 765 kV, 500 MVA class Transformer for various application like Power Transformer, Furnace Transformer, Station Transformer, Rectifier Transformer, etc.

## LT Switchgear & Bus Ducts

- Generator Bus-ducks (IPBD) with associated equipment to suit generator power output of utilities of up to 800 MW capacity
- 415 V LT Switchgear for Thermal, Hydro, Nuclear, Captive Power Plants & steel industry

## Transformers & Reactors

- Power transformers for voltage up to 1200 kV
  - » Generator transformers (up to 600 MVA, 420 kV, 3 Ph/ 400 MVA, 765 kV, 1 Ph/ 500 MVA, 420 kV, 1 Ph)
  - » Autotransformers (up to 1000 MVA, 400 kV, 3Ph/ 600 MVA, 400 kV, 1 Ph/ 500 MVA, 765 kV, 1 Ph/ 1000 MVA, 1200 kV, 1 Ph)
- Converter Transformers/ Smoothing Reactors (up to 600 MVA,  $\pm 800$  kV)/ (up to 254 MVAr,  $\pm 500$  kV) for HVDC transmission
- Shunt Reactors (up to 150 MVAr, 420 kV, 3 Ph/ 110 MVAr, 765 kV, 1 Ph)
- Controlled Shunt Reactors (up to 200 MVAr, 420 kV, 3 Ph/ 200 MVAr, 420 kV, 1 Ph/ 200 MVAr, 765 kV, 1 Ph) for Flexible AC Transmission system applications
- Phase Shifting Transformers (up to 500 MVA, 400 kV, 3 Ph/ up to 500 MVA 400 kV, 1 Ph) for transmission lines
- Instrument transformers
  - » Current transformers up to 400 kV

- » Electro-magnetic voltage transformers up to 220 kV
- » Capacitor voltage transformers (33 kV to 1200 kV)
- » 24 kV PR Class current transformer for HVDC Projects
- Special transformers
  - » Rectifier transformer (up to 120 kA, 132 kV)
  - » Furnace transformer (up to 33 kV, 100 MVA)
- ESP transformers up to 95 kVp, 1600 mA
- Dry type transformers up to 15 MVA, 36 kV
- Composite Monitoring System for Power Transformers

## Capacitors

- H. T. Capacitors
  - » Shunt, Series & Static VAR Compensation (SVC), Harmonic filter & HVDC applications (3.3 kV to 500 kV, 1 Ph/ 3 Ph capacitor banks)
- Capacitor Divider for CVT (33 kV to 1200 kV)
- Coupling Capacitor (33 kV to 800 kV, 4400 pF to 13200 pF) for transmission lines
- Surge Capacitor for protection of Generators & Transformers (11 kV to 40 kV)

## Bushings

- Oil Impregnated Paper (OIP) condenser bushings 52 kV to 500 kV for transformer applications
- 25 kV Locomotive bushings
- Wall bushings up to 245 kV

## Control Gear

- Electronic controllers for ESPs in industries/ power plants
- Digital Static Excitation control system (2000 A, 400 V DC with redundant thyristor stacks & DC field breaker)
- Large current rectifiers with PLC Based digital controls
- Control & Protection Panels (up to 400 kV) For EHV Transmission projects
- Integrated excitation and protection panels for Synchronous Generator
- Digital Electro Hydraulic Governor (EHG) for Hydro Power Projects

## Insulators and Ceramics

- Porcelain Insulators
  - » Hollow insulators up to 765 kV for Transformers and SF<sub>6</sub> circuit breakers
  - » Solid core insulators up to 400 kV for Bus Post & Isolators for substation applications

- Composite Long Rod Insulators
  - » Up to ±800 kV, 420 kN for HVDC application
  - » Up to 765 kV, 210 kN for HVAC application
  - » Traction Insulators Stay Arm, Bracket and 9 Ton Insulators for Indian Railways
- Composite Hollow Insulators
  - » Up to 400 kV for CT Housing Application
- Ceramic Lining (CERALIN) wear resistant material for Thermal Power Plant & Ash Slurry Application
- Industrial and Special Ceramics
  - » Electronic Water Level Indicators (EWLI) used in Boiler Drum Water Level Monitoring (BHELVISION system)
  - » Ceramic and Tungsten Carbide Flow Beans for Christmas Tree Valves
  - » Grinding Media for Pulverizing in Thermal Power Plant

## Electrical Machines

- AC Machines for Safe Area Application
  - » Squirrel cage induction motors 150 kW to 22000 kW
  - » Slip ring induction motors 150 kW to 10000 kW
  - » Synchronous generators 1000 kW to 25000 kW
  - » Synchronous motors 1000 kW to 15000 kW
  - » Variable speed motors 150 kW to 19000 kW (Squirrel cage motors)
  - » Variable speed synchronous motors 1000 kW to 8000 kW
- AC Machines for Hazardous Area Application (Fixed speed or with VFD)
  - » Flame-proof squirrel cage induction motors (Ex 'd') (150 kW to 1300 kW)
  - » Non-sparking squirrel cage induction motors (Ex 'ec') (150 kW to 22000 kW)
  - » Increased safety squirrel cage induction motors (Ex 'eb') (150 kW to 4000 kW)
  - » Pressurized squirrel cage induction motors (Ex 'p') (150 kW to 22000 kW)
  - » Pressurized synchronous machines (Ex 'p') (1000 kW to 8000 kW)
- Industrial Alternators (Steam turbine, Gas turbine and Diesel engine driven) (3000 kVA to 25000 kVA)
- Vertical Motors for Primary Coolant Pumps for Nuclear Power Plants
- Induction Generators (300 kVA to 6000 kVA) for mini/micro Hydro Plant.
- 2 Pole Air cooled Steam/ Gas Turbine driven Generators (3 MW to 160 MW)
- 4 Pole Air cooled Steam/ Gas Turbine driven Generators

- (3 MW to 40 MW)
- 2 Pole Hydrogen cooled Steam/ Gas Turbine driven Generators (36 MW to 270 MW)
- 200 kW HTSC Motor for Marine applications
- Permanent Magnet Based Generators and Motors up to 5 MW
- Permanent Magnet based Axial Flux Motors
- Gas Turbine Generators up to 270 MW

## Rail Transportation

### Transportation Systems

- Semi High Speed Trainset (Vande Bharat)
- AC Electric Locomotives (up to 6000 HP, 25 kV AC)
- AC-DC Dual Voltage Electric Locomotives
- AC EMU (Electric Multiple Units) Coaches
- Traction Propulsion Systems for:
  - » 6000 HP and 9000 HP IGBT based AC Locomotive
  - » 3-phase IGBT based AC Electric Multiple Unit (EMU) and Mainline Electric Multiple Unit (MEMU)
  - » Air-conditioned Electric Multiple Units (ACEMU)
  - » ACEMU electrics for DC drives
  - » Semi High Speed Trainset (Vande Bharat)
  - » 1600 HP IGBT based DEMU (Diesel Electric Multiple Unit)
  - » Metro train (DC-DC, DC-AC)
  - » 1600 HP Multi-genset Locomotive
- WAG7 Locomotive with Regenerative Braking System
- Diesel Electric Tower Car
- Diesel Electric Shunting Locomotives (up to 1400 HP)
- OHE recording-cum-test car
- Dynamic track stabilizers
- Rail cum Road vehicle
- TCMS (Train Control & Monitoring System) Panels

### Transportation Equipment

- Traction Converter & Auxiliary Converter
- Vehicle Control Electronics
- Hotel Load Converter
- Composite Converter comprising Traction Converter and Hotel Load Converter
- Motorized bogies for mainline locos
- Traction Transformer
  - » Up to 5400 kVA for conventional locomotives
  - » Up to 9000 KVA for 3 phase drive locomotives

- » Up to 1200 KVA conventional AC EMU/MEMU
- » Up to 1578 kVA for 3 phase EMU
- 3-phase AC Traction Motors (axle hung /fully suspended type) up to 1200 kW for locomotives, train set & EMU application
- DC Traction Motors up to 630 kW for locomotives & EMUs
- Traction Alternators up to 3860 kW for Diesel Electric Locomotives
- Traction Generators up to 2000 kW
- DC Blower motors up to 50kW for dynamic braking system
- Motor Generator sets up to 25 kW for auxiliary requirements
- Eddy Current Clutch
- Traction gears and pinions for Locomotives & EMUs
- Specialized Wagons (up to 28 axle, 296 Ton)
- Railway Track Electrification
- Wheel and Axle machining
- Traction Converter (TC)

## Defence and Aerospace

- Super Rapid Gun Mount (SRGM)/Upgraded SRGM 76/62 for naval ships
- Integrated Platform Management system (IPMS) for naval ships
- Static Main Motor Generator (SMMG)
- Rotary Main Motor Generator with Controls (RMMG)
- Permanent Magnet (PM) based Reserve Propulsion Motor and Drive.
- Frequency converters (PM based and conventional motor based) with drive controls
- Thermopressed Components for Tank Armor including Turret Casting for T-72 Tanks
- Liquid Cooling System for Jammer which comprises four modules namely ACM Module, Pump Module, PCM Module and Electronic Control Unit
- Casting and Forgings for ships
- Onboard Compact Heat Exchangers for various fighter aircraft platforms
- Fuel Tanks and other components for Launch Vehicles and Satellites
- Compact Brushless Alternators
- Space Grade Batteries
- Solar Panels for Satellites

- Li-ion cells for Launch Vehicles
- Li-ion batteries for aircraft applications
- Excitation System for Emergency DG Set for defence application

## Energy Storage System & E- Mobility

- DC fast charger for Electric Vehicles
- Direct Drive Permanent Magnet Motors and controllers for E-bus

## Oil Field Equipment

- Oil Rigs – On-shore drilling rigs with AC-VFD and AC-SCR technology for drilling up to depths of 9000 meters, work-over rigs for servicing up to depths of 6100 meters, mobile rigs for drilling up to depths of 3000 meters, complete with matching drawworks and hoisting equipment including:
  - » Mast and Substructure
  - » Rotating Equipment: Drawworks; Rotary; Swivels; Travelling Blocks
  - » Independent Rotary Drive (IRD) Unit
  - » Dead Line Anchor
  - » Mud System including pumps
  - » Triplex Mud Pumps 5000 PSI Working Pressure
  - » Mud processing equipment: Degasser, Desander
  - » Sucker Rod Pump (Beam Pump Structure & Pumping Unit Gear Reducer)
  - » Refurbishment and upgradation of Oil Rigs
  - » 3-phase Oil Rig motor up to 1150 HP (for Drawworks, Mud Pump, Drilling)
  - » Oil Rig motors up to 1000 HP (for Drawworks, Mud Pump, Drilling)
  - » Oil Rig alternators up to 1750 kVA (for AC Power Pack)
  - » AC/ DC Power Control Room for E760, E1400, E2000 & E3000 Rig
  - » AC Power Pack up to 1430 kVA for DG sets
    - › AC Control Module
    - › DC Control Module
  - » Driller's Console up to 3 Mud Pumps, IRD & Drawwork control & monitoring, load rating (0-1800 A, 0-1000 V)
  - » Mobile Lighting Tower, Rig Lighting Tower
  - » AC-VFD Controls for AC Rigs
  - » STATCOM for power factor improvement in AC SCR Rigs

- Well heads and X-mas Trees up to 15,000 psi, Mud Line Suspension, Choke and Kill Manifold, CBM Wellheads, DSPM H- Manifold Assembly, Mud valves

## Fabricated Equipment and Mechanical Packages

- Cryogenic storage tanks, Mounded storage systems and storage spheres
- Pressure Vessels, Columns, Reactors/ Separators, Heat Exchangers
- Fired Heaters
- Purge Gas Recovery Unit
- Pressure Vacuum Swing Adsorption (PVSA) Oxygen System ( $\text{MO}_2$ ) for medical applications
- Gear Box
  - » Accessory & Load Gear Box for Gas Turbine Application
  - » Gear box for Steam Turbine Application
  - » Gear box for Boiler Feed Pump Drive Turbine (BFP DT) Application
  - » Gear box for Air Cooled Condenser (ACC) fan Application
  - » Gear box for Sucker Rod Pump (SRP) Application
  - » Gear box for Independent Rotary Drive (IRD)
  - » Gear box for AC Drawworks
  - » Gear box for compressor drive application

## Industry 4.0

- Remote Monitoring and Diagnostics System (RMDS) to provide plant wide operational and advisory support.
- KAMPAN 1.0 & Specialized Remote Vibration Diagnostic & Condition Monitoring System (RVDS) for continuous health monitoring for the critical main TG set, operating on a 24x7 basis, achieved through online remote monitoring of vibration and essential parameters of rotating equipment.

- Plant Automation Live Monitoring (PALM) an Android app for real-time remote monitoring of process parameters, featuring user-friendly schematics and graphical representations.
- Automatic Generation Control (AGC) is a system for adjusting the power output of multiple generators at different power plants, in response to changes in the load.
- Smart Project Management System (SPMS) for Tracking Man, Material and Machine using IIOT

## Desalination and Water Treatment Plants

- Complete Water Management Solutions for Power Plants Industrial applications and Municipal applications with various treatment technologies:
  - » Pre Treatment Plants (PT)
  - » Desalination Plants
  - » Demineralization Plants (DM)
  - » Membrane Based Treatment Systems
  - » Electro Deionization Plants
  - » Effluent Treatment Plants (ETP)
  - » Sewage Treatment Plants (STP)
  - » Zero Liquid Discharge (ZLD) System
  - » Cooling Water Treatment Plants
  - » Tertiary Treatment Plants

# Glossary & Abbreviations

ACC	Air Cooled Condenser
ACD	Assessment & Development Centres
ADA	Aeronautical Development Agency
AHF	Anti-Haemophilic Factors
ARAI	Automotive Research Association of India
ASSCP	Amorphous Silicon Solar Cell Plant
AUSC	Advanced Ultra Super Critical
BAP	Boiler Auxiliaries Plant
BGGTS	BHEL-GE Gas Turbine Services Private Limited
BLAC	Board Level Audit Committee
BLW	Banaras Locomotives Works
BoP	Balance of Plant
BQMM	BHEL Quality Maturity Model
BTG	Boiler Turbine Generator
CASIDC	Combat Aircraft Systems Development & Integration Centre
CBI	Central Bureau of Investigation
CCA	Capability cum Capacity Assessment
CCENL	Chrome Consortium Energy Nigeria Limited
CDSL	Central Depository Services (India) Limited
CET	Centre for Electric Transportation
CEFC	Common Engineering Facility Centre
CERT	Computer Emergency Response Team
CFBC	Circulating Fluidised Bed Combustion
CFFP	Central Foundry Forge Plant
CFP	Component Fabrication Plant
CFS	Consolidated Financial Statement
CIL	Coal India Ltd
CIRO	Chief Investor Relationship Officer
CLD	Corporate Learning & Development
CPGRAMS	Centralised Public Grievance Redress and Monitoring System
CPIO	Central Public Information Officer
CSR	Corporate Social Responsibility
CTI	Ceramic Technological Institute
CVC	Central Vigilance Commission
CVO	Chief Vigilance Officer
DC	Designated consumers
DME	Di-Methyl Ether
DPE	Department of Public Enterprises
DSOG	Downstream Oil & Gas Sector
ECL	Expected Credit Losses

ED	Executive Director
EDN	Electronics Division
EDR	Endpoint Detection and Response
EE	Energy Efficiency
EFQM	European Foundation for Quality Management
EHV	Extra High Voltage
EMRP	Electrical Machine Repair Plant
EMS	Environment Management System
EMU	Electric Multiple Unit
EnCon	Energy Conservation
EPC	Engineering, Procurement & Construction
EPR	Extended Producer Responsibility
ESD	Electronics Systems Division
ESG	Environmental, Social & Governance
ETP	Effluent Treatment Plants
FAME	Faster Adoption & Manufacturing of Electric & Hybrid Vehicles
FDRE	Firm & Dispatchable Renewable Energy
FSIP	Fabrication, Stamping & Insulator Plant
HAL	Hindustan Aeronautics Ltd
HEEP	Heavy Electrical Equipment Plant
HERP	Heavy Equipment Repair Plant
HEP	Heavy Electrical Plant
HPBP	High Pressure Boiler Plant
HPEP	Heavy Power Equipment Plant
HIL	Hardware in the Loop
HIRA	Hazard Identification and Risk Assessment
HPVP	Heavy Plates & Vessels Plant
HRDC	Human Resource Development Centres
HSE	Health, Safety & Environment
HVDC	High Voltage Direct Current
HVOF	High Velocity Oxygen Fuel
HVF	Heavy Vehicles Factory
IBC	Insolvency and Bankruptcy Code
ICC	Internal Complaints Committee
IDP	Individual Development Plans
IFC	Internal Financial Control
IICA	Indian Institute of Corporate Affairs
ICAI	The Institute of Chartered Accountants of India
IEM	Independent External Monitors
IER	International Energy Resources

## Glossary & Abbreviations

IGBT	Insulated-Gate Bipolar Transistor
IPR	Intellectual Property Right
IPS	Intrusion Prevention Systems
IR	Indian Railway
ISIN	International Securities Identification Number
IVP	Industrial Valves Plant
JSA	Job Safety Analysis
KPCL	Karnataka Power Corporation Limited
LCA	Light Combat Aircraft
LIS	Lift Irrigation Scheme
LODR	Listing Obligations and Disclosure Requirements
MHI	Ministry of Heavy Industries
MoD	Ministry of Defence
MSETCL	Maharashtra State Electricity Transmission Company
MSME	Micro, Small and Medium Enterprises
MSR	Moisture Separator & Reheater
NBPPL	NTPC BHEL Power Projects Private Limited
NCIIP	National Critical Information Infrastructure Protection Centre
NDC	Nationally Determined Contribution
NEMMP	National Electric Mobility Mission Plan
NHSRCL	National High-speed Railway Corp Limited
NSDL	National Securities Depository Limited
NSP	National Steel Policy
NRC	Nomination & Remuneration Committee
NRP	National Rail Plan
OA	Operational availability
OCT	Optical Current Transformer
OEM	Original Equipment Manufacturer
OHSMS	Occupation Health and Safety Management System
OLTC	On-load Tap Changer
PALM	Plant Automation & Live Monitoring
PAT	Performance, Achieve and Trade
PCRI	Pollution Control & Research Institute
PFBG	Pressurized Fluidized Bed Gasification
PLF	Plant Load Factor
PPE	Property, plant and equipment
PP PIL	Power plant Performance Improvement Private Limited
PPPU	Power Plant Piping Unit
PRADAN	Professional Assistance for Development Action
QHI	Quality Health Index

R&D	Research & Development
R&M	Renovation & Modernisation
RCA	Root Cause Analysis
RECPDCL	REC Power Development Corporation Limited
RMDS	Remote Monitoring and Diagnostic Services
RPT	Related party transactions
RTC	Round the clock
RPCL	Raichur Power Company Limited
RVDS	Remote Vibration & Diagnostic System
SBD	Solar Business Division
SCOPE	Standing Conference of Public Enterprises
SIL	Software in the Loop
SG	Steam Generator
SOAR	Security Orchestration Automation and Response
SOC	Security Operations Centre
SPM	Suspended Particulate Matter
SRGM	Super Rapid Gun Mount
SRP	Sucker Rod Pump
SRU	Sulphur Recovery Unit
SSTP	Seamless Steel Tube Plant
STG	Steam Turbine Generator
STP	Sewage Treatment Plants
TALA	Technical Assistance and License Agreement
TCA	Technology Collaboration Agreements
TCAS	Train Collision Avoidance System
TG	Turbine Generator
TII	Transparency International India
TOLIC	Town Official Language Implementation Committees
TP	Transformer Plant
TReDs	Trade Receivables Discounting System
TSDF	Treatment Storage and Disposal Facility
UB	Utility Boiler
UEBA	User and Entity Behaviour Analysis
UHV	Ultra High Voltage
VAW	Vigilance Awareness Week
VPN	Virtual Private Networks
WAF	Web Application Firewall
WCC	Water Cooled Condenser
WEF	World Economic Forum
WRI	Welding Research Institute

# Glossary (Financial Terms)

**Accounting policies:** Accounting policies are the specific accounting principles and the method of applying those principles adopted by the company in preparation and presentation of the financial statements.

**Accrual:** Financial statement is prepared on mercantile system. The effects of transaction and other events are recognised when they occur and they are recorded in the accounting records and reported in the financial statement of that period to which they relate.

**Amortization:** Amortization is the systematic allocation of the depreciable amount of an intangible asset over its useful life.

**Balance sheet:** A balance sheet is a statement of the financial position of an entity which states the assets, liabilities, and owners' equity at a particular point of time.

**Bonus shares:** Bonus shares are additional shares given to the shareholders without any additional cost out of free reserves, based upon the number of shares that a shareholder owns.

**Book value:** The amount at which an item appears in the books of account or in financial statements.

**Buy back of shares:** A buyback, also known as a share repurchase, is when a company buys its own outstanding shares to reduce the number of shares available in the open market.

**Capital employed:** is calculated by subtracting Capital WIP, Intangible assets under development and Deferred tax assets from the entity's net worth.

**Capital reserve:** A reserve of an entity which is not available for distribution as dividend.

**Capital redemption reserve:** The Company has recognised Capital Redemption Reserve on buy back of equity shares from its general reserve. The amount in capital redemption reserve is equal to nominal amount of equity shares bought back.

**Cash & cash equivalent:** Cash comprises cash in hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

**Contract assets:** Contract assets (deferred debts and unbilled revenue) represent the amount not yet due for payment as per contract terms / agreed schedule with customers. The same will be contractually due on completion of related activities / milestones.

**Contract liability:** An entity's obligation to transfer goods or services to a customer for which the entity has received

consideration (or the amount is due) from the customer.

**Contingent liability:**

- (a) possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

**Consolidated financial statements (CFS):** Consolidated financial statements - are the Financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent company and its subsidiaries are presented as those of a single economic entity.

**Credit risk:** The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

**Current ratio:** The current ratio is a liquidity ratio that measures ability to pay short term obligation or dues within one year. It is calculated by dividing current assets to current liabilities.

**Current asset:** An asset shall be classified as current when:

- a) it is expected to realise the asset, or intended to sell or consume it, in its normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) it is expected to realise the asset within twelve months after the reporting period; or
- d) the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

**Current liability:** A liability shall be classified as current when:

- a) it is expected to settle the liability in its normal operating cycle;
- b) it is held primarily for the purpose of trading;
- c) the liability is due to be settled within twelve months after the reporting period; or

- d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

**Current tax expense:** Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period.

**Deferred debts:** Deferred debts are those debts which will become payable on completion of identified milestone like trial operation, PG test, etc. in terms of the contract.

**Deferred tax:** Deferred tax is calculated using the rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax asset:** Deferred tax assets are the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits.

**Deferred tax liability:** Deferred tax liabilities are the amounts of income taxes payable in future periods in respect of taxable temporary differences.

**Defined benefits plans:** Defined benefit plans are post employment benefit plans other than defined contribution plans. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

**Dividend per share:** It is calculated by dividing the total dividend (excl. dividend distribution tax) for the year to total number of outstanding equity shares.

**Depreciation:** Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

**Dividend distribution tax:** This is an additional income tax paid by the company on any amount declared, distributed or paid by the company by way of dividends.

**EBIDTA:** It means Earnings before interest, taxes, depreciation and amortization. Operational EBIDTA is determined after excluding other income from EBIDTA.

**Earnings per share (EPS):** It represents profit earned during the year to each share, calculated by dividing profit after tax to total number of outstanding equity shares.

**Equity method:** The equity method of accounting is used to determine the net income generated from the joint venture in proportion to the size of a company's investment in the venture.

The equity method is a method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's

share of the investee's net assets.

**Expected credit loss:** The difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive, discounted at the original effective interest rate.

**Fair value:** Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Financial asset:** Any asset that is (a) cash, (b) equity instrument of another entity, (c) a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liability with another entity (d) a contract that will or may be settled in the entity's own equity instruments.

**Financial liability:** Any liability that is (a) contractual obligation to deliver cash or another financial asset to another entity or exchange financial assets or financial liabilities with another entity or (b) a contract that will or may be settled in the entity's own equity instruments.

**Financial instrument:** Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financing activities:** Activities that result in changes in the size and composition of the contributed equity and borrowings of the entity.

**General reserves:** General reserves are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations.

**Going concern:** It means that entity has no intention for discontinuing the operation in foreseeable future.

**Holding company:** "holding company", in relation to one or more other companies, means a company of which such companies are subsidiary companies.

**Impairment loss:** An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use.

**Indian Accounting Standard** (abbreviated as Ind-AS): Ind AS is the applicable accounting standard for preparation of financial statements as notified by Ministry of Corporate Affairs.

**Intangible assets:** An intangible asset is an identifiable non-monetary asset without physical substance.

**Inventory in number of days:** It is calculated by dividing inventory to revenue multiplying by number of days in a year.

**Investing activities:** Investing activities are the acquisition and disposal of long-term assets & Investments.

**Joint venture:** A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

**Liquidity risk:** The risks that an entity may encounter in meeting obligation associated with financial liabilities.

**Market risk:** The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

**Net profit/(loss) margin (%):** It represents profit generated as a percentage to revenue from operations, calculated by dividing profit after tax (PAT) to revenue operations.

**Net realisable value:** Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Net worth:** The excess of the book value of total assets of an entity over its liabilities. This is also referred to as shareholders' funds.

**Net worth per share:** Net worth per share is calculated by dividing net worth with total number of outstanding equity shares.

**Non-controlling interest (NCI):** is the portion of equity ownership in a subsidiary not attributable to the parent company, who has a controlling interest (greater than 50% but less than 100%) and consolidates the subsidiary's financial results with its own.

**Non-current asset:** A non-current asset is an asset that is not likely to turn to unrestricted cash within one year of the balance sheet date.

**Non-current liability:** Non-current liabilities are those

obligations not due for settlement within one year.

**Other comprehensive income (OCI):** Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in profit or loss as required or permitted by other Ind ASs.

**Operating activities:** Operating activities are the principal revenue producing activities of the entity and other activities that are not investing or financing activities.

**Operating profit margin (%):** Profitability performance ratio used to calculate the percentage of profit generated by Company from its operations. It is calculated by dividing earnings before tax (PBT) excluding other income to revenue from operations.

**Property, plant and equipment (PPE):** Property, plant and equipment are tangible items that:

(a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period.

**Revenue from operations:** Gross inflow of economic benefits during the period arising in the course of ordinary activities of an entity when those inflows result in increases in equity, other than increases relating to contributions from equity participants.

**Return on net worth (%):** Return on net worth is a measure of profitability of a Company, calculated by dividing net profit to average net worth (excl. OCI & Capital reserves).

**Right of Use Assets:** An asset that represents a lessee's right to use an underlying asset for the lease term.

**Trade receivables:** A receivable is an entity's right to consideration that is unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

## Cautionary Statement

Statement in the Annual Report, describing the Company objective, expectation or estimates are forward looking within the meaning of applicable laws and regulations. Actual result may differ materially from those expressed or implied, depending upon economic development, government policies and other incidental factors.

## Bharat Heavy Electricals Limited

(CIN: L74899DL1964GOI004281)

Regd. Office: BHEL House, Siri Fort, New Delhi-110049

Phone: 011-66337598

Website: [www.bhel.com](http://www.bhel.com), E-mail: [shareholderquery@bhel.in](mailto:shareholderquery@bhel.in)

## NOTICE

Notice is hereby given that the 60<sup>th</sup> Annual General Meeting of the Members of BHARAT HEAVY ELECTRICALS LIMITED will be held on Thursday, August 22, 2024 at 10 A.M. IST through Video Conferencing/ Other Audio-Visual Means (VC), to transact the following businesses: -

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2024 together with the Directors' Report and Auditors' Report thereon.
2. To approve and declare dividend for the financial year 2023-24.
3. To appoint a Director in place of Ms. Arti Bhatnagar (DIN: 10065528), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Shri Krishna Kumar Thakur (DIN: 10172666), who retires by rotation and being eligible, offers himself for re-appointment.
5. To authorize the Board of Directors to fix the remuneration of the Auditors for the year 2024-25.

### SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of the Cost Auditors (₹15.76 Lakhs) appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for

the Financial Year ending on 31<sup>st</sup> March, 2025 as set out in the statement annexed to the Notice convening this Meeting, be and is hereby ratified by the shareholders of the Company."

- "RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be considered necessary, proper or expedient to give effect to this resolution."
7. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Tajinder Gupta (DIN: 10327530), who was appointed as an Additional Director pursuant to Article 67(iv) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 20.09.2023 to hold Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 160 (1) of the Companies Act, 2013, be and is hereby appointed as a Director of the Company in line with applicable statutory provisions, liable to retire by rotation."

8. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Ms. Bani Varma (DIN: 10337787), who was appointed as an Additional Director pursuant to Article 67(iv) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 09.10.2023 to hold Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director herself pursuant to the provisions of Section 160 (1) of the Companies Act, 2013, be and is hereby appointed as a

Director of the Company in line with applicable statutory provisions, liable to retire by rotation."

9. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Koppu Sadashiv Murthy (DIN: 09184201), who was appointed as an Additional Director pursuant to Article 67(iv) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 01.11.2023 to hold Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 160 (1) of the Companies Act, 2013, be and is hereby appointed as a Director of the Company in line with applicable statutory provisions."

10. To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Shri Rajesh Kumar Dwivedi (DIN: 10048893), who was appointed as an Additional Director pursuant to Article 67(iv) of the Articles of Association of the Company read with Section 161 (1) of the Companies Act, 2013 w.e.f. 19.06.2024 to hold Office upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing, from the Director himself pursuant to the provisions of Section 160 (1) of the Companies Act, 2013, be and is hereby appointed as a Director of the Company in line with applicable statutory provisions, liable to retire by rotation."

By Order of the Board of Directors



(Dr. Yogesh R Chhabra)  
Company Secretary

Place: New Delhi  
Dated: July 27, 2024

## **NOTES: -**

1. The Ministry of Corporate Affairs (MCA) has vide its Circular dated September 25, 2023 read together with Circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars") allowed convening the Annual General Meeting (AGM) through Video Conferencing or Other Audio-Visual Means (VC), without the physical presence of the Members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the AGM of the Company is being held through VC. The deemed venue for the AGM shall be the registered office of the Company.
  2. In compliance with the aforementioned MCA Circulars and SEBI Circular dated October 7, 2023 read together with SEBI Master Circular dated July 11, 2023, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the websites of the Company ([www.bhel.com](http://www.bhel.com)), BSE Limited ([www.bseindia.com](http://www.bseindia.com)), National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) and on the website of the e-voting agency, National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). Physical copy of the AGM Notice along with the Annual Report shall be sent to those Members who request/ have requested for the same.
  3. For receiving all communication (Notice, Annual Report and the e-voting instructions along with the User ID & Password) from the Company electronically, please refer to the instructions annexed to the Notice.
  4. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since this AGM is being held through VC pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Proxy Form and Attendance Slip are not annexed to this Notice.
  5. Since the AGM will be held through VC, the route map of the venue of the Meeting is not annexed hereto.
  6. Participation of Members through VC will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013.
  7. Corporate/ Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at [ashugupta.cs@gmail.com](mailto:ashugupta.cs@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com).
  8. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM.
  9. Relevant Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of Special Business, as set out above is annexed hereto.
  10. Ms. Arti Bhatnagar and Shri Krishna Kumar Thakur, Directors, retire by rotation and being eligible, offer themselves for re-appointment. However, as per the terms of their appointment, the tenure of Ms. Arti Bhatnagar being a Part-time Official (Nominee) Director is till the withdrawal of her nomination by the Government of India while the tenure of Shri Krishna Kumar Thakur will expire on July 3, 2028 (five years from the date of his appointment). Brief resume of each of the Directors proposed for re-appointment is given at Annexure to the Notice.
  11. Pursuant to Section 124 read with Section 125 of the Companies Act, 2013, the dividend amounts which remain unpaid/ unclaimed for a period of 7 years, are required to be transferred to the Investor Education and Protection Fund constituted by the Central Government. Accordingly, the final dividend for the financial year 2016-17 and interim dividend for the financial year 2017-18 which remains unclaimed, are proposed to be transferred to the said account on October 22, 2024 and March 9, 2025 respectively.
- Members who have not claimed/ encashed their dividend so far for the financial year ended on March 31, 2017 or any subsequent financial year(s) may approach the Company for obtaining payments thereof before expiry of the stipulated 7 years period.
12. The Board of Directors of the Company has recommended a final dividend of 12.5% (Rs. 0.25 per share of Rs. 2/- each) on the Paid-up Equity Share Capital of the Company for FY 2023-24. This final dividend, if approved by the shareholders at the AGM, will be payable within 30 days from the date of declaration of dividend i.e. on or before September 20, 2024 to the Members whose names appear in the Register of Members/ list of Beneficial Owners of the Company as on the Record Date i.e. Friday, August 9, 2024.

- Dividend income is taxable in the hands of the shareholders and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 (IT Act). In order to enable compliance with TDS requirements in respect of dividends declared by the Company in future, members are requested to submit Form 15G/ 15H on annual basis and update details about their residential status, PAN & Category as per the IT Act with their Depository Participants or in case of shares held in physical form, with the Company/ Registrar & Transfer Agent, so that tax at source, if any, as per applicable rates may be deducted in respect of dividend payments made by the Company in future.
13. Pursuant to SEBI Listing Regulations, all listed companies shall use any of the electronic modes of payment facility approved by RBI such as ECS/ NECS/ Direct Credit etc., for payment of dividend. Members are advised to submit their National Electronic Clearing Service/ Electronic Clearing Service (NECS/ ECS) mandate in the form (given in the Annual Report) duly filled in and signed, to enable the Company to make remittance by means of NECS/ ECS.
  14. Members are requested to notify immediately any change of address and other relevant correspondence including NECS/ ECS details and submission of Permanent Account Number (PAN):
    - i. to their Depository Participants in respect of their demat share accounts; and
    - ii. to the Company at its registered office or the Registrar & Transfer Agent, M/s Alankit Assignments Limited (4E/2, Alankit House, Jhandewalan Extension, New Delhi-110055) in respect of their physical shares, in the prescribed forms available at [www.bhel.com/shareholders-information](http://www.bhel.com/shareholders-information).
  15. Members may avail facility of nomination in terms of Section 72 of the Companies Act, 2013, by nominating any person to whom their shares in the Company shall vest in the event of their death.
  16. Pursuant to Section 139 (5) read with Section 142 (1) of the Companies Act, 2013, the Auditors of a Government Company are appointed by the Comptroller and Auditor General of India and their remuneration is fixed by the Company in the Annual General Meeting. The shareholders may authorize the Board to fix up an appropriate remuneration for Auditors for the year 2024-25 as may be deemed fit by the Board.
  17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the directors are interested maintained under Section 189 of the Companies Act, 2013 and the relevant documents referred to in the Notice will be available electronically for inspection by the Members during the AGM.
  18. All documents referred to in the Notice will also be available electronically for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [shareholderquery@bhel.in](mailto:shareholderquery@bhel.in).
  19. In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of the SEBI Listing Regulations, the Company is providing its Members the facility to exercise their right to vote on resolutions proposed to be passed at the AGM by electronic means (remote e-voting) through NSDL. Members whose names appear in the Register of Members/ list of Beneficial Owners as on Thursday, August 15, 2024 (Cut-off Date) will be eligible to vote for the purpose of e-voting/ AGM and a person who is not a Member as on the cut-off date should treat this notice for information purposes only. The e-voting period will commence from Monday, August 19, 2024 at 9.00 A.M. and will end on Wednesday, August 21, 2024 at 5.00 P.M. The e-voting module will be blocked on August 21, 2024 at 5.00 P.M. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off Date i.e. August 15, 2024.
  20. Members who have cast their vote by remote e-voting prior to the AGM may also attend the meeting by VC but shall not be entitled to cast their vote again.
  21. The facility for voting through electronic voting system will also be made available at the AGM and Members attending the AGM who have not cast their vote by remote e-voting will be able to vote at the Meeting through this electronic voting system.
  22. The Company has appointed Ms. Ashu Gupta, Company Secretary (FCS no. 4123, Certificate of Practice no. 6646) of M/s Ashu Gupta & Co., Practising Company Secretaries, to act as a Scrutinizer, to scrutinize the process of remote

e-voting and electronic voting at the AGM, in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit the same to the Chairman. The results along with the Scrutinizer's Report will be declared within two working days of the conclusion of the Meeting and the same shall be available on the Company's website ([www.bhel.com](http://www.bhel.com)) and on the website of the e-voting agency ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)) immediately after the declaration of result by the Chairman/ person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

23. The procedures for joining the AGM through VC, remote e-voting and voting at the AGM along with the contact details for addressing the grievances in this regard are provided in the instructions annexed to the Notice.

By Order of the Board of Directors



(Dr. Yogesh R Chhabra)  
Company Secretary

Place: New Delhi  
Dated: July 27, 2024

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following explanatory statement sets out the material facts relating to the business mentioned in Item Nos. 6 to 10 of the accompanying Notice.

#### ITEM NO. 6

Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 requires remuneration of the cost auditors as approved by the Board to be ratified by the shareholders subsequently.

Based on the recommendation of the Board Level Audit Committee, the Board of Directors in its meeting held on July 19, 2024 has approved the names of seven Cost Accountants/ Firms for appointment for a total remuneration of ₹15.76 Lakhs as detailed under:

₹/Lakhs

Sl. No.	Name of the Cost Auditors	Unit	Remuneration for FY 2024-25
1	M/s Vijender Sharma & Co., Delhi	Consolidation	1.01
		HEEP Haridwar	2.00
		CFFP Haridwar	0.40
2	M/s R.M. Bansal & Co., Kanpur	HEP Bhopal	2.00
		TP Jhansi	0.81
		HERP Varanasi	0.40
3	M/s Narasimha Murthy & Co., Hyderabad	HPEP Hyderabad	2.00
4	M/s Subramanian Rajagopal & Associates, Tiruchirappalli	HPBP Trichy	2.67
		BAP Ranipet	1.33
5	M/s Murthy & Co. LLP., Bengaluru	SBD Bengaluru	0.53
		EDN Bengaluru	0.67
6	M/s Paliwal & Associates, Lucknow	CFP Rudrapur	0.40
		FSIP Jagdishpur	0.61
		IVP Goindwal	0.40
7	M/s SSPGR & Associates LLP, Visakhapatnam	HPVP Visakhapatnam	0.53
<b>Total</b>			<b>15.76</b>

The above fees is exclusive of applicable taxes & out of pocket expenses which are payable extra.

Accordingly, Members are requested to ratify the remuneration payable to the Cost Auditors for the Financial Year ending on March 31, 2025.

None of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 6.

The Board of Directors commends the resolution for approval of the Shareholders.

#### ITEM NO. 7

Shri Tajinder Gupta (DIN: 10327530), aged 57 years, was inducted as Director (Power) on the Board of BHEL w.e.f. September 20, 2023.

Shri Gupta is a 1989 batch Instrumentation and Control Engineering graduate from Birla Institute of Technology and Sciences (BITS), Pilani. Shri Gupta joined NTPC Limited as Graduate Engineer Trainee officer in 1989. Prior to his appointment as Director (Power)/ BHEL, Shri Gupta was Chief General Manager (CGM) in NTPC.

Shri Gupta has 35 years of diverse and versatile experience in Project Management, concept to commissioning of Power projects across various states in India. While with NTPC he was instrumental in development of large size greenfield and brownfield power projects, besides operating and maintaining NTPC's vast fleet of operating power stations. At NTPC corporate centre in Directors secretariat, he spearheaded the team for time bound construction and commissioning of multiple infrastructure assets crucial for the operation of NTPC.

He headed the construction team at Khargone (2x660 MW), which is having Ultra Supercritical parameters. In merely two years of his appointment, Shri Gupta as Business Unit Head, turned around the construction activities at 3x660 MW North Karanpura STPP in Jharkhand. He has been at the centre of ESG evolution that led to the commissioning of first unit of the North Karanpura STPP with the latest Air-Cooled Condensation technology, which reduces water consumption in a power plant by 65%.

A true professional with a sharp acumen for in-depth analysis, he carries with him the people, knowledge and experience of power sector ecosystem for speedy implementation of projects.

Appointment of Shri Tajinder Gupta is upto 28.02.2027 or until further orders, whichever is earlier, in the pay scale of ₹1,80,000 – ₹3,40,000 p.m. on terms and conditions approved by the Government of India.

Shri Gupta does not hold any shares in BHEL and he does not have any relationship with other Directors/ Manager/ Key Managerial Personnel of the Company.

Shri Tajinder Gupta has attended all the Board Meetings (six) held during his tenure in FY 2023-24.

In line with applicable statutory provisions read with Article 67(iv) of the Articles of Association of the Company, Shri Tajinder Gupta holds office till the date of ensuing Annual General Meeting and is eligible for appointment. As per requirement of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing, proposing candidature of Shri Tajinder Gupta for the Office of Director of the Company.

Except Shri Tajinder Gupta, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7.

The Board of Directors commends the resolution for approval of the Shareholders.

#### **ITEM NO. 8**

Ms. Bani Varma (DIN: 10337787), aged 56 years, was inducted as Director (Industrial Systems and Products) on the Board of BHEL w.e.f. October 9, 2023.

Ms. Varma is an Electrical engineering graduate from the Delhi College of Engineering. She had started her career in BHEL in 1990 as an Engineer Trainee in the Industry Sector. During her extensive tenure in the organisation, she has developed a comprehensive set of competencies viz., strategic management, marketing, business development, planning, project execution and operations, change management and human resource management.

Prior to taking charge as Director (IS&P) she was holding dual charge of BHEL's Transportation Business segment at New Delhi and Electronics Division Manufacturing Unit at Bangalore. As Head of Company's Transportation Business & Systems Group, she was responsible for BHEL's diversification initiatives for the Rail Transportation business and strategized to secure the prestigious Vande Bharat Trains Manufacturing cum Maintenance order. As head of Electronics Division she was responsible for complete operations of the Unit and was able to turnaround the Unit profitably with a topline growth of 25%.

Earlier, in various roles, she managed the organization's strategic initiatives and operational targets by providing support at the apex level and coordinating with various stakeholders of BHEL, spanning across various Company's segments. She also played an instrumental role in driving Company's transformation initiatives and handled various key positions in BHEL at Corporate Strategic Management, Project Management, Industrial Products (Electrical) and Captive Power Plants.

Ms. Bani Varma holds the position of Non-Executive Chairperson on the Board of Raichur Power Corporation Limited.

Appointment of Ms. Bani Varma is upto 31.12.2027 or until further orders, whichever is earlier, in the pay scale of Rs. 1,80,000 – Rs. 3,40,000 p.m. on terms and conditions approved by the Government of India.

Ms. Varma does not hold any shares in BHEL and she does not have any relationship with other Directors/ Manager/ Key Managerial Personnel of the Company.

Ms. Bani Varma has attended all the Board Meetings (five) held during her tenure in FY 2023-24.

In line with applicable statutory provisions read with Article 67(iv) of the Articles of Association of the Company, Ms. Bani Varma holds office till the date of ensuing Annual General Meeting and is eligible for appointment. As per requirement

of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing, proposing candidature of Ms. Bani Varma for the Office of Director of the Company.

Except Ms. Bani Varma, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 8.

The Board of Directors commends the resolution for approval of the Shareholders.

#### **ITEM NO. 9**

Shri Koppu Sadashiv Murthy (DIN: 09184201), aged 57 years, was inducted as Chairman & Managing Director (CMD) on the Board of BHEL w.e.f. November 1, 2023.

Shri Murthy is an Electrical Engineering graduate from Bhopal University with an MBA in Finance. Prior to this, Shri Murthy was heading Corporate Operations Management group as Executive Director, besides having additional charge of CMD of Bharat Pumps & Compressors Limited, Prayagraj (BPCL).

Shri Murthy joined BHEL in 1989 at its Jhansi Unit—a transformer & locomotive manufacturing hub. During his 35 years of wide-ranging experience in Corporate Office and in various Manufacturing Units of BHEL such as Hyderabad, Bhopal, Jhansi, and Varanasi, Shri Murthy developed a comprehensive set of competencies in strategic, operational, project and commercial management.

Shri Murthy's career is marked by a strong track record of consistently delivering revenue and profitability, coupled with expert resource optimization. As Head of Corporate Operations Management at Delhi, Shri Murthy played a vital role in turning the Company profitable in FY 2022-23 & FY 2021-22 after two years of losses, fostering a project-centric culture. While heading Varanasi Manufacturing Unit, Shri Murthy successfully led all aspects of the Unit's portfolio and despite the challenges posed by the partial closure/ lockdown of the factory during Covid 1.0, achieved remarkable results in FY 2020-21, with a Profit Before Tax of over 25% of revenue, a historic low inventory level, and a cash surplus.

As CMD, BPCL, his exceptional skills in building robust stakeholder relationships drove mutually beneficial outcomes of ₹80 Crore monetization of assets and resolution to long-pending payment & contractual issues with customers, contractors & suppliers.

Shri Murthy envisions a future where BHEL excels in delivering high-quality equipment, ensures on-time EPC execution, and plays a pivotal role in contributing to India's growth. His capacity as a proven team leader and his ability to channelize diverse perspectives towards common goals, should propel the Company to new heights in the industry.

Shri Murthy holds the position of CMD in BPCL and Heavy Engineering Corporation Private Limited, Ranchi.

Appointment of Shri Murthy is up to 28.02.2027 or until further orders, whichever is earlier, in the pay scale of ₹2,00,000 – ₹3,70,000 p.m. on terms and conditions approved by the Government of India.

Shri Murthy does not hold any shares in BHEL and he does not have any relationship with other Directors/ Manager/ Key Managerial Personnel of the Company.

Shri Murthy has attended all the Board Meetings (four) held during his tenure in FY 2023-24.

In line with applicable statutory provisions read with Article 67(iv) of the Articles of Association of the Company, Shri Murthy holds office till the date of ensuing Annual General Meeting and is eligible for appointment. As per requirement of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing, proposing candidature of Shri Murthy for the Office of Director of the Company.

Except Shri Koppu Sadashiv Murthy, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 9.

The Board of Directors commends the resolution for approval of the Shareholders.

#### **ITEM NO. 10**

Shri Rajesh Kumar Dwivedi (DIN: 10048893), aged 56 years, was inducted as Director (Finance) on the Board of BHEL w.e.f. June 19, 2024.

Prior to this, Shri Rajesh Kumar Dwivedi has been General Manager & Head - Corporate Finance in BHEL. Shri Dwivedi is a distinguished Fellow Member of the Institute of Cost Accountants of India and also holds Master's degree in Business Administration (MBA).

Mr. Dwivedi brings with him rich and diverse experience of more than 32 years across various verticals encompassing Business Strategies, Manufacturing and project construction in Power Sector along with Board level exposure of holding additional charge of Director (Finance) in Heavy Engineering Corporation Limited, Ranchi since October, 2022. He had joined BHEL as Executive Trainee (Finance) in 1992.

He has demonstrated his leadership in the areas of operations while heading finance function at major units of BHEL. Notably, Shri Dwivedi also exhibited his consistent target-oriented approach and steered through tough times of the Company by directing the operations towards augmenting its top line as well as bottom line.

He has been instrumental in ideation of new concepts like Central Procurement Cell, New Business Models, Innovative Ordering Strategies etc., which has already started reaping benefits for the Company. His continuous focus on cost leadership through budgetary & cost controls and strong customer engagement led to strengthening of BHEL finances as well as instilled confidence in the stakeholders of the Company. His clear vision and strong conviction coupled with sound business acumen and financial prudence played an important role in uplifting the level of operations of the Company.

He has been instrumental in promoting the cost management profession in the country through his active association at all levels of his Mother Institution i.e. The Institute of Cost Accountants of India.

Shri Rajesh Kumar Dwivedi holds the position of Director

(Finance) in Heavy Engineering Corporation Private Limited, Ranchi.

Appointment of Shri Rajesh Kumar Dwivedi is up to 31.01.2028 or until further orders, whichever is earlier, in the pay scale of Rs. 1,80,000 – Rs. 3,40,000 p.m. on terms and conditions approved by the Government of India.

Shri Dwivedi does not hold any shares in BHEL and he does not have any relationship with other Directors/ Manager/ Key Managerial Personnel of the Company.

Since Shri Rajesh Kumar Dwivedi was appointed as Director on 19.06.2024, he did not attend any Board Meeting during FY 2023-24.

In line with applicable statutory provisions read with Article 67(iv) of the Articles of Association of the Company, Shri Rajesh Kumar Dwivedi holds office till the date of ensuing Annual General Meeting and is eligible for appointment. As per requirement of Section 160 of the Companies Act, 2013, the Company has received a Notice in writing, proposing candidature of Shri Rajesh Kumar Dwivedi for the Office of Director of the Company.

Except Shri Rajesh Kumar Dwivedi, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 10.

The Board of Directors commends the resolution for approval of the Shareholders

By Order of the Board of Directors



(Dr. Yogesh R Chhabra)  
Company Secretary

Place: New Delhi

Dated: July 27, 2024

## DETAILS OF DIRECTORS PROPOSED FOR RE-APPOINTMENT

### MS. ARTI BHATNAGAR

Ms. Arti Bhatnagar (DIN: 10065528), aged 58 years, was inducted as Part-time Official Director on the Board of BHEL w.e.f. February 14, 2023.

Ms. Bhatnagar has a post graduate degree in Economics and M. Phil in Defence Strategic Studies from Madras University. Ms. Bhatnagar is an alumnus of the National Defence College.

She is a Civil Servant of the Indian Defence Accounts Service of the 1990 batch. She is presently working as Additional Secretary & Financial Adviser, Ministry of Commerce & Industry, Ministry of Heavy Industries and Ministry of MSME.

With about 26 years of experience in dealing with Finance, Accounts and Audit of the Defence Forces, her expertise is in handling defence acquisition and procurement contracts. Ms. Bhatnagar has worked as Joint Secretary (Security), Cabinet Secretariat handling SPG for five years. She has also worked as a Chief Vigilance Officer for Air India, Pawan Hans Limited and Airport Authority of India.

Ms. Arti Bhatnagar holds the position of Part-time Official Director on the Boards of H.M.T. Limited, India International Convention & Exhibition Centre Limited, Invest India, MMTC Limited, The State Trading Corporation of India Limited and India Trade Promotion Organization. Further, she is Chairperson of the Audit Committees of India International Convention & Exhibition Centre Limited, Invest India and India Trade Promotion Organization and Member of the Audit Committee of MMTC Limited.

Being a Government of India nominee on the Board of BHEL, Ms. Arti Bhatnagar does not receive any remuneration from BHEL.

Ms. Arti Bhatnagar does not hold any shares in BHEL and she does not have any relationship with other Directors/ Manager/ Key Managerial Personnel of the Company.

Ms. Arti Bhatnagar has attended ten (of fifteen) Board Meetings held during FY 2023-24.

### SHRI KRISHNA KUMAR THAKUR

Shri Krishna Kumar Thakur (DIN: 10172666), aged 50 years, was inducted as Director (Human Resources) on the Board of BHEL w.e.f. July 4, 2023.

Shri Thakur is a 1998 batch officer of Indian Railway Personnel Service (IRPS). He is a Post-Graduate in Literature from Tilka Manjhi University, Bhagalpur and also holds a degree of Post-Graduate Diploma in Management with specialisation in Human Resource (PGDM-HR) from Tata Institute of Social Sciences (TISS).

He has a diverse and versatile experience of 25 years of glorious service in Indian Railways and CPSUs with fine handling of HR matters and administration of three important Railway divisions i.e. Solapur, Bhopal & Mumbai. As Chairman, Railway Recruitment Cell, Western Railway, he has successfully completed recruitment of approximately twelve thousand employees. While working on secondment with RITES, he had served in a foreign project of Train Operation at Saudi Arabia. He had also headed HR department of Konkan Railway Corporation Limited (KRCL) wherein he played an important role in developing and streamlining HR policy and procedures of KRCL.

Since his appointment as Director (HR) in BHEL, Shri Thakur has spearheaded various initiatives to enhance the overall functioning of HR functions, notable initiatives are the restructuring of HR & Law Functions, the introduction of a Uniform Incentive Scheme for all manufacturing units of BHEL, rationalization of shift timing across the organisation and Multi-Skilling Reward Scheme with an objective to inculcate the culture of up-skilling and multi-skilling.

With the mantra of focus on process streamlining and improvement in efficiency, he has advocated HR data analytics as a tool to develop and implement HR strategies to drive organizational growth and employee engagement.

Under his leadership, BHEL has issued policies and guidelines for the optimal use of underutilized properties and facilities, generating revenue from these assets. He has also overseen the development of an Estate Management Portal, a central repository for all records and data related to BHEL's land and buildings, and the revamping of the Legal Case Management System (LCMS).

He has also held the additional charge of Director (Industrial Systems & Products) for the period from 01.09.2023 to 08.10.2023.

As a fine HR professional, he has been instrumental in dealing

with unions/ associations, which has also been his area of strength. In all his assignments, his proactive, progressive, and transparent handling of personnel matters helped the organisations in maintaining cordial industrial relations and fulfilling corporate responsibilities. A visionary, he is credited with long-term systemic improvements for efficient and effective management of key ingredients of corporate and government functioning in overall organisational perspectives.

Appointment of Shri Krishna Kumar Thakur is upto 03.07.2028 or until further orders, whichever is earlier, in the pay scale

of Rs. 1,80,000 – Rs. 3,40,000 p.m. on terms and conditions approved by the Government of India.

Shri Thakur does not hold any shares in BHEL and he does not have any relationship with other Directors/ Manager/ Key Managerial Personnel of the Company.

Shri Krishna Kumar Thakur has attended all the Board Meetings (eleven) held during his tenure in FY 2023-24.

By Order of the Board of Directors



(Dr. Yogesh R Chhabra)  
Company Secretary

Place: New Delhi  
Dated: July 27, 2024

# PROCEDURES FOR JOINING THE AGM THROUGH VC, REMOTE E-VOTING AND VOTING AT THE AGM

In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-voting facility provided by listed entities, the Members are provided with the facility to cast their vote electronically, through the e-voting facility provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

The remote e-voting period will be as under:-

Commencement of remote e-voting:	9:00 A.M. on Monday, August 19, 2024
End of remote e-voting:	5:00 P.M. on Wednesday, August 21, 2024

Members holding shares either in physical form or in dematerialized form, as on Thursday, August 15, 2024 i.e., Cut-off date, may cast their vote electronically during the above period. The e-voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the resolutions using the remote e-voting facility either during the period commencing from August 19, 2024 and ending on August 21, 2024 or e-voting during the AGM. Members who have cast their vote by remote e-voting prior to the AGM may attend/participate in the AGM through VC but shall not be entitled to cast their vote on such resolution again.

The Board of Directors of the Company have appointed Ms. Ashu Gupta of M/s Ashu Gupta & Co., Practicing Company Secretary as Scrutinizer to scrutinize the process of remote e-voting and electronic voting at the AGM in a fair and transparent manner.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date.

The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company ([www.bhel.com](http://www.bhel.com)) and on the website of the e-voting agency ([www.evoting.nsdl.com](http://www.evoting.nsdl.com)). The result will simultaneously be communicated to the stock exchanges.

Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., on August 22, 2024.

## INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS AND JOINING VIRTUAL MEETING

A. **Process and manner for remote e-voting, and voting during the AGM are explained below:**

**Step-1: Access to the NSDL e-voting system and casting vote electronically on NSDL e-voting system**

**A.1) Login method for Individual shareholders holding securities in demat mode**

In terms of the SEBI Circular dated December 9, 2020 on the e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting process has been enabled for all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories/websites of depositories /depository participants. Shareholders are advised to update their mobile number and email-id in their demat accounts in order to access e-voting facility.

Type of shareholders	Login Method
Individual Share-holders holding securities in demat mode with NSDL.	<p>I. <b>NSDL IDeAS Facility:</b></p> <ul style="list-style-type: none"> <li><b>If you are already registered for the NSDL IDeAS facility:</b> <ol style="list-style-type: none"> <li>Please visit the e-services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a personal computer or mobile phone.</li> <li>Once the homepage of e-services is launched, click on the '<b>Beneficial Owner</b>' icon under '<b>Login</b>', available under the '<b>IDeAS</b>' section.</li> <li>A new screen will open. You will have to enter your User ID and password. After successful authentication, you will be able to see e-voting services.</li> <li>Click on '<b>Access to e-voting</b>' under e-voting services and you will be able to see the e-voting page.</li> <li>Click on <b>Company name or e-voting service provider – NSDL</b> and you will be re-directed to the NSDL e-voting website for casting your vote during the remote e-voting period or voting during the meeting.</li> </ol> </li> <li><b>If you are not registered for IDeAS e-Services:</b> <ol style="list-style-type: none"> <li>The option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> </ol> </li> </ul>

<p>2. Select 'Register Online for IDEAS Portal' or click on <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3. Upon successful registration, please follow steps given in points 1 - 5 above</p> <p><b>II. E-voting website of NSDL:</b></p> <ol style="list-style-type: none"> <li>Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or mobile phone.</li> <li>Once the homepage of e-voting system is launched, click on the 'Login' icon, available under the 'Shareholder/Member' section.</li> <li>A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), password/OTP and a verification code as shown on the screen.</li> <li>After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page. Click on Company name or e-voting service provider – NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App 'NSDL Speed-e' facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p> </p> <p> </p>	<p>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdsindia.com">www.cdsindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdsindia.com">www.cdsindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p> <table border="1" data-bbox="809 676 1484 1095"> <tr> <td data-bbox="809 676 951 1095">Individual Shareholders (holding securities in demat mode) login through their depository participants</td><td data-bbox="951 676 1484 1095"> <ol style="list-style-type: none"> <li>You can also log in using the login credentials of your demat account through your depository participant registered with NSDL/ CDSL for the e-voting facility.</li> <li>Once logged in, you will be able to see the e-voting option. Once you click on the e-voting option, you will be redirected to the NSDL/CDSL depository site after successful authentication, wherein you can see e-voting feature.</li> <li>Click on Company name or e-voting service provider-NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.</li> </ol> </td></tr> </table>	Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>You can also log in using the login credentials of your demat account through your depository participant registered with NSDL/ CDSL for the e-voting facility.</li> <li>Once logged in, you will be able to see the e-voting option. Once you click on the e-voting option, you will be redirected to the NSDL/CDSL depository site after successful authentication, wherein you can see e-voting feature.</li> <li>Click on Company name or e-voting service provider-NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.</li> </ol>				
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<p>Individual Shareholders holding securities in demat mode with CDSL</p> <ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/Easiest are requested to visit CDSL website <a href="http://www.cdsindia.com">www.cdsindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all <b>e-Voting Service Providers</b>, so that the user can visit the <b>e-Voting service providers'</b> website directly.</li> </ol>	<p><b>Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL</b></p> <table border="1" data-bbox="809 1364 1484 1673"> <thead> <tr> <th data-bbox="809 1364 1015 1395">Login type</th><th data-bbox="1015 1364 1484 1395">Helpdesk details</th></tr> </thead> <tbody> <tr> <td data-bbox="809 1395 1015 1519">Individual Shareholders holding securities in demat mode with NSDL</td><td data-bbox="1015 1395 1484 1519">Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000</td></tr> <tr> <td data-bbox="809 1519 1015 1673">Individual Shareholders holding securities in demat mode with CDSL</td><td data-bbox="1015 1519 1484 1673">Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdsindia.com">helpdesk.evoting@cdsindia.com</a> or contact at toll free no. 1800 22 55 33</td></tr> </tbody> </table> <p><b>A.2) Login Method for shareholders, other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode</b></p>	Login type	Helpdesk details	Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000	Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdsindia.com">helpdesk.evoting@cdsindia.com</a> or contact at toll free no. 1800 22 55 33
Login type	Helpdesk details						
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000						
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdsindia.com">helpdesk.evoting@cdsindia.com</a> or contact at toll free no. 1800 22 55 33						

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon '**Login**' which is available under '**Shareholder/ Member**' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL e-Services i.e. IDeAS, you can login at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you login to NSDL e-Services after using your login credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically on NSDL e-voting system.
5. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8-Character DP ID followed by 8-Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16- Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company  For example if folio number is 001*** and EVEN is 129424 then user ID is 129424001***

6. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the '**initial password**' which was communicated to you. Once you retrieve your '**initial password**', you need to enter the '**initial password**' and the system will prompt you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL

from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your '**User ID**' and your '**initial password**'.

- (ii) If your email ID is not registered, please follow steps mentioned below in '**General Guidelines for shareholders**'.

7. If you are unable to retrieve or have not received the '**initial password**' or have forgotten your password:
  - a) Click on '**Forgot User Details/Password?**' (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com/).
  - b) Click on '**Physical User Reset Password?**' (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.
8. After entering your password, tick on '**Agree to Terms and Conditions**' by selecting on the check box.
9. Now, you will have to click on '**Login**' button.
10. After you click on the '**Login**' button, Home page of e-voting will open.

#### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-voting system**

1. After successful login at Step 1, you will be able to see all the companies '**EVEN**' in which you are holding shares and whose voting cycle is in active status.
2. Select '**EVEN 129424**' of Company to cast your vote during the remote e-voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on '**VC/OAVM**' link placed under '**Join Meeting**'.
3. Now you are ready for e-voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on '**Submit**' and also '**Confirm**' when prompted.
5. Upon confirmation, the message '**Vote cast successfully**' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**B. Instructions for Members for attending the AGM through VC & Voting on the day of AGM:**

1. Members will be provided with the facility to attend the AGM through VC through the NSDL e-voting system. Members may access the same by following the steps mentioned above for '**Access to NSDL e-voting system**'. After successful login, Members should click '**VC/OAVM link**' placed under '**Join meeting**' menu against Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.
2. The members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned elsewhere in the Notice.
3. Members are encouraged to join the Meeting through Laptops for better experience. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.com](mailto:evoting@nsdl.com) / 022 - 4886 7000 or contact Ms. Pallavi Mhatre - NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com).
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number & prospective questions (if any) at [shareholderquery@bhel.in](mailto:shareholderquery@bhel.in) from August 14, 2024 (9:00 a.m. IST) to August 17, 2024 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, subject to availability of sufficient time for smooth conduct of the AGM.
7. Members may also ask questions in writing by sending mail in advance at [shareholderquery@bhel.in](mailto:shareholderquery@bhel.in), mentioning their name, demat account number/folio number, email id, mobile number and the requisite views/ questions. The same will be replied by the Company suitably.
8. Facility to join the meeting shall be opened 15 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
9. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
10. Only those Members/ shareholders, who will be present in the AGM through VC facility and have not cast their vote on the Resolutions through remote e-voting and are

otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

11. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**C. General Guidelines for shareholders**

1. Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at [ashugupta.cs@gmail.com](mailto:ashugupta.cs@gmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the '**Forgot User Details/Password?**' or '**Physical User Reset Password?**' option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the Cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com). However, if he / she is already registered with NSDL for remote e-voting then he /she can use his / her existing User ID and password for casting the vote. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the Cut-off date may follow steps mentioned above under '**Login method for Individual shareholders holding securities in demat mode**'.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022 - 4886 7000 or send a request to Ms. Pallavi Mhatre-NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com).
5. Members whose email IDs are not registered with the depositories / Company may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting:
  - i) In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (Self-attested Scanned copy of PAN card), AADHAR (Self-attested Scanned copy of Aadhar Card).

- ii) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card).
  - iii) If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at (point no. A.1) i.e., Login method for Individual shareholders holding securities in demat mode.
  - iv) In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
6. To register/ update your email address with the Company permanently and to keep receiving all communication (Notice, Annual Report and the e-voting instructions along with the User ID & Password) electronically in future, please follow the below process:
- a) Members holding shares in physical mode may send an e-mail request addressed to [shareholderquery@bhel.in](mailto:shareholderquery@bhel.in) or to M/s Alankit Assignments Limited, Registrar & Share Transfer Agent of the company at [rta@alankit.com](mailto:rta@alankit.com) alongwith scanned copy of the request letter duly signed by the first shareholder, providing the email address, Mobile No., self-attested copy of PAN and a copy of the share certificate to enable RTA to register their e-mail address.
  - b) Members holding shares in dematerialized mode are requested to register/ update their email addresses with their respective Depository Participant.
  - c) In case of queries in the matter, members are requested to write to [rta@alankit.com](mailto:rta@alankit.com) or call at 011-42541234.

**BHARAT HEAVY ELECTRICALS LIMITED**

(CIN: L74899DL1964GOI004281)

Regd. Office: BHEL House', Siri Fort, New Delhi-110049

Phone: 011-66337598

Website: www.bhel.com, Email: shareholderquery@bhel.in

Dear Shareholder(s),

**Re: Payment of dividend through National Electronic Clearing Services (NECS)/ Electronic Clearing Services (ECS)**

Pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, all listed companies shall use any of the electronic modes of payment facility approved by RBI such as ECS/ NECS/Direct Credit etc. for payment of dividend. In case you have not already sent the NECS/ ECS/ Bank Account particulars to our Registrar, viz. M/s Alankit Assignments Limited or to your Depository Participant (DP) (in case of demat holding), we would request you to provide the said particulars in the format given below to facilitate prompt, safe & correct payment of dividend as and when declared by the Company. Please ensure that the details submitted by you to the Registrars/ Depository Participant are correct as any error therein could result in the dividend amount being credited to wrong account.

Kindly help us in this endeavour to serve you better.

Yours faithfully

(Dr. Yogesh R Chhabra)

Company Secretary

**P.S. In case you are holding shares in demat form, kindly advice your Depository Participant to take note of your Bank account particulars/ NECS/ ECS/ Direct Credit mandate.**

**FORM FOR NECS/ ECS MANDATE/ BANK ACCOUNT PARTICULARS**

I / We ..... do hereby authorise BHEL/ my Depository Participant to

- Print the following details on my/ our dividend warrant
- Credit my dividend amount to my Bank account by NECS/ ECS/ Direct Credit  
(Strike out whichever is not applicable)

My/ our Folio No ..... or DP ID No ..... Client A/c No .....

Particulars of Bank Account:

- A. Bank Name : .....
- B. Branch Name : .....
- (Address for Mandate only)
- C. 9 digit code number of the bank & branch as : appearing on the MICR cheque : .....
- D. IFSC Code : .....
- E. Account Type (Saving/ Current) : .....
- F. Account No as appearing on the cheque book : .....
- G. STD code & Telephone No. of Shareholder : .....

**I / we shall not hold the Company responsible if the NECS/ ECS could not be implemented or the Bank discontinues the NECS/ ECS, for any reason.**

**M/s Alankit Assignments Limited**

UNIT: BHEL

4E/2, Alankit House, Jhandewalan Extension,  
New Delhi-110055

Signature of the Shareholder

Please attach (i) photocopy of a cheque or a blank cancelled cheque issued by your bank relating to your above account for verifying the accuracy of the 9 digit code number AND (ii) a copy of your PAN card with this form.



## Bankers, Auditors & Share Transfer Agent

<b>Bankers</b>	<b>Auditors</b>
Axis Bank	M/s ABP & Associates, New Delhi
Bank of Baroda	M/s PSMG & Associates, New Delhi
Canara Bank	M/s S. L Chhajed & Co LLP, Bhopal
Export-Import Bank of India	M/s SRN & Associates, Trichy
HDFC Bank Limited	M/s Chandran & Raman, Bengaluru
ICICI Bank Limited	M/s M. Anandam & Co, Hyderabad
IDBI Bank	M/s K Gopal Rao & Co, Chennai
Indian Bank	
Indian Overseas Bank	<b>Cost Auditors</b>
IndusInd Bank	M/s Vijender Sharma & Co., Delhi
Kotak Mahindra Bank	M/s R.M. Bansal & Co., Kanpur
Punjab National Bank	M/s Narasimha Murthy & Co., Hyderabad
RBL Bank Ltd.	M/s Subramanian Rajagopal & Associates, Tiruchirapalli
State Bank of India	M/s Murthy & Co. LLP., Bengaluru
The Federal Bank Limited	M/s Paliwal & Associates, Lucknow
The Hongkong and Shanghai Banking Corporation Limited	M/s SSPGR & Associates LLP, Visakhapatnam
Union Bank of India	
Yes Bank Limited	
	<b>Share Transfer Agent</b> Alankit Assignments Limited Alankit House, 4E/2, Jhandewalan Extension, New Delhi-110055 Tel : 011-4254 1234 Fax : 011-2355 2001

### Registered Office

BHEL House, Siri Fort, New Delhi-110049 (India)

CIN: L74899DL1964GOI004281

Phone: 011-66337598

Website : [www.bhel.com](http://www.bhel.com) E-mail: [shareholderquery@bhel.in](mailto:shareholderquery@bhel.in)

## Notes

# Investing in ESG (Environment, Social & Governance)

**Harit BHEL**  
initiative  
launched in  
FY24  
- Net Zero  
target by the  
year 2047

**WEF Pledge to conserve**  
**3 million existing trees** at  
BHEL campuses

**300,000+ saplings** planted  
in last 5 yrs, incl. **81,000+**  
**saplings planted in FY24**

**Miyawaki**  
forests in  
three BHEL  
units with  
**cumulative**  
**coverage of**  
**15,500+ sq.m.**

**GreenCo\*** silver rating:  
3 manufacturing units

**GreenCo\*** bronze rating:  
2 manufacturing units

Captive **Solar PV**  
plants - ~ **35 MW<sub>p</sub>**

**Electricity**  
**generation** from  
captive SPV ~ **32**  
**MUs** – **8% increase**  
over last year

**Carbon footprint**  
**avoidance** of  
~**23,000 Metric Tons**  
– 8% increase over  
last year

**20 Effluent Treatment**  
**Plants** and **19 Sewage**  
**Treatment Plants**  
across BHEL - 02 STPs  
added in FY24

**140+ Rainwater**  
**Harvesting**  
**Systems** & water  
bodies across  
BHEL Units

**11 Manufacturing units** declared  
**Zero Liquid Discharge**

**15 BHEL Townships** certified as  
“Single Use Plastic Free” townships





### Bharat Heavy Electricals Limited

Registered Office : BHEL House, Siri Fort, New Delhi 110049

Corporate Identity Number : L74899DL1964GOI004281

[www.bhel.com](http://www.bhel.com)