



भारत हेवी इलेक्ट्रिकल्स लिमिटेड
Bharat Heavy Electricals Limited
(भारत सरकार का उपक्रम / A Government of India Undertaking)
CIN: L74899DL1964GOI004281

From: Dr. Yogesh R Chhabra, Company Secretary,
BHEL, BHEL House, Siri Fort, New Delhi – 110049

To: 1. BSE Limited, Mumbai

2. National Stock Exchange of India Ltd., Mumbai

Sub: Annual Report for FY 2025-26

Pursuant to Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, please find enclosed copy of the Annual Report of BHEL for the financial year 2025-26.

No. AA/SCY/AGM 62

Date: 10.07.2026

YOGESH R CHHABRA Digitally signed by
YOGESH R CHHABRA
Date: 2026.07.10
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(Dr. Yogesh R Chhabra)
Company Secretary
shareholderquery@bhel.in



ANNUAL REPORT 2025-26



**DRIVING
GROWTH
across POWER
& INDUSTRY**



DRIVING GROWTH across POWER & INDUSTRY



BHEL supplied sets make up 54% of total installed thermal capacity, 60% of nuclear power installed capacity (secondary side) and 43% of hydro power installed capacity in India



Only company associated with all three stages of Indian Nuclear Power Programme



Developed and supplied Inner Vessel and Thermal Baffle, Steam Generator-Evaporator, 500 MWe Turbine Generator Package for Prototype Fast Breeder Reactor



First ever order for coal gasification from BCGCL worth ~₹8,288 Crore for its Coal to 2,000 TPD Ammonium Nitrate Project



Completed the supply and erection works for the methanol firing in 350 MW Gas Turbine - first such demonstration project of its kind in India



Entered into track machine segment by securing maiden orders for Self-Propelled Inspection Cars (SPIC) and Rail Borne Maintenance Vehicle (RBMV) from Indian Railways



Supplied 52 nos. of SRGMs including 6 nos. Upgraded SRGMs



Established a state-of-the-art facility 'KAVACH Centre of Excellence (CoE)' at SBD Bengaluru



Over 3 decades of experience in HVDC projects, commissioned 6 HVDC projects since 1989 and executing 2 projects



Export footprints span 94 countries with 14+ GW power generation installed capacity



Supplied largest Spherical Valve of 3000 mm diameter for Punatsangchhu-II HEP





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Letter to Shareholders



Dear Shareholders,

On behalf of the Board of Directors, I have the privilege of presenting the 62nd Annual Report of your Company for FY 2025-26, a year marked by sustained momentum, stronger execution and continued progress towards long-term growth.

During the year, your Company delivered strong growth, with Revenue from Operations rising 19% on the back of enhanced execution and operational performance. Significant order wins across thermal, transmission, captive power and industrial businesses, along with a strategic foray into coal gasification, further strengthened the Company's market position and growth outlook.

Performance Highlights

Let me share with you the key performance highlights:

- With an order inflow of ₹75,916 Crore, your Company's order book reached an all-time high of ₹2,39,057 Crore, reaffirming customer confidence and strong revenue visibility.
- Revenue from Operations increased by 19% to ₹33,782 Crore, Profit After Tax increased three-fold to ₹1,578 Crore, and EBITDA stood at ₹3,189 Crore.
- The Company generated a net cash surplus of ₹4,630 Crore, underscoring strong financial discipline and cash conversion.
- In the Power Sector, the Company secured orders worth ₹59,256 Crore, including ₹8,288 Crore from the coal gasification segment and thermal orders of about 10 GW.

- Industry Sector and International Operations booked orders worth ₹16,660 Crore, around 50% higher than the previous year, including a major +/- 800 kV, 6,000 MW HVDC order for the Bhadla-Fatehpur link and export orders from Guatemala, Fiji and Nicaragua.
- The Company commissioned or synchronised about 8.9 GW of power capacity during the year across India and overseas, including the 6x170 MW Punatsangchhu-II Hydro Project in Bhutan.
- Delivered four Upgraded SRGMs to the Indian Navy ahead of schedule, strengthening India's defence capabilities.
- Installed and commissioned 400 kV GIS at POWERGRID Khavda in a record 75 days, ahead of schedule.
- Successfully commissioned a standalone HVDC Electrode Station at Malegaon, a project of national importance connected with the Mumbai-Ahmedabad High Speed Rail project.
- Successfully executed the maiden order for the Sulphur Recovery Unit package at IOCL Paradip Refinery, Odisha, marking the Company's capabilities in the oil and gas sector.

Strategic Initiatives and Future Outlook

The renewed emphasis on energy security, following recent geopolitical disruptions, has reinforced the role of coal-based generation in national planning. With policy makers envisaging thermal capacity of 315 GW by 2035-36

to meet the needs of a growing economy, robust thermal power ordering has enabled your Company to leverage its engineering strength, manufacturing capability and execution expertise.

At the same time, the Company's order book is also moving beyond conventional thermal, with diversified and growth businesses such as transmission, rail transportation, coal gasification, defence, industrial products and international business contributing about 29% of FY 2025-26 order inflow, and having a similar share in the outstanding order book carried forward into FY 2026-27.

Nuclear energy is set to play a pivotal role in India's energy security and decarbonisation journey. The SHANTI Act reforms are expected to support the sector's growth towards the national objective of 100 GW nuclear power capacity by 2047. Backed by decades of proven expertise, BHEL is well positioned to capitalise on this opportunity, while actively supporting the development of Bharat Small Modular Reactors and other emerging nuclear technologies.

The growing penetration of renewable energy is creating a strong need for grid-balancing solutions. The Government's roadmap for 100 GW of Pumped Storage Projects by 2035-36 opens a substantial growth avenue for BHEL and reinforces its role in supporting the country's energy transition.

BHEL made a strategic foray into the coal gasification sector through the coal-to-2,000 TPD Ammonium Nitrate project from Bharat Coal Gasification and Chemicals Ltd. Supported by the Government of India's ₹37,500 Crore coal and lignite gasification initiative, this emerging sector offers a substantial growth opportunity for the Company.

Transmission infrastructure will play a crucial role in reliable integration of renewable energy into the grid. With two HVDC terminal station orders under implementation, BHEL is well placed to support long-distance transmission of renewable power to load centres.

With manufacturing of 80 Vande Bharat trainsets underway, BHEL also received its maiden order for development of Kavach signalling system on an identified route of the South Western Railway, marking a significant step towards diversification in the rail signalling segment.

Further, the Company continues to pursue suitable technology, supply, indigenisation and capability-building arrangements in identified growth areas, thereby supporting its long-term diversification strategy.

Business Excellence and Sustainability

During the year, the Company reduced emission intensity by about 15.4%, expanded captive solar capacity to about 43 MWp generating about 44 million units of electricity, up about 12% year-on-year, planted over 44,000 saplings, and further strengthened its green manufacturing footprint with four additional Units assessed for GreenCo certification, taking the total to twelve Units certified over the last three years.

The Company continues to maintain high standards of corporate governance and compliance, with focus on protecting the interests of shareholders and other stakeholders.

Acknowledgements

I extend my sincere thanks to our customers, vendors, employees, the Board of Directors and the Ministry of Heavy Industries for their continued support and guidance. I also thank you, our shareholders, for your enduring confidence in BHEL.

Backed by a record order book, enhanced execution capabilities and clear strategic direction, your Company is well positioned to address national priorities, deliver long-term value, and contribute meaningfully to Atmanirbhar Bharat and the vision of Viksit Bharat @2047.

Warm regards,



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

New Delhi
July 07, 2026



Leadership at BHEL

Management Team as on 25th June 2026



Shri K. Sadashiv Murthy
Chairman & Managing Director

GOVERNMENT DIRECTORS/PART-TIME OFFICIAL DIRECTORS



Ms. Nigar Fatima Husain
Additional Secretary & Financial Advisor
Ministry of Commerce & Industry



Shri Vijay Mittal
Joint Secretary,
Ministry of Heavy Industries

FUNCTIONAL DIRECTORS



Shri Tajinder Gupta

Director (Power), Addl. Charge - Human Resources



Ms. Bani Varma

Director (Industrial Systems & Products)



Shri Rajesh Kumar Dwivedi

Director (Finance)



Shri S M Ramanathan

Director (Engineering, R&D)

Leadership at BHEL

Management Team as on 25th June 2026

MANAGEMENT TEAM



K. Sadashiv Murthy

Chairman & Managing Director



Tajinder Gupta

Director (Power)
Addl. Charge – Human Resources



Bani Varma

Director (Industrial Systems & Products)



Rajesh Kumar Dwivedi

Director (Finance)



S M Ramanathan

Director (Engineering, R&D)



Jitendra Das

ED (Industry Sector & International Operations), New Delhi



M Arunmozhi Devan

ED (BAP), Ranipet



Vinay Kumar Bassi

ED (Regional Operations Division), New Delhi



K Ashok

ED (HPBP), Trichy



Y Srinivasa Rao

ED (HPEP), Hyderabad



B Shyam Babu

ED (EDN), Bengaluru



C Venkat Rao

ED (Capex & SS&P), New Delhi
Addl. Charge-CFP, Rudrapur



G. Subrahmanyam

ED (HPVP), Vizag



Rakesh Singh

ED (TBG), Noida



A K Verma

ED (COM), New Delhi



M Sridhar

ED (Human Resources), New Delhi



Vinod Jacob Sam

ED (PS-SR), Chennai



Shyamala Venkataraman

ED (CTM, CSM & CC), New Delhi



Rizwan Faisal Siddiqui

ED (TP), Jhansi



Ranjan Kumar

ED (HEEP), Haridwar



Gaurav Garg

ED (Contract Closing-PSBG I), New Delhi



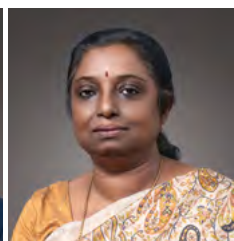
Sunil Diwakar

ED (CPPP, PMG & IPM), New Delhi

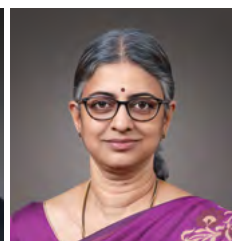


Uday Shankar

ED (PS-ER), Kolkata

**Ajay Kumar**ED (PEM & CPC), Noida
and ISG, Bengaluru**K G Vijayalakshmi**ED (Receivable
Management), New Delhi**P K Upadhyay**

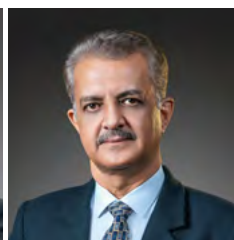
ED (HEP), Bhopal

**H Malathi**ED (Corp. Finance),
New Delhi**V V Subrahmanyam**ED (Corp. R&D),
Hyderabad**Arvind Kumar Gupta**

ED (CDT), Noida

**Yatindra Mohan**

ED (PS-WR), Nagpur

**Dr Nishit Babyloni**

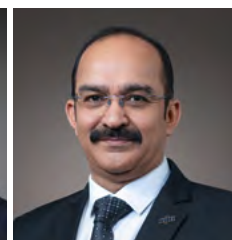
ED (TBSG), New Delhi

**Sanjay Guha**

ED (PMG/PSBG I), Noida

**Parthasarathi Das**

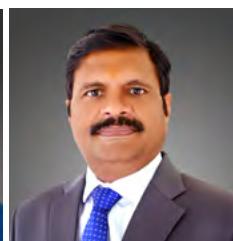
GM & Head (NBG), Noida

**Navin Kaul**GM & Head (PS-Mktg.-
PSBG I), New Delhi**Sumeet Salhotra**GM & Head (Cost
Optimisation Cell), Noida**Sunil Kumar Somani**GM & Head (FSIP),
Jagdishpur**Aruna Gulati**GM & Head (SBD),
Bengaluru**Dipesh Palit**GM & Head (PS-TS),
Noida**V K Singh**GM & Head (PS-NR),
Noida**Sutripto De**GM & Head (NREB),
New Delhi**V Shrinivas Rao**GM & Head (Hydro
Business Group), Noida**Ravinder H
Teckchandani**

GM & Head (SSBG), Noida

**Dr Durgesh
Chandra Gupta**

GM (CQ & BE), Noida

**Abhishek
Srivastava**

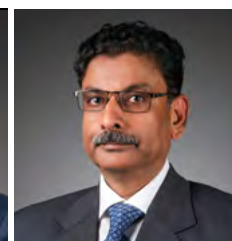
GM (HERP), Varanasi

**Asim Mishra**

GM (PS-HQ), New Delhi

**Heera Lal Bharani**

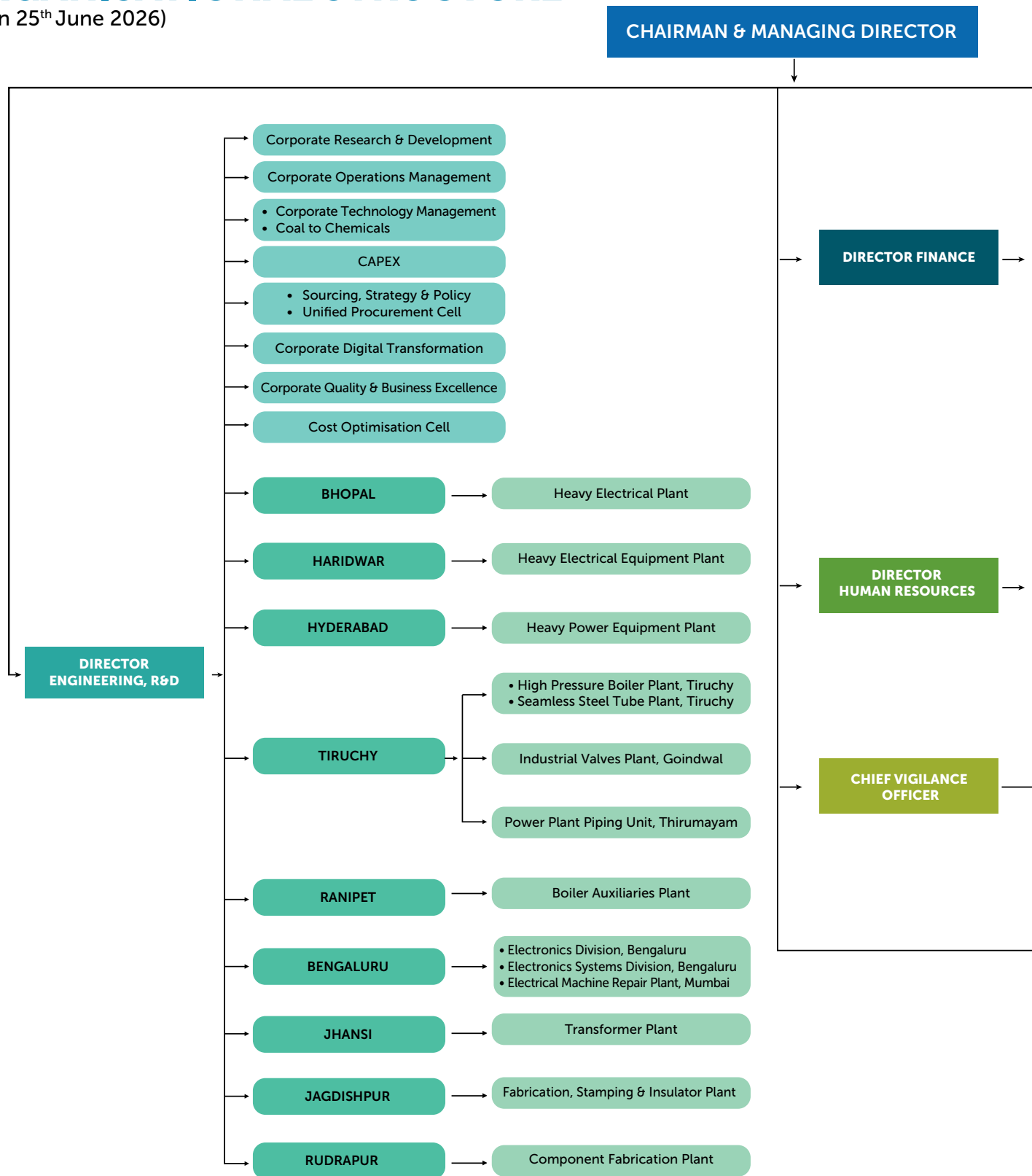
GM (Corp. HSE), Noida

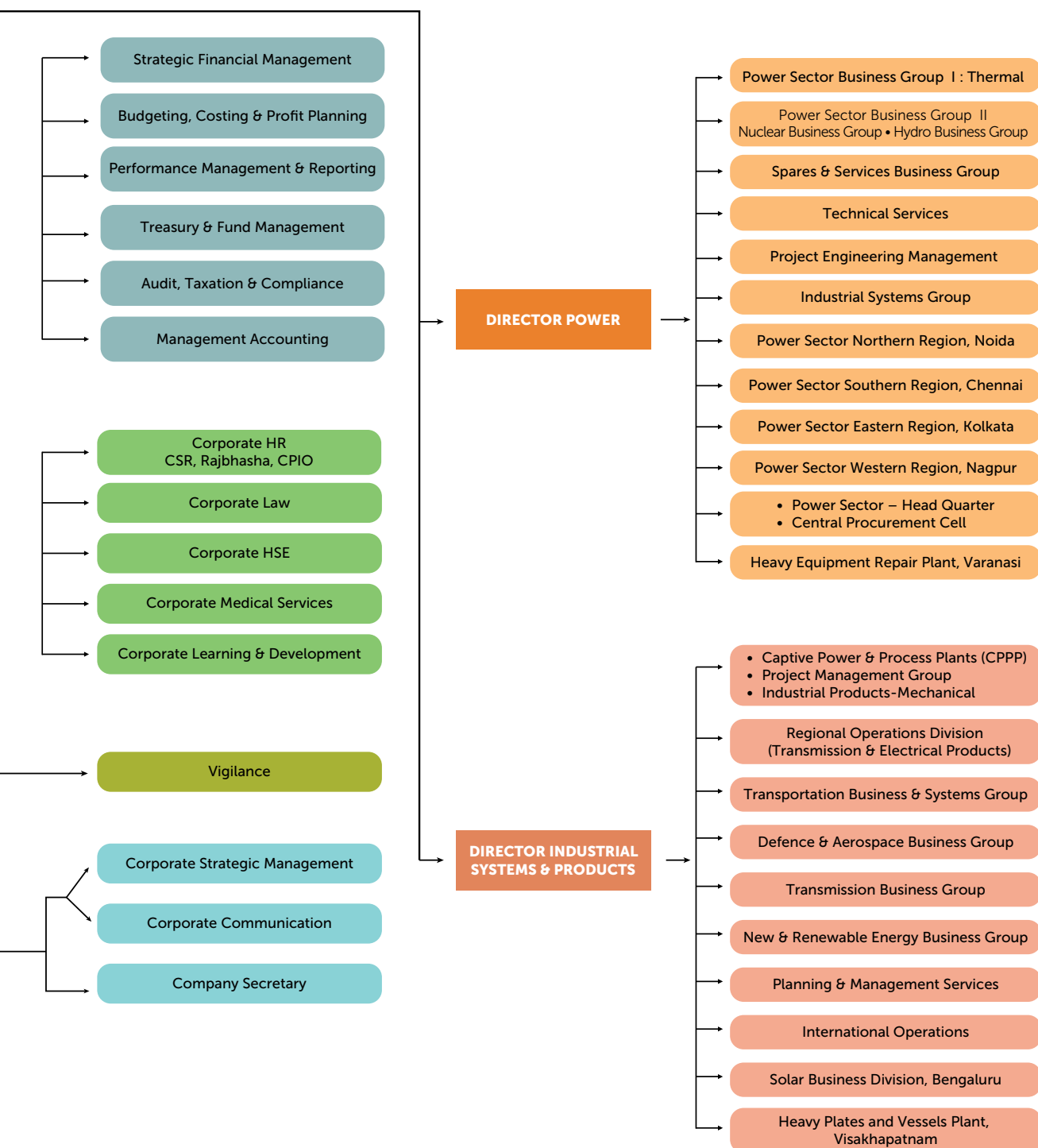
**Sanjiv Srivastava**GM (Corporate Internal
Audit), New Delhi**Dr Yogesh R Chhabra**

Company Secretary

CORPORATE ORGANISATIONAL STRUCTURE

(As on 25th June 2026)



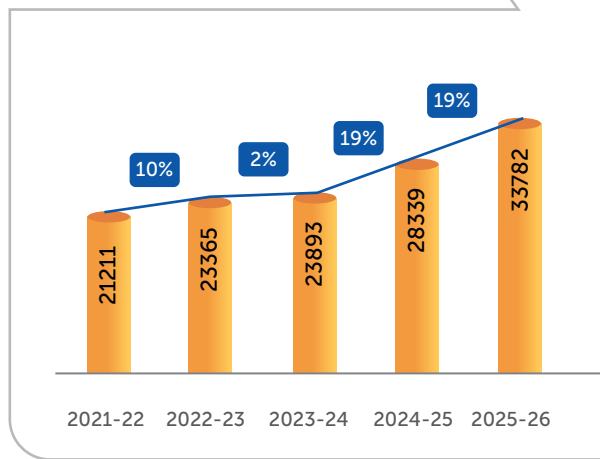


Note: w.e.f. April 01, 2026, Central Foundry Forge Plant merged with Heavy Electrical Equipment Plant and Project Engg. & Systems Division merged with Heavy Power Equipment Plant.

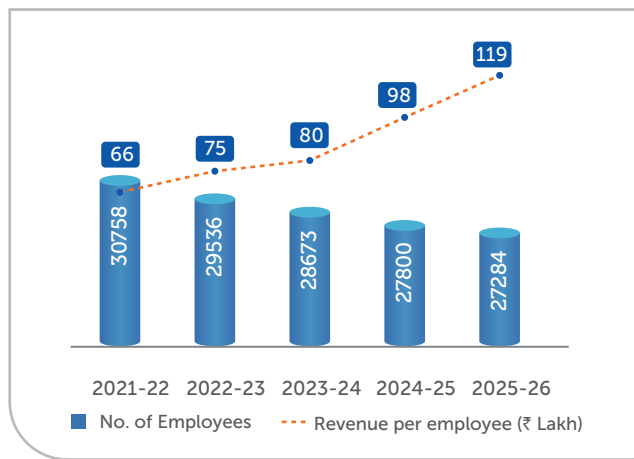
YEAR AT A GLANCE 2025-26

(Figures are in ₹ Crore unless otherwise stated)

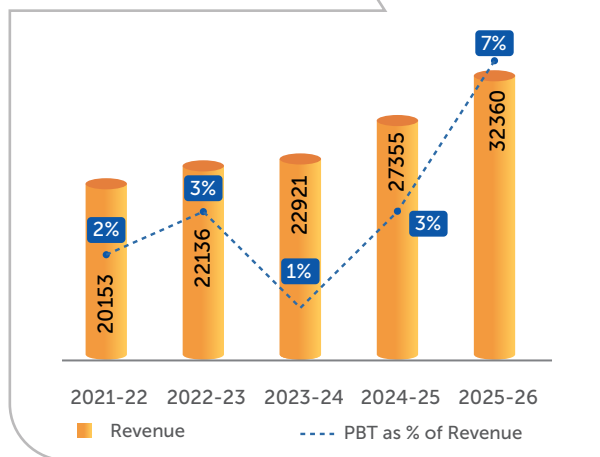
REVENUE FROM OPERATIONS (RFO)



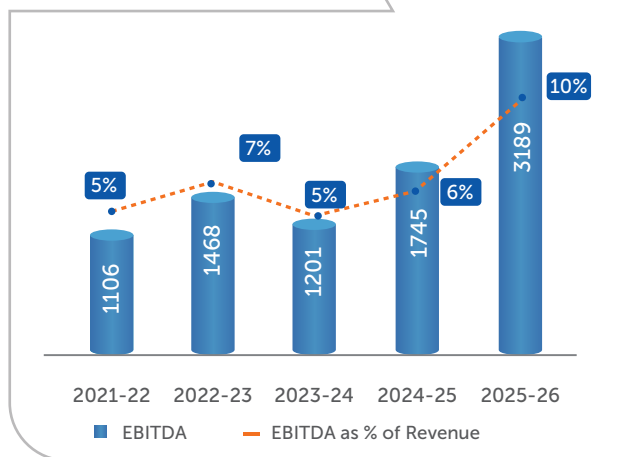
MANPOWER (Nos.) AND REVENUE PER EMPLOYEE



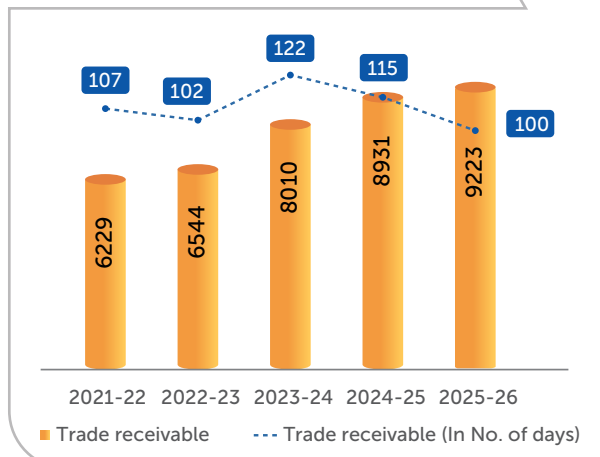
PBT AS % OF REVENUE



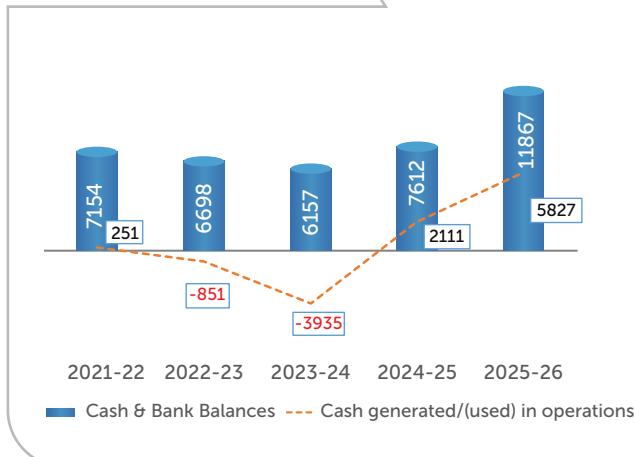
EBITDA AS % OF REVENUE



TRADE RECEIVABLES & NO. OF DAYS



CASH FLOW & BALANCES



Note: Revenue means 'Revenue from Contracts with Customers'

YEAR AT A GLANCE

ORDER-BOOKING



Highest ever outstanding OB, 50% rise of order inflow in Industry segment

DIVERSIFICATION



Orders for two packages received in coal-to-chemical business; Order for 'Kavach' – significant step towards diversification into rail signaling segment

REVENUE



Registered ₹33,782 Crore of Revenue from Operations with 19% y-o-y growth

GOING GREEN



Four manufacturing units received GreenCo rating from CII for green practices

PROFIT



3 fold increase in PAT to ₹1,578 Crore

INNOVATION



~2.4% of Revenue from Operations as R&D expenditure; 400+ patents and copyrights filed

EXECUTION



~8.9 GW power capacity commissioned/synchronized

TECHNOLOGY PARTNERSHIP



Ceramic Radar Domes; Mixed-matrix membrane diaphragm in electrochemical cells; Gas Turbine Infrared Suppression System

About the company

– what we are and what we do

Bharat Heavy Electricals Limited (BHEL) has been at the forefront in powering India's growth, as a trusted partner in nation-building and a leader in the capital goods sector. Combining world-class engineering, manufacturing, project execution expertise, and after-sales support, BHEL serves a broad spectrum of sectors including power, transportation, defence, aerospace, oil & gas, and process industries. With a significant contribution to India's power generation capacity across thermal, hydro, gas, nuclear, and solar segments, BHEL continues to be a key enabler of the country's energy security, infrastructure development, and self-reliance objectives.

BHEL was incorporated in 1964 as a Public Sector Undertaking (PSU), with Government of India currently holding a 58.17% equity stake. Backed by a robust manufacturing network comprising 16 manufacturing units strategically located across India, BHEL possesses extensive capabilities for the design, engineering, manufacturing, and supply of a wide range of capital goods serving both domestic and international markets.

BHEL leverages a robust internal innovation ecosystem that drives the creation and commercialization of advanced solutions for diverse sectors. This capability is augmented by strategic alliances with top global OEMs, ensuring a continuous influx of state-of-the-art technology. Committed to forward-looking growth, BHEL consistently backs its innovation strategy with substantial financial investment, dedicating ~2.4% of revenue towards R&D.

At BHEL, customer service, environmental stewardship, and social responsibility are viewed as integral and mutually reinforcing pillars of long-term value creation. Guided by a strong sense of corporate citizenship, the Company remains committed to conducting its business in a manner that balances economic growth with social progress and environmental stewardship. Through a wide range of initiatives, BHEL actively contributes to community development, with particular focus on skill development, education, healthcare, sanitation, and environmental conservation.





VISION

A global engineering enterprise providing solutions for a better tomorrow

MISSION

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



BUSINESS CREDENTIALS

ENERGIZING LIVES

- ~214 GW power generating equipment installed in India & abroad
- 6 major HVDC projects executed including multi-terminal UHVDC project
- 20+ GW Captive Power Plants commissioned
- Supplied 476 coal based utility sets, 23 diesel sets, 431 hydro utility sets, 105 gas based utility sets and 15 nuclear based utility sets in India since inception up to FY 2025-26

UNPARALLELED CONTRIBUTION IN CORE SECTORS

- 8,40,000+ MVA Transmission Equipment supplied; 300+ substations/ switchyard delivered
- 36,300+ AC Machines supplied
- 850+ Locomotives supplied to Indian Railways and Industry
- 380+ Steam Generators installed for Process Industries
- 430+ Compressors and 92 Oil drilling Rigs- Supplied
- 15,000+ Well Heads & Christmas Tree valves supplied
- 52 Super Rapid Gun Mount supplied for Indian Navy & Indian Coast Guard Ships
- 1,000+ Compact Heat Exchangers, Liquid Cooling System & Pump Modules supplied for Aerospace Application

GLOBAL FOOTPRINTS

- Footprints in 94 countries- Maiden entry into Fiji, Guatemala & Nicaragua in 2025-26
- 14+ GW Power generation capacity delivered outside India
- In FY 2025-26, the first-ever supply of BHEL's highest-rated air-cooled Synchronous Generators was completed (175 MW for Botswana)



VALUING PEOPLE

- Committed workforce- 27,200+ employees
- 1,590+ Female employees
- 9,000+ Engineers
- Participative management culture since 1973



GROWING WITH SOCIETY

- Signatory to Integrity Pact of Transparency International
- Part of World Economic Forum's (WEF) One Trillion Trees initiative with a pledge on '1t.org'
- 44,380+ saplings planted during FY 2025-26



INNOVATION

- Consistent R&D Expenditure- ~2.4% of Revenue for FY 2025-26, 6,000+ total IPR capital
- Collaborative R&D with leading academic institutions & research organizations
- 4 Research Institutes; 13 Centres of Excellence
- In-house R&D Centres of 11 Manufacturing Units & Divisions recognized by DSIR

PAN INDIA PRESENCE

(As on 31st March 2026)



Manufacturing Plants/ Unit Locations

BHEL Manufacturing Units

Bengaluru	1. Electronics Division (EDN)
	2. Electronics Systems Division (ESD)
	3. Solar Business Division (SBD)
Bhopal	4. Heavy Electrical Plant (HEP)
Goindwal	5. Industrial 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)



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

Recognition of Excellence



1. Conferred with prestigious SCOPE Eminence Award (2022–23) in the category of R&D, Technology Development & Innovation; presented by the Hon'ble President of India, Smt. Droupadi Murmu in the presence of Hon'ble Union Minister of State for Finance, Sh. Pankaj Chaudhary.
2. BHEL received 'Rajbhasha Kirti' award—the highest national award conferred in the field of Rajbhasha by the Department of Official Language, Ministry of Home Affairs, Government of India—for 'Outstanding Implementation of Official Language' and 'Best Hindi In-house Magazine
3. Eight Quality Circle teams from different Units won the prestigious Gold Awards at the International Convention on Quality Control Circles 2025 (ICQCC-2025), for their outstanding contributions in promoting new thinking,



simplifying work processes, enhancing quality and developing innovative tools and techniques in their respective domains.

4. 77 Quality Circle teams bagged the Par Excellence/ Excellence Awards at the 39th National Convention on Quality Concepts (NCQC)-2025, organised by Quality Circle Forum of India (QCFI).
5. Received Platinum Award in the 5th edition of EEPC India Quality Awards 2025 under the PSU category.
6. Won Gold Awards in the categories of 'Leadership in Digital Transformation' and 'Empowering Indigenous Production and Technology' at the ET Government PSU Leadership and Excellence Awards 2025.



9. Received five PSE Excellence Awards from Indian Chamber of Commerce (ICC), across the categories of Contribution of Women & Differently Abled Resources in PSEs, Operational Performance, Corporate Governance, and CSR, along with the Jury Award for 'Company of the Year'.



7. Conferred with the Platinum Award by APEX India foundation in the Engineering category, recognizing the company's outstanding achievements and dedication to high standards in Occupational Health and Safety (OHS).
8. Director (Finance) was felicitated as a Distinguished Speaker at the 63rd National Cost and Management Accountants' Convention 2026 in Coimbatore. He shared his vision on excellence in manufacturing and project execution in his address at the "RISE India" leaders' meet.





10. Won three Governance Now PSU Awards 2026 under the category of Maharatna PSUs for 'Promoting Self-Reliance (Atmanirbhar Bharat)', HR Excellence (Overall) and HR Innovation Award in 'HR leadership in Reskilling & Future Workforce Readiness'.
11. Received Gold Trophy for the year 2019–20 and a Special Trophy for 2020–21 in recognition of outstanding export performance in EEPC India Export Excellence Awards 2025.
12. Jury Recognition Awards in the categories of 'Equipment Manufacturer' and 'Employee Safety' at the ET Energy Leadership Awards 2025.
13. Won four prestigious Governance Now PSU IT Forum & Awards 2025 in the categories of Best Use of Emerging Technologies, Data Analytics and Business Intelligence, Best IT Implementation Project, and Digital Transformation Excellence for excellence in digital transformation and IT innovation.



Testimonies of Trust and Excellence

(Appreciation from valued customers)



FROM CENTRAL GOVT., CPSEs AND THEIR SUBSIDIARIES



FROM STATE POWER COMPANIES



FROM PRIVATE SECTOR



APPRECIATION FOR INTERNATIONAL PROJECTS



Indonesia

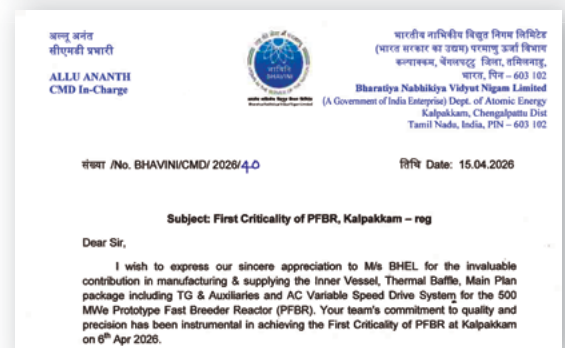
وزارة النفط
MINISTRY OF OIL

Republic of Iraq



Senegal

APPRECIATION LETTERS





BOARD'S REPORT

Report of the Board of Directors

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Report of the Board of Directors

Dear Members,

Your Directors are pleased to present the **62nd Annual Report** on the business and operations of your Company, including the Audited Financial Statements for the fiscal year ended March 31, 2026.

The financial and operational performance during the year reflects the Company's resilience, strong business fundamentals and sustained focus on enhancing execution. As India's leading engineering and manufacturing enterprise, BHEL remains committed to supporting the nation's priorities of energy security, infrastructure development, technological self-reliance and clean energy transition. With a strong order book, improved execution momentum and a diversified business portfolio, the Company is well placed to enhance BHEL's contribution to the vision of Viksit Bharat while creating sustainable and long term value for all stakeholders.

Financial Performance Highlights

(₹ Crore)

Description	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from Operations	33,782	28,339
EBITDA	3,189	1,745
Profit Before Tax	2,116	725
Profit After Tax	1,578	513
Earnings Per Share (₹)	4.53	1.47
Dividend Per share (₹)	1.40 (70%)	0.50 (25%)
Trade Receivables (Number of days of RFO)	100	115
Trade Payable (Number of days of Procurement)	165	201
Cash Generated from Operations	5,827	2,111

The key financial performance highlights of the Company for the financial year 2025–26 are presented below:

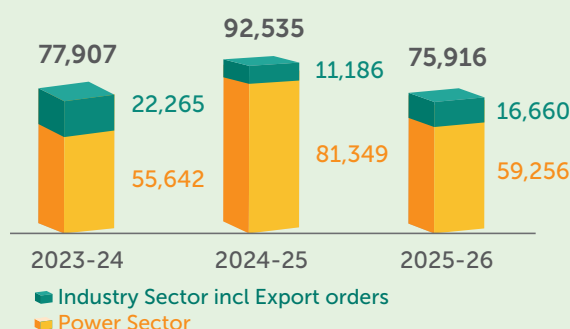
- **Revenue Growth** - The Company achieved a growth of 19% in Revenue from Operations (RFO), driven by enhanced utilisation of shop capacities by 25% and a strong order book position.
- **Profitability** - Driven by improved operational and financial performance, EBITDA increased by 83% to ₹3,189 Crore, while Profit After Tax (PAT) more than tripled to ₹1,578 Crore over the previous year.
- **Cash Realisation** - The Company maintained a strong focus on cash realisation against dispatches which resulted in an increase of 41% over previous year. Total cash collection from customers stood at ₹46,425 Crore which is 143% of Revenue.
- **Trade Receivables** - The Company's thrust on receivables management, resulted in significant improvement during FY 2025–26. Trade receivables as number of days of RFO reduced to 100 days after absorbing the impact of 19% increase in RFO, which is the best in the last 10 years.
- **Trade Payables** - The company's focus on accelerating execution by enabling the supply chain, resulted in reduction in trade payables in terms of number of days to 165 days in FY 2025-26 from 201 days in the previous year.
- **Liquidity management** - The Company generated cash from operations of ₹5,827 Crore during the year, i.e. an increase of 176% over previous year reflecting efficient working capital management.

A comprehensive analysis of the Company's financial performance, including its financial results, financial position, fund position, key financial ratios and segment-wise performance for FY 2025–26, is contained in **Section 1.4 of Annexure-I** to this Report.

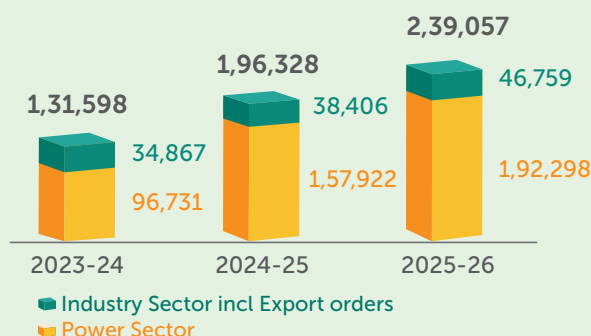
State of Company's Affairs

The Company continued to strengthen its business position during FY 2025–26 through sustained order inflows, improved

Order Receipt (excl. Taxes)
(₹ Crore)



Order Book Outstanding (excl. Taxes)
(₹ Crore)





BHEL paid a final dividend of ₹109.98 Crore for the FY 2024-25 to the Government of India

project execution, enhanced operational efficiency and robust financial performance. Backed by a diversified business portfolio and strong execution capabilities, the Company maintained healthy business momentum across its key sectors. The significant developments relating to the Company's affairs during the year are presented hereunder which may be read in conjunction with Annexure -I.

Order Book

The Company's strong order inflows during FY 2025-26 further strengthened its order book, providing healthy revenue visibility and a robust foundation for future business growth.

The status of the Company's order book as on 31 March 2026 is summarised in the graphs shared on page 21.

The Company continued its strong order inflow momentum during FY 2025-26, with orders worth ₹75,916 Crore secured during the year, including export orders of ₹209 Crore. The company has been successful in receiving several prestigious orders in core thermal power business, as well as in Transmission, Transportation, Defence & Aerospace, Coal to Chemical segments, reflecting its sustained efforts towards diversification.

In FY 2025-26, BHEL secured orders from BCGCL worth ~₹8,300 Crore (excl Taxes) for its 2000 TPD ammonium nitrate plant, namely LSTK1 package for Coal Gasification & Raw Syngas Cleaning Plant and LSTK2 package for Syngas Purification Plant, strengthening its presence in the coal gasification sector.

BHEL is strategically diversifying into new-growth sectors to drive sustainable growth, enhance profitability, and reduce its dependence on the conventional thermal power business. Leveraging its core engineering, manufacturing and project execution capabilities, the Company has secured significant business opportunities across emerging and strategic non-thermal sectors.

As on 31 March 2026, the Company's outstanding order book of ₹2,39,057 Crore includes non-thermal orders of

over ₹66,000 Crore, reflecting the robust diversification of its business portfolio. This demonstrates BHEL's growing presence across sectors such as Hydro and Nuclear Power, Coal-to-Chemicals, Rail Transportation, Defence and Aerospace, Power Transmission, Oil & Gas, Industrial Products, and renewable energy businesses.

The Company's all-time high order book supports higher volumes of operations, enabling potential for enhanced operating leverage and profitability.

Project Execution and Delivery

The Company continued to undertake focused initiatives during FY 2025-26 to strengthen project execution capabilities, improve delivery performance and ensure timely completion of projects. During FY 2025-26, the Company successfully commissioned/synchronised ~8.9 GW of power generation capacity across various projects reflecting the Company's strong project execution capabilities and continued contribution to strengthening the country's power generation capacity.

To further reinforce execution, the Company adopted advance manufacturing initiatives, calibrated outsourcing and targeted capacity augmentation to align manufacturing capabilities with project requirements, reduce lead times and improve execution efficiency. In addition, streamlined decision-making mechanisms were introduced to expedite procurement, facilitate faster resolution of critical issues and support timely project execution across business segments.

Operational Excellence and Cost Leadership

The Company continued to implement strategic initiatives to enhance operational efficiency and improve cost competitiveness across its business segments. These included aggregation of procurement requirements through centralised procurement and subcontracting to leverage economies of scale, optimisation of manufacturing capacities and continuous improvement in operational processes.

These initiatives contributed to improved execution efficiency, enhanced capacity utilisation, reduced lead times

and sustained cost optimisation, thereby strengthening the Company's overall operational performance.

Working Capital and Liquidity Management

The Company has implemented a structured and system-driven mechanism for monitoring receivables across projects and business segments, resulting in enhanced collection efficiency and accelerated realisation of outstanding dues. During FY 2025–26, focused receivables management enabled the Company to achieve a 41% year-on-year increase in customer collections against dispatches, with overall collections reflecting at 143% of Revenue. This significantly strengthened the Company's liquidity position and reduced its dependence on short-term external borrowings.

Consequently, Trade Receivables improved from 115 days of Revenue from Operations in the previous year to 100 days during FY 2025–26, reflecting sustained focus on working capital management, disciplined receivables monitoring, effective cash realisation and improved contract management.

Supported by improved collection efficiency and disciplined financial management, the Company streamlined payment mechanism for procurements, representing an increase of approximately 28% over the previous year, thereby facilitating accelerated project execution.

The Company's Trade Payables as number of days reduced to 165 days during FY 2025–26 from 201 in the previous year, reflecting the emphasis on supply chain enablement to accelerate execution. This has strengthened supplier confidence, enhanced supply chain reliability and supported faster project execution.

As part of prudent treasury and liquidity management, intermittently available surplus funds were deployed in fixed deposits to optimize returns, while ensuring adequate liquidity for operations. For meeting short-term operational and working capital requirements, the company continued to utilize various borrowing instruments such as Working Capital Demand Loans (WCDLs), loans against Fixed Deposits and listed Commercial Papers.

The combined benefits of improved working capital management, lower financing costs, and enhanced execution support are expected to create a virtuous cycle of faster project execution, improved cash generation, and higher profitability.

Capital Expenditure

During FY 2025–26, company incurred ₹671 Crore (₹536 Crore during previous year) towards capital expenditure on modernization and rationalization of existing facilities, with a focus on enhancing operational efficiency, supporting productivity, and aligning operations with evolving business needs. The company primarily met its capital expenditure requirements through internal accruals.

Dividend

The Board of Directors, in its meeting held on May 4, 2026 has recommended a final dividend @70% on the paid-up equity share capital (₹1.40 per equity share of the face value

of ₹2 each), amounting to ₹487.49 Crore, out of profit for FY 2025–26, subject to approval of shareholders.

The Company has formulated a Dividend Distribution policy 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 the weblink https://www.bhel.com/sites/default/files/Board_Aproved%20Dividend%20Distribution%20Policy.pdf.

The dividend recommended is in accordance with the company's dividend distribution policy.

Transfer to Reserves

The company has not transferred any amount to the Reserves during FY 2025–26.

Deposits

The Company did not accept any public deposits as defined under Chapter V of the Companies Act, 2013 during FY 2025–26.

Loans, Guarantees and Investments

There is no transaction relating to loans or advances covered under section 186 of the Companies Act 2013 in FY 2025–26. Further, as per Note 5 on 'Financial Assets-Investment', of Audited Annual Accounts 2025–26 of the company. The Corporate Guarantee issued by the Company in FY 2024–25 on behalf of its joint venture, M/s Bharat Coal Gasification and Chemicals Limited, without charging any fee/consideration, continues to remain in force. The Fair Value of providing the Corporate guarantee has been initially recognised as a deemed investment with a corresponding recognition of a financial liability in accordance with Ind AS 109. The aforesaid deemed investment and liability are being subsequently measured and accounted for in accordance with the applicable Ind AS framework and are appropriately disclosed in the financial statements 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	03-07-2026	CRISIL AA	Stable	CRISIL A1+
	06-08-2025	CRISIL AA-	Stable	CRISIL A1+
INDIA RATINGS	30-03-2026	IND AA-	Positive	IND A1+
	26-06-2025	IND AA-	Stable	IND A1+
CARE	16-06-2026	CARE AA	Stable	CARE A1+
	17-06-2025	CARE AA-	Stable	CARE A1+

Material Changes and Commitments affecting the Financial Position

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of FY 2025–26 and the date of this report.



No significant or material orders were passed by any regulator, court, tribunal, or other authority during the financial year under review and up to the date of this Report which may impact the going concern status of the Company or materially affect its future operations.

There was no change in the principal nature of the business of the Company during FY 2025-26. The Company continued to carry on its existing business activities, including the diversified business operations undertaken in earlier years.

Suspension of Trading

The shares of the Company were not suspended from trading during FY 2025-26 and until the date of the Report.

Directors' Responsibility Statement

Pursuant to section 134(5) of the Companies Act, 2013, the Board of Directors confirms 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 and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit & loss 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 the 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;
- 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 and Analysis

Your company maintained its growth momentum with focus on the core business as well as diversification, strengthening operations and supply chain, and accelerating project execution. For further details, please refer **Annexure-I to the Board Report**.

Corporate Governance

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Corporate Governance (including Board and 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 and Department of Public Enterprises (DPE) Guidelines on Corporate Governance.
- Secretarial Audit Report under Section 204 (1) of the Companies Act, 2013 and Regulation 24A of the SEBI Listing Regulations.

Declaration of Independence

Declaration under Section 149 of the Companies Act, 2013 & Regulation 25 (8) of SEBI Listing Regulations, pertaining to criteria of independence was given by Shri Ramesh Patlya Mawaskar, Independent Director, to the Board of Directors. Shri Ramesh Patlya Mawaskar is registered on the online database of the Indian Institute of Corporate Affairs (IICA), notified under Section 150 of the Companies Act, 2013 and has also qualified the online proficiency self-assessment test conducted by IICA. In the opinion of the Board, the Independent Director possesses integrity, necessary expertise and experience.

No Independent Director has resigned from the Company before the expiry of his tenure during FY 2025-26.

Compliances

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

- To attain the highest standard of Corporate Governance, integrity in operations is maintained alongside ethical and transparent functioning.
- 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 and Disclosure Requirements) Regulations, 2015 is ensured. There is no adverse comment from SEBI for the FY 2025-26 on any financial matter.
- The Company has complied with all the applicable secretarial standards for FY 2025-26.
- 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.

The continuous endeavour of your Company to constantly enhance transparency in presentation and disclosures in its Financial Statements reflects a strong commitment to compliances and good corporate governance.

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. For FY 2025-26, the company's contribution to the exchequer was ₹7,098 Crore.

Audit Committee

Upto March 27, 2026, the Company had in place a Board Level Audit Committee in terms of the requirements of the Companies Act, 2013 read with rules made thereunder, DPE Guidelines and SEBI Listing Regulations, the details in respect of which are given in the Corporate Governance Report (**Annexure-II**). All the issues were fairly and transparently deliberated in the meetings which were held at regular intervals. The views and suggestions of the Board Level Audit Committee members were taken into account and imbibed into the Company's processes. Further, there was no instance where the Board of Directors had not accepted the recommendation of the Board Level Audit Committee. However, w.e.f. March 28, 2026, the compliances pertaining to quorum as per the SEBI Listing Regulations could not be met due to lack of Independent Directors on the Board of the company. Accordingly, since March 28, 2026, the proposals for recommendation/ review/ approval of the Audit Committee are being directly submitted to the Board for its review/ approval.

Details of changes in Directors and Key Managerial Personnel

Appointment

Ms. Nigar Fatima Husain, Additional Secretary & Financial Advisor, Ministry of Heavy Industries has been appointed as Part-time Official Director w.e.f. April 27, 2026.

In accordance with applicable statutory provisions and Article 67(iv) of the Articles of Association of the Company, Ms. Nigar Fatima Husain, having been appointed as an additional director, shall hold directorship upto the 62nd Annual General Meeting of the Company and is eligible for appointment as Director 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, Shri Rajesh Kumar Dwivedi and Shri S M Ramanathan will retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-appointment.

Cessation

Ms. Arti Bhatnagar, former Special Secretary & Financial Advisor, Ministry of Commerce & Industry, who was appointed as Part-time Official Director on February 14, 2023, ceased to be Part-time Official Director on attaining the age of superannuation on September 30, 2025.

Shri Krishna Kumar Thakur, who was appointed as Director (HR) on July 4, 2023, was relieved of the charge w.e.f. March 19, 2026 (F/N) to enable him to assume the charge of the post of Director (Personnel), NMDC Ltd, pursuant to Ministry of Heavy Industries order dated March 18, 2026.

Shri Ashok Aseri and Shri Aashish Chaturvedi, who were appointed as Part-time Non-official (Independent) Directors on March 29, 2025, ceased to be Directors of the Company on completion of their tenure on March 27, 2026.

Shri Asit Gopal, Special Secretary & Financial Advisor, Ministry of Commerce & Industry, who was appointed as Part-time Official Director on February 3, 2026, ceased to be Part-time Official Director on April 27, 2026.

Shri Ramesh Patlya Mawaskar, who was appointed as Part-time Non-official (Independent) Director on June 8, 2023, ceased to be Director of the Company on completion of his tenure on June 1, 2026.

The Board of Directors places on record its deep appreciation for the valuable services rendered as well as advice and guidance provided by Ms. Arti Bhatnagar, Shri Krishna Kumar Thakur, Shri Ashok Aseri, Shri Aashish Chaturvedi, Shri Asit Gopal and Shri Ramesh Patlya Mawaskar, during their respective tenures on the BHEL Board.

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

CEO/ CFO Certificate

CEO/CFO certificate as per Regulation 17(8) of the SEBI (Listing Obligations and 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 and Disclosure Requirements) Regulations, 2015, is given in section 1.4.3 under Management Discussion and Analysis (**Annexure-I**).

Sustainable Development

In today's industrial landscape, sustainability has become a strategic imperative for BHEL. The company integrates environmental protection into its core operations through Harit BHEL (हरित बीएचईएल). This program targets Net Zero emissions by 2047, positioning BHEL as a model Green PSU with defined milestones and transparent reporting.

BHEL adopts best practices to minimize environmental impact while enhancing efficiency, including renewable energy expansion, low-emission technologies, waste management, water optimization, and zero-effluent discharge. Efforts also encompass sapling plantations, green cover protection, water bodies revival, biodiversity promotion, and circular economy principles (reduce-reuse-recycle) across all activities. Townships maintain Single Use Plastic Free certification through strict enforcement, while manufacturing units pursue GreenCo Ratings.

These initiatives, detailed in **Annexure-IV to the Board's Report**, safeguard the planet while creating enduring value for stakeholders and future generations.

Health, Safety and Environment (HSE)

BHEL upholds the highest standards in Health, Safety, and Environment (HSE), grounded in the principle that all incidents are preventable and healthy and safe working environment is essential to long-term success. Employee, contractor, and



BHEL's new 5 MW Solar Power Plant at HEPP, Haridwar dedicated to the Nation by Hon'ble Union Minister of Heavy Industries & Steel, Shri H. D. Kumaraswamy

community well-being remains paramount, fostered through a shared safety culture, rigorous training, proactive risk management, and zero-incident goals aligned with laws and best practices.

Environmental stewardship is integral to operations—from planning to closure—focusing on emission and energy reductions, responsible waste management, resource conservation, biodiversity protection, and pollution prevention. HSE performance is continually reviewed to drive accountability, learning, and innovation.

Further details are in **Annexure-IV to the Board's Report, Section 4.3.**

Business Responsibility and Sustainability Report (BRSR)

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](https://www.nse.co.in/website).

Achievements of R&D and Technological Development

BHEL has always been consistent with the innovation and development of technologies in alignment with 'Atmanirbhar Bharat'. The Company is engaged in new technology development and its commercialization in sectors like Coal to Chemicals, high efficiency Thermal Power Plants, Rail Transportation, Transmission, Nuclear Power, Defence & Aerospace, Downstream Oil and Gas, Green Hydrogen, e-Mobility etc. Further, company is continuously working towards upgrading its current technology and product lines.

In FY 2025-26, BHEL has incurred an expenditure of around ₹822 Crore towards R&D activities, which is around 2.4%

of its revenue from operations. This includes expenditure incurred on R&D projects taken up for development of new products, processes and systems, as well as efforts made for modifications/ improvements in products and designs. BHEL has filed 428 Intellectual Property Right (IPR) applications during the year, enhancing the company's intellectual capital to 6068 numbers. Around 14% of the company's revenue, amounting to ~₹4,693 Crore, has been achieved from in-house developed products, systems and services. Further details of major developments have been provided in **Annexure-VI to the Board's Report.**

Data and Cyber Security

BHEL prioritizes cybersecurity within its risk management framework, by operating an Information Security Management System (ISMS) aligned with global standards and regulatory requirements. A key milestone in FY 2025-26 was transitioning to ISO/IEC 27001:2022 and upgrading IT and cybersecurity infrastructure. Beyond technical defences, BHEL fosters a security-aware culture through structured training and CERT-In compliance. Furthermore, the Company has initiated critical steps toward DPDP Act, 2023 compliance to safeguard personal data. This integrated approach to technology, processes, and people ensures robust cyber resilience and the protection of vital information assets. Further details have been included in Annexure-I, 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 the Board's Report.

Statement pursuant to Section 129 of the Companies Act, 2013 (Form AOC-I) relating to subsidiary companies and joint ventures and Form AOC-II 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**.

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 and 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**.

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, 2026.

Valuation Difference between Loan Sanction and one-time settlement

The difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions – Not Applicable to the Company.

Compliance to the provisions under Maternity Benefit Act

The Company is in compliance with the applicable provisions relating to maternity benefits as prescribed under Maternity Benefit Act, 1961.

Statutory Auditors

The Statutory Auditors of your Company are appointed by the Comptroller and Auditor General of India. Two firms of statutory auditors were appointed as joint statutory auditors and five firms were appointed as branch auditors. The names of audit firms appointed for FY 2025-26 are given at **Annexure-X**.

Auditors' Report on the Accounts

The Auditors' Report on Standalone and Consolidated Financial Statements for FY 2025-26 of the Company are given at **Annexure-XI** 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-XI.

Secretarial Auditor

In terms of Section 204(1) of the Companies Act, 2013, and Regulation 24A of the SEBI Listing Regulations, the Company engaged M/s Akhil Rohatgi & Co., Company Secretaries in whole-time practice, as Secretarial Auditors for conducting Secretarial Audit for FY 2025-26 and their report forms part of Corporate Governance section.

Secretarial Auditor in his Audit Report has observed that:

- i) During the period under review, the number of independent directors on the Board were less than half of the total strength of the Board as required under Regulation 17(1) of the SEBI Listing Regulations, Para 3.1.4 of the DPE Guidelines on Corporate Governance and Section 149 (4) of the Companies Act, 2013. Further, the Company did not have an independent woman director as also required under Regulation 17 (1) of the SEBI Listing Regulations; and
- ii) During the time period from 28.03.2026 to 31.03.2026, composition of the Audit Committee and the Nomination & Remuneration Committee were not in accordance with Regulations 18 (1) and 19 (1) respectively of the SEBI Listing Regulations, Paras 4.1.1 and 5.1 respectively of the DPE Guidelines on Corporate Governance and Sections 177 (2) and 178 (1) respectively of the Companies Act, 2013, due to only one independent director being on the Board of the Company.

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 the 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 SEBI Listing Regulations, DPE Guidelines on Corporate Governance and Companies Act, 2013.



The Management noted the observation regarding vacancies of Independent Director and mentioned that the matter of filling up of the same is under process at the end of Government of India.

During FY 2025-26, the Company ensured timely implementation of all applicable corporate actions in accordance with the prescribed statutory and regulatory timelines. There were no delays or deviations in the implementation of such corporate actions during the year.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost records and have such records audited. The Company has duly maintained the prescribed cost records and accounts in respect of its applicable products, and the same are being regularly reviewed for compliance with the applicable statutory requirements.

Based on the recommendation of the Audit Committee, the Board of Directors had approved the appointment of seven firms of Cost Auditors, including a Lead Cost Auditor, for conducting the audit of the cost records of the Company's 14 manufacturing units for the financial year 2025-26. The names of audit firms appointed for FY 2025-26, duly ratified by the shareholders, are given at **Annexure-X**. The total remuneration to be paid to the cost auditors is ₹15.76 Lakhs.

The Cost Audit Report for the financial year 2024-25 was filed with the Central Government within the prescribed time and did not contain any qualification, reservation, adverse remark or disclaimer.

The Cost Audit for the financial year 2025-26 is under progress and, upon completion thereof, the Cost Audit Report shall be filed with the Central Government within the prescribed time limit as stipulated under the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

Details of the Cost Auditors for conducting the cost audit of the FY 2026-27 and the remuneration proposed to be paid to them (subject to the ratification by the shareholders) are set out in the Explanatory Statement forming part of the Notice convening the ensuing Annual General Meeting.

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.

Your Directors are deeply appreciative of and thankful to various ministries and statutory authorities and various 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 and 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 same in future.

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 round-the-clock, 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 07, 2026

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

1.1 Economic and Business Overview

World economy has grown at 3.4% in 2025, as per IMF, amidst geopolitical tensions and trade frictions. Indian economy remained resilient in this challenging global scenario on the back of strong private consumption, investment activity, Government consumption and infrastructure push. As per MoSPI, country grew at 7.7% during FY 2025-26, supported by GST rate rationalisation, monetary policy easing, congenial financial conditions and structural reforms.

To provide unhindered power supply to the growing economy, policy makers have envisaged 315 GW of coal based power by FY 2035-36 as per recent Long Term Resource Adequacy Plan (LTRAP) released by CEA. This resulted into robust ordering of coal based power projects during the year with BHEL securing significant orders in FY 2025-26.

India's Nationally Determined Contribution (NDC) for 2031-2035, encourage 'achieving 60% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2035', thereby giving thrust to hydro and nuclear power alongside renewables and energy storage. Government of India's roadmap for expanding country's nuclear power capacity to 100 GW by 2047 and achieving 100 GW Pumped Storage Projects by 2035-36 are transformative policies in this direction. In line with this, power utilities in hydro and nuclear based power projects are planning new capacities. In FY 2025-26, BHEL has received order for two E&M packages for projects viz. Chanju III HEP and Sunni Dam HEP in Hydro power business segment.

Transmission business is witnessing rising demand for products in accordance with transformation capacity projection of National Electricity Plan (NEP). The rapid expansion in installed renewable energy (RE) capacity has generated significant opportunities in the Power Transmission segment as demand centres are far away from renewable generation centres and the same is reflected as BHEL received a major order in the transmission segment for Bhadla - Fatehpur HVDC Project during the year.

The Government of India's strategic push for modernization and indigenization in the Defence sector has unlocked substantial opportunities across all the three armed forces. Leveraging the long-standing relations with Defence institutions, and the Indian Navy for over 30 years as the sole supplier of SRGMs, the Company is working towards emerging opportunities in the defence segment. BHEL is one of the few select firms in the world with the capability to design & manufacture compact heat exchanger and pump modules for military aircrafts, and is currently developing the same for various airborne platforms.

In new areas like Coal Gasification, BHEL has received orders worth ~₹8,300 Crore (excl. taxes) from Bharat Coal Gasification and Chemicals Ltd. (BCGCL) for its 2000 TPD ammonium nitrate plant. BHEL is poised to contribute

significantly towards realising the objectives of National Coal Gasification Mission.

1.2 Opportunities and Threats

The renewed emphasis on global energy security due to recent geopolitical disruptions, has returned coal-based power generation to the centre of national planning. Over 35 GW of thermal power project's ordering on OEMs during the past two fiscals serves as a clear testament to this resurgence. This momentum is projected to sustain as the nation targets 97 GW of additional coal-based capacity by 2034-35 (baseline of 2022-23). BHEL remains pre-eminently positioned to leverage its core competence in equipment manufacturing and EPC execution to address this opportunity.

To ensure grid stability amid the variability of a high renewable energy (RE) injection in the grid, the Government of India is planning significant expansion of hydroelectric capacity, including small hydro, large conventional plants, and pumped storage projects (PSPs). The CEA's roadmap targeting 100 GW of PSP capacity by 2035-36 presents substantial opportunities for BHEL over the next 4-5 years. In the conventional hydro segment, BHEL is well positioned to sustain this momentum going forward.

Nuclear power is gaining renewed momentum as a reliable, low-carbon alternative to fossil-based generation, with increasing relevance for energy-intensive applications such as data centres. In India, this renewed focus is reflected in recent developments, including the enactment of the SHANTI Act to facilitate private sector participation and the achievement of criticality by Prototype Fast Breeder Reactor (PFBR), both of which have marked significant milestone in country's nuclear programme. With extensive experience in supplying equipment for both primary and secondary systems, BHEL is well positioned to capitalise on these emerging opportunities in the nuclear power segment.

With the rapid expansion of renewable energy (RE) and the corresponding required increase in transformation capacity, significant opportunities are emerging in the power transmission segment. As highlighted in recent CEA India Report on Transmission Plan for 500 GW RE by 2030, there is a growing focus on strengthening the grid through advanced technologies such as UHVAC, Synchronous Condensers (SynCon), and HVDC corridors to enable reliable evacuation of renewable power, thereby creating steady stream of opportunities. Consequently, a strong pipeline of transmission projects is developing, for which BHEL is well positioned with its technological capabilities and execution experience.

As per the Technology Perspective and Capability Roadmap (TPCR) 2025, modernization and indigenization of equipment for the Indian Armed Forces is expected to accelerate, creating sustained opportunities for BHEL across products such as naval guns, marine gas turbines, and advanced defence equipment. In this context, the company is well positioned to capitalise on the emerging opportunities in this strategically important sector.

Indian Railways' ongoing modernization and infrastructure upgradation present significant opportunities in High-Horsepower Locomotives, Trainsets, Signalling Systems, track machines and other rail technologies. These opportunities complement BHEL's strength in propulsion systems and electric locomotives, allowing to further expand footprint in the railway sector. The maiden order for the Kavach prototype marks a key milestone, positioning BHEL to establish and grow its presence in the critical segment of modern railway signalling.

The expansion and technological upgradation across core industries—including steel, fertilizers, refineries, and cement—continue to provide significant opportunities for BHEL in industrial products and the captive power segment. Demand for captive power plant has witnessed growth during the year, and momentum is expected to sustain.

In the current geopolitical environment, supply chains are increasingly exposed to disruptions arising from geo-political conflicts, leading to shipping route uncertainties, higher freight and insurance costs, and extended transit timelines.

To mitigate these risks, the Company is actively diversifying its supplier base across domestic and global markets. Key

initiatives include strengthening vendor partnerships through liquidity support, implementation of efficient payment systems, and streamlining procurement and subcontracting. These measures are aimed at enhancing supply chain resilience, ensuring continuity of operations, and reducing dependency on vulnerable supply routes in an increasingly uncertain global environment.

1.3 Profile and Performance of Businesses

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

The Power Segment comprises equipment supplies and EPC works for Coal and Lignite, Gas, Hydro and Nuclear Power Plant businesses and Spares & Services business, including new business of Coal to Chemicals.

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, upstream and downstream oil & gas, e-mobility and energy storage, among others.



3x660 MW North Karanpura Super Thermal Power Project, located in Jharkhand, commissioned by BHEL. Notably, this is India's first large-scale supercritical thermal plant equipped with a direct Air Cooled Condenser (ACC)

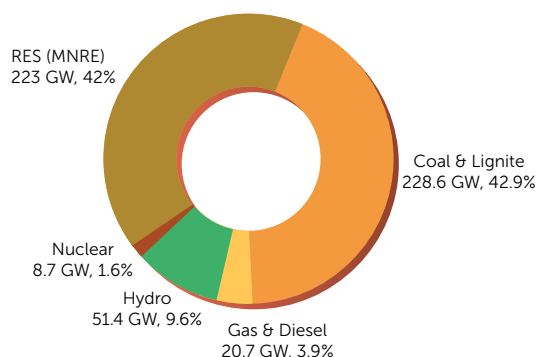
1.3.1 Power Sector

As the nation's economic trajectory remains fundamentally coupled with the expansion of the power sector, ensuring energy security through affordable and resilient power infrastructure is critical to maintaining long-term economic growth.

India's power demand continues its structural uptrend, driven by economic growth, electrification, digital infrastructure, and rising cooling needs. The country recorded peak electricity demand levels crossing ~245 GW in FY 2025-26. As per the projections by the Central Electricity Authority, peak demand is expected to approach ~270–280 GW by FY 2026–27, implying sustained annual growth in the range of ~10–14%.

As on March 31, 2026, India has installed power capacity of ~532 GW and an annual electricity generation of around 1,848 Billion Units (BUs).

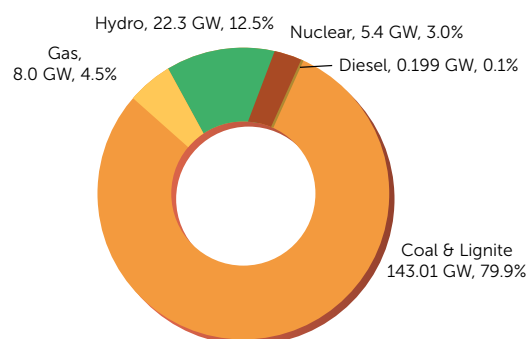
Country Installed Capacity: ~532 GW



As on March 31, 2026

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

BHEL - % Contribution - Fuel wise



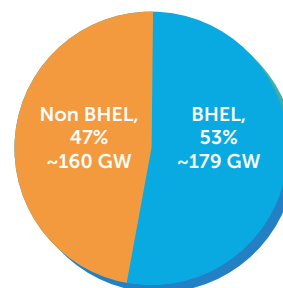
As on March 31, 2026

Based on capacity at the time of installation

BHEL maintained its lion's share of 54% in the country's total installed thermal capacity of utility scale power projects, along with 60% of nuclear power installed capacity (secondary side) and 43% of hydro power installed capacity in the country, by the end of FY 2025-26. Overall at utility scale, including thermal, nuclear and hydro segment, BHEL enjoys 53% share in total installed conventional capacity of the country.

Installed Conventional Capacity - Utility*

3,39,090 MW (March 31, 2026)



*Includes Thermal, Nuclear and Hydro; Excludes Solar, Wind and Bio-Power; Based on capacity at the time of installation

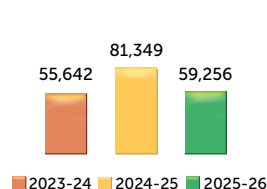
In FY 2025-26, BHEL has secured orders aggregating to ₹59,256 Crore (excl. taxes) in Power Sector, which includes ₹8,288 Crore (excl. taxes) from new business stream, i.e. Coal Gasification business, strengthening the future top-line growth.

Since its inception in 1964, BHEL has supplied 476 coal-based utility sets, 23 diesel sets, 431 hydro utility sets, 105 gas-based utility sets and 15 nuclear based utility sets in India up to FY 2025-26. Through its concerted efforts, BHEL achieved a domestic capacity addition of 6,080 MW in FY 2025-26 in utility power projects, including 5,180 MW of thermal projects, 700 MW of Nuclear project and 200 MW of hydro projects. Additionally, commissioning of 510 MW was also achieved in overseas hydro projects.

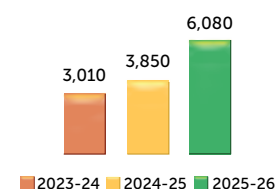
In FY 2025-26 :

- A total capacity addition (CA) of 6,590 MW, highest in last 10 years. (Domestic: 6,080 MW, International: 510 MW)
- Full Load (FL) operation achieved for 1,600 MW and Synchronization (SYN) achieved for 660 MW.
- Combining Capacity Addition (CA), Full Load (FL), Synchronization (SYN), and overseas (OS) projects, 8,850 MW of projects were commissioned/synchronized.

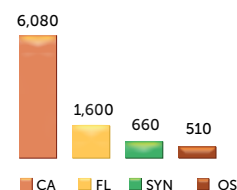
Power Sector Order Booking (in ₹ Crore)



Domestic Capacity Addition by BHEL (in MW)

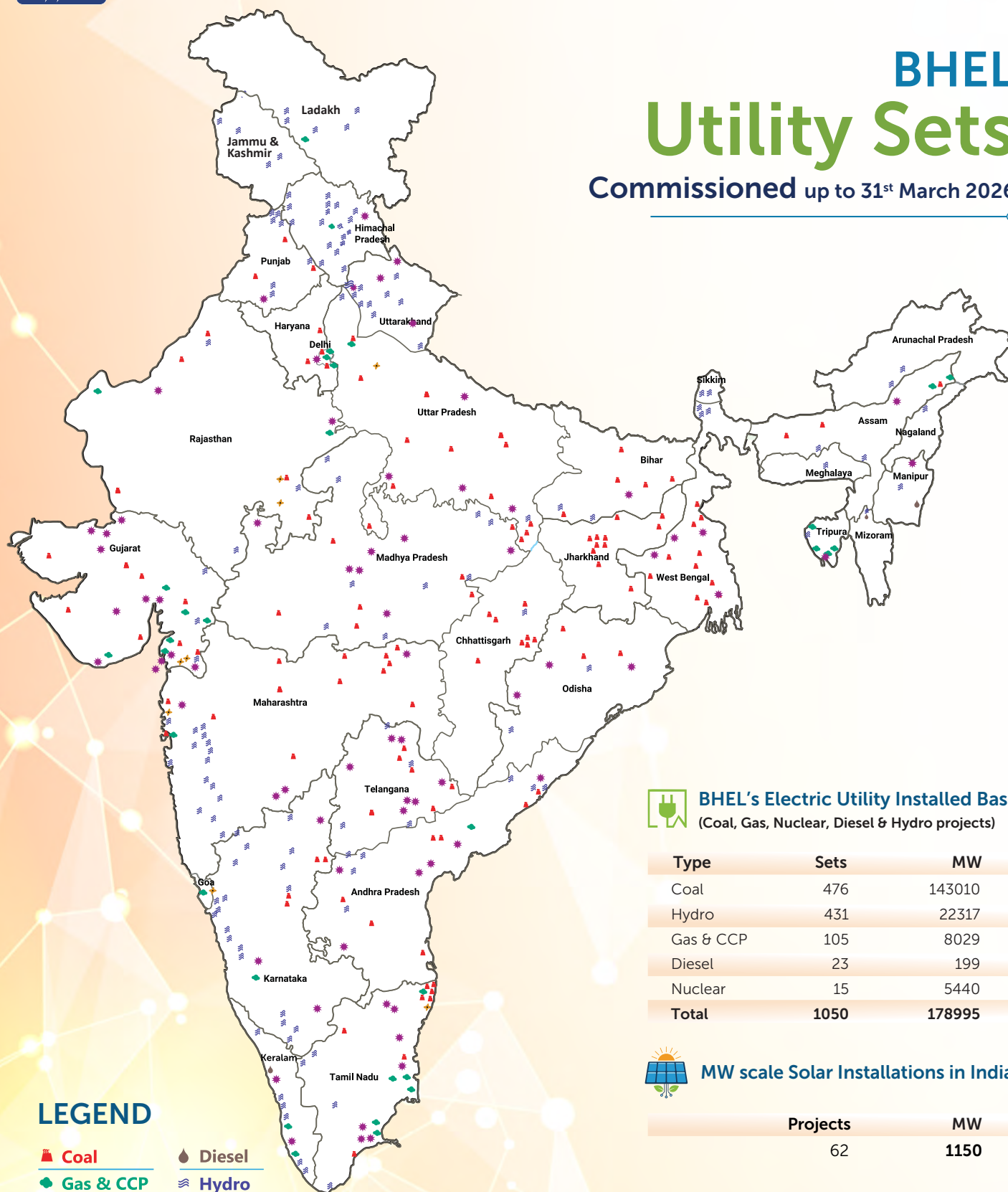


Total Commissioning by BHEL FY2025-26 (CA+FL+SYN+OS) in MW



BHEL Utility Sets

Commissioned up to 31st March 2026



BHEL's Electric Utility Installed Base (Coal, Gas, Nuclear, Diesel & Hydro projects)

Type	Sets	MW
Coal	476	143010
Hydro	431	22317
Gas & CCP	105	8029
Diesel	23	199
Nuclear	15	5440
Total	1050	178995

MW scale Solar Installations in India

Projects	MW
62	1150

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

LEGEND

- Coal
- Gas & CCP
- Nuclear
- Diesel
- Hydro
- Solar



Full load achieved for Unit# 3 of 5x800 MW Yadadri Thermal Power Station in Telangana

1.3.1.1 Thermal

Business Environment

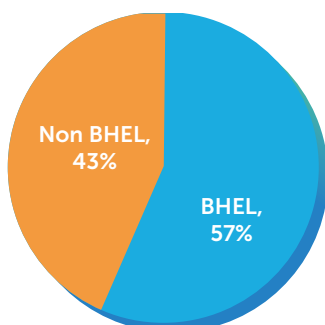
Country has set thermal capacity target of 315 GW by 2035-36 and BHEL has secured a significant share of orders and will continue to harness the future potential available in the market. While on execution front of the secured orders, the company is continuously working towards strengthening its EPC capabilities, expanding vendor ecosystem, standardizing design and drawings, etc. The company is also committed to offer equipment and solutions that minimize environmental impact, such as emission control solutions, air-cooled condensers, which significantly reduce water consumption.

Achievements during the Year

- Secured Order booking of more than ~ ₹40,000 Crore in coal based thermal segment with market share of ~57 % for FY 2025-26.
- Received first ever order for coal gasification from BCGCL worth ~₹8,288 Crore for its Coal to 2,000 TPD Ammonium Nitrate Project.
- Secured orders for 1x800 MW Darlipalli (EPC) and 3x800 MW Telangana Stage-II (main plant package with Civil) from NTPC having air cooled condenser after a gap of seven years.
- Secured order for 1x660 MW Amarkantak EPC and 1x660 MW Satpura EPC from MPPGCL.
- Secured six sets of Steam Turbines (800 MW each) from a private utility.
- 5,180 MW domestic Thermal Utility capacity added in FY 2025-26, which demonstrates the strong project execution capabilities.
- Capacity addition achieved for North Karanpura#3 (660 MW), Yadadri#1 (800 MW), Khurja TG #2 (660 MW), Patratu#1 (800 MW), Yadadri#4 (800 MW), North Chennai Stg-III (800 MW), Sagardighi#5 (660 MW).
- Additionally, achieved Full Load for Yadadri#3 (800 MW) & Patratu#2 (800 MW) and Synchronization for Udangudi#1 (660 MW).
- BHEL has commissioned 43 numbers Supercritical Steam Generators (SGs) and 36 numbers Supercritical Turbine Generators (TGs) till FY 2025-26.
- The consistently high PLF, Operational Availability, and low outage rates across thermal plants reaffirm the robustness of BHEL's engineering, design excellence, and manufacturing quality. These achievements are a strong testimonial to BHEL's pivotal role in powering India's energy infrastructure.
 - An average Plant Load Factor (PLF) of 65.3% for BHEL-supplied thermal power sets in FY 2025-26, surpassing the all-India thermal PLF of 65.18%.
 - The overall Operational Availability (OA) of BHEL thermal sets stood at 88%.
 - 102 thermal sets recorded PLF of 75% and above, including 35 sets with PLF over 85%, 199 sets achieved OA of 90% and above.
 - Bakreshwar #5 (210 MW) recorded PLF of 95.5%, along with 99.1% OA.
 - Amarkantak #5 (210 MW) achieved uninterrupted run of 609 days.
 - Among BHEL supplied supercritical sets, Khurja-1 (660 MW) achieved highest PLF of 86.2% and OA of 99.2%.

- o During FY 2025-26, 56.56% (724.445 BUs) of the country's total power generation of 1,280.67 BUs from Coal and Lignite based sets has been contributed by BHEL supplied sets.
- o 2 Numbers BHEL supplied subcritical units more than 40 years old (Korba STPS #1 and Singrauli #4) achieved PLF of more than 90%.

Generation - Utility (Coal and Lignite)
1,280.67 BUs (FY 2025-26)



Future Perspective

Growing domestic demand, combined with the Government's push for manufacturing and infrastructure expansion is expected to drive the energy demand in the near future. To support this rising demand, the Ministry of Power has reinforced the role of thermal power in ensuring baseload reliability and grid stability, particularly as renewable penetration increases. While renewable capacity additions remain aggressive, their intermittency continues to necessitate parallel expansion of dispatchable thermal capacity.

Several utility power projects are being finalized through tariff based competitive bidding. Significant equipment ordering is expected to continue in FY 2026-27, driven by Central sector undertakings, Merchant and IPP developers evincing interest in thermal installations.

1.3.1.2 Hydro

Business environment

Hydroelectric power is a vital pillar of India's renewable energy portfolio, contributing ~10% of the total Installed capacity. It contributes significantly to the country's generation capacity and ensures grid resilience by providing rapid-response power. Pumped Storage Plants (PSPs) as an Energy Storage System will play crucial role in the peak power requirement of the Country offsetting the intermittent nature of other renewable sources. Further, irrigation solutions like Lift Irrigation Scheme (LIS) projects will continue to play key support role in country's growth.

Achievements during the Year

- Received orders for execution of E&M works for 382 MW Sunni Dam HEP and 48 MW Chanju-III HEP. This adds to BHEL's extensive hydro portfolio, which includes over 550 hydroelectric generating sets with a cumulative capacity exceeding 35,000 MW across the world.
- Capacity addition of Unit#4 of 4X200MW Parbati Stage-II was achieved during FY 2025-26.
- Unit# 4, 5 & 6 of 6x170 MW Punatsangchhu-II Hydroelectric Project in Bhutan were commissioned which has added 510 MW to overseas Hydro capacity in BHEL's portfolio.

Future Perspective

Country targets to achieve 100 GW Pumped Storage Projects by 2035-36. In this direction, BHEL is fully equipped to deliver world class equipment for meeting the projected requirements of Pumped Storage Plants (PSPs) through indigenous design and manufacturing of reversible pump-turbines and motor-generators up to 350 MW unit size. BHEL has its own in-house R&D facility for hydraulic development and NABL accredited Laboratory for testing of turbine, pump & pump-turbine models at BHEL, Bhopal. BHEL has successfully developed indigenous technology through in-house R&D efforts for design, manufacturing, erection & commissioning of equipment for pumped storage projects. Further, BHEL aims to maintain its position as market leader in E&M packages for new hydropower projects as well as large size pump-motor sets required in Lift Irrigation (LIS) projects. BHEL also strives to play a leading role in the renovation and modernization of existing hydro units.

1.3.1.3 Nuclear

Business Environment

Nuclear power will form an essential part of country's overall power mix in long term as it is globally accepted as a clean fuel technology. India has about 8.7 GWe of installed Nuclear power capacity and Nuclear power has huge potential to provide energy security in a sustainable manner. BHEL is closely associated with the country's three-stage nuclear programme and has been a partner for five decades in advancing the indigenous Nuclear Power Programme.

Achievement during the Year

- Prototype Fast Breeder Reactor (PFBR), Kalpakkam has achieved criticality & marked a significant milestone in country's nuclear programme. BHEL's major contributions to the facility cover both primary and secondary systems.
- With capacity addition of Rawatbhata (700 MWe) in FY 2025-26, BHEL's contribution in the nuclear utility segment stands at ~60%.

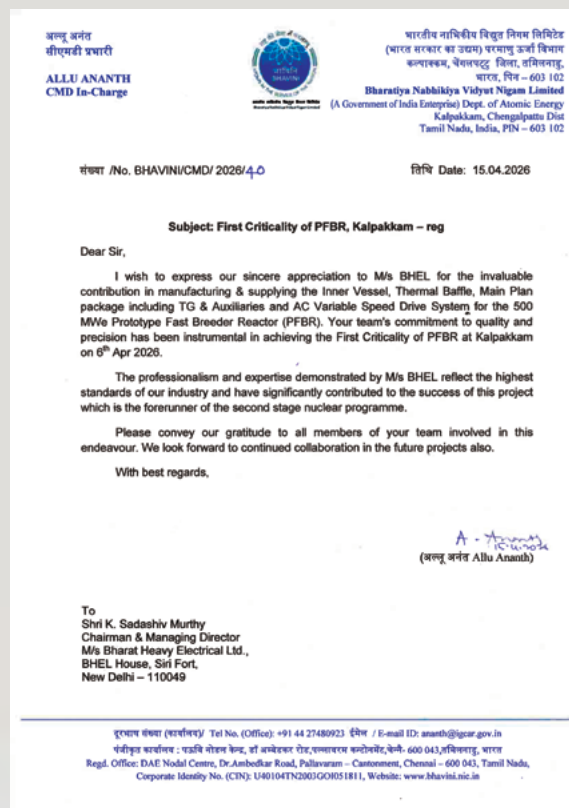
Engineering the Next Stage of India's Nuclear Odyssey

India achieved a defining milestone in its Nuclear odyssey by attaining first criticality of 500 MWe Prototype Fast Breeder Reactor (PFBR) at BHAVINI, Kalpakkam, on April 6, 2026.

BHEL has been a foundational partner in this achievement, demonstrating unmatched engineering precision through high technology products and manufacturing capabilities. This historic event marks the nation's decisive entry into the second stage of its three-stage nuclear power program, bridging the gap toward a thorium-fuelled future.

As India advances towards expanding nuclear power capacity to 100 GW by 2047 along with deployment of Small Modular Reactors, BHEL stands at the forefront, ready to deliver the strategic technological capabilities, essential for India's long-term energy security and net-zero aspirations.

- **Primary Side Milestone:** Precision fabrication of the Inner Vessel and Thermal Baffle; technology development for the Steam Generator-Evaporator.
- **Secondary Side Milestone:** Supply and erection of the indigenous 500 MWe Turbine Generator Package.
- **Operational Validation:** Attainment of First Criticality on April 6, 2026, confirmed by DAE and BHAVINI.
- **Endorsement:** Appreciation from BHAVINI for BHEL's technical excellence and partnership.





IEL Jamshedpur 1X120 MW Project (First project being executed by BHEL with 100% BFG firing requirements)

- BHEL-supplied nuclear power equipment demonstrated robust performance with an overall Plant Load Factor (PLF) of 71.2% and Operational Availability (OA) of 77.5% in FY 2025-26. Six nuclear sets achieved OA of 90% and above, while three sets recorded a PLF exceeding 90%. Tarapur #4 (540 MWe) achieved uninterrupted run of 324 days.

Future Perspective

The SHANTI Act has paved the way for the participation of the private players in India's nuclear power generation sector thereby boosting development of nuclear power plants to meet the India's target of nuclear power capacity to 100 GW by 2047. The company holds a strong position as the only Indian supplier for nuclear steam turbines and generators, giving it a unique strategic advantage in the domestic market. The company is further leveraging its design and manufacturing capabilities to support the indigenous design and development of BSMRs and other emerging technologies and is working with various stakeholders in this direction.

1.3.1.4 Spares & Services Business

Holding a market share of over 50% in India's installed conventional utility capacity, BHEL remains committed to delivering exceptional value to its stakeholders by providing after-sales support and spares to maximize the operational efficiency and plant availability.

BHEL has taken proactive steps for business expansion of spares and services through long term spares supply and service agreements with customers and offering flexibilization solutions for dealing with grid stability issues due to accelerated integration of renewable energy into the power grid.

Achievements during the Year

- In FY 2025-26, BHEL booked more than ₹4,000 Crore business, which is 2nd highest ever order booking under this segment.
- Some of the significant orders in Spares, Services and R&M business segment booked in FY 2025-26 include
 - Renovation and Modernization of re-introduction of Blast Furnace Gas Firing System for NSPCL Bhilai (2x30 MW, 1x14 MW)

Pioneering the National Coal Gasification Mission: Driving India's Coal-to-Chemicals Transition

National Coal Gasification Mission

- Target for 100 Million Tonne coal gasification by 2030
- Enables value creation from domestic coal resources, import substitution and contributing to 'Aatmanirbhar Bharat' Initiative

Indigenous Technology Edge

- Pressurised Fluidised Bed Gasification (PFBG) Technology – An in-house developed technology by BHEL
- Suitable for various grades of Indian coal

Strategic JV Formation

- Incorporated Bharat Coal Gasification and Chemicals Limited (BCGCL) – BHEL (49%) & CIL (51%)
- First-of-its-kind project based on PFBG technology
- Project structured across four process packages and other offsite packages

Key Orders Secured

- Orders received for BCGCL's Coal (2400 TPD coal throughput) to 2000 TPD Ammonium Nitrate Project
 - Coal Gasification & Raw Syngas Cleaning Island Package, and
 - Syngas Purification Island Package

BHEL is at the forefront of India's coal gasification drive, leveraging indigenous technology and strategic partnerships to enable a sustainable, self-reliant chemical and energy ecosystem.



- Supply of Generator Stator & Rotor along with associated spares for DVC Mejia (250 MW)
- Supply of complete HPT & IPT Module and LPT Rotor for MPPGCL Amarkantak (210 MW)
- Design, engineering, manufacturing & supply of material for FBHW modification in Unit #2 for NLC Neyveli (250 MW)
- Supply of LP Bladed Rotor & LP Inner Casing for MPPGCL Birsinghpur (500 MW)
- Long Term Spares Supply Agreement was signed between BHEL and DVC (Validity – 5 years)
- Successfully achieved the Go Live of its first RMDS project for BPCL Mumbai Refinery, marking a key milestone in its digital transformation journey. This is the first RMDS (Remote Monitoring and Diagnostic Services) order for BHEL. Execution of same marks a significant milestone in digital transformation initiative of BHEL. RMDS project involves supply, installation, testing and commissioning of Remote monitoring software including Engineering, Artificial Intelligence based model building for 25 critical assets of Mumbai Refinery.
- Appreciation letter received from M/s Adani Power for successful demonstration of Flexible Operation at MEL, ADANI Unit #1 of 600MW & WBPDCCL Santaldih Unit#6 of 250 MW.
- Additionally, Flexibilization orders have been received from MPPGCL Shree Singaji (600 MW, 2 units) and Satpura (250 MW, 2 units), further strengthening BHEL's strong presence in the flexibilization business.

1.3.1.5 Diversification

• Coal Gasification:

India's coal/lignite gasification programme has target of gasifying 100 Million Tonnes (MT) of coal by 2030. Gasification converts coal/lignite into 'synthesis gas' (syngas), a versatile feedstock for producing fuels and chemicals domestically, enabling India to substitute high-value imports and insulate itself from global supply disruptions and price volatility.

With India holding coal reserves exceeding 400 billion tonnes and limited availability of global technologies suited for high-ash coal, BHEL's development of indigenous gasification technology marks a significant milestone. It will not only help to reduce the country's reliance on imports but also unlock substantial opportunities for converting coal into value-added chemicals. The gasification technology can also be used for electricity production through "Integrated Gasification Combined Cycle" technology, which has lower environment footprint.



Director (Finance), BHEL with Hon'ble Minister of Coal & Mines and Hon'ble Minister of State for Coal & Mines at the foundation stone laying ceremony of BCGCL

Bharat Coal Gasification and Chemicals Limited (BCGCL), a joint venture company of BHEL and Coal India Limited (CIL), is setting up an Coal to 2,000 TPD Ammonium Nitrate Project (with ~2,400 TPD coal throughput). BHEL received order for both LSTK-1 and LSTK-2 packages from BCGCL during the year which marked BHEL's entry into coal gasification business. Notably, this is going to be India's first commercial-scale coal gasification plant, located at Lakhanpur mines of Jharsuguda district, Odisha, which will use the indigenous BHEL-developed Pressurised Fluidised Bed Gasification (PFBG) technology to convert high-ash coal into syngas, which can be further processed into Ammonium Nitrate. The project is expected to strengthen domestic industrial capabilities in chemicals, thereby reducing import dependence.

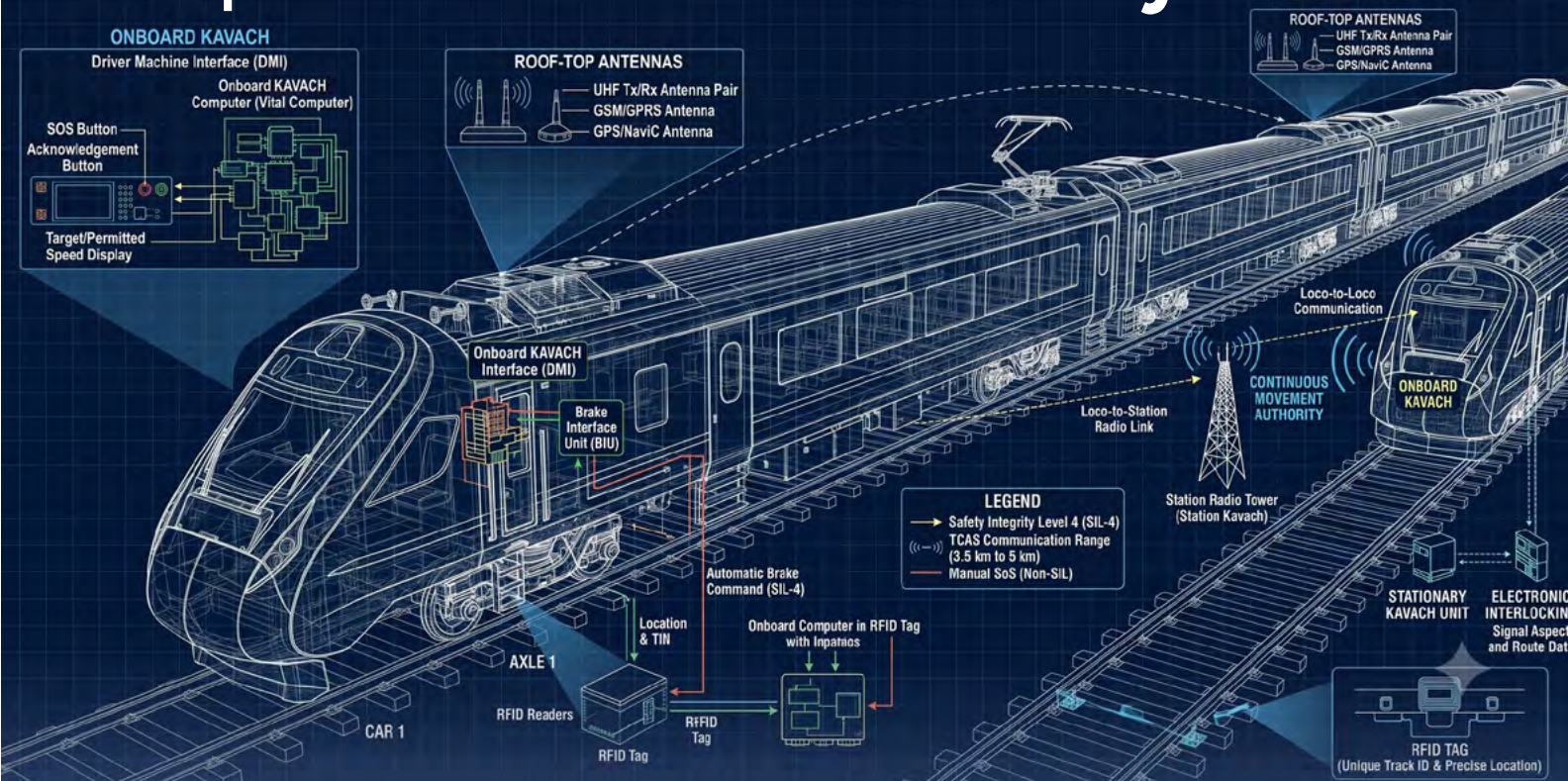
• Alternative Fuel Firing:

BHEL has completed the supply and erection works for the methanol firing in a Gas Turbine at the 350 MW NTPC Kayamkulam Combined Cycle Power Plant (CCPP) at Alappuzha district in Kerala. Statutory clearances and fuel arrangement are yet to be ensured by customer for the demonstration of methanol firing in Gas Turbine. This will be the first such demonstration project of its kind in India aligned with Make in India initiative that aims nationwide revival of idle gas-based power assets.

• Digital offerings and solutions:

Further strengthening its digital ecosystem—comprising proprietary solutions like PALM and RMDS - BHEL achieved a breakthrough by completing its first RMDS order for BPCL's Mumbai Refinery.

Signals of Transformation: BHEL's Strategic Leap into Advanced Rail Safety



BHEL is in the process of developing its first Safety Integrity Level-4 certified KAVACH prototype—India's indigenous Train Collision Avoidance System (TCAS). This breakthrough marks BHEL's strategic entry into the high-integrity railway signalling and mission-critical safety domain, aligning seamlessly with global engineering standards.

This initiative, in collaboration with Indian Railways and certification bodies, directly supports the rapid modernization of the national rail infrastructure.



This indigenously developed safety solution opens up new commercial avenues for BHEL and also solidifies its commitment to driving technological self-reliance under the Government of India's *Aatmanirbhar Bharat* vision.

- Stepping stone towards railway signalling system business opportunity
- Established a state-of-the-art facility 'KAVACH Centre of Excellence (CoE)' at Solar Business Division, Bengaluru
- Executing development order from Indian Railways

1.3.2 Industry Sector

Industry Sector, comprising of market-focused business groups, offers comprehensive and customised solutions for Rail Transportation, Defence & Aerospace, Power Transmission, Oil & Gas, Captive Power Plant, Industrial Products, and Renewables businesses like Solar, Green Hydrogen, Battery Energy Storage, and e-Mobility. Complete business offerings are available at 'Offerings across major businesses' and 'Product Profile' section of the Annual Report.

In FY 2025-26, Industry Sector secured orders worth ₹16,451 Crore (excluding taxes) from various business segments, including the large value orders in Power Transmission and Captive Power Plant business.

1.3.2.1 Transportation

For more than six decades, BHEL has played a pivotal role in the development of India's railway infrastructure, progressing from a conventional equipment supplier to a key contributor in sustainable mobility solutions. Notably, BHEL has been the only electric locomotive manufacturer in India outside Indian Railways and its joint ventures, having delivered over 850 locomotives including more than 400 electric locomotives to Indian Railway till March 31, 2026.

The company is now actively driving the transition towards a low-carbon future through the development of alternate fuel-based rolling stock, including Hydrogen Fuel Cell-powered locomotives and Battery-Electric Dual Mode Shunting Locomotives (DMSL). Its continued focus on energy efficiency is reflected in the deployment of advanced propulsion systems, including the indigenous development of propulsion equipment for 9,000 HP locomotives.

Through a consortium with Titagarh Rail Systems Limited (TRSL), BHEL is manufacturing 80 Vande Bharat trainsets along with 35 years of maintenance. Simultaneously, the

Company is developing solutions for High-Speed Rail, Metro, and Monorail systems. By integrating advanced Train Control and Management Systems (TCMS) and the 'Kavach' collision avoidance technology, BHEL continues to ensure that India's railway network is not only faster and safer but also globally recognized for its environmental sustainability standards.

Achievements during the year

- Maiden order for design, development, installation, and commissioning of Kavach signalling system in 36 km route of South Western region of Indian Railways. This landmark achievement is a significant step towards diversification into rail signalling segment.
- Entered into track machine segment by securing maiden orders for Self-Propelled Inspection Cars (SPIC) and Rail Borne Maintenance Vehicle (RBMV) from Indian Railways.
- Largest ever order of 1,350 HP Diesel Electric Shunting Locomotive (DESL) from M/s JSW, Dolvi for supply of 4 numbers 1,350 HP DESL and spares.
- Traction Converters, Auxiliary Converters and Traction transformers supplied for Vande Bharat Sleeper Trains.
- Inauguration of MEMU rakes equipped with BHEL's electrics by Hon'ble Prime Minister i) MEMU Rake on Vaishali-Gaya-Koderma Buddhist Circuit route of East Central Railway on 22.08.2025 and ii) MEMU Rake on Katosan Road – Sabarmati route of Western Railway on 25.08.2025.
- MoU signed with Singapore-based Horizon Fuel Cell Technologies Pte Ltd to develop hydrogen fuel cell-powered trains (rolling stock) as a green alternative to diesel/electric trains.



Vande Bharat Traction Converter being flagged off from BHEL's Plant in Bengaluru (EDN)

Future perspective

Under the ambitious roadmap of the National Rail Plan (NRP), Indian Railways has intensified its modernization drive, supported by a historic capital expenditure of approximately ₹3 lakh Crore in the fiscal year 2026-27. This investment fuels a comprehensive overhaul of rail infrastructure, aiming to elevate the railways' freight share to 45% by 2030. The passenger experience is simultaneously being redefined by the scaled rollout of the Vande Bharat ecosystem, including the introduction of Sleeper and Namo Bharat Rapid Rail (Vande Metro) variants.

Safety remains the cornerstone of this evolution, highlighted by the aggressive, wide-scale implementation of the indigenous KAVACH 4.0 automatic train protection system. By bolstering in-house R&D and collaborating with global OEMs, BHEL is successfully indigenizing advance mechanical and electrical systems, firmly aligning with national objectives of self-reliance and sustainable next-generation mobility.

1.3.2.2 Transmission

Indian energy landscape continues to undergo a significant transformation, driven by de-carbonisation, sustained growth in demand, an accelerated shift towards cleaner and more sustainable sources of energy and linked energy storage. With rapid capacity additions in renewable energy and increasing electrification, substantial investments are being directed toward grid modernization and strengthening inter-regional connectivity. As a result, India today operates one of the world's largest synchronous power grids, with a growing emphasis on enhancing reliability, operational flexibility, and seamless integration of variable renewable energy sources.

As such, demand for transmission equipment including transformers, reactors, Air Insulated Substations (AIS) and Gas Insulated Substations (GIS) remains robust. Additionally, multiple HVDC transmission projects are at various stages of planning and implementation. Leveraging the strong presence, BHEL offers a comprehensive portfolio of products and systems tailored to the evolving needs of transmission utilities and is well positioned to expand in emerging areas such as EHV GIS substations, digital substations, and 1,200 kV Ultra High Voltage AC technologies.

The company has established state-of-the-art manufacturing facilities for a wide range of transmission equipment catering to EHV and UHV (AC/DC) applications, including converter transformers, thyristor valves, filter capacitors, instrument transformers, composite long rod insulators and advanced control & protection systems. Additionally, as a part of diversification strategy, BHEL is well poised to offer synchronous condenser as a grid stability solution by leveraging in-house core competencies in synchronous machines, controls and transformer.

Achievements during the year

- Secured order from Rajasthan Part-I Power Transmission



All three substations of 400/200 kV of Neemuch Transmission System were successfully energized

Ltd (SPV under Adani Energy Solutions Ltd) for establishment of +/-800 kV, 6,000 MW HVDC terminal Stations at Bhadla (Rajasthan) and Fatehpur (UP) along with associated 765/ 400 kV AC substations.

- Orders for 100+ numbers 400kV and 765kV voltage class Transformers and Reactors.
- Orders for 70+ numbers 220kV voltage class Transformers from State Transmission Utilities.

Future perspective

India is witnessing a rise in Power demand, driven by growth in economy, urbanization, and rising consumption. According to the National Electricity Plan (NEP), India's peak power demand is projected to reach ~459 GW by 2035-36. To support this demand growth, a cumulative transformation capacity of around 23.45 lakh MVA along with ~66 GW of HVDC capacity is planned by CEA. These developments will enhance grid stability, facilitate renewable integration, and enable reliable power transfer across regions, creating significant opportunities in the transmission sector where BHEL is well positioned with its established project execution and manufacturing capabilities.

1.3.2.3 Defence & Aerospace

BHEL has an established presence in the defence and aerospace sector with over five decades of experience in design, development and manufacture of specialised equipment and systems.

The company is a key supplier of Super Rapid Gun Mounts (SRGM) to the Indian Navy/Shipyards and continues to augment its manufacturing capabilities to cater to the Indian Navy's expanding requirements. BHEL's portfolio includes Integrated Platform Management Systems (IPMS) for naval ships and supply of strategic equipment for critical applications. BHEL has developed expertise in permanent magnet motor technology and is progressing towards indigenous development of electric propulsion systems. The company also undertakes overhauling and Product Life Extension services for naval equipment.

Super Rapid Gun Mount (SRGM) Frontline Weapon System of the Indian Naval Vessel



The 76/62 Super Rapid Gun Mount (SRGM) is a medium calibre anti-missile and anti-aircraft frontline weapon system on-board Indian warships which plays a key role in the Navy's operational preparedness and India's strategic self-reliance in defence.

The state-of-art SRGM is manufactured at BHEL's Haridwar plant since last three decades. In order to address the emerging challenges of modern day warfare, BHEL has introduced an upgraded version of the SRGM that includes extended range, firing of smart/ programmable ammunition.

BHEL has supplied 52 numbers of SRGMs till 31st March 2026 including 6 numbers Upgraded SRGMs with orders for another 32 numbers Upgraded SRGMs under execution.

BHEL has established end-to-end capabilities encompassing manufacturing, assembly, integration at its state-of-the-art facility as well as proof firing, installation, and commissioning on-board major warships. It also provides comprehensive lifecycle support, including spare parts supply, defect identification and rectification and health audits.

To support prompt services for Indian Navy, BHEL has also set-up Water Front Support Facilities at Naval Dockyard, Mumbai & Vizag and Naval Base Repair Yard, Karwar.



Further, BHEL has end-to-end capability to design, engineer, manufacture Compact Heat Exchangers and Pump Modules for airborne applications and works in close association with DRDO, ADA etc to meet program requirements.

Achievements during the year

- Orders secured for IPMS, BCCS and HRMS for Fleet Support Ships, Compact Heat Exchangers for LCA Mk-1A, upgradation of dockyard Repair facility for SRGM, Li-ion cells for space applications, and spares & service contracts
- Ahead-of-schedule delivery of four upgraded SRGMs
- Capacity expansion for SRGM manufacturing
- Entered into licensing agreement for Transfer of Technology of Ceramic Radar Domes for strategic applications

Future perspective

Government of India has enhanced budgetary allocation to Defence for FY 2026-27, by ~15% over previous year with capital budget outlay increased by 22%. Around 75% of the capital acquisition budget is reserved for domestic defence industries in FY 2026-27. This is expected to strengthen the domestic defence manufacturing ecosystem and create sustained growth opportunities.

The outlook for the Defence segment remains positive, supported by a strong pipeline of naval and aerospace programmes. Key opportunities exist in electric propulsion systems, marine gas turbines, air defence systems, advanced aerospace components, and integrated platform solutions, along with lifecycle support, upgrades, and spares.

The Company's focus on capability development, infrastructure augmentation, and technology upgradation, along with its established expertise and execution track record, positions it well to capitalise on these opportunities and expand its presence in the defence and aerospace sector.

1.3.2.4 Captive Power and Process Plant

BHEL has been successfully catering to the Captive Power and Process Steam requirements in the country for more than four decades encompassing all major industries viz. Metal and Mining, Process, Refinery and Petro-chemicals. The successful execution of the maiden order, Sulphur Recovery Unit (SRU) package at IOCL Paradip Refinery, Odisha, has strengthened the Company's positioning and enabled it to expand its footprint in Process EPC solutions in the Downstream Oil and Gas (DSOG) sector.

Achievements during the year

- Secured BTG orders from Hindalco Industries Ltd. for its ongoing Aluminium plant expansion, reaffirming



Sulphur Recovery Unit (SRU) package at IOCL Paradip Refinery, Odisha successfully executed by BHEL

customer confidence in BHEL, built on successful execution of similar BTG packages during previous expansion phases.

- Secured Captive Power Plant Package order from Steel Authority of India Ltd. through International Competitive Bidding, underscoring BHEL's competitiveness in the segment.
- Secured orders for standalone Boiler and Steam Turbine Generator (STG) packages from leading industry player, amidst intense competition.
- Successful Commissioning of IOCL Paradip SRU Package- BHEL's maiden order for a Process Industry EPC package.

Future perspective

Sustained growth momentum in Industries is expected to drive robust demand for Captive Power and Process Plants solutions.

The domestic Steel Industry is targeting a production capacity of 300 MTPA by 2030 in line with the National Steel Policy (NSP), and significant brownfield and greenfield expansions are planned by major players such as SAIL, JSW, Tata Steel, Lloyd Metals, AMNS India etc.

In the Oil & Gas Sector, refinery capacity is being progressively expanded, with target to take the total refining capacity to 310 MMTA by 2030. In parallel, the petrochemical sector is also undergoing capacity augmentation up to ~45-50 MMTA till 2030 in line with industry estimates. These developments are aligned with Government of India's strategic objective of strengthening the country's position as a global refining and chemicals manufacturing hub. Key players in the segment leading the expansions are IOCL, BPCL, ONGC, RIL, etc.

Additionally, the domestic Aluminium and Zinc Industries are also expected to witness significant growth, driven by expansion plans of leading players including HINDALCO,



Indigenously developed 15,000 PSI wellheads and Christmas tree

NALCO, Vedanta and Hindustan Zinc.

Amid these trends, BHEL, leveraging its established engineering and execution capabilities and longstanding relationship with the customers, is well positioned to capitalize on the emerging opportunities across the Industry.

1.3.2.5 Industrial Products (including Oil and Gas, and Electrical Machines)

BHEL has been serving both upstream as well as downstream Oil and Gas sector for more than five decades. The company is a major supplier of static and rotating equipment to most of the refineries and petro-chemical plants in India.

BHEL has supplied 430+ Centrifugal Compressors, 92 Oil Drilling Rigs, 15,000+ Wellheads & Christmas Trees, 36,300+ AC machines and contributed immensely to the sector and strengthened the energy security of the country.

In view of the expansion in refineries and petrochemical businesses, opportunities for Industrial Products such as Centrifugal Compressors, Fired Heaters, Valves, high tonnage Columns and Vessels etc. are expected to remain steady in the coming years.

Achievements during the year

- Secured order from BPCL Bina for two numbers of Compressors amid stiff competition.
- Secured order from BPCL Kochi for Revamp of Wet Gas Compressor.
- Secured orders for 130+ numbers motors for Cement Sector and 120+ numbers for Irrigation Sector.
- Dispatched an 18 MW motor-driven Wet Gas Compressor package—the highest-rated motor drive—for IOCL Panipat's P-25 Fluid Catalytic Cracking expansion project.

- Recognized by ONGC as a developed source of supply for indigenously developed 15,000 PSI Wellheads, Christmas Trees and 5,000 PSI Mud Pump for oil drilling applications.
- Entered into 10 years MoU with NUOVO Pignone International, Italy to address opportunities emerging out of energy efficiency projects in Indian fertilizer sector.

Future perspective

India's Oil & Gas sector is set for significant expansion in refining and petrochemicals, driven by the need to reduce import dependence amid volatile crude prices and evolving global dynamics. Companies such as IOCL, BPCL, GAIL, and Nayara Energy are progressing with integrated refinery-petrochemical projects, while policy push under the National Green Hydrogen Mission is accelerating investments in green hydrogen and ammonia. The fertilizer sector's renewed emphasis on operational efficiency through revamp & modernization projects in line with Government of India's energy efficiency and decarbonization goals, present a promising avenue for business growth for the company.

In addition, the steel sector is witnessing capacity expansion in line with National Steel Policy, creating opportunities for process equipment and system integration. The coal gasification sector is also gaining traction under Government initiatives to reduce dependency on imported natural gas and promote syngas-based chemicals and fuels, thereby opening new avenues for indigenous technology deployment.

Against this backdrop, BHEL is well positioned to capitalise on emerging opportunities through indigenisation, strategic technology partnerships, and a diversified portfolio aligned with evolving industry requirements.

1.3.2.6 New and Renewable Energy Business Areas

Gol's ambitious plan of adding 500 GW renewable power is giving impetus to - Solar Energy and Energy Storage market. BHEL is working to capitalize on its experience, along with engineering and execution strength in Solar Power Projects.

National Green Hydrogen Mission is providing impetus to robust infrastructure creation in Hydrogen value chain. Under this mission, Gol is targeting to make India a global hub of Green Hydrogen production and Electrolyser manufacturing. In line with the national commitments, BHEL is targeting Electrolyser manufacturing and EPC of Green Hydrogen Generation Projects. BHEL has entered into technology licensing agreement with Bhabha Atomic Research Centre (BARC) for 50kW Alkaline Electrolyser system, mixed-matrix membrane diaphragm for separator applications in electrochemical cells and is further exploring opportunities for collaboration in the area of Electrolysers, Fuel cells, and Biomass Gasification. BHEL has developed 5kW PEM Fuel Cell (PEMFC), and has completed capacity test of the 25kW PEMFC suitable for stationary power backup applications.

Under the National Electric Mobility Mission Plan (NEMMP), Ministry of Heavy Industries (MHI) launched PM E-DRIVE scheme (PM Electric Drive Revolution in Innovative Vehicle Enhancement) to develop the supply chain ecosystem for EVs as well as demand creation, enabling faster adoption of EVs in India. BHEL is a part of this ambitious plan as Project Implementation Agency (PIA) for EV public charging infrastructure under PM E-DRIVE scheme.

BHEL has successfully developed and received certification of 122kW EV charger and 60kW EV charger. BHEL has also been selected to indigenously develop 360 kW EV charger by the Ministry of Electronics and Information Technology (MeitY) under its Electric Vehicles (EVs) Sub-systems flagship program.

As per the National Electricity Plan – 2032 released by Ministry of Power (MoP), installed BESS capacity in India is likely to reach 8.6GW/ 34GWh by 2027 and further to 47GW/ 236GWh by 2032. Further, GoI has also issued advisory on co-locating energy storage systems equivalent to 10% of the

installed solar project capacities. This is expected to spurt the BESS demand through allocation for VGF-linked BESS projects. BHEL is planning to address the rise in BESS demand by offering integrated solutions and capitalizing on its vast experience in system engineering and project execution.

Achievements during the Year

- Order received from NTPC Renewable Energy Ltd. for 300 MW Balance of System package of Solar PV plant at Khavda.
- Developed 240 kW dual gun DC fast charger to cater the charging of electric bus/truck. The charger has been certified by Automotive Research Association of India (ARAI).
- Development of 5kW alkaline electrolyser system completed which is a step towards development of a MW scale Electrolyser System to build capability.

BHEL's Global Footprints



WITH **PRESENCE IN**
94 COUNTRIES
 in all six inhabited continents
 (as on March 31, 2026)

1.3.3 International Operations

Overview

BHEL has been the flag-bearer for the country in exports since decades, and is continually expanding its global footprint.

Company's effort in the overseas business for products, after-sales & services are reaping positive results with overseas references now spread across 94 countries.

Achievements during the year

- Entry into new countries: Secured order for supply of Soot Blower Lance Tube to Guatemala (92nd country), Supply of Spares to Fiji (93rd country) and supply of Blowdown valve with Actuator to Nicaragua (94th country).
- Secured order for supply of complete wheelsets (60 sets) for Cape Gauge Diesel Electric Locomotives, South Africa.
- Commissioning of 3 units of 6x170MW Punatsangchhu-II hydro project in Bhutan in FY 2025-26. With this, all 6 units of the project have been commissioned.
- Dispatched 2 out of 4 numbers of 175 MW air-cooled Synchronous Generators for Botswana.
- Successfully completed the balancing of Gas Turbine rotor for UAE within a span of 2 months.

Appreciation

Appreciation letter received from

- CES - Senegal for resolution of critical issues in 125 MW Sendou TPP, Senegal
- North Refineries Company (NRC) - Ministry of Oil, Iraq for online Training on Centrifugal Compressor to the employees of NRC
- PT IBR - Indonesia for technical support and supply of critical parts & restoring stable operation of the Plant

Future perspective

BHEL is pursuing a multi-dimensional approach for its overseas business, focusing on three streams of Power plant solutions, Product sales and after-sales.

In the Power plant segment, there is an increasing demand for Gas Turbine based projects driven by growth in Data Centers and BHEL is involved in discussions with several customers for its offerings in this segment. At the same time, there is a strong pipeline of Hydro projects in neighbouring countries and company continues to focus on these opportunities.

Concerted efforts have been made to augment exports business from Product segments during the last few years. Products such as compressors, motors, transformers, etc. are being regularly offered in global markets.

BHEL is also addressing the after-sales segment with a focused approach, providing prompt solutions to overseas customers. However the ongoing geopolitical scenario presents BHEL with both, a challenge and an opportunity depending on the way the future unfolds.



BHEL's highest-rated air-cooled Synchronous Generators - 4 nos 175 MW Generator manufactured for Jindal Mmamabula Energy Project, Botswana

1.4 Comprehensive Analysis of Financial Performance

1.4.1 BHEL Standalone

A. Financial Results

1. Total Income

(₹ Crore)

Particulars	2025-26	2024-25
Revenue from contract with customers	32,360	27,355
Other operational Income	1,422	984
Other Income	846	504
Total Income	34,629	28,843

The Company maintained its upward trajectory of operational and financial performance during FY 2025-26, supported by a robust order book, enhanced execution momentum, higher business volumes, and various strategic initiatives aimed at strengthening financial performance. During the year, the Company recorded a year-on-year growth of 19% in Revenue from Operations. Revenue from customer contracts registered an increase of ₹5,005 Crore over the previous year, supported by the successful commissioning/synchronisation of approximately 8.9 GW of power generation capacity during the year. The increase in Other Operating Income and Other Income during the year reflect enhanced operational efficiencies. With a robust order book and improved execution strategy, the Company is well positioned to sustain its growth momentum and deliver improved business performance.

2. Expenses

2.1 Material consumption, erection and engineering expenses

(₹ Crore)

Particulars	2025-26	2024-25
Direct Material (incl. Subcontracting Cost)	23,768	19,955
a. Revenue	32,360	27,355
b. Accretion/(Decretion) in inventories of finished goods, work in progress and scrap	1,291	1,542
Total c = a+b	33,651	28,897
Direct Material cost as % of (c)	70.6%	69.1%

Direct Material cost percentage marginally increased compared to the previous year, primarily due to the completion of legacy projects coupled with the persistent global geopolitical disruptions affecting key commodity prices and supply chains. To mitigate these challenges, the Company has adopted multiple strategies viz. aggregation of requirements through centralised procurement /subcontracting to drive economies of scale, onboarding of a large number of new and capable vendors to strengthen the vendor ecosystem, leveraging rate contracts, Techno-commercial MoUs, strategic sourcing, standardisation

of material components and design across product lines, value engineering, enhanced indigenization in furtherance of the Atmanirbhar Bharat mission and prompt release of payments to strengthen supply chain reliability.

2.2 Employee benefits expenses

(₹ Crore)

Particulars	2025-26	2024-25
Employee benefits expenses	6,468	5,923
Number of Employees	27,284	27,800
Revenue per Employee	1.19	0.98

Revenue per employee has improved by more than 20% year-on-year, indicating enhanced workforce productivity and better operational efficiency.

2.3 Other expenses

(₹ Crore)

Particulars	2025-26	2024-25
a) Other expenses of Mfg., Admn., Selling & Distribution	2,103	1,815
b) Power & Fuel	503	491
Sub-total	2,606	2,306
As % of Revenue	8.1%	8.4%
c) Provisions (net)	(177)	158
d) Exchange Rate Variations	(440)	(135)
Total	1,989	2,329

The increase in the quantum of Manufacturing, Administration, and Selling & Distribution Expenses was primarily attributable to higher business volumes. However, as a percentage of revenue, these expenses were maintained broadly at the previous year's level through sustained cost optimisation initiatives, process efficiencies and effective budgetary control.

2.4 Details of Provisions (net) and Write-offs

(₹ Crore)

Particulars	2025-26	2024-25
Doubtful debts (incl. ECL), liquidated damages, loans, advances & deposits and others	(2,459)	(2,796)
Bad debts, LD, Investment & losses written off	2,351	3,151
Contractual obligations	(69)	(197)
Total	(177)	158

The Company laid significant emphasis on improving debtor realisation through timely resolution of outstanding issues, enhanced collection efficiency, and focused receivables management during the year. Improved realisation of receivables and targeted contract closure resulted in cash collection of ₹1,321 Crore from commissioned projects, higher withdrawal of provisions relating to doubtful debts

and liquidated damages. In line with prudent financial management practices, certain old non-realisable dues were also written off. Collectively, these measures resulted in improved financial performance over the previous year, reflecting stronger cash collection efforts, and improved receivables management.

3. Finance costs

(₹ Crore)

Particulars	2025-26	2024-25
Interest expense (incl. Discount & exp. on commercial papers)	712	714
Un- winding of provisions	44	34
Total	756	748

Finance costs was effectively optimised to almost at same level despite higher volume of operations, during the year. Reduction in interest expenses was driven by prudent financial management and optimization of borrowings.

4. Depreciation & amortization expenses

(₹ Crore)

Particulars	2025-26	2024-25
Depreciation & amortisation	316	272

Increase in Depreciation is mainly due to enhanced asset base that the company has strategically invested to meet the growing execution targets. The overall depreciation charge is dependent upon the timing of asset capitalization and the composition of asset classes.

5. Tax expenses

(₹ Crore)

Particulars	2025-26	2024-25
Current tax - Current year	3	8
- Earlier years	-	15
Deferred tax -Current year	537	196
- Earlier years	(2)	(7)
Total	538	212

The (net) deferred tax expense for the current year primarily represents reversal of previously recognized Deferred Tax Assets (DTAs) on account of brought forward Taxable Losses.

6. Profitability

(₹ Crore)

Particulars	2025-26	2024-25
EBITDA	3,189	1,745
Profit Before Tax	2,116	725
Profit After Tax	1,578	513

The Company achieved a Profit Before Tax of ₹2,116 Crore and a Profit After Tax of ₹1,578 Crore for FY 2025-26, representing

a threefold increase over the previous year. EBITDA as % of RFO stood at 9.4% compared to 6.2% during previous year. EBITDA margin increased by 83% to ₹3,189 Crore owing to increased volume and improved operational efficiency.

7. Other comprehensive income

(₹ Crore)

Particulars	2025-26	2024-25
Re-measurement of defined employee benefits gain/(loss)	(0.49)	(219)
Less: Income tax related to above item	(0.12)	(55)
Total	(0.37)	(164)

Other comprehensive income represents re-measurement gain/(loss) on defined benefit plans such as gratuity, PF, post-retirement medical benefits etc.

B. Financial position

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

(₹ Crore)

Particulars	March 31, 2026	March 31, 2025
Gross carrying value	8,005	7,748
Less: Accumulated depreciation / amortisation	5,007	4,801
Net carrying value (net block)	2,998	2,947
CWIP & intangible assets under development	495	195
Total	3,493	3,142

The net carrying amount of Property, Plant & Equipment (PPE) and intangible assets is stated after accounting for depreciation/amortization and capitalization during the year. In accordance with applicable Ind AS, the Company annually reviews the useful life of PPE and provides depreciation accordingly.

9. Investment Property

(₹ Crore)

Particulars	March 31, 2026	March 31, 2025
Gross carrying value	1.32	1.17
Less: Accumulated depreciation / amortisation	0.80	0.72
Net carrying value (net block)	0.52	0.45

The Company continues to lease out its investment property, consisting of land and buildings, under operating lease arrangements. As of March 31, 2026, the fair value of these properties located across Bhopal, Mumbai, and Hyderabad was assessed at ₹134 Crore by a registered valuer.

10. Equity investments

(₹ Crore)

Particulars	March 31, 2026			March 31, 2025		
	Investment	Impairment / FV adj.	Net	Investment	Impairment / FV adj.	Net
Investment in joint ventures	727	(50)	677	722	(50)	672
Investment in other equity instruments	1	(1)	-	1	(1)	-
Total	728	(51)	677	723	(51)	672

Investment in joint ventures (JVs) were accounted at cost after considering impairment loss, if any, in line with applicable 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. Investment in joint ventures includes deemed investment (BCGCL) of ₹5.29 Crore which denotes the fair value of Corporate guarantees fee towards financial guarantee given without any consideration.

11. Trade receivables (Net)

(₹ Crore)

Particulars	March 31, 2026			March 31, 2025		
	Non-Current	Current	Total	Non-Current	Current	Total
Gross Receivables	9,725	7,851	17,576	11,826	7,260	19,086
Less: Allowances for Bad & doubtful debts	7,298	1,055	8,353	8,779	1,375	10,155
Trade receivables (net)	2,427	6,796	9,223	3,047	5,884	8,931

Trade Receivables were substantially optimized absorbing the impact of 19% growth in Revenue from Operations (RFO) during the year. Trade Receivables (Net) improved in terms of collection efficiency. Trade receivable in terms of no. of days of RFO reduced to 100 days in FY 2025-26 from 115 days in FY 2024-25.

12. Cash & cash equivalents and bank balances

(₹ Crore)

Particulars	March 31, 2026	March 31, 2025
Cash & cash equivalents	1,435	439
Deposits having maturity more than 3 months but not more than 12 months	9,766	6,618
Earmarked bank balances & FD against margin money	666	555
Total	11,867	7,612

The sustained focus on cash collection, supported by strengthened receivables management, led to a increase in cash collections compared to the previous year. Funds generated during the year were prudently deployed in short-term deposits to optimize liquidity and operational efficiency. This excludes ₹144 Crore (P.Y. ₹615 Crore) as Fixed Deposits

against margin money for BG which is classified as Other Financial Assets.

13. Deferred tax assets (Net)

(₹ Crore)

Particulars	March 31, 2026	March 31, 2025
Deferred tax assets (net)	3,533	4,068

The decrease in Deferred Tax Assets during the year was mainly driven by the adjustment/utilization of carried forward losses.

14. Other assets

(₹ Crore)

Particulars	March 31, 2026			March 31, 2025		
	Non-Current	Current	Total	Non-Current	Current	Total
Contract assets (Net)	14,197	15,193	29,390	13,666	15,778	29,444
Input tax credit receivable	-	1,471	1,471	-	1,652	1,652
Claim recoverable	630	1,695	2,325	694	1,231	1,926
Deposit with tax authorities & others	137	515	652	89	481	570
Advances & others	267	369	636	193	101	293
Less: Provision	515	320	835	567	288	855
Total	14,716	18,923	33,639	14,075	18,955	33,030

The major component in the other assets pertain to Contract Assets, representing unbilled revenue that is not yet due for payment as per the contractual terms. The Contract Assets have been liquidated substantially to the same level absorbing the growth in Revenue from operations during the year.

15. Inventories

(₹ Crore)

Particulars	March 31, 2026	March 31, 2025
Raw material & components	6,168	4,085
WIP	6,585	5,369
FG	624	606
Stores & spare parts	291	270
Other inventory	369	305
Sub total	14,037	10,635
Less: Provision for non-moving inventory	702	766
Total	13,335	9,869

Inventory levels have been optimised, taking into consideration future production and operational requirements.

16. Current tax assets /(liabilities) – Net

(₹ Crore)

Particulars	March 31, 2026	March 31, 2025
Current tax assets/(liabilities)-net of provisions	203	137

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

17. Share Capital

(₹ Crore)

Particulars	March 31, 2026	March 31, 2025
Authorised share capital	2,000	2,000
Issued, subscribed & paid up share capital	696	696

There has been no change in the total share capital during the FY 2025-26. The Government of India reduced its promoter shareholding in the Company to 58.17% by divesting 5% stake (17.42 Crore shares) through an Offer for Sale (OFS) on the stock exchanges. The OFS was made on February 11 and February 12, 2026.

18. Other equity

(₹ Crore)

Particulars	March 31, 2026	March 31, 2025
Opening balance	24,417	24,154
Reinstatement due to change in policies or prior period errors	-	-
Add: Total comprehensive income/(loss) for the year	1,578	349
Less: Dividend (incl. interim dividend) paid during the year	174	87
Closing balance	25,820	24,417

Net worth has increased on account of addition of total comprehensive income generated during the year and reduction on account of dividend paid during the year for FY 2024-25. Dividend @25% for the year 2024-25 was approved by the Shareholders in the AGM held on August 19, 2025 and subsequently paid during the year 2025-26.

After the reporting date final dividend @70% (₹1.40 per equity share of the face value of ₹2 each) was recommended by the Board of Directors for FY 2025-26, subject to the approval of shareholders, at the Annual General Meeting. The dividend has not been recognized as liability.

19. Borrowings & Lease Liabilities

(₹ Crore)

Particulars	March 31, 2026			March 31, 2025		
	Non-Current	Current	Total	Non-Current	Current	Total
Borrowings	-	7,950	7,950	-	8,795	8,795
Lease Liabilities	168	69	237	162	57	220
Total	168	8,019	8,187	162	8,852	9,015

The Company reduced its borrowing level by 10%, despite increase in operational activity, on account of improved cash realisation and efficient liquidity management. The

company has continued to ensure repayment of its short-term borrowings on or before the due date.

20. Financial liabilities

(₹ Crore)

Particulars	March 31, 2026			March 31, 2025		
	Non-Current	Current	Total	Non-Current	Current	Total
Trade payables	1,343	10,492	11,835	2,171	9,541	11,712
Other financial liabilities	411	1,318	1,729	423	1,246	1,669
Total	1,754	11,810	13,564	2,594	10,787	13,380

Payment timelines improved to enable fast paced execution and ensure supply chain reliability resulting in trade payables, remaining at previous year levels despite increased level of operations.

21. Provisions

(₹ Crore)

Particulars	March 31, 2026			March 31, 2025		
	Non-Current	Current	Total	Non-Current	Current	Total
Provision for contractual obligation	1,149	541	1,690	1,349	422	1,772
Provision for employee benefits	1,089	839	1,928	1,028	856	1,884
Other provisions	117	532	649	206	534	740
Provision for CSR	-	7	7	2	3	5
Total	2,355	1,919	4,274	2,586	1,815	4,401

The provision for contractual obligations is towards warranty obligations. Provision for employee benefits represent actuarially determined liabilities towards leave encashment, medical benefits and gratuity. Other provisions primarily comprise provisions for liabilities and anticipated loss of onerous contracts. Reduction in provisions is due to closure of commissioned projects and improved efficiencies.

22. Other liabilities

(₹ Crore)

Particulars	March 31, 2026			March 31, 2025		
	Non-Current	Current	Total	Non-Current	Current	Total
Advances from customers (incl. valuation adjustments)	13,414	9,110	22,524	9,743	5,551	15,294
Statutory dues	-	1,443	1,443	-	1,221	1,221
Govt. grants	46	6	52	51	5	56
Total	13,460	10,559	24,019	9,794	6,777	16,571

Owing to order inflows during FY 2025-26, the Company received advances from customers, which get progressively adjusted during the course of project execution. Statutory dues primarily represent GST liabilities, which are discharged within the prescribed due dates.

C. Fund Position

23. Fund flow position and liquidity

(₹ Crore)

Particulars	2025-26	2024-25
Cash generated from Operations before working capital changes	1,743	381
Net cash inflow / (outflow) from working capital changes	4,084	1,730
Net cash inflow / (outflow) from operating activities	5,837	2,192
Net cash inflow / (outflow) from investing activities	(3,035)	(2,731)
Net cash inflow / (outflow) from financing activities	(1,806)	(857)

There has been a significant improvement in cashflow position during FY 2025-26, driven by focused Receivables Management, achievement of key milestones in ongoing projects, closure of commissioned projects and enhanced volume of operations. These factors have collectively contributed to higher operating cash flows during the year.

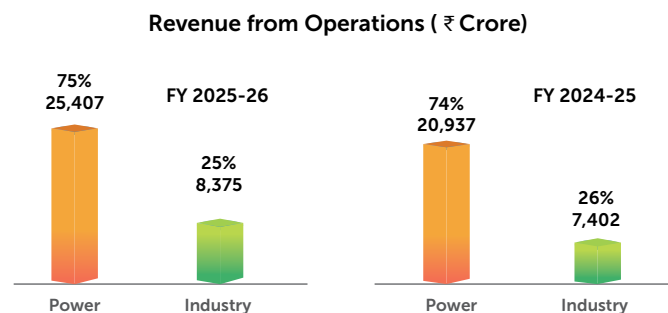
D. Key Financial Ratios

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.

The Return on Net Worth 5.95% improved significantly during FY 2025-26 as compared to the previous year 2.04%, primarily driven by the substantial increase in Profit After Tax resulting from higher revenue from operations, improved operating performance, better cost optimisation and enhanced execution efficiency.

E. Segment performance

The company has two operating segments, power and industry. Both segments reported growth in revenue along with positive segment results. Power segment recorded a two-fold increase in segment results as compared to the previous year. The segment-wise performance is given below:



(₹ Crore)

Particulars	2025-26		2024-25	
	Power	Industry	Power	Industry
Segment Revenue from Operations	25,407	8,375	20,937	7,402
Segment results	2,451	1,684	1,216	1,262
Segment capital employed	16,691	2,807	16,379	2,206

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 and servicing of GE designed gas turbines. The key financials are as below:

(₹ Crore)

Particulars	2025-26*	2024-25
BHEL share (%)	One share less than 50%	One share less than 50%
BHEL's investment in equity	2.38	2.38
Revenue from operations	1,239.60	1,052.58
Profit/(loss) after tax	126.82	118.02
Net worth	601.32	551.15

* based on provisional unaudited figures

In FY 2025-26, BGGTS paid final dividend of 600% (for FY 2024-25) and interim dividend of 1000% on the equity share capital of ₹4.76 Crore.

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

NTPC BHEL Power Projects Private Limited (NBPPL) is a 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 key financials are tabulated below:

(₹ Crore)

Particulars	2025-26*	2024-25
BHEL share (%)	50%	50%
BHEL's investment in equity	50.00	50.00
Revenue from operations	1.04	3.48
Profit/(Loss) for the year	(26.74)	(17.70)

* 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 Crore (same as last year) based on the net financial position.

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, 2026 was ₹2,999.76 Crore with contribution of ₹2,335.72 Crore from KPCL and ₹664.04 Crore from BHEL. The key financials of the Company are as under:

(₹ Crore)

Particulars	2025-26*	2024-25
BHEL share (%)	22.14%	22.14%
BHEL's investment in equity	664.04	664.04
Revenue from operations	3,799.70	4,424.22
Profit/(Loss) for the year	(1,814.47)	(1,405.03)

* based on provisional unaudited figures

Though at PBT level the company had losses in FY 2025-26, 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. Bharat Coal Gasification and Chemicals Limited (BCGCL):

Bharat Coal Gasification and Chemicals Limited (BCGCL) was incorporated as a Joint Venture Company (JVC) of BHEL and CIL on May 21, 2024 to undertake coal to chemicals business by initially setting up a coal to 2000 TPD Ammonium Nitrate Project at Lakhanpur, Odisha by utilizing BHEL's "Pressurized Fluidized Bed Gasification (PFBG)" technology. The paid-up equity capital as on March 31, 2026 was ₹9.94 Crore with contribution of ₹5.07 Crore from M/s Coal India Ltd. and ₹4.87 Crore from BHEL. Investment includes deemed investment of ₹5.29 Crore which denotes the fair value of Corporate Guarantees fee towards financial guarantee given without any consideration. The key financials of the Company are as under:

(₹ Crore)

Particulars	2025-26*	2024-25
BHEL share (%)	49%	49%
Revenue from operations	Nil	Nil
Profit/(Loss) for the year	-4.81	-2.26

*based on provisional unaudited figures

The Company is yet to commence its commercial operations.

e. Powerplant Performance Improvement Private Limited (PPIL):

Powerplant Performance Improvement Private Limited (PPIL), a joint venture, has been dissolved during the financial year.

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

Financial performance

(₹ Crore)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from operations	33,782	28,339
Profit /(loss) before tax	2,139	746
Profit /(loss) after tax	1,600	534
Other comprehensive income/(loss)	(0.61)	(163)
Total comprehensive income/(loss)	1,600	371

The share of profit in respect of joint venture - BGGTS was ₹63.41 Crore in FY 2025-26 as against profit of ₹59.01 Crore in FY 2024-25. The joint venture companies (NBPL and RPCL) have incurred losses in FY 2025-26. 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. The share of loss in respect of joint venture - BCGCL was ₹2.36 Crore in FY 2025-26 as against loss of ₹1.11 Crore in FY 2024-25.

Financial position

(₹ Crore)

Particulars	March 31, 2026	March 31, 2025
Assets		
Property, plant and equipment, intangible assets and CWIP (net carrying value) (Including investment property)	3,494	3,143
Investment accounted for using equity method	302	276
Non-current financial assets	2,686	3,763
Deferred tax assets (net)	3,533	4,068
Non-current other assets	14,716	14,075
Current assets	51,455	42,760
Total	76,186	68,083
Equity and Liabilities		
Equity share capital	696	696
Other equity	25,450	24,026
Non-current liabilities	17,737	15,135
Current liabilities	32,302	28,226
Total	76,186	68,083

The share of capex in respect of joint ventures – BGGTS, NBPPL, RPCL and BCGCL was ₹11.16 Crore in FY 2025-26.

1.5 Capital investment

During FY 2025-26, the Company incurred a capital expenditure of ₹671 Crore towards expansion, modernization and rationalization of existing facilities, project site enabling works, etc. During the year, particular emphasis was placed on upgrading facilities in the Power Generation, Transmission and Defence segments, reinforcing the company's capabilities in these strategic areas. In addition, focused investments were made toward optimizing fuel costs and enhancing energy efficiency across operations. The company continues its efforts to improve operational efficiency, enhance productivity, and align its operations with evolving business requirements.

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 business, spread across its units/divisions to cover internal audit activities at all locations of the company. 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 at respective units/divisions/location by internal audit department. 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 respective units/divisions and material internal Audit observations and CAG audit paragraphs are reviewed by BLAC.

Independent Auditors Report on the IFC 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 IFC over financial reporting.

1.7 Quality focus

A robust Quality Management System (QMS) is functioning across the organization, with ongoing initiatives aimed at enhancing its effectiveness and driving continual improvement in products and services. BHEL's Business Excellence framework remains aligned with the European Foundation for Quality Management (EFQM) model. In this context, indigenously developed BHEL Quality Maturity Model (BQMM) is deployed across the company to assess and enhance the maturity of Quality systems. Complementing this, Quality Health Index (QHI) model is in place to evaluate the effectiveness of Quality systems and practices across the company. Digitalization of Quality Systems has further enabled robust data analytics, standardization, improved traceability and enhanced product quality.

A strong emphasis is also being put on capacity building and training in Quality Systems. Structured training programs on core Quality tools and processes, are being conducted across the company. Also, best practices in Quality are systematically shared across the organization through 'Qonverse,' a sharing & learning internal platform for Quality conversations. Further, inter-PSU 'Gunvatta Manthan' was organized for cross-learning in Quality and Business Excellence best practices among CPSEs.



Quality pledge being administered at Corporate Office during Quality Month 2025

These focused initiatives have yielded significant outcomes, which is reflected in notable external recognitions. BHEL was conferred with the Platinum Award (highest category) in the PSU category at the 5th EEPC India Quality Awards 2025. Additionally, eight Quality Circle teams from BHEL received the Gold Award (highest category), at the 50th International Convention on Quality Control Circles (ICQCC 2025) held in Taipei, Taiwan. These accolades underscore the organization's sustained commitment to Quality Excellence.

1.8 Human resource

1.8.1 Learning and Development

BHEL remains committed to continuously strengthening both technical and behavioural competencies of its workforce. In response to the evolving business environment, the company is focusing on fostering a culture of unlearning and relearning, with the objective of building a future-ready workforce, capable of addressing emerging business challenges.

During FY 2025–26, training programmes covering Technical, Functional, Behavioural, Managerial and Safety domains were conducted across the company. The company further strengthened its digital learning ecosystem through its e-learning platform along with participation in Government of India's iGOT Karmayogi platform, enabling employees to access diverse online learning resources aligned with emerging competency requirements. As a result, an average training man-days (TMD) of 4.98 per employee was achieved during the year.

Structured induction programmes for newly recruited Engineer Trainees (ETs) and Supervisor Trainees (STs) were conducted across multiple locations, with enhanced focus on domain familiarization, practical exposure and role-readiness. In addition, several targeted learning interventions were undertaken during the year, including leadership development initiatives, behavioural and safety-oriented programmes at sites, and specialized domain-specific training aligned with organizational priorities.

BHEL also continued its strong engagement with apprenticeship training during FY 2025-26, with a total of 1,908 apprentices deployed across its units. This included 1,390 Trade (ITI) Apprentices, 257 Graduate Apprentices, 150 Diploma Apprentices, and 111 non-engineering apprentices. These apprentices were provided hands-on training exposure within BHEL's manufacturing and project environments, contributing to skill development in line with national skilling objectives. Apart from building capabilities through training and learning, BHEL also conducted an Inter-Organization Meet on March 17, 2026 bringing together Learning & Development professionals from Public and Private Sector organizations to share best practices across the spectrum, deliberate on emerging learning trends, and strengthen collaborative approach towards capability building.

1.8.2 Performance and Career Development

BHEL has a structured process of identifying, nurturing and promoting internal talent to build a robust leadership pipeline. The process follows Board approved Succession and Leadership Development Plan (SLDP) framework, hinged around developing BHEL's internal talent pool and in line with the mandate of Department of Public Enterprise (DPE).

Company puts a lot of emphasis on managing talent performance and has a Performance Management System (PMS) in place with an objective of performance enabler than just periodical assessment. PMS are being reviewed periodically to bring in relevant performance measurement yardstick with changing business environment and also address issues and concerns of users. In line with the DPE guidelines on Annual Performance Appraisal, senior functionaries of the company have been onboarded on DPE SPARROW system for their Annual Performance Appraisal and bringing them at par with the peers across public sector.

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. In 2024-25, the Employee Engagement Survey

(Goonj-The Echo) was facilitated by an experienced third-party agency with the aim to understand employees' motivation, commitment and connection to their work and organization. The identities of survey participants were masked while data processing to maintain the anonymity and confidentiality. Digital dashboard was created for units to plan their actions based on identified opportunities for development. In 2025-26, units worked on their action plans and shared status through the digital dashboard. The opportunities for development identified were addressed either through policy support or improvement in operational framework, wherever feasible.

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.

The performance evaluation of Functional Directors is carried out through the Annual Performance Appraisal Report (APAR) system administered by the Department of Public Enterprises on the SPARROW (Smart Performance Appraisal Report Recording Online Window) platform, in accordance with the applicable guidelines.

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.

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, however, MHI vide its notification dated 28.03.2025 appointed two Independent Directors on the Board of BHEL for a period of one year, which ended on 27.03.2026. 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

The company's industrial relations journey has been anchored to the principle of 'Participation of All.' This guiding philosophy is reflected in company's commitment to open and continuous communication across all levels of the workforce. Through active engagement with diverse employee groups and fostering a participatory culture, the company has played a key role in cultivating a congenial and harmonious industrial relations environment.

Throughout the year, BHEL's manufacturing units, divisions, and offices maintained peaceful industrial relations. Notably, zero man-days were lost on account of strikes against company policies, reflecting the strong collaboration between management and employee groups in jointly pursuing the company's objective.

In line with BHEL's commitment to fostering a participatory culture, 3 meetings of the apex-level bipartite forum, the 'Joint Committee for BHEL,' were convened during the year. At the manufacturing units, a total of 37 'Plant Council' meetings and 651 'Shop Council' meetings were held across the company.

In addition, interactions were conducted with representatives of executives and supervisors to deliberate on business prospects and challenges, as well as key company-level issues, with the objective of strengthening company's financial position. These deliberations at the various bipartite fora were primarily focused on enhancing the company's overall performance—emphasizing productivity, quality, safety, cost optimization, and delivery, with a view to fulfil customer commitments, thereby creating value for all stakeholders, including employees.

1.8.4 Manpower Strength

The Manpower Strength of BHEL as on March 31, 2026 is 27,284 consisting of 10,726 Executives, 4,058 Supervisors and 12,500 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 2023-24, 2024-25 and 2025-26.

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, 2025 was 20.58%, 7.55% and 39.20% for SCs, STs and OBCs respectively.

The Annual Statement in the prescribed format showing the representation of SCs, STs, OBCs and EWS as on December 31, 2025 and number of appointments made during the calendar year, is given at **Annexure - 1A**.

ii. Manpower strength of PwD employees as on December 31, 2025

Total number of PwD employees as on December 31, 2025 was 818. During the year 2025, 13 employees were recruited in PwD Category. The group wise manpower strength of PwD employees in the company as on December 31, 2025 is given at **Annexure - 1B**.

1.8.5.2 Safeguard of Women at Workplace

"The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", has come into force from December 9, 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 and their constitution and contact details have been hosted on the unit's website. Posters highlighting the key provisions of the Act, Duties of the Employer, Complaints Redressal Mechanism, Action for Malicious Complaints and 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. In line with the Act, a workshop for ICC Members was organized on PAN BHEL basis. At unit level, 83 workshops/ awareness programmes were conducted on Sexual Harassment Act and Gender Sensitization. In addition, 4,062 employees have completed the e-Learning module on "Prevention of Sexual Harassment of Women at Workplace" on the iGOT-Karmayogi portal.

During the year 2025-26, 1 case has been reported which is pending as on April 01, 2026. One complaint was pending at the beginning of the year which was disposed of during the year.

Number of complaints of sexual harassment received in the year (2025-26)	Number of complaints disposed off during the year (2025-26)	Number of cases pending for more than ninety days
1	1 (carry forward of 2024-25)	1

Annexure – 1A

Annual Statement showing the representation of SCs, STs, OBCs and EWS as on December 31, 2025 and appointments made during the calendar year 2025

Groups	Representation of SCs/STs/OBCs/EWS (As on December 31, 2025)					No. of appointments made during the calendar year 2025											
						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
Group A	12,300	37	2,280	1,019	3,673	147	16	22	12	40	----- NA -----			0	0	0	0
Group B	2,225	0	413	301	629	0	0	0	0	0				0	0	0	0
Group C	12,910	34	2,954	752	6,445	202	26	32	15	75				0	0	0	0
Group D (Excl. SW)	46	0	7	2	26	0	0	0	0	0				0	0	0	0
Group D (SW)	3	0	3	0	0	0	0	0	0	0				0	0	0	0
Total	27,484	71	5,657	2,074	10,773	349	42	54	27	115	0	0	0	0	0	0	0

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

Annexure – 1B

Annual Statement showing the representation of Persons with Disabilities as on December 31, 2025 and appointments made during the calendar year 2025

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	19
Group A	12,300	4	19	354	1	2	2	5	1	2	2	-----NA-----						
Group B	2,225	1	4	65	0	0	0	0	0	0	0							
Group C	12,910	19	27	323	3	3	2	8	3	3	2							
Group D	49	1	0	1	0	0	0	0	0	0	0							
Total	27,484	25	50	743	4	5	4	13	4	5	4							

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 various Ministries:

- The Company is establishing National Level testing infrastructure at Corp. R&D, Hyderabad for testing of PEM Fuel Cell Stacks and their various components, which shall boost R&D in India and development of indigenous technology. The project is being funded by NISE under National Green Hydrogen Mission.
- The Company has initiated development and demonstration of CO₂ capture from Coal gasification and its utilization by conversion to Dimethyl Ether (DME) through catalytic conversion with support from Department of Science and Technology (DST). A joint project with Indian Institute of Chemical Technology (IICT), Hyderabad is under progress for commissioning of pilot plant having capacity of 0.18 TPD of DME from 0.40 TPD of CO₂ at Moula Ali, Hyderabad.
- The Company 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. Till March 31, 2026, more than 10,400 welding professionals across the country have been trained at the facilities.
- The Company has augmented the test facilities of existing Technical Services Division (TSD) lab to develop state-of-the-art NABL accredited material test lab for testing the chemical, electrical, mechanical properties under a single roof at Bhopal Unit. This lab is strategically located in central India catering to requirement of capital goods industry. MSME industries are the main beneficiary of the developed facility. Till March 31, 2026, more than 6,000 tests have been performed for various industries/MSMEs etc.
- The Company established a testing facility comprising both Hardware in the Loop (HIL) and Software in the Loop (SIL) functionalities in the area of Industrial related processes at its Corporate R&D, Hyderabad. This will help industries to vet the designs at different development 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.
- The Company has established a Test Lab for Pumps at its Hyderabad unit. This lab is one of its kind in the country which will help in conducting tests indigenously for High Flow and High Temperature pumps.

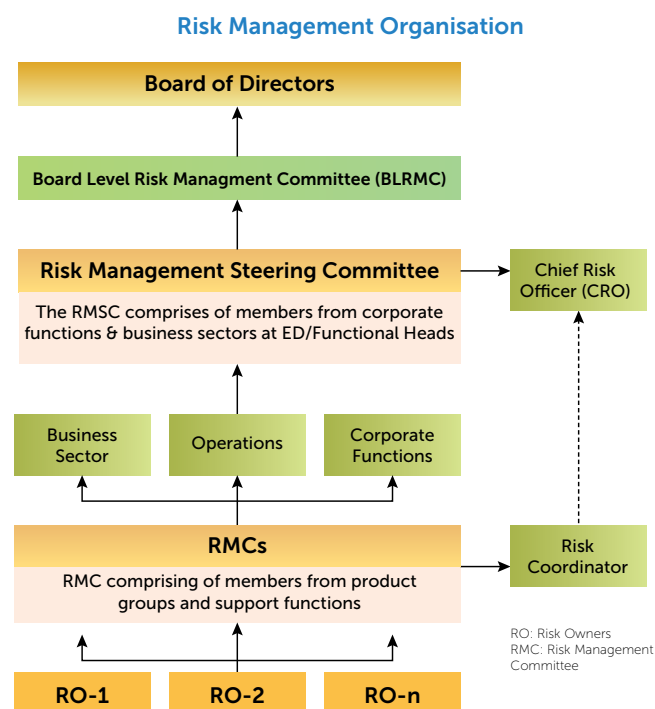
1.10 Right to Information

In consonance with the provisions of the Right to Information Act, 2005 (the Act), BHEL works towards promoting transparency and accountability. A Central Public Information Officer (CPIO) at Corporate Office, along with 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-off 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 and 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. In addition, certain guidelines and proforma(s) indicating procedure for obtaining information and for filing RTI first appeals under the Act have been placed on BHEL's website. The CPIOs and other internal stakeholders involved are sensitized about their obligations under the Act through training and workshops. BHEL being a member of Steering Committee on RTI constituted by Standing Conference of Public Enterprise (SCOPE) actively participates in its meetings and discussions related to RTI matters organized by SCOPE/ Central Information Commission (CIC). Quarterly RTI Returns have been timely submitted to CIC. During FY 2025-26, 685 applications and 157 appeals were received online, and 676 applications and 147 appeals were disposed-off.

1.11 Risks and Concerns

BHEL's business operations have exposure to various types of internal and external risks related to financial, operational, sectoral, technological obsolescence, ESG specific, cyber security, evolving business dynamics, meeting of project timelines and challenges in providing on-site product/ service support 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 report 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:** Delayed delivery of Projects leading to LDs, penalties, customer dissatisfaction and impacting company's image.
2. **Liquidity Risk:** Rising debtors.
3. **Material Cost:** Rising direct material cost affecting profitability.
4. **Cyber Security:** Online data & information security breach leading to loss and critical information infrastructure breakdown.
5. **Availability of technology:** Non-availability of technology in products to meet current/ future market requirements may lead to loss of business.
6. **Order Booking:** Reduction in order booking from non-coal-based business impacting revenues.

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

1.12 Data and Cyber Security

Company has in place a comprehensive cybersecurity framework based on layered security and zero trust principles to protect its IT infrastructure and data assets from evolving cyber threats. During the year, the Company significantly upgraded its IT and security infrastructure, enhancing visibility, threat detection, and incident response capabilities. The network and perimeter security architecture including Next Generation Firewalls, Intrusion Prevention Systems (IPS), Zero Trust Network Access (ZTNA), Network Private Access (NPA), and Secure Email Gateways are in place while access to critical systems is secured through multi-factor authentication.

Further, a centralized Endpoint Detection and Response (EDR) platform has been deployed company-wide. This platform enables real-time threat detection, proactive threat hunting, automated response and AI-driven analytics, with features such as anti-ransomware and anti-bot protection.

A centralized 24x7 Cyber Security Operations Centre (SOC) is functional in BHEL, equipped with advanced functionalities such as User and Entity Behaviour Analysis (UEBA), Security Orchestration Automation and Response (SOAR), and integrated with threat intelligence from CERT-In, National Critical Information Infrastructure Protection Centre (NCIIPC), National Cyber Coordination Centre (NCCC), and other agencies, ensuring proactive monitoring and response.

A Cyber Crisis Management Plan (CCMP), aligned with government guidelines, is in place for effective incident response and recovery. Regular quarterly penetration testing and security assessments of online applications conducted by CERT-In empanelled agencies ensure timely identification and remediation of vulnerabilities. Apart from this, all the internet facing applications are protected by Web Application Firewall (WAF).

BHEL also emphasizes human-centric security, conducting regular awareness programs, simulation exercises, and advisories, along with advanced training programs to strengthen cybersecurity expertise. Company has also initiated activities under the Digital Personal Data Protection (DPDP) Act, 2023, focusing on enhanced governance and protection of PII and data privacy.

BHEL has maintained ISMS certification since 2005 and has successfully transitioned to ISO/IEC 27001:2022, reinforcing its commitment to strong governance and alignment with global best practices. BHEL is committed to continuous enhancement of its cybersecurity posture in line with emerging threats and regulatory expectations.

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 07, 2026

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, 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) under 'Investor Relations' section.

2.2 Board of Directors

i. Composition and Category of Directors

Pursuant to Section 2(45) of the Companies Act, 2013, BHEL is a 'Government Company' as 58.17% 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, 2026 is as follows:

Category of Directors	Board Structure	Actual Strength as on March 31, 2026
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	1
TOTAL	16	8

As on March 31, 2026, there existed seven vacancies of Part-time Non-official (Independent) Directors and one vacancy of Whole-time Executive (Functional) Director i.e. Director (HR), 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 2025-26 and the last AGM

Director's Name S/ Shri	No. of Board Meetings		Last AGM (held on 19.08.2025)
	Held	Attended	
Executive Directors			
K. Sadashiv Murthy, Chairman & Managing Director	9	9	Yes
Krishna Kumar Thakur, Director (HR) (upto March 19, 2026 F/N)	8	8	Yes
Tajinder Gupta, Director (Power) #	9	9	Yes
Ms. Bani Varma, Director (IS&P) \$	9	9	Yes
Rajesh Kumar Dwivedi, Director (Finance)	9	9	Yes
S M Ramanathan, Director (E,R&D) (w.e.f. April 30, 2025 A/N)	8	8	Yes
Part-Time Official Directors – Govt. Nominees			
Ms. Arti Bhatnagar, Special Secretary & Financial Advisor, Ministry of Commerce & Industry (upto September 30, 2025)	5	4	Yes
Asit Gopal, Special Secretary & Financial Advisor, Ministry of Commerce & Industry (w.e.f. February 3, 2026)	2	2	*
Vijay Mittal, Joint Secretary, Ministry of Heavy Industries	9	7	Yes
Part-Time Non-Official (Independent) Directors			
Ramesh Patlya Mawaskar	9	9	Yes
Ashok Aseri (upto March 27, 2026)	9	9	Yes
Aashish Chaturvedi (upto March 27, 2026)	9	9	Yes

Additional charge of the post of Director (HR) w.e.f. March 19, 2026 F/N.

\$ Additional charge of the post of Director (E, R&D) upto April 30, 2025 F/N.

* 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, 2026#

Director's name S/Shri	No. of Directorships in other Companies	No. of Committee Memberships and Committee Chairmanship in other Companies*
K. Sadashiv Murthy, Chairman & Managing Director	2	-NIL-
Tajinder Gupta, Director (Power)	1	-NIL-
Ms. Bani Varma, Director (IS&P)	-NIL-	-NIL-
Rajesh Kumar Dwivedi, Director (Finance)	2	Audit Committee: • Chairperson: 1
S M Ramanathan, Director (E, R&D)	-NIL-	-NIL-
Asit Gopal, Part-time Official Director	6	Audit Committee: • Chairperson: 1
Vijay Mittal, Part-time Official Director	4	-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, 2026, the following Directors held Directorship in other listed entities, as under:

Director's name	Name of Listed Entity	Category of Directorship
Shri Asit Gopal, Part-time Official Director	1. The State Trading Corporation of India Ltd. 2. MMTC Ltd. 3. H.M.T. Ltd.	Government Nominee Director
Shri Vijay Mittal, Part-time Official Director	Andrew Yule & Co 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 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 every 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 nine meetings on the following dates:

(i) April 30, 2025	(ii) May 16, 2025	(iii) June 19, 2025
(iv) August 6, 2025	(v) September 25, 2025	(vi) October 29, 2025
(vii) January 19, 2026	(viii) February 4, 2026	(ix) March 19, 2026

The Board minutes are prepared timely after every Board meeting and circulated to all Directors for their comments, if any, and approved by the Chairman & Managing Director 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 the 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 the 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, 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.

Details regarding familiarization programme of Independent Directors for FY 2025-26 are available on the website of the Company at <https://bhel.com/2025-26>.

In the opinion of the Board, the Independent Directors fulfil 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 inter-alia 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 (MHI), 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 and meeting the eligibility criteria set in this regard.

ix. Membership Term & Retirement Policy

The appointment of Chairman & Managing Director and Functional Directors is generally 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, however, MHI vide its notification dated March 28, 2025 appointed two Independent Directors on the Board of BHEL for a period of one year, which ended on March 27, 2026.

x. Code of Conduct

BHEL has in place a Board approved 'Code of Business Conduct & Ethics for Board Members & Senior Management Personnel' in line with extant SEBI Listing Regulations and

DPE Guidelines. 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 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.

xi. Charter of the Board of Directors and Training of Directors

For the purpose of clearly defining the roles and responsibilities of the Board and the 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 and the SEBI Listing Regulations and with a view to equipping Directors with the necessary knowledge and tools for effective discharge of their statutory responsibilities, the Board of BHEL has approved a comprehensive Training Policy for Directors. The policy is aimed at:

- a) providing Directors with insights into relevant guidelines, regulatory requirements and procedures,
- b) enhancing their understanding of the business environment to enable informed decision-making, strategic foresight and direction setting, and
- c) offering need-based training aligned to the evolving roles and specific requirements of Board members.

The policy covers both general orientation programmes as well as specialized training initiatives focusing on company-specific and sectoral aspects.

The details of training of Directors is given in Annexure-V (Business Responsibility and Sustainability Reporting).

xii. Certificate by Company Secretary in Practice

As per Regulation 34 (3) and Schedule V Para C clause 10 (i) of the SEBI Listing Regulations, 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 SEBI 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 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, DPE Guidelines as well as SEBI Listing Regulations. The terms of reference were updated w.e.f. February 4, 2026 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. Modified Opinion(s) 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 or preferential issue or qualified institutions placement, 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 ₹100 Crore or 10% of the asset size of the subsidiary, whichever is lower;
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 by Internal Audit/ Board and/ or Govt. of India and to provide its suggestions/ guidance/ comments on the issues;
21. To review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations at least once in a financial year;
22. To discuss with Statutory Auditors/ Internal Auditors about internal control systems, whenever required;
23. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;
24. To seek professional advice from external sources in appropriate cases, wherever required;
25. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
26. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament;
27. To review with the management, auditor (internal / independent), the significant audit findings & any difficulties encountered during audit work, if any;
28. The Audit Committee shall also review the following information:
 - i. Management discussion and analysis of financial condition and results of operations;
 - ii. Statement of 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;
 - v. The appointment, removal and terms of remuneration of the Chief Internal Auditor
 - vi. Certification/ declaration of financial statements by the CEO/CFO;
 - vii. Statement of deviations as per Regulation 32 (related to public/rights/preferential issue) of SEBI (LODR), Regulations, 2015
29. Any other matter referred to it by the Board or as may be required to be reviewed/ approved under the extant Companies Act, 2013, SEBI Listing Regulations, DPE Guidelines and other statutory regulations.

ii. Composition of Committee, name of Members & Chairperson

The composition of the Audit Committee was in compliance with the Companies Act, 2013, DPE Guidelines and SEBI Listing Regulations upto March 27, 2026. The Audit Committee is chaired by an Independent Director. The members of the Committee comprise professionals with background in commerce, finance, administration and governance.

The Committee was last reconstituted w.e.f. October 1, 2025. 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
Ramesh Patlya Mawaskar, Independent Director	Chairperson	8	8
Ms. Arti Bhatnagar, SS & FA, M/o Commerce & Industry, Part-time Official Director (upto September 30, 2025)	Member	4	3
Ashok Aseri, Independent Director (upto March 27, 2026)	Member	8	8
Aashish Chaturvedi, Independent Director (upto March 27, 2026)	Member (w.e.f. October 1, 2025)	4	4

Director (Finance), Director (IS&P) and Director (Power) will be 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 eight meetings on May 16, 2025, June 19, 2025, August 6, 2025, September 25, 2025, October 29, 2025, January 19, 2026, February 4, 2026 and March 19, 2026 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/ Functional Directors, as approved by the President of India, provide for fixation of certain perks and benefits, as per rules of BHEL.

ii. Terms of Reference

The terms of reference of the Nomination & Remuneration Committee (NRC) specified by the Board are in conformity with the requirements of Section 178 of the Companies Act,

2013, DPE Guidelines as well as SEBI Listing Regulations. The terms of reference were updated w.e.f. February 4, 2026 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;
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. Review and recommend to the Board, the company's policy on remuneration packages for Directors, Senior Management and other employees including in respect of various elements viz., incentives/benefits, perquisites, bonus, stock options, pension etc., which are within the powers of Board/not fixed by the President of India;
6. Finalization of the criteria of making payments to Non-Executive Directors (including sitting fee for Independent Directors);
7. To decide the bonus/ variable pay pool and policy for its distribution across the executives and non-unionised supervisors;
8. Suggest changes in the HR policies to prepare BHEL for the changed/ emerging business environment;
9. Any other matter referred to it by the Board or as may be required to be reviewed/ approved under the extant Companies Act, 2013, SEBI Listing Regulations, DPE Guidelines and other statutory regulations.

The above terms of reference are subject to Presidential/ Administrative Ministry directives.

Being a Government Company, as per the Articles of Association, all Directors including the Chairman & Managing Director are appointed by the Government of India. Their tenure and remuneration (excluding sitting fee for the Independent Directors) are also fixed by the Government of India. Accordingly, evaluation of Directors including Independent Directors is done by the Government of India. It

may also be noted that Ministry of Corporate Affairs (MCA) vide notification dated June 5, 2015, has exempted Government Companies from the provisions of section 178(2), (3) and (4) which requires formulation of criteria for determining qualifications, positive attributes, independence and annual evaluation of Directors & policy relating to remuneration of Directors.

iii. Composition of Committee, name of Members & Chairperson

The composition of the NRC was in compliance with the Companies Act, 2013, DPE Guidelines and SEBI Listing Regulations upto March 27, 2026. 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
Ramesh Patlya Mawaskar, Independent Director	Chairperson	2	2
Vijay Mittal, JS, MHI, Part-time Official Director	Member	2	1
Ashok Aseri, Independent Director (upto March 27, 2026)	Member	2	2

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

iv. Meetings and Attendance

The Committee had two meetings on August 6, 2025 and October 14, 2025 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 2025-26 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, Chairman & Managing Director	51,39,274	13,80,042	5,09,452	2,01,543	72,30,311	----
2.	Krishna Kumar Thakur, Director (HR) (upto March 19, 2026 F/N)	40,03,166	10,74,298	8,59,643	1,35,287	60,72,394	----
3.	Tajinder Gupta, Director (Power)	57,29,790	13,25,938	32,400	1,61,368	72,49,496	Liable to retire by rotation
4.	Ms. Bani Varma, Director (IS&P)	60,47,079	13,82,535	32,400	1,68,255	76,30,269	Liable to retire by rotation
5.	Rajesh Kumar Dwivedi, Director (Finance)	46,39,002	12,41,463	4,48,946	1,42,814	64,72,225	Liable to retire by rotation
6.	S M Ramanathan, Director (E, R&D) (w.e.f. April 30, 2025 A/N)	53,83,132	12,79,009	4,02,163	1,29,961	71,94,265	Liable to retire by rotation

vi. Details of payments made to Independent Directors during the year 2025-26 are given below

(in ₹)

Name of the Independent Director S/Shri	Sitting Fees		Total
	Board Meeting	Committee Meeting	
Ramesh Patlya Mawaskar	2,70,000	3,80,000	6,50,000
Ashok Aseri	2,70,000	3,40,000	6,10,000
Aashish Chaturvedi	2,70,000	2,40,000	5,10,000

Criteria for remuneration of Non-Executive (Part-time) Directors:

During FY 2025-26, 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.

Further, Government Nominee Directors are not paid any remuneration from BHEL.

There were no other pecuniary transactions of the Non-Executive (Part-Time) Directors vis-à-vis the Company.

vii. Equity Shares held by Non-Executive Directors

None of the Non-Executive Directors held any equity shares in BHEL as on March 31, 2026.

The Company has not issued any stock options during FY 2025-26.

2.5 Shareholders Committees

2.5.1 Stakeholders Relationship Committee

i. Terms of Reference

The terms of reference of the Stakeholders Relationship Committee (SRC) specified by the Board are in conformity with the requirements of Section 178 of the Companies Act, 2013 as well as SEBI Listing Regulations. The terms of reference were updated w.e.f. February 4, 2026 and are as under:

1. Resolution of the grievances of the security holders of the Company, including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc.;
2. Reviewing measures taken for effective exercise of voting rights by shareholders;
3. Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
4. Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;
5. To look into various aspects of interest of shareholders, debenture holders and other security holders;
6. Any other matter referred to it by the Board or as may be required to be reviewed/ approved under the extant Companies Act, 2013, SEBI Listing Regulations, DPE Guidelines and other statutory regulations.

ii. Composition of Committee, name of Members & Chairperson

The composition of the SRC is in compliance with the Listing Regulations and the Companies Act, 2013. The Committee was last reconstituted w.e.f. March 28, 2026. 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
Ashok Aseri, Independent Director (upto March 27, 2026)	Chairperson	4	4
Ramesh Patlya Mawaskar, Independent Director	Chairperson (w.e.f. March 28, 2026)	-	-
	Member (upto March 27, 2026)	4	4

Director (HR)	Member	4	4
Director (IS&P)	Member	4	4
Director (Finance)	Member (w.e.f. May 17, 2025)	3	3

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

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

iii. Meetings and Attendance

The Committee had four meetings on May 16, 2025, August 6, 2025, October 29, 2025 and January 19, 2026 during the year under review. The details of attendance of each member is given in the above table.

iv. Detail of shareholders' complaints

As reported by M/s Alankit Assignments Limited upto 31.12.2025 and M/s Bigshare Services Private Ltd. (RTA) thereafter, 9 complaints were received from the shareholders during the year under review and all complaints were redressed upto March 31, 2026. No complaint was pending at the end of the period under report.

2.5.2 Share Transfer Committee

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 comprises of Director (HR) as Chairperson along with Director (IS&P) and Director (E, R&D) as Members.

Meetings during 2025-26

The Share Transfer Committee had seven meetings on April 16, 2025, June 3, 2025, August 21, 2025, September 25, 2025, November 4, 2025, December 1, 2025 and March 26, 2026 during the year under review.

2.6 Board Level Committee for Corporate Social Responsibility

i. Terms of Reference

The terms of reference of the Board Level Committee for Corporate Social Responsibility specified by the Board are in conformity with the requirements of Section 135 of the Companies Act, 2013 and extant DPE Guidelines. The terms of reference were updated w.e.f. February 4, 2026 and are as under:

1. Formulation, recommendation to the Board and monitoring the Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company, in areas or subject(s), specified in Schedule VII to the Companies Act, 2013;

2. Monitoring the Corporate Social Responsibility activities of the Company from time to time including reporting mechanism for the projects or programmes formulated or recommended in Annual Action Plan;
3. Ensuring compliance with guidelines on Corporate Social Responsibility and Sustainability issued by the Government of India from time to time;
4. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:
 - a. CSR projects or programmes and the amount of expenditure that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - c. The modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d. Details of need and impact assessment, if any, for the projects undertaken by the company;

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect;

5. Any other matter referred to it by the Board or as may be required to be reviewed/ approved under the extant Companies Act, 2013, SEBI Listing Regulations, DPE Guidelines and other statutory regulations.

ii. Composition of Committee, name of Members & Chairperson

The composition of the CSR Committee is in compliance with the Companies Act, 2013. 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
Ramesh Patlya Mawaskar, Independent Director	Chairperson	2	2
Director (HR)	Member	2	2
Director (Finance)	Member	2	2

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

iii. Meetings and Attendance

The Committee had two meetings on June 19, 2025 and February 4, 2026 during the year under review. The details of attendance of each member is given in the above table.

2.7 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
Ramesh Patlya Mawaskar	Lead Independent Director	1	1
Ashok Aseri (upto March 27, 2026)	Member	1	1
Aashish Chaturvedi (upto March 27, 2026)	Member	1	1

iii. Meetings and Attendance

The Committee had one meeting on September 25, 2025 during the year under review. The details of attendance of each member is given in the above table.

2.8 Board Level Risk Management Committee

i. Terms of Reference

The terms of reference of the Board Level Risk Management Committee specified by the Board are in conformity with the requirements of the SEBI Listing Regulations. The terms of reference were updated w.e.f. February 4, 2026 and are as under.

1. 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;
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
7. To seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
8. 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;
9. Any other matter referred to it by the Board or as may be required to be reviewed/ approved under the extant Companies Act, 2013, SEBI Listing Regulations, DPE Guidelines and other statutory regulations.

ii. Composition of Committee, name of Members & Chairperson

The composition of the Risk Management Committee is in compliance with the Listing Regulations. The Committee was last reconstituted w.e.f. March 28, 2026. 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, SS & FA, M/o Commerce & Industry, Part-time Official Director (upto September 30, 2025)	Chairperson	1	1
Vijay Mittal, JS, MHI, Part-time Official Director	Chairperson (w.e.f. October 1, 2025)	1	1
Aashish Chaturvedi, Independent Director (upto March 27, 2026)	Member	2	2
Ramesh Patlya Mawaskar, Independent Director	Member (w.e.f. March 28, 2026)	-	-
Director (HR)	Member	2	2
Director (Power)	Member	2	2
Director (IS&P)	Member	2	2
Director (Finance)	Member	2	2
Director (E, R&D)	Member	2	1
Chairman, Risk Management Steering Committee	Member	2	2
Chief Risk Officer	Member & Convener	2	2

iii. Meetings and Attendance

The Committee had two meetings on August 5, 2025 and February 25, 2026 during the year under review. The details of attendance of each member is given in the above table.

2.9 Board Level Project Review Committee

i. Terms of Reference

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

- a) The Committee shall review the status of all projects with contract value of ₹500 Crore and above;
- b) 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. June 19, 2025. 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
Ramesh Patlya Mawaskar, Independent Director	Member	2	2
Aashish Chaturvedi, Independent Director (upto March 27, 2026)	Member	2	2
Ashok Aseri, Independent Director (upto March 27, 2026)	Member (w.e.f. June 19, 2025)	2	2
Director (Power)	Member	2	2
Director (IS&P)	Member	2	2
Director (E, R&D)	Member (w.e.f. May 17, 2025)	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 June 19, 2025 and January 19, 2026 during the year under review. The details of attendance of each member is given in the above table.

2.10 Committee on Arbitration & Major Legal Disputes 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. March 28, 2026. 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
Aashish Chaturvedi, Independent Director (upto March 27, 2026)	Chairperson	3	3
Ramesh Patlya Mawaskar, Independent Director	Chairperson (w.e.f. March 28, 2026)	-	-
Vijay Mittal, JS, MHI, Part-time Official Director	Member	3	2
Director (HR)	Member	3	3
Director (Power)	Member	3	3
Director (IS&P)	Member	3	3
Director (E, R&D)	Member (w.e.f. May 17, 2025)	2	2

Head-Law, Corporate Office is convener of the Committee and furnishes the required information for review by the Committee.

iii. Meetings and Attendance

The Committee had three meetings on May 16, 2025, September 25, 2025 and January 19, 2026 during the year under review. The details of attendance of each member is given in the above table.

2.11 Particulars of senior management personnel including the changes therein since closure of the previous financial year

Senior Management Personnel in BHEL as on March 31, 2026 for the purpose of Regulation 16 (1) (d) of the SEBI Listing Regulations, 2015 comprise of the following employees:

Name (S/Shri)	Name (S/Shri)
Chavali Venkat Rao	Pradeep Kumar Upadhyay
M Arunmozhi Devan	Uday Shankar
Y Srinivasa Rao	Shyamala Venkataraman
Jitendra Das	Sumeet Salhotra
Vinay Kumar Bassi	V V Subrahmanyam
Bethapudi Shyam Babu	H Malathi
K Ashok	Durgesh Chandra Gupta
Rakesh Singh	Nishit Babyloini
Gummalla Subrahmanyam	Dipesh Palit
M Sridhar	Heeralal Bharani
Vinod Jacob Sam	Sanjay Guha
Ajay Kumar Verma	Asim Mishra
Ravinder H Teckchandani	V Shrinivas Rao
Yatindra Mohan	Ajay Kumar
Sanjiv Srivastava	Sutripto De
Rizwan Faisal Siddiqui	K G Vijayalakshmi
Abhishek Srivastava	Arvind Kumar Gupta
Parthasarathi Das	Gaurav Garg
Sunil Diwakar	Sunil Kumar Somani
N Ramesh Kumar	Navin Kaul
V K Singh	Dr. Yogesh R Chhabra
Ranjan Kumar	

Chief Financial Officer: Shri Rajesh Kumar Dwivedi, Director (Finance) has been designated as Chief Financial Officer (CFO) of the Company w.e.f. June 19, 2024.

2.12 Senior Management Personnel of the Company who superannuated/ ceased from BHEL during FY 2025-26

Case of superannuation

Sl. No	Name (S/ Shri)	Date of Superannuation
1	Arumoy Mukherjee	24 April 2025
2	Sanjay Goel	24 May 2025
3	Rajeev Singh	24 May 2025
4	Jagat Singh	24 June 2025
5	Sanjay Dayaram Goswami	24 June 2025
6	Sibaprasad Gangopadhyay	24 July 2025
7	Rakesh Kumar Chokhani	24 August 2025
8	Sanjeev Kumar Roy	24 August 2025
9	Pankaj Rastogi	24 September 2025
10	Praveen Kishore	24 September 2025
11	K Bharaneedhar Raja	24 November 2025
12	Rajiv Jain	24 December 2025
13	Alok Kumar Singhal	24 January 2026
14	Rajesh Kohli	24 March 2026
15	S Prabhakar	24 March 2026

Case of cessation

Sl. No	Name (S/ Shri)	Date of Cessation
1	S M Ramanathan#	01 May 2025
2	Kul Bhushan Aggarwal*	16 May 2025
3	Rajesh Sharma*	16 May 2025
4	Sandeep Kataria*	16 May 2025

5	Swapan Kumar Bhattacharya*	16 May 2025
6	Rajesh Pratap Singh Sisodia**	01 December 2025
7	Aruna Gulati*	26 March 2026

Appointed as Director (E, R&D) on the Board of BHEL.

* Transitioned out of Senior Management on account of change in reporting relationship.

** Appointed at Board Level Position in NLC India Limited.

2.13 General Meetings

i. Location and time of last three AGMs:

Year	Location	Date	Time
FY 2022-23 (59 th AGM)	Meeting was held through video-conferencing. Deemed venue was Registered Office of the Company	August 24, 2023	10.00 a.m.
FY 2023-24 (60 th AGM)		August 22, 2024	10.00 a.m.
FY 2024-25 (61 st AGM)		August 19, 2025	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 59th Annual General Meeting held on August 24, 2023 for appointment of Shri Ramesh Patlya Mawaskar as Independent Director and thereafter, in the 61st Annual General Meeting held on August 19, 2025 for appointment of Shri Ashok Aseri and Shri Aashish Chaturvedi as Independent Directors of the Company.

iii. Procedure for Postal Ballot & details of Person who conducted the Postal Ballot:

Special resolution for amendment in the Articles of Association of the Company was passed through postal ballot in FY 2025-26.

The postal ballot was conducted in accordance with the provisions of Sections 108, 110 of the Companies Act, 2013 read with relevant rules framed thereunder, applicable MCA circulars, SEBI (LODR) Regulations, 2015 and Secretarial Standards issued by ICSI, wherein the resolution was passed with requisite majority.

Shri Sachin Agarwal, Company Secretary of M/s Agarwal S. & Associates, Practising Company Secretaries was appointed as the Scrutiniser, to scrutinize the Postal Ballot process through electronic means/ remote e-voting, in a fair and transparent manner.

The detailed voting procedure was mentioned in the postal ballot notice and the voting results along with the scrutinizer's report are available on the Company's website.

Presently there is no proposal for passing any special resolution through postal ballot during FY 2026-27.

2.14 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 2025-26 in the Annual Report.

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

<https://www.bhel.com/policy-regard-related-party-transactions-0>.

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

There were no cases of non-compliance by the Company on any matter related to capital markets during the last three years and no penalties/ strictures were enforced on the Company by Stock Exchanges/ SEBI or any other statutory authority on any matter related to capital market.

However, the Company has been receiving notices from NSE and BSE, imposing fine, for non-compliance with the provision of Regulation 17 (1) of the SEBI Listing Regulations regarding composition of Board, as the number of Independent Directors is less than the minimum prescribed. Further, since the Board comprised of only one Independent Director from 02.11.2024 to 28.03.2025 and also from 28.03.2026 to 31.03.2026, resulting in non-compliance with the requirements of certain clauses of Regulations 18 & 19 of the SEBI Listing Regulations pertaining to composition of the Audit Committee and the Nomination & Remuneration Committee respectively, the Stock Exchanges' sent notices for the quarters ended 31.12.2024, 31.03.2025 and 31.03.2026 and imposed fine for these non-compliances as well. In response to the notices, the Company clarified to the Exchanges that the shortfall in the number of 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 periodically requested the Exchanges to waive-off the fine, under their carve-out policies, and both the Exchanges have communicated that BHEL's request for waiver of the fines levied for the quarters upto 31.12.2021 as well as fine imposed in respect of non-compliance with the provisions of Regulations 18 & 19 during 02.11.2024 to 28.03.2025, have been approved. The matter of appointment of Independent Directors is under process with the Government of India.

iii. Vigil Mechanism/Whistle Blower Policy

In pursuance of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises, the erstwhile 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 464th meeting held on August 12, 2014. The policy is also in line with the extant Listing Regulations. Subsequent to this, a Circular notifying the Whistle Blower Policy and informing the contact details of the Competent Authority and of the Chairman, Audit Committee was issued for the notice of all employees.

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

The complaints received 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 the 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 and Disclosure Requirements), 2015 have been duly complied with by the Company as on March 31, 2026 except appointment of requisite number of Independent Directors resulting in non-compliance with the provisions pertaining to composition of the Board of Directors, BLAC and NRC. With regard to the discretionary requirements under the Listing Regulations, BHEL is already in the regime of financial statements with unmodified audit opinion.

No expenditure has been debited in books of accounts which is not for the purpose of business and no expenses incurred and accounted which are personal in nature and incurred for the Board of Directors & Top Management. The other expenses (including administrative, and other miscellaneous expenses) as a % age of total expenses is 6.47% for the year 2025-26.

v. Presidential Directives

No Presidential Directive was received during the last three years i.e. FY 2023-24, FY 2024-25 and FY 2025-26.

vi. Risk Management

In compliance of SEBI Listing Regulations & amendments thereof and DPE Guidelines on Corporate Governance for CPSEs, BHEL has in place a Board approved Risk Management Charter & Policy, laid down procedures to inform Board members about the risk assessment, minimization and mitigation. This Charter is intended to ensure that an effective risk management framework is established and an appropriate reporting mechanism for the same is embedded within the Company. The risk management process includes risk identification, risk assessment, risk evaluation, risk mitigation and regular review & monitoring. Details are covered in Section 1.11 of Annexure-I - '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 at Section 1.8.5.2 of Annexure-I - '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 auditors and all entities in the network firm/ network entity of which the statutory auditor is a part

Total fees for all services paid to the statutory auditors and branch auditors are disclosed in Notes to the financial statements. The Company does not have any Subsidiary as on 31.03.2026. The auditors of joint venture companies (JVs) are appointed separately by the JVs and are not 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.

xiii. Compliance with the Mandatory Requirements of Listing Regulations

The Company has complied with corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, except to the extent specifically mentioned in this report and in the Secretarial Audit Report.

2.15 Means of Communication

In line with the SEBI 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 to the Stock Exchanges within statutory timeline, 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 language national 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).

During FY 2025-26, Quarterly Results have been published as per details given below:

Quarter (Q1 to Q4) FY 2025-26	Name of English Newspapers	Name of Hindi Newspapers	Date of Publication
Quarter 1 (Ended 30.06.2025)	Business Standard	Business Standard	07.08.2025
Quarter 2 (Ended 30.09.2025)	Mint	Haribhoomi	30.10.2025
Quarter 3 (Ended 31.12.2025)	Business Standard	Business Standard	20.01.2026
Quarter 4 (Ended 31.03.2026)	Mint	Haribhoomi	05.05.2026

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 sent to the Stock Exchanges and simultaneously posted on the website of the Company. Detailed result documents and 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 virtual meetings, face to face interactions and investor conferences. Information, latest updates and announcements regarding the Company can be accessed at BHEL Corporate website (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 inter-alia 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. There was no requirement for disclosure pertaining to any agreement pursuant to clause 5A of paragraph A of Part A of Schedule III of SEBI Listing Regulations.

2.16 General Shareholder Information

	AGM Date	Time	Venue
i.	August 05, 2026	10:00 AM	The Company is conducting meeting through VC pursuant to the MCA Circular dated September 22, 2025 read with MCA Circular dated May 5, 2020 and as such deemed venue for the AGM shall be the registered office of the Company. For details please refer to the Notice of this AGM.
ii.	Financial year	April 01, 2025 to March 31, 2026	
iii.	Record Date	Friday, July 17, 2026	
iv.	Dividend payment date	On or before September 03, 2026	

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

v. Dividend History:

Year	Rate of Dividend	Total Amount of Dividend (₹ in Crore)	Date on which Dividend was Declared
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	22.08.2024
2024-2025 (Final)	25%	174.10	19.08.2025
2025-2026 (Final)	70%	487.49	*

*The Board in its meeting held on May 04, 2026 recommended final dividend for FY 2025-26, subject to approval of shareholders in AGM.

Note:

- 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 Crore. Consequently, the total number of shares have decreased from 367.14 Crore to 348.21 Crore.

- 2) In case a shareholder has not claimed/received dividend for any of the last seven years and the same has not yet been transferred to the Investor Education & Protection Fund (IEPF), he/ she can claim this unpaid dividend by following the procedure uploaded on the Company's website (www.bhel.com). Unclaimed dividend for the year 2017-18 (Final) and 2018-19 (Interim) have already been transferred to IEPF during the year 2025-26. Further, unclaimed dividends for the year 2018-19 (Final) is due for transfer to IEPF on 22.10.2026.
- 3) In respect of dividend/shares which have been transferred to IEPF, shareholders can claim the same from IEPF authority by following the procedure prescribed under IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. These Rules are available on the website of IEPF (www.iepf.gov.in) and company's website (www.bhel.com). Further, the procedure regarding claiming dividend and shares from IEPF is available on company's website at <https://www.bhel.com/procedure-claiming-dividendshares-iepf>.

vi. a) Listing on Stock Exchanges

BHEL's equity shares are listed on the following Stock Exchanges for which listing fees for FY 2025-26 has been paid:

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

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 2025-26.

vii. 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 26th August, 2002. The Code has been periodically revised in line with SEBI (Prohibition of Insider Trading) Regulations, 2015 and subsequent amendments therein with the latest revised BHEL Code of Conduct for Regulating & Reporting Trading by Designated Persons & their Immediate Relatives and for Fair Disclosure effective from 29.10.2025. 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.

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

The Company has appointed M/s Bigshare Services Private Limited in place of M/s Alankit Assignments Limited as its Registrar and Share Transfer Agent (RTA) w.e.f. 01.01.2026 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 Bigshare Services Private Limited

Unit: Bharat Heavy Electricals Limited
Office No S6-2, 6th floor Pinnacle Business Park,
Next to Ahura Centre,
Mahakali Caves Road, Andheri (East) Mumbai – 400093
Tel No.: 022-62638200
Email: investor@bigshareonline.com
Website: www.bigshareonline.com

(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

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

ix. 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 Bigshare Services Private 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 have been issued within the timeline prescribed for transmission, transposition, sub-division and consolidation.

x. Distribution of Shareholding

a. Distribution of shares according to size of holding as on March 31, 2026

No. of equity share(s) held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1 - 500	1679005	93.41	124590478	3.58
501 - 1000	64900	3.61	50174493	1.44
1001 - 2000	30864	1.72	45176710	1.30
2001 - 3000	9269	0.52	23615217	0.68
3001 - 4000	3765	0.21	13399545	0.38
4001 - 5000	2622	0.15	12277753	0.35
5001 - 10000	3976	0.22	28835895	0.83
10001 and above	2986	0.17	3183993264	91.44
Total	1797387	100	3482063355	100

b. Shareholding Pattern as on March 31, 2026

Category	2026		2025	
	Voting strength (%)	No. of Shares held	Voting strength (%)	No. of Shares held
Promoters Holding				
Indian Promoters				
President of India	58.17	2025440587	63.17	2199650402
Total Promoter holding	58.17	2025440587	63.17	2199650402
Non-promoters Holding				
Banks, Financial Institutions, Insurance Companies, Qualified Institutional Buyers, Alternative Investment Fund, Sovereign Wealth Fund	11.10	386655324	10.30	358867677
Foreign Institutional Investors (including Qualified Foreign Investor)	7.23	251590244	7.19	250444508
Mutual Funds and UTI	12.87	448428234	6.09	211890398
Others				
Individuals, HUF, Employees	9.60	334308254	12.11	421904848
Bodies Corporate	0.43	15047472	0.55	17630063
NRIs & Foreign National/ Entity	0.46	15893328	0.50	18613126
Trust	0.03	1031303	0.03	1106220
Clearing Members	0.08	2687798	0.04	1319860
IEPF	0.03	972266	0.02	627318
Directors & Relatives	0	4795	0	200
State Govt.	0	1500	0	1500
Central Govt.	0	2250	0	7235
Total Non-promoter holding	41.83	1456622768	36.83	1282412953
Grand Total	100	3482063355	100	3482063355

Note: During FY 2025–26, the President of India acting through and represented by Ministry of Heavy Industries, Government of India had offloaded 17,42,09,815 equity shares of the Company, representing 5% of the total paid-up equity share capital through Offer for Sale (OFS). Consequently, the Government of India's shareholding in the Company decreased from 63.17% to 58.17%.

c. List of shareholders who are holding more than 1% of the shares of the Company as on March 31, 2026 (PAN Based)

Category & Shareholder's Name	March 31, 2026	
	Voting strength	No. of shares held
Promoters		
President of India	58.17	2025440587
Non-promoters		
Life Insurance Corporation of India	6.21	216338371
Nippon Life India Trustee Ltd.	2.75	95668881
SBI Mutual Fund	2.17	75606971
NPS Trust	1.55	53816279
ICICI Prudential Mutual Fund	1.15	40206668
Axis Mutual Fund Trustee Ltd.	1.06	36742977
Mirae Asset Mutual Fund	1.03	36023384

xi. 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. 5th 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 March 31, 2026, 99.98% (NSDL: 94.20%, CDSL: 5.78%) 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 58.17% 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. The Company has no demat suspense account/ unclaimed suspense account.

xii. Directors & Officers and other Insurance Policies

The Company has taken Directors & Officers Liability Insurance covering legal liability (with regard to management of affairs of the company) to pay for damages or costs awarded against them and related costs & expenses.

Further, BHEL has taken special contingency insurance policies towards the risk arising out of (a) requirements relating to issuance of duplicate securities in order to safeguard and protect the interest of the Company and (b) claims in respect of verification report under Rule 7 of the Investor Education & Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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 2025-26 - 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 FY 2025-26 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:

- Total exposure of the listed entity to commodities in INR: ₹4,306 Crore (approx.)
- Exposure of the listed entity to various commodities:

Commodity Name	Exposure in INR towards the particular commodity (in ₹ Crore) (approx.)	Exposure in Quantity terms towards the particular commodity (in MT) (approx.)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Steel	3117	486599	-	-	-	-	-
Copper	1048	9056	-	-	-	-	-
Aluminium	103	2759	-	-	-	-	-
Nickel	32	157	-	-	-	-	-
Tin	6	13	-	-	-	-	-

- Commodity risks faced by the listed entity during the year and how they have been managed: Major Industrial commodities like Steel, Copper, Aluminium etc., which are subject to market volatilities, are being procured centrally by one of the identified Units by bulking the requirements of various BHEL units, to the extent possible, and also by discovering the prices periodically, so as to derive price advantage and insulate the Company against price fluctuations. Further, Framework Agreements with suitable PVC are finalized periodically, wherein the prices discovered are mapped against the indices like LME, JPC, MCX, etc. Also, a Unified Procurement Cell (UPC) is in place for procurement of major commodities centrally starting with steel, which addresses 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)

*As on 31st March 2026

xvii. Address for correspondence

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

M/s Bigshare Services Private Limited**UNIT: BHEL**

Office No S6-2, 6th Floor
Pinnacle Business Park,
Next to Ahura Centre,
Mahakali Caves Road,
Andheri (East),
Mumbai – 400093
Phone: 022-62638200
Email: investor@bigshareonline.com
Website: www.bigshareonline.com

OR

Dr. Yogesh R Chhabra
Company Secretary
Phone: 011-66337474, 011-26001046
Email: shareholderquery@bhel.in
Website: www.bhel.com

BHEL Regd. Office:

BHEL House, Siri Fort,
New Delhi – 110 049

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

Declaration: Pursuant to Listing Regulations, it is hereby declared that all the Board members and Senior Management Personnel have affirmed compliance with BHEL's "Code of Business Conduct and Ethics" for the financial year 2025-26.

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 07, 2026



K K SACHDEVA & ASSOCIATES

Company Secretaries

201, 3rd Floor, Dr. Mukherjee Nagar, Delhi-110009

Ph. 011 79694789, 9811071577, E-mail: kks445@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} 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 31st March, 2026 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.	Asit Gopal	08548124	03.02.2026
3.	Vijay Mittal	09548096	25.03.2022
4.	Ramesh Patiya Mawaskar	10194932	08.06.2023
5.	Tajinder Gupta	10327530	20.09.2023
6.	Bani Varma	10337787	09.10.2023
7.	Rajesh Kumar Dwivedi	10048893	19.06.2024
8.	Serugulathur Mahadevan Ramanathan	11084884	30.04.2025

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.

For **K K SACHDEVA & ASSOCIATES**
Company Secretaries

Place: Delhi
Date: 30.04.2026

Kishor Kumar
Sachdeva

Digitally signed by Kishor
Kumar Sachdeva
Date: 2026.04.30 07:00:57
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KISHOR KUMAR SACHDEVA
Proprietor
CP No. 4721, FCS 7153
Peer Review No 1684/2022
UDIN: F007153H000237977

**AKHIL ROHATGI & COMPANY**

Company Secretaries
 21, Shamnath 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") having CIN: L74899DL1964GOI004281, for the year ended March 31, 2026, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI Listing Regulations) and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises (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 SEBI Listing Regulations and DPE Guidelines on Corporate Governance during FY 2025-26 except that:

- 1) During the period under review, the number of independent directors on the Board were less than half of the total strength of the Board as required under Regulation 17(1) of the SEBI Listing Regulations and Para 3.1.4 of the DPE Guidelines on Corporate Governance. Further, the Company did not have an independent woman director as also required under Regulation 17 (1) during the period under review; and
- 2) During the time period from 28.03.2026 to 31.03.2026, composition of the Audit Committee and the Nomination & Remuneration Committee were not in accordance with Regulations 18 (1) and 19 (1) respectively of the SEBI Listing Regulations and Paras 4.1.1 and 5.1 respectively of the DPE Guidelines on Corporate Governance, due to only one independent director being on the Board of the Company.

The Company has explained that BHEL, being a Government Company, all the Directors are appointed by the President of India, acting through the 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

**AKHIL
 ROHATGI**

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 DN: cn=AKHIL ROHATGI, o=AKHIL ROHATGI & COMPANY, ou=Company Secretaries, email=rohatgi_co_secy@yahoo.co.in, c=IN
 Date: 2026.03.28 11:11:46 +05'30'



GST No: 07ABTFA2714K1Z7

**AKHIL ROHATGI & COMPANY**

Company Secretaries

21, Sharnath Marg, Civil Lines, Delhi – 110054

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csdelhi84@gmail.com

GST No: 07ABTFA2714K1Z7

**Secretarial Audit Report
for the Financial Year ended on 31st March 2026**

[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 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 **31st March 2026**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March 2026** 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 ('SEBI Listing Regulations');
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

**AKHIL
ROHATGI**

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csdelhi84@gmail.com

GST No: 07ABTFA2714K1Z7

- (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 Share Transfer Agents) Regulations, 1993 & The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act, 2013 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 acts/ laws applicable to the Company 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:

- 1) During the period under review, the number of independent directors on the Board were less than half of the total strength of the Board as required under Regulation 17(1) of the SEBI Listing Regulations, Para 3.1.4 of the DPE Guidelines on Corporate Governance and Section 149 (4) of the Companies Act, 2013. Further,

**AKHIL ROHATGI & COMPANY**

Company Secretaries

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csdelhi84@gmail.com

GST No: 07ABTFA2714K1Z7

the Company did not have an independent woman director as also required under Regulation 17 (1) of the SEBI Listing Regulations; and

2) During the time period from 28.03.2026 to 31.03.2026, composition of the Audit Committee and the Nomination & Remuneration Committee were not in accordance with Regulations 18 (1) and 19 (1) respectively of the SEBI Listing Regulations, Paras 4.1.1 and 5.1 respectively of the DPE Guidelines on Corporate Governance and Sections 177 (2) and 178 (1) respectively of the Companies Act, 2013, due to only one independent director being on the Board of the Company.

The Company has explained that BHEL, being a Government Company, all the directors are appointed by the President of India, acting through the 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 SEBI Listing Regulations, DPE Guidelines on Corporate Governance and Companies Act, 2013.

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 directors 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 issued notices to the Company for non-compliance of Regulation 17 (1) of the SEBI Listing Regulations during FY 2025-26 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.

AKHIL
ROHATGI

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Date: 2025.03.26 11:11:11 +05'30'

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csdelhi84@gmail.com

GST No: 07ABTFA2714K1Z7

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. have occurred in the Company.

For Akhil Rohatgi & Co.
Company Secretaries
Peer Review No. 7777/2026

**AKHIL
ROHATGI**

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Date: 2026.06.01 10:00:00 +05'30'

CS Akhil Rohatgi

FCS: 1600, COP:2317

FRN: P1995DE072900

UDIN No: F001600H000561390

Place: New Delhi

Date: 01.06.2026

[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, Sharnath Marg, Civil Lines, Delhi – 110054
Phone : 9810690633, 8527087435
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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 records 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
Peer Review No. 7777/2026

AKHIL
ROHATGI

CS Akhil Rohatgi

FCS: 1600, COP:2317

FRN: P1995DE072900

UDIN No: F001600H000561390

Place: New Delhi
Date: 01.06.2026



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 31st March, 2026 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 2025-26 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, 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
- (i) Significant changes, if any, in internal control over financial reporting during the year 2025-26;
 - (ii) Significant changes, if any, in the accounting policies during the year 2025-26 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

(Rajesh Kumar Dwivedi)
Director (Finance) & CFO

(K. Sadashiv Murthy)
Chairman & Managing Director

Place: New Delhi

Date: May 4, 2026

ABODE OF MULTIDISCIPLINARY TALENT



9000+
TECHNICAL
GRADUATES

Engineering strength
powering progress



1300+
MASTERS IN
TECHNOLOGY

Advanced technical
expertise



2000+
MBA/PGDMs

Strategic Business
Leadership



50+
PhDs

Driving
Innovation



550+
Finance
professionals

CAs, ICWAs, CMAs



- Mature & seasoned workforce with **average age of 43 years** and **average experience 17 years**
- **100+ Doctors** and **30+ Law Officers**





CSR activities being undertaken by BHEL at various locations across the country

Annexure – IV to the Board's Report

Sustainability, CSR and HSE

4.1 Sustainability Performance – Environmental

The changing dynamics of the global business environment have transformed sustainability from an optional consideration into a core strategic imperative. At BHEL, sustainability is deeply integrated into our operations, guiding every aspect of planning, execution, and decision making.

BHEL continues to play a leading role in climate accountability and environmental stewardship, consistently adopting global best practices to reduce our ecological footprint while strengthening our positive social impact.

This section highlights key initiatives and achievements for FY 2025-26 under BHEL's environmental sustainability programme.

4.1.1 Responsible use of Material and Natural Resource Consumption

BHEL remains committed to the responsible and efficient use of materials and natural resources across all its operations. By optimizing material consumption, the organization not only advances its environmental sustainability objectives but also enhances cost effectiveness, in alignment with UN

Sustainable Development Goal 12 (SDG 12) – Responsible Consumption and Production.

Manufacturing units across BHEL implement targeted waste-reduction initiatives, such as advanced nesting techniques to minimize metal scrap. Metal offcuts are either reintroduced into the production process or recycled through responsible channels, thereby maximizing material use efficiency.

Instances such as the 150 LPH coolant recovery plant at BAP Ranipet, dispatch of 4,990 MT of MS melting scrap to CFFP Haridwar for reuse in castings, reuse of 585 MT of MS melting scrap in the foundry shop at HPEP Hyderabad, and the creation of a 150 kL groundwater tank to recycle and reuse water for hydro testing of fabricated jobs at FSIP Jagdishpur – exemplify BHEL's commitment to responsible consumption of materials and natural resources.

4.1.2 Energy Efficiency and Management

Company has been providing its customers with energy efficient equipment and power plants with cleaner technologies, contributing towards energy efficiency and

carbon emission reduction in alignment with UN Sustainable Development Goal 7 (SDG 7) - Affordable and Clean Energy.

Energy conservation is deeply embedded in BHEL's operational ethos. Key measures include upgrading to energy efficient equipment, minimizing energy leakages, and implementing best-in-class energy management systems in line with ISO 50001. In FY 2025-26, nearly 50 energy-efficiency projects identified through energy audits across BHEL units were completed, collectively expected to reduce power demand by about 4.84 million units per annum. During the same year, renewable energy output from captive solar installations reached 44.21 million units, 11.7% year-on-year increase and a cumulative generation of 275.86 million units over the last nine years.

4.1.3 Water Stewardship

Company's water and biodiversity related initiatives are aligned with SDGs 3, 6, 11, and 14. The Company has made water efficiency a key priority through conservation, recycling, and reuse, with the long term goal of achieving water neutrality.

During FY 2025-26, BHEL continued its efforts to create new rainwater harvesting (RWH) systems and to rejuvenate existing RWH structures that had become defunct over time. The total number of rain-water harvesting systems and water bodies is over 140, significantly enhancing the volume of rainwater harvested for groundwater recharge and supporting biodiversity across our campuses. In addition, four new RWH systems were commissioned during the year at BAP Ranipet.

BHEL's waste and effluent management framework includes 22 Effluent Treatment Plants (ETPs) and 18 Sewage Treatment Plants (STPs). Eleven of our units now operate without discharging any effluent beyond their site boundaries, thereby setting a benchmark for sustainable water use.

4.1.4 Biodiversity and Green Cover

Satellite-based ecological assessments confirm that approximately 40% of BHEL's land area is vegetated with trees, shrubs, and bushes. Our campuses host nearly 3.1 million trees and shrubs, bolstered by Miyawaki Forests at key units including BAP Ranipet, HPBP Trichy, HPEP Hyderabad, and TP Jhansi—designed to enhance biodiversity and expedite forest maturation. The diverse vegetation, combined with onsite water bodies, fosters robust local ecosystems.

In FY 2025-26, BHEL planted 19,133 saplings across the units and an additional 25,252 saplings at project sites against the total target of 40,000 saplings for the year. Many large campuses also include water bodies that enrich habitats and support wildlife.

In 2023-24, company joined the World Economic Forum's Trillion Trees Campaign ([1t.org](https://www.weforum.org/campaigns/trillion-trees)), committing to safeguard existing green assets, scale up afforestation, and promote biodiversity-driven greening initiatives—and we remain fully dedicated to these goals.

4.1.5 Carbon Footprint Reduction

BHEL has committed to Net Zero emissions (Scope 1 and 2) by 2047, aligning with national net-zero goals.

Strategic initiatives in this regard included fuel substitution from high-emission sources (e.g., replacing LPG and FO with PNG at HEP Bhopal in year 2025-26), onsite solar expansion via CAPEX/RESCO—such as commissioning a 750 kWp rooftop solar plant at FSIP—and exploring Green RTC electricity procurement to reduce indirect emissions.

These efforts have led to the achievement of 31,308 MT CO₂-e emission avoidance in FY 2025-26 considering grid emission factor of 0.71 kg of CO₂-e emission per unit of electricity generated, supported by over 3.1 million trees serving as a natural carbon sink.

4.1.6 Waste Minimization and Circularity

BHEL's waste management adheres to the 3Rs: Reduce, Reuse, Recycle approach. Metal scraps are either reused/ recycled or sold to authorised agencies and biodegradable waste is composted at Units like HERP Varanasi and FSIP Jagdishpur. Hazardous and e-waste are handled as per regulatory norms.

The Special Campaign 5.0 on Swachhata led to the disposal of scrap worth approximately ₹59.20 Crore during the year. Furthermore, all 15 BHEL Townships have maintained their status as "Single Use Plastic Free" certified townships, reflecting our commitment to cleaner living spaces.



5MW Solar Power Plant at HEEP, Haridwar

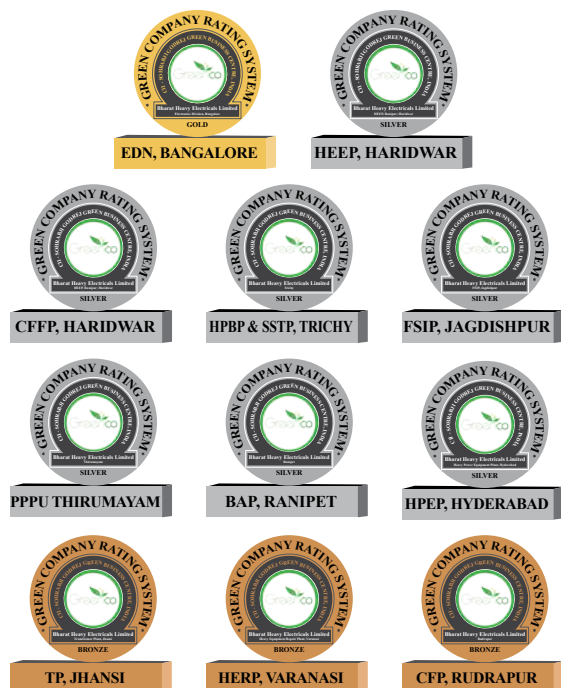
4.2 हरित बीएचईएल (HARIT BHEL) – Driving BHEL towards a Greener Tomorrow

BHEL's comprehensive green initiative, हरित बीएचईएल (HARIT BHEL), embodies company's pledge to sustainability and responsible growth, transforming the organization into an environmentally conscious leader. Aligned with SEBI BRSR Core, GRI 305, and TCFD standards, it targets Net Zero emissions (Scope 1 and 2) by 2047, mirroring India's national goals.

Three key pillars of HARIT BHEL:

- 1. Net Zero Emissions by 2047:** Minimizing environmental impact through achievement of Net Zero for Scope 1 (direct) and Scope 2 (purchased energy) emissions by 2047. The company is also collaborating across its value chain to address Scope 3 emissions. The progress under this pillar has been driven through adoption of cleaner technologies, renewable energy, resource efficiency, and robust governance with all manufacturing units having established baselines and roadmaps. The company's emission intensity dropped 15.4% in FY 2025-26 against previous year.
- 2. GreenCo Certification for Manufacturing Units:** BHEL pursues CII GreenCo Ratings to benchmark and elevate environmental performance, fostering model green manufacturing. Achievements across 12 units during the last three financial years:

During the last three financial years, twelve manufacturing units have undergone assessment process and have been awarded GreenCo Rating.



The remaining manufacturing units have also initiated the process for obtaining GreenCo Rating. Other units who are already certified at present are working towards improving their ratings, with the ultimate goal of reaching the GreenCo-Platinum level, the highest rating under the GreenCo rating system.

- 3. Key Sustainability Actions Implemented in 2025-26:** BHEL launched a number of sustainability actions across its manufacturing units during FY 2023-24 and they are being continued during FY 2025-26 as long-term initiatives. These include but not limited to -

- a) Solar PV Expansion**
 - 750 kWp rooftop solar commissioned at FSIP Jagdishpur (RESCO mode) during FY 2025-26.
 - Total capacity: 43.25 MWp as of March 31, 2026.
 - Generation: 44.21 Million Units (+11.98 % YoY).
- b) Green Cover Enhancement**
 - Target: 40,000 saplings.
 - Achieved: 44,385 saplings planted across campuses and project sites, boosting sequestration.

In the coming years, HARIT BHEL will advance through:

- Solar capacity growth.
- Full GreenCo certification.
- Audit-driven water/energy efficiencies.
- Expanded plantations and biodiversity.
- Enhanced waste management.
- Sustainability integration organization-wide

This initiative positions BHEL as a future-ready green PSU by 2047, blending business excellence with environmental stewardship.

4.3 Health, Safety and Environment (HSE)

BHEL remains steadfast in prioritizing safety of workforce, environmental stewardship, and sustainability amid a record-high orderbook outstanding. The company's guiding principle that 'every employee returns home safely' is realized through a culture of collective ownership, where safety excellence is maintained by integrating rigorous Permit-to-Work compliance, detailed Method Statements, and Job Safety Analysis with a proactive commitment to near-miss reporting and the uncompromised authority to stop work at any unacceptable risk.

To bolster this, senior management holds regular Apex-level reviews, scrutinizing high-risk areas, and policy adherence across the company and project sites. "Doorstep trainings" on safety aspects has delivered hands-on, site-specific guidance

directly to the employees, enhancing their practical skills. Complementing these, periodic internal and external audits has benchmarked compliance with statutory and organizational standards and has identified gaps, triggering targeted corrective/preventive actions. Robust monitoring and feedback loops have also ensured continuous improvement. Frequency Severity Index (FSI) in FY 2025-26 was 0.347 and 0.248 in FY 2024-25.

In environment aspect, BHEL leads as a responsible corporate citizen. All the townships have earned independent third-party certification as single-use plastic free, curbing pollution at its source. The flagship HARIT BHEL program is propelling the organization toward Net Zero emissions by 2047, emphasizing the commitment towards green energy transitions, water conservation via expanded rainwater harvesting for neutrality, and responsible waste management. Notable FY 2025-26 milestones include commissioning a 750 kWp rooftop solar plant at FSIP Jagdishpur under the RESCO model, boosting total installed capacity to 43.25 MWp and generating 44.21 million units—a robust 11.7% year-on-year increase. Afforestation efforts saw 19,133 saplings planted at units and 25,252 at project sites (exceeding the 40,000 target), while campus water bodies enrich biodiversity and support local wildlife.

Institutionalizing excellence, the GreenCo Rating program evaluates and elevates environmental practices. Twelve units are certified—EDN achieving Gold, with others at Silver/Bronze—setting benchmarks for all to pursue Platinum in upcoming cycles.

In FY 2025-26, BHEL rolled out several impactful campaigns under the guidance of Ministry of Heavy Industries. These includes Environment Awareness Month (Jun 05–Jul 04), kicking off with World Environment Day through workshops, tree-plantation drives, and sustainability pledges. Swachhata Pakhwada (Aug 16–31), focusing on cleanliness and waste segregation across the facilities. Special Campaign 5.0 under

Swachh Bharat Abhiyan (Oct 02–31), emphasizing record management and public space upkeep. Safety Fortnight (Mar 04–17), starting with National Safety Day, featuring drills, awareness sessions, and mock emergencies. These initiatives cultivate a thriving culture of safety, responsibility, and well-being, positioning BHEL as an HSE leader.

4.4 Sustainability Performance – Social

BHEL carries out its social responsibility through seven strategic thrust areas elaborated in the company's CSR policy. All the activities in these thrust areas are in line with activities and areas mentioned in Schedule VII of the Companies Act, 2013. All CSR Allocations and Expenditure are as per the BHEL's CSR Policy, which in turn is in compliance with the extant provisions related to CSR in the Companies Act, 2013, Schedule VII to the Companies Act, The Companies (CSR Policy) Rules, 2014 and the extant DPE Guidelines issued from time to time. The total CSR budget for the year 2025-26 was ₹859.13 Lakh. Out of this, approx. 64% has been allocated for CSR projects aligned with CSR theme "Health and Nutrition" for FY 2025-26, which will continue or be completed in FY 2026-27.

Brief description of key interventions undertaken during the year are given below:

Educated India

- Providing support for running schools located in BHEL manufacturing units at Haridwar, Jagdishpur & Jhansi.
- Continued financial support for Habilitating special children of special care school at Ramachandrapuram, Hyderabad.
- Continued financial support to Arivalayam - a special school and rehabilitation Centre for intellectually challenged children, at Trichy.



Financial support for infrastructure development works at MIMS, Mandya, Karnataka



Medical equipment handed over to Collector, Ranipet under the Healthy India initiative of CSR

Healthy India

- Financial support for Infrastructure upgradation and Digitalisation at Mandya Institute of Medical Sciences (MIMS), Mandya, Karnataka.
- Financial support for meeting hall construction and medical equipment at PHC, Koppa, Mandya District, Karnataka.
- Financial support for "Health and Hygiene for Slum Children and Women" project in Jodhpur, Rajasthan.
- Financial support for "Nutritional Support Project for Children" in Amravati District, Maharashtra.
- Financial support for prevention of genetic disorders (sickle cell and thalassemia) in Vidarbha, Maharashtra.
- Financial support for distribution of assistive devices to Divyangjans and senior citizens in West Godavari, Andhra Pradesh.
- About 40 projects on CSR Theme "Health & Nutrition" viz. providing mobility aids to the physically disabled people; providing nutritional support kit for Children/Elderly/Mothers & Pregnant Women/TB Patients; medical and health awareness camps; providing medical equipment's, clean drinking water facilities and toilets in nearby Govt. Hospitals/Health Centres, Yoga Classes etc. have been undertaken across BHEL.

Green India

- Installation of 5 kW grid-connected rooftop solar power plant under net metering mechanism at tribal educational campus – Shreenath Vidyalaya, Surji-Anjangaon, district Amravati, Maharashtra

4.5 Annual report for CSR Activities

- Brief outline on CSR Policy of the Company. (Attached as Annexure-4A)
- 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	Ramesh Patlya Mawaskar, Independent Director	Chairperson	2	2
2	Director (HR)	Member	2	2
3	Director (Finance)	Member	2	2

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

- 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>

- 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.

Nil

- Average net profit of the company as per sub-section (5) of section 135.
₹42956.33300 Lakh
 - Two percent of average net profit of the company as per sub-section (5) of section 135.
₹859.12667 Lakh
 - Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.
Nil
 - Amount required to be set-off for the financial year, if any. **Nil**
 - Total CSR obligation for the financial year [(b) + (c) – (d)]. **₹859.12667 Lakh**
- Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project). **₹582.31231 Lakh**
 - Amount spent in Administrative Overheads **₹29.41067 Lakh**
 - Amount spent on Impact Assessment, if applicable. **₹5.90109 Lakh**
 - Total amount spent for the Financial Year [(a) + (b) + (c)]. **₹617.62407 Lakh**
 - CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹ Lakh)	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
264.29790	594.82877	28.04.2026	-	-	-

(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)	859.12667
(ii)	Total amount spent for the Financial Year	264.29790
(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

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6	7	8
S. No.	Preceding Financial Year(s)	Amount Transferred to Unspent CSR Account under Sub-Section (6) of section 135 (in ₹ Lakh)	Balance Amount in Unspent CSR Account Under Sub Section (6) of section 135 (in ₹ Lakh)	Amount Spent in the Financial Year (in ₹ Lakh)	Amount transferred to A Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any	Amount remaining to be spent in succeeding Financial Years (in ₹ Lakh)	Deficiency, if any
					Amount (in ₹ Lakh)	Date of Transfer	
1	2022-23	-	-	-	-	-	-
2	2023-24	-	-	-	-	-	-
3	2024-25	470.14339	470.14339	353.32617	-	-	116.81722 Nil

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.

CSR budget for FY 2025-26 was ₹859.12667 Lakh. Full amount of CSR budget for FY 2025-26 i.e. ₹859.12667 Lakh was allocated to different CSR Projects. Out of total allocated CSR Budget, ₹264.29790 Lakh has been spent and remaining amount of ₹594.82877 Lakh have been transferred to unspent CSR account on 28.04.2026.

CSR amount spent during FY 2025-26 as under:

S. No.	Out of CSR Budget of FY 2025-26 ₹859.12667 lakh In ₹ lakh	Out of CSR Unspent Account 2024-25 ₹470.14339 lakh (In ₹ lakh)	Total (In ₹ lakh)
1	264.29790	353.32617	617.62407

As per CSR Policy of BHEL, the unspent committed amount will not lapse and will be used for CSR projects in future.

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: June 01, 2026



Annexure – 4A (Part of Section 4.5 Annual report for CSR activities)

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 <https://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.	Corporate Identity Number (CIN) of the Listed Entity	L74899DL1964GOI004281
2.	Name of the Listed Entity	BHARAT HEAVY ELECTRICALS LIMITED
3.	Date of incorporation	13 November 1964
4.	Registered office address	BHEL House, Siri Fort, New Delhi – 110049
5.	Corporate address	BHEL House, Siri Fort, New Delhi – 110049
6.	E-mail	shareholderquery@bhel.in
7.	Telephone	011-66337598
8.	Website	www.bhel.com
9.	Financial year for which reporting is being done	FY 2025-26
10.	Name of the Stock Exchange(s) where shares are listed	BSE LIMITED (BSE) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)
11.	Paid-up Capital	₹696.41 Crore
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ravi Prakash Singh (Sr. DGM– Corporate Strategic Management), email: ravips@bhel.in, Phone: 011-66337392
13.	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)	Standalone basis
14.	Whether the company has undertaken assessment or assurance of the BRSR core	Yes, certificate enclosed
15.	Name of assessment or assurance provider	S.R. Asia
16.	Type of assessment or assurance obtained	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	Manufacturing	Manufacture of machinery and equipment n.e.c.	57%
2	Manufacturing	Manufacture of electrical equipment	27%
3	Construction	Specialised construction activities	16%

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.	Manufacture of steam or other vapour generating boilers and hot water boilers other than central heating boilers	25131	32%
2.	Construction and maintenance of power plants	42201	20%
3.	Manufacture of engines and turbines, except aircraft, vehicle and cycle engines	28110	16%
4.	Manufacture of electric power distribution transformers, arc-welding transformers, fluorescent ballasts, transmission and distribution voltage regulators	27102	9%
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.)	27104	8%
6.	Manufacture of electric motors (except internal combustion engine starting motors)	27103	3%
7.	Construction/erection and maintenance of power, telecommunication and transmission lines	42202	3%

NIC Code list link: https://www.ncs.gov.in/Documents/NIC_Sector.pdf

III. Operations
19. Number of locations where plants and/or operations/offices of the entity are situated:

(Status as on March 31, 2026)

Location	Number of plants	Number of offices	Total
National	16	29	45
International	0	0	0

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 and their locations, 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)	94

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Exports contribute to ~ 1.35 % of total turnover (Revenue from Operations)

c. A brief on types of customers

BHEL customers span across Government, Government ministries, Government-owned entities, Semi-Government agencies, CPSEs, State PSUs, State electricity boards, Independent Power Producers (IPP) and Private companies.

IV. Employees

Definition of 'Employees', 'workers', 'permanent employee', 'permanent worker', 'employee other than permanent' and 'worker other than permanent' is in line with "Guidance note for business responsibility and sustainability reporting format". As per the interpretation of the definition, 'Employees' include 'Employees' as well as 'Workers' in '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)
EMPLOYEES						
1.	Permanent (D)	27284	25693	94.17%	1591	5.83%
2.	Other than Permanent (E) *	22740	20673	90.91%	2067	9.09%
3.	Total employees (D + E)	50024	46366	92.69%	3658	7.31%
WORKERS						
4.	Permanent (F)	12500	12200	97.60%	300	2.40%
5.	Other than Permanent (G)*	22581	20524	90.89%	2057	9.11%
6.	Total workers (F + G)	35081	32724	93.28%	2357	6.72%

- b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	816	792	97.06%	24	2.94%
2.	Other than Permanent (E)*	72	55	76.39%	17	23.61%
3.	Total employees (D + E)	888	847	95.38%	41	4.62%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	343	340	99.13%	3	0.87%
5.	Other than Permanent (G)*	72	55	76.39%	17	23.61%
6.	Total workers (F + G)	415	395	95.18%	20	4.82%

*BHEL awards job/ works contracts to contractors at its various Units/ Divisions/ Departments/ Sites as per organizational needs. The number of workers with contractors varies from time to time.

22. Participation/ Inclusion/ Representation of women (Status as on March 31, 2026).

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.50%
Key Management Personnel (KMP)	6	1	16.67%

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'.

Category	FY 2025-26			FY 2024-25			FY 2023-24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	3.05%	3.90%	3.10%	3.60%	4.76%	3.67%	3.34%	4.59%	3.42%
Permanent workers	2.52%	4.67%	2.58%	2.73%	3.30%	2.75%	2.55%	4.43%	2.60%

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 PVT. 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
4.	BHARAT COAL GASIFICATION AND CHEMICALS LTD.	Joint Venture	49.00%	No

VI. CSR Details

25. CSR details

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes, CSR is applicable for BHEL

(ii) Turnover*: ₹33,782 Crore

(iii) Net worth: ₹26,516 Crore

* Turnover mentioned here is Revenue from Operations for FY 2025-26

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 2025-26			FY 2024-25		
		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 https://pgportal.gov.in/	210	1	-	193	4	-
Investors (other than shareholders)	NA	-	-	-	-	-	-
Shareholders	Yes https://www.bhel.com/investor-grievance-redressal-mechanism	9	9	-	2	0	-

Employees and workers	Yes (Internal system)	4	0	-	85	49	-
Customers*	Yes (Internal system)	361	41	-	358	42	-
Value Chain Partners	Yes https://suvidha.bhel.in/	218	44	-	55	10	-

* Grievances are received from customers through multiple channels which are hosted on internal systems for redressal and resolution.

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 for energy conservation, energy efficiency, adoption of energy management systems, reduction in emission intensity, carbon emission reduction, greater use of renewable energy, maintain existing green cover and planting new saplings. Opportunity to transform the company into 'Green Company' to address cost of fuel and climate change issues. Refer Principle 6	--	Positive Implications
2.	Water Management and waste Minimisation and Circularity	O	Opportunity to enhance environmental sustainability through the efficient utilization of various waste including water and operational waste by adopting the principles of 3R (Reduce, Recycle, Reuse), thereby minimizing environmental impact.	--	Positive Implications
3.	Skilled Manpower	R	The lack of the specialized skills and competencies required for emerging products and businesses poses a risk to revenue generation in diversified areas such as transportation maintenance, coal-to-chemicals, and operation and maintenance (O&M) businesses across various verticals, including solar and transportation. Further, gradual depletion of skilled manpower (due to superannuation) in the core thermal equipment manufacturing and commissioning business may pose operational and execution risks in the future.	Reskilling & upskilling of workforce, succession planning at key positions, fresh induction at entry levels, induction of FTAs and onboarding of consultants to bridge the skill gap.	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)
4.	Health and Safety	R	Occupational health and safety play a critical role in the continuity of business operations. Hazards and risks present across workplaces, project sites, and shop floors have the potential to adversely impact employees, workers, and other stakeholders, thereby affecting operational productivity and efficiency.	Enhanced focus on fostering a workplace culture in which safety is a shared responsibility and embedded in day-to-day operations. Same is being implemented through regular safety inspections, health check-up and fitness tests, internal & external safety audits, safety related trainings & workshops etc. Refer Principle 3	Negative Implications
5.	Human Rights & Labour conditions	R	Responsibility to identify and manage Human Rights issues and uphold labour standards in the operations and supply chain. Non-compliance to regulations on Human Rights and labour 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. Grievance redressal mechanism is in place for addressing human rights issues. BHEL complies with all the provisions of labour law applicable to BHEL. Refer Principle 5	Negative Implications
6.	Employee engagement, diversity & inclusion	O	- Employee engagement enhances productivity and hence affects the bottom line. - 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 GoI policies leading to a diverse culture and talent.	--	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)
7.	Social engagement & impacts	O	Corporate Social Responsibility (CSR) plays a vital role in uplifting vulnerable and marginalized communities through various interventions in the areas of Healthcare, community development, employment generation, skill development, education and livelihood enhancement. It also enhances the company's brand image, strengthens its appeal among customers, employees, and investors, and contributes to overall business growth and sustainability.	--	Positive 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, the company has also implemented a comprehensive, multi-layered cybersecurity framework which include measures viz. Perimeter Security (deployment of Next-Generation Firewalls, Intrusion Prevention Systems (IPS), Zero Trust Network Access (ZTNA) for both Internet and Private Access, and a Secure Email Gateway), Access Protection (Multi-Factor Authentication (MFA) for critical IT services to enhance network and data security), etc. <u>Refer 'Data and Cyber Security' of the Board Report.</u>	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)
9.	Product Quality & Safety	R	Lack in product quality and safety aspects 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
10.	Corporate Governance and business ethics	R	Values/ Ethical behaviour 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.	To attain the highest standard of corporate governance, integrity in operations alongside ethical and transparent functioning, continuous reviews and strengthening of compliance to systems and processes are being ensured. BHEL codes/ procedure are in place such as whistle-blower policy, fraud prevention policy, CDA rules etc. Refer Principle 1.	Negative Implications
11.	Climate Change	R	Reduction in demand for capital goods products in future due to emission of GHG. 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, renovation & modernization services, flexible operation solutions and expansion in non-fossil energy sectors like Nuclear and Hydro.	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)
12.	Sustainable product & services	O	New business opportunities in the field of Nuclear, Defence, Transportation, Coal to Chemical, Hydrogen etc. due to energy transition and climate actions by our customers/ policy changes.	--	Positive Implications
13.	Material Sourcing	R	Any disruptions in the supply chains, arising from geopolitical tensions, trade barriers, or natural disasters, etc. can lead to delays in project execution and increase in operational costs.	Promoting the 'Make in India' initiative through indigenization of materials and components by developing new domestic vendors, placement of developmental orders on such vendors, and exploring alternative materials, technologies, and energy sources to reduce import dependence and enhance sustainability.	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	N	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No/NA)	Y	NA	Y	Y	Y	Y	NA	Y	N
c. Web Link of the Policies, if available [#]	i, ii, iv	-	v	vi	v	v	-	vi	iii
2. Whether the entity has translated the policy into procedures. (Yes/No/NA)	Y	NA	Y	Y	Y	Y	NA	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No/NA)	Y	NA	N	N	N	N	NA	N	Y
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, g, h	a, b, c	b, c, e, f	f	e, f, h	b, c	f, g	f, h	a
*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 g. SEBI LODR requirement; h. Companies Act 2013									
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	NIL	50% order book from non-fossil sector (FY23-FY27)	NIL	NIL	NIL	Targets in FY 2025-26 1. Planting of 40,000 saplings 2. GreenCo rating assessment of two manufacturing unit	NA	NIL	NIL
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NIL	22% in four years (FY23-FY26)	NIL	NIL	NIL	44,385 saplings planted 4 manufacturing units have got GreenCo rating in 2025-26 against the target of 2.	NA	NIL	NIL

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*)

BHEL, as a responsible corporate citizen, actively combats pollution through various initiatives, across its operations showcasing our commitment to environmental sustainability. In addition to efforts towards curbing pollution, BHEL has undertaken significant initiatives for promoting environmental sustainability. HARIT BHEL is our transformative initiative to make BHEL a green company, aiming for NET ZERO by 2047. Increasing the use of green energy, reducing water wastage, increasing rainwater harvesting to achieve water neutrality and adopting responsible waste management practices are key focus areas under the HARIT BHEL initiative. BHEL has launched the GreenCo Rating program to assess our green practices and drive continual improvement towards making BHEL an environmentally friendly company.

BHEL is committed to environmental preservation, serving as a catalyst for renewed action towards curbing plastic pollution and advancing the goals of the HARIT BHEL initiative.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).

Name: Shri Tajinder Gupta
Designation: Director (Power) and Additional Charge (HR)
DIN: 10327530
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.

10. Details of Review of NGRBCs by the Company:

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
Performance against above policies and follow up action	CoB	O	D	CoB	D	D	O	CoB	D	Q	O	O	O	O	O	O	O	O
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	CoB	O	D	CoB	D	D	O	CoB	D	Q	O	O	O	O	O	O	O	O
Legend	CoB: Committee of Board, D: Director, O: Any other committee (as required)									Q: Quarterly, O: As per requirement								

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.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policies and procedures of the organization are subject to audits/ reviews by third party viz. CAG, Parliamentary Committees, Administrative Ministry, etc. in addition to ISO certification agencies i.e. ISO 9001, ISO 14001, ISO 45001, ISO 27001. Further, reasonable assurance is also carried out by third party for BRSR core disclosures								

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- <https://www.bhel.com/code-business-conduct-ethics-board-members-senior-management-personnel>
- <https://www.bhel.com/code-conduct-prevention-insider-trading>
- <https://www.bhel.com/quality-policy>

- iv. <https://www.bhel.com/whistle-blower-policy>
- v. <https://www.bhel.com/sites/default/files/HSEPOLICY.pdf>
- vi. https://www.bhel.com/sites/default/files/BHEL_CSR_Policy_2022.pdf

Note: BHEL has practices and procedures established based on these principles, but do not have formal policy document with respect to P2 and P7.

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	No	No	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	Yes	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	No	No	No	No	No	No
It is planned to be done in the next financial year (Yes/No)	No	No	No	No	No	No	No	No	No
Any other reason (please specify) *	No	No	No	No	No	No	No	No	No

*In respect of Principle 2 "Product Life Sustainability" and Principle 7 "Policy Advocacy", although company doesn't have Board approved policy but follows established practices based on these two Principles 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 the 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	7	Production technology and production planning, Leadership, Finance, Strategic management, Arbitration, DPE guidelines, corporate governance and Auditing	50%
Key Managerial Personnel	4	Strategy & Leadership, corporate governance, Auditing, DPE guidelines	43%
Employees [#] other than BoD and KMPs	2620	Technical, functional, safety, managerial and behavioural topics in line with nine principles	68.83%
Workers [@]	645		45.10%

Note: For calculating percentage, the strength of the BoD and KMP for FY 2025–26 has been taken after considering appointments and cessations and is based on the total number of BoDs and KMPs who held office during any part of the reporting period.

This includes BHEL's permanent employees and workers.

@ This includes BHEL's permanent workers

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

*Note: It does not include any tax deposit under protest, i.e. mandatory pre-deposit before filing appeal as it is not categorised as fines/ penalties/ punishments/ awards/ compounding fees/ or settlement amounts as those deposits may be refunded to Company subject to appellate outcome.

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 Whistle Blower Policy in place to fight menace of corruption and bribery and is hosted at <https://www.bhel.com/whistle-blower-policy>. As a part of BHEL's persisting endeavour to set a high standard of conduct among its employees (other than those governed by standing orders), BHEL 'Conduct, Discipline and Appeal Rules-1975' is in place. https://bhel.com/sites/default/files/CDA%20Rules_0.pdf

The Company is subject to RTI Act 2005, audit by Statuary Audit and CAG audit under section 139 of the Companies Act, 2013.

In addition, Chief Vigilance Officer (CVO), who functions as a link between Central Vigilance Commission (CVC), Central Bureau of Investigation (CBI) and the Management, heads the Vigilance function in BHEL. 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. 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 (03) Independent External Monitors (IEMs) has been appointed to oversee implementation of Integrity Pact in BHEL, with due approval of Central Vigilance Commission. Details of IEMs are available at the link below.

<https://www.bhel.com/iems-under-integrity-pact-1>

Further, in line with GoI guidelines, CVC exercises superintendence over the vigilance administration along with formulating and updating the Vigilance Manual which serves as the comprehensive guide for vigilance administration, including anti-corruption measures and is applicable to of all Central Government Ministries, Public Sector Undertakings (PSUs), Public Sector Banks (PSBs), and autonomous bodies including BHEL

5. Number of Directors/KMPs/employees/workers against whom disciplinary action* was taken by any law enforcement agency for the charges of bribery/ corruption:

Category	FY 2025-26	FY 2024-25
Directors	0	0
KMPs	0	0
Employees	8**	1
Workers	0	0

*Generally disciplinary action is taken by BHEL, and not by law enforcement agency. In light of this, the data provided includes current as well as former employees where Regular Cases has been registered by law enforcement agencies within the reporting period.

**includes three former employees, (two retired and one removed).

6. Details of complaints with regard to conflict of interest:

Details	FY 2025-26		FY 2024-25	
	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-

Appropriate first-stage advice and system improvement recommendations, were communicated to the concerned functional heads in cases involving disciplinary proceedings.

8. Number of days of accounts payable ((Accounts payable * 365) / Cost of goods/ services procured) in the following format

	FY 2025-26	FY 2024-25
Accounts payable x 365 days	₹4,31,97,89,60,00,000	₹4,27,47,74,15,00,000
Costs of goods/service procured (including works)	₹ 2,62,46,00,00,000	₹ 2,13,15,00,00,000
Number of days of accounts payables	165	201

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 2025-26	FY 2024-25
Concentration of Purchases*	a. i) Purchases from trading houses (₹)	0	0
	ii) Total purchases (₹)	1,96,20,00,00,000	1,47,16,00,00,000
	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%
Concentration of Sales	a. i) Sales to dealer / distributors (₹)	0	0
	ii) Total Sales (₹)	3,23,59,83,00,000	2,73,55,17,00,000
	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%
Share of RPTs in	a. i) Purchases (Purchases with related parties) (₹)	2,04,00,000	1,49,00,000
	ii) Total purchases (₹)	2,62,46,00,00,000	2,13,15,00,00,000
	iii) Purchases with related parties as % of Total purchases	0.01%	0.01%
	b. i) Sales (Sales to related parties) (₹)	3,65,90,00,000	3,29,89,00,000
	ii) Total sales (₹)	3,23,59,83,00,000	2,73,55,17,00,000
	iii) Sales to related parties as % of Total sales	1.13%	1.21%
	c. i) Loan & advances given to related parties (₹)	6,00,000	16,00,000
	ii) Total loans & advances (₹)	37,41,00,00,000	31,90,00,00,000
	iii) Loan & advances given to related parties as % of Total loans & advances	0.00%	0.01%
	d. i) Investments in related parties (₹)	4,87,00,000	5,29,49,000
	ii) Total Investments made (₹)	4,87,00,000	5,29,49,000
	iii) Investments in related parties as % of Total Investments made	100%	100%

*Note: Total purchases under 'Concentration of Purchases' pertain to Goods & Services only (excl. works).

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
48	- Awareness on Public Procurement Policy for Micro and Small Enterprises (MSEs) – Order for MSEs (issued by Ministry of MSME-Gol) and special programmes on SC/ST and Women owned MSEs - BHEL SAMVAAD at Unit level and Corporate level with domestic industry to identify local sources for identified items and provide impetus for Atmanirbhar Bharat - Online supplier registration portal - Government-e-Marketplace (GeM) - BHEL General Conditions of Contract - Awareness on Public Procurement Policy for preference to Make in India (issued by DPIIT) - SUVIDHA - Payments, grievances, Experience certificates	28%

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 Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 have detailed provisions which require the Directors of the Board to disclose their concern or interest (including their shareholding) in any company (ies)/ bodies corporate/ firms/ other association of individuals, periodically as well as whenever there is any change in the disclosures already made. In this regard, the Directors also 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.

Apart from this, 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 as well as (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 his duties with an objective independent judgment & without any external influence) and compliance with Schedule IV of the Companies Act which inter alia 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 2025-26	FY 2024-25	Details of improvements in environmental and social impacts
R&D	0.25%	1.59%	Developmental projects in various areas were taken up to promote environmental Sustainability. Major ones are as follows: 1. Photovoltaic panel waste management, 2. Development in 700 MWe Nuclear plant, 3. Controls and Instrumentation of nuclear plant for clean energy, 4. Efficient variant of LP module with advance class blading. 5. Design of fly wheel of synchronous condenser used for integrating renewable energy to Grid 6. e-waste
Capex	5.96%	4.89%	Majorly towards Establishment of Regasified Liquefied Natural Gas (RLNG) Infrastructure at BHEL Trichy, 20 TPH Boiler at BHEL Hyderabad, 30T Electric Arc Furnace (EAF) at BHEL Haridwar, etc.

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, 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's portfolio primarily consists of capital goods with long lifecycles (typically 25+ years). These assets are transferred to customers upon commissioning. Our end-of-life strategy focuses on life extension through Refurbishment and R&M (Renovation & Modernization) services. Once products reach their functional end-of-life, they are treated as scrap by the owner.

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.

No, Extended Producer Responsibility (EPR) is currently not applicable to BHEL's core business activities as BHEL's business model is B2B, involving long-lifecycle capital goods where ownership is transferred to the client.

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.

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).

The company actively promotes the 3R principle (Reduce, Reuse, and Recycle) by prioritizing the recovery of manufacturing scrap. By utilizing internal processes to repurpose metal scraps and reclaim materials like foundry sand for production, BHEL effectively reduces the consumption of virgin resources. While these 3R practices are integral to our operations, the financial value of such reused or recycled inputs is not currently tracked as a separate accounting line item.

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:

Not applicable as BHEL's business model is B2B, involving long-lifecycle capital goods where ownership transfers to the client. Consequently, end-of-life reclamation is the responsibility of the asset owner. BHEL supports this phase through R&M services to extend the product life, delaying the need for disposal.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not applicable as BHEL operates in B2B capital goods sector with multi-decadal product lifecycles, the volume of products reclaimed by the company at their end of life is currently negligible. Refer P2, EI, Q no 3.

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)
Permanent employees											
Male	25693	25693	100%	25693	100%	--	--	25693	100%	25693	100%
Female	1591	1591	100%	1591	100%	1591	100%	--	--	1591	100%
Other	0	0	--	0	--	0	--	0	--	0	--
Total	27284	27284	100%	27284	100%	1591	5.83%	25693	94.17%	27284	100%
Other than Permanent employees											
Male	20673	20634	99.81%	20673	100%	--	--	0	0%	0	0%
Female	2067	2063	99.81%	2067	100%	2057	99.52%	--	--	2057	99.52%
Other	0	0	--	0	--	0	--	0	--	0	--
Total	22740	22697	99.81%	22740	100%	2057	9.05%	0	0%	2057	9.05%

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)
Permanent workers											
Male	12200	12200	100%	12200	100%	--	--	12200	100%	12200	100%
Female	300	300	100%	300	100%	300	100%	--	--	300	100%
Other	0	0	--	0	--	0	--	0	--	0	--
Total	12500	12500	100%	12500	100%	300	2.40%	12200	97.60%	12500	100%
Other than Permanent workers											
Male	20524	20499	99.88%	20524	100%	--	--	0	0.00%	0	0.00%
Female	2057	2057	100%	2057	100%	2057	100%	--	--	294	14.29%
Other	0	0	--	0	--	0	--	0	--	0	--
Total	22581	22556	99.89%	22581	100%	2057	9.11%	0	0.00%	294	1.30%

Note: 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 2025-26	FY 2024-25
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))	₹1,90,43,00,000	₹1,76,75,00,000
ii) Total revenue of the company	₹3,37,82,18,00,000	₹2,83,39,48,00,000
iii) Cost incurred on wellbeing measures as a % of total revenue of the company	0.56%	0.62%

Note: Total Revenue disclosed is Revenue from Operations (excluding other income). In line, data for FY 2024-25 has been restated after exclusion of other income from total revenue of the company as per BRSR guidelines

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2025-26			FY 2024-25		
	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
Others (BHEL Medical facility)	100%	100%	NA	100%	100%	NA

*This includes only permanent employees (including permanent workers). For "other than permanent" employees, all the statutory requirements are met by their respective contractors.

#This includes only permanent workers. For "other than permanent" workers, all the statutory requirements are met by their respective contractors.

@ESI is not applicable. None of the BHEL permanent employees fall within the eligibility criteria of ESI Act.

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 according 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.

No, the entity does not have an equal opportunity policy.

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
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
Other	--	--	--	--
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

There is a well laid out grievance redressal mechanism through two schemes – one for workers and other for staff and 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 and 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.

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26			FY 2024-25		
	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)
Total Permanent Employees	27284	27284	100.00%	27800	27800	100.00%
- Male	25693	25693	100.00%	26183	26183	100.00%
- Female	1591	1591	100.00%	1617	1617	100.00%
- Other	0	0	--	0	0	--
Total Permanent Workers	12500	12500	100.00%	13332	13332	100.00%
- Male	12200	12200	100.00%	12999	12999	100.00%
- Female	300	300	100.00%	333	333	100.00%
- Other	0	0	--	0	0	--

BHEL has 29 participative trade unions represented in the apex level bipartite body, namely the Joint Committee for discussing workers' and the 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 2025-26					FY 2024-25				
	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)
Employees										
Male	25693	6464	25.16%	15943	62.05%	26183	3845	14.69%	12794	48.86%
Female	1591	735	46.20%	1347	84.66%	1617	394	24.37%	1071	66.23%
Other	0	0	--	0	--	0	0	--	0	--
Total	27284	7199	26.39%	17290	63.37%	27800	4239	15.25%	13865	49.87%
Workers										
Male	12200	2133	17.48%	4425	36.27%	12999	1614	12.42%	4072	31.33%
Female	300	121	40.33%	174	58.00%	333	104	31.23%	152	45.65%
Other	0	0	--	0	--	0	0	--	0	--
Total	12500	2254	18.03%	4599	36.79%	13332	1718	12.89%	4224	31.68%

Note: Only permanent employees and workers considered

9. Details of performance and career development reviews of employees and workers:

Category	FY 2025-26			FY 2024-25		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	25693	25051	97.50%	26183	26055	99.51%
Female	1591	1517	95.35%	1617	1575	97.40%
Other	0	0	--	0	0	--
Total	27284	26568	97.38%	27800	27630	99.39%
Workers						
Male	12200	12113	99.29%	12999	12811	98.55%
Female	300	300	100%	333	304	91.29%
Other	0	0	--	0	0	--
Total	12500	12413	99.30%	13332	13115	98.37%

Note: Only permanent employees and workers considered

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) has been implemented across the organization. This system is applicable to all our Manufacturing Units, Power Sector Regions and Divisions covering all the employees working with and for BHEL.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The company maintains robust systems and processes to identify work-related hazards and assess risks on both routine and non-routine bases. Key examples include:

HIRA (Hazard Identification and Risk Assessment) – Implemented as standard practice across all workplaces, HIRA systematically identifies hazards and associated risks for every process or activity at the departmental level, with full employee participation. HIRAs undergo periodic reviews and prompt revisions upon any process changes.

JSA (Job Safety Analysis) – For maintenance and repetitive jobs with high accident potential, JSA analyses hazards at the planning stage and establishes adequate safety measures. Procedures ensure JSA covers jobs selected by accident frequency, potential injury severity, or uncertainty in new tasks. Each job breaks into sequential steps, with hazards identified per step and elimination strategies developed to prevent accidents.

Method Statement – This document outlines the safe execution of specific jobs or projects, communicating necessary precautions and control measures to all involved. It provides evidence that significant health and safety risks have been identified and mitigated through established safety systems.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, BHEL employees and contract workers are empowered to report hazards via the 'HSE Observer' mobile application, which allows for real-time submission of unsafe acts, conditions, incidents, and near-misses. BHEL also conducts mandatory safety training, and ensures that procedures strictly mandate that the personnel can stop work if they identify a critical safety violation until the issue is resolved by the concerned execution and reviewed by Safety team.

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 comprehensive non-occupational medical care through both BHEL-operated healthcare facilities and empanelled external providers such as ECHS. BHEL ensures that medical support is available even at remote project sites, with associated costs covered as per company policy.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2025-26	FY 2024-25
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.414	0.427
Total recordable work-related injuries	Employees	0	0
	Workers	42	43
No. of fatalities	Employees	0	0
	Workers	2	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	42	43

Note: For the purpose of safety statistics, all personnel working within BHEL units (including regular employees and contract workers) have been included in the category of 'workers'

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

BHEL views employees and personnel from partner entities as key stakeholders, prioritizing their health, safety, and well-being for business success. The company continuously strengthens systems, policies, and procedures to achieve "Zero Harm" for its workforce while fostering a safety-centric culture.

Special initiatives at BHEL inculcates safety values across all levels through structured training programs, safety reviews, work permit systems, HIRA, JSA, mega toolbox talks, and internal/external audits. HSE campaigns have significantly boosted awareness, including BHEL Safety Fortnight-2025-26 (March 4–17, 2026), BHEL Environment Awareness Month-2025-26 (June 5–July 4, 2025), Swachhata Pakhwada-2025-26 (August 16–31, 2025), and Special Campaign 5.0 (October 2–31, 2025). These campaigns featured inter-unit competitions to promote innovative safety activities and projects.

These efforts demonstrate BHEL's commitment to providing a safe and healthy environment for all personnel.

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2025-26			FY 2024-25		
	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 all BHEL premises for the registration and tracking of unsafe conditions. These issues are addressed promptly through a continuous monitoring and resolution process managed by the respective departments.

14. Assessments for the year:

Assessment of	% 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.

BHEL employs a rigorous system of internal and external safety audits. Any identified gaps are addressed through corrective actions and mandatory Root Cause Analysis (RCA) for all fatal incidents. These findings drive our continuous improvement cycle to enhance safety culture across all premises.

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 both 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:

Category	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 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Employees	0	0	0	0
Workers	42	43	0	0

Note: For the purpose of safety statistics, all personnel working within BHEL units (including regular employees and contract workers) have been included in the category of 'workers'.

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:

Assessment of	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	100%

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.**

No significant risk has come to notice during the reporting period.

Principle 4: Stakeholder engagement

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

Stakeholders are individuals or groups concerned or interested with or impacted by the activities of BHEL and vice-versa currently or in future. BHEL, being a listed Company, the shareholders of the Company have been identified as one of the key stakeholders of the Company. Further, suppliers or value chain partners are stakeholders w.r.t procurement and they are identified against registration process and through pre-qualification requirements in open tenders. Further, customers and employees also are identified as important stakeholders. Communities, in and around our units, which are directly or indirectly impacted by BHEL's operations are too considered as stakeholders.

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 and 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 and Disclosure Requirements) Regulations, 2015
Suppliers	No	Email, Advertisement, Vendor meets, website etc.	Need based	To make suppliers aware of: - Public Procurement Policy (Preference to Make in India and to MSEs) - Import substitution - Participating in tenders issued on GeM portal - Lodging and tracking grievances on BHEL's grievance redressal portal, SUVIDHA - BHEL's quality objectives - Tracking payment status on Unified Suppliers Payments Portal (USPP)

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, Goonj-employee satisfaction survey	Regular	Leadership engagement with employees, motivate them and foster a sense of community within the organization. Employees contribute as change champions with their suggestions on various facets of the organization including policy, process, innovation, structure, financial management, safety etc. Employee engagement survey to periodically revisit the engagement levers.
Customers	No	Email, Advertisement, telephone calls, meetings, website etc.	Continuous	Assessment of customer needs, their requirements, business enquiries, addressing grievances etc.
Communities	Yes	Community Meetings	Case-to-case basis	To assess the impact of the project, derive key learnings for replicating similar initiatives in other locations, and identify scope for further improvement.

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 at 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 as provide valuable feedback regarding improvements in the company's performance, not only from a business perspective but also on critical economic, environmental and social topics/ areas.

Further, shareholders get to vote on critical matters including appointment of directors, payment of dividends, related party transactions, auditor's fees etc. which ensures transparency and good corporate governance practices at the Board level. For tenders above a threshold value, BHEL value chain partners can consult with the Independent External Monitors (IEMs). These IEMs are nominated by CVC.

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 and social endeavours of BHEL viz., indigenization under Atmanirbhar Bharat, utilization of solar energy and water harvesting capacity in BHEL's factories and project sites, empowerment of woman employees etc. Few examples supporting social and environmental topics are as follows which are based on the feedback received during the interactions with stakeholders. For eg. Foraying into new Business areas like Coal to Chemical etc.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

For the underprivileged sections of the community, BHEL undertakes CSR projects and allocates funds based on baseline surveys conducted by local NGOs. These NGOs engage directly with communities during the surveys to understand their needs and challenges.

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 2025-26			FY 2024-25		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees workers covered (D)	% (D / C)
Employees						
Permanent	27284	8461	31.01%	27800	5445	19.59%
Other than permanent	22740	1880	8.27%	20422	1321	6.47%
Total Employees	50024	10341	20.67%	48222	6766	14.03%
Workers						
Permanent	12500	1999	15.99%	13332	2243	16.82%
Other than permanent	22581	1880	8.33%	20327	1321	6.50%
Total Workers	35081	3879	11.06%	33659	3564	10.59%

2. Details of minimum wages paid to employees and workers, in the following format:

Category Total (A)	FY 2025-26					FY 2024-25				
	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)	% (C / A)	Nos. (D)	No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	27284	0	0%	27284	100%	27800	0	0%	27800	100%
Male	25693	0	0%	25693	100%	26183	0	0%	26183	100%
Female	1591	0	0%	1591	100%	1617	0	0%	1617	100%
Other	0	0	--	0	--	0	0	--	0	--
Other than Permanent	22740	10507	46.20%	12233	53.80%	20422	8752	42.86%	11670	57.14%
Male	20673	9609	46.48%	11064	53.52%	18758	8101	43.19%	10657	56.81%
Female	2067	898	43.44%	1169	56.56%	1664	651	39.12%	1013	60.88%
Other	0	0	--	0	--	0	0	--	0	--
Workers										
Permanent	12500	0	0%	12500	100%	13332	0	0%	13332	100%
Male	12200	0	0%	12200	100%	12999	0	0%	12999	100%
Female	300	0	0%	300	100%	333	0	0%	333	100%
Other	0	0	--	0	--	0	0	--	0	--
Other than Permanent	22581	10507	46.53%	12074	53.47%	20327	8752	43.06%	11575	56.94%
Male	20524	9609	46.82%	10915	53.18%	18664	8101	43.40%	10563	56.60%
Female	2057	898	43.66%	1159	56.34%	1663	651	39.15%	1012	60.85%
Other	0	0	--	0	--	0	0	--	0	--

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	₹72,12,288	1	₹76,30,270
Key Managerial Personnel (other than BoD)	1	₹57,32,813	0	0
Employees other than BoD and KMP	25688	₹17,71,607	1590	₹25,88,698
Workers	12200	₹15,02,488	300	₹14,97,838

Note: Data pertains to permanent employees of BHEL who were on rolls as on March 31, 2026.

b. Gross wages paid to females are % of total wages paid by the entity, in the following format

Details	FY 2025-26	FY 2024-25
Gross wages paid to females (₹)	₹4,25,95,83,829	₹4,08,48,17,799
Total wages (₹)	₹60,11,37,15,971	₹57,77,59,26,057
Gross wages paid to females as % of total wages	7.09%	7.07%

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 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 and third stage with Grievance Redressal Committee.

6. Number of Complaints on the following made by employees and workers:

	FY 2025-26		FY 2024-25	
	Filed during the year	Pending resolution at the end of year	Filed during the year	Pending resolution at the end of year
Sexual Harassment	1	1	5	1
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:

Details	FY 2025-26	FY 2024-25*
i) Total complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal), Act, 2013 (POSH)	1	5
ii) Female employees / workers	3661	3310
iii) Complaints on POSH as a % of female employees/ workers	0.03%	0.15%
iv) Complaints on POSH upheld	1	3

*Note: Data for FY 2024-25 has been restated after taking both permanent and other than permanent employees into account to ensure consistent reporting.

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.

10. Assessments for the year:

Enforcement Officers from labour department, ESI, EPFO, and pollution control board etc. keep on visiting BHEL plants for assessment from time to time. Further, documents and details are also sought by the authorities for assessment of compliance.

Assessment w.r.t.	% 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, divyang-jan 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, the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

Direct assessment of Value Chain Partners on human rights is done by the relevant Government authorities. BHEL takes care that the payment dues of value chain partners are cleared only after statutory compliances to the laws of land w.r.t. human rights are met. In 2025-26, no significant risks have been reported by relevant Government authorities during the assessment of Value Chain Partners.

Assessment w.r.t.	% 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 in line with reply to point 4 above as no significant risk was identified/ reported.

Principle 6: Environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Financial Year	FY 2025-26	FY 2024-25
Revenue from Operations (₹)	3,37,82,18,00,000	2,83,39,48,00,000
Parameter		
From renewable sources		
Total electricity consumption (A) (in Giga Joules)	158747.00	142139.08
Total fuel consumption (B) (in Giga Joules)	0.00	0.00
Energy consumption through other sources (C) (in Giga Joules)	0.00	0.00
Total energy consumed from renewable sources (A+B+C) (in Giga Joules)	158747.00	142139.08
From non-renewable sources		
Total electricity consumption (D) (in Giga Joules)	823486.00	798375.20
Total fuel consumption (E) (in Giga Joules)	1831939.00	1679014.11
Energy consumption through other sources (F) (in Giga Joules)	0.00	0.00
Total energy consumed from non-renewable sources (D+E+F) (in Giga Joules)	2655425.00	2477389.31
Total energy consumed (A+B+C+D+E+F)	2814172.00	2619528.39

Energy intensity per rupee of turnover (in kilo Joule per ₹ of turnover) (Total energy consumed/ Revenue from operations)	8.33	9.24
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (in kilo Joule per \$ of turnover adjusted for PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)	169	188*
Energy intensity in terms of physical output[#]	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*Note A: Figures for FY 2025-26 reflect updated measurement protocols and PPP value taken from IMF, resulting in restated comparative data for FY 2024-25 to ensure consistent reporting.

[#]BHEL is a diversified, multi-product organization with outputs expressed in heterogeneous units such as MW, MVA, numbers, meters and weight. In the absence of a common and comparable physical denominator across such varied product lines, computation of a single, meaningful physical-output-based intensity is not feasible and hence not disclosed.

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, assurance has been carried out by S R Asia for BRSR Core, as given in the Independent Assurance Statement, at end of BRSR report

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.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26	FY 2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water	0.00	0.00
(ii) Groundwater	3456351.00	3292052.00
(iii) Third party water	6707655.00	5960580.00
(iv) Seawater / desalinated water	0.00	0.00
(v) Others	0.00	0.00
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	10164006.00	9252632.00
Total volume of water consumption (in kilolitres)	10144396.00	9249212.00*
Water intensity per rupee of turnover (Total water consumption/ Revenue from operations – Litre per ₹)	0.030029	0.0326372*
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	0.61	0.66 [®]
Water intensity in terms of physical output[#]	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*Water consumption data and Water intensity per rupee of turnover for FY 2024-25 has been restated. Water consumption has been calculated as (Water withdrawal-water discharged)

[®]Note A: Figures for FY 2025-26 reflect updated measurement protocols and PPP value taken from IMF, resulting in restated comparative data for FY 2024-25 to ensure consistent reporting.

BHEL is a diversified, multi-product organization with outputs expressed in heterogeneous units such as MW, MVA, numbers, meters and weight. In the absence of a common and comparable physical denominator across such varied product lines, computation of a single, meaningful physical-output-based intensity is not feasible and hence not disclosed

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, assurance has been carried out by S R Asia for BRSR Core, as given in the Independent Assurance Statement, at end of BRSR report.

4. Provide the following details related to water discharged

Parameter	FY 2025-26	FY 2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(ii) To Groundwater	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(iii) To Seawater	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(iv) Sent to third-parties	0.00	0.00
No treatment	0.00	0.00
With treatment – please specify level of treatment	0.00	0.00
(iv) Others[#]	19610	3420
No treatment	0.00	0.00
With treatment – please specify level of treatment	19610	3420
Total water discharged (in kilolitres)	19610	3420

The figure of water discharge in 2024-25 has been restated to exclude the sewage discharge from township. Further, in one of our unit, the sewage discharge was estimated last year but it has been metered this year depicting the increase in effluent discharge.

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, assurance has been carried out by S R Asia for BRSR Core, as given in the Independent Assurance Statement, at end of BRSR report.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, as part of the company's sustainability initiatives, 11 of its manufacturing units have achieved zero liquid discharge status, i.e. they do not release any effluent outside their premises. The treated effluent and sewage are utilized for horticultural purposes within the plant premises to maintain green spaces across the campuses.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit	2025-26	2024-25
NOx	Tonne/year	193.59	230.69
SOx	Tonne/year	368.13	357.93
Particulate Matters (PM)	Tonne/year	479.52	314.38
Persistent organic pollutants (POC)	Tonne/year	0.00	0.00
Volatile organic compounds (VOC)	Tonne/year	477.29	230.07
Hazardous air pollutants (HAP)	Tonne/year	2.94	3.65
Others – Carbon Monoxide	Tonne/year	38.44	48.76

Note A: Carbon Monoxide emission has reduced by replacing Fuel oil with PNG in one of the manufacturing units. In another manufacturing unit, coal consumption has increased by 108% increasing the PM and VOC emissions.

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, assurance has been carried out by S R Asia for BRSR Core, as given in the Independent Assurance Statement, at end of BRSR report.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	2025-26	2024-25
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	137298.00	135975.14

Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	162410.00	161227.44
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 ₂ emitted per ₹ of turnover achieved	0.8872	1.0487
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 ₂ emitted per \$ of turnover achieved adjusted to PPP	18.04	21.33 ^a
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		-	-

^a**Note A:** Figures for FY 2025-26 reflect updated measurement protocols and PPP value taken from IMF, resulting in restated comparative data for FY 2024-25 to ensure consistent reporting.

[#]BHEL is a diversified, multi-product organization with outputs expressed in heterogeneous units such as MW, MVA, numbers, meters and weight. In the absence of a common and comparable physical denominator across such varied product lines, computation of a single, meaningful physical-output-based intensity is not feasible and hence not disclosed.

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, assurance has been carried out by S R Asia for BRSR Core, as given in the Independent Assurance Statement, at end of BRSR report.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. BHEL has established nearly 43.25 MWp of solar power capacity, including rooftop installations, significantly reducing GHG emissions. In FY 2025-26, FSIP Jagdishpur added a capacity of 750 kW rooftop solar plant. Total solar power capacity led to avoidance of 31,308 MT of carbon emissions during the year.

Further, Manufacturing Units of BHEL routinely implement energy conservation and efficiency projects to support demand-side energy management, thereby curbing associated carbon emissions that would otherwise occur at higher levels.

For more details Refer to Annexure-IV to the Board's Report (4.1.2 Energy Efficiency and Management; 4.1.5 Carbon Footprint Reductions).

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26	FY 2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)*	108.39	107.68
E-waste (B)	89.97	117.78
Bio-medical waste (C)	11.31	11.68
Construction and demolition waste (D)	774.81	267.00
Battery waste (E)	103.87	70.75
Radioactive waste (F)	0.00	0.00
Other Hazardous waste. Please specify, if any. (G)	1432.58	1133.21
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	54349.7	54588.30
Total (A + B + C + D + E + F + G + H)	56870.63	56296.40
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations) – Gram per ₹	0.1683	0.1987

Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) – Gram per \$ in PPP	3.42	4.04 [®]
Waste intensity in terms of physical output #	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled [^]	5755.31	391.13
(ii) Re-used	705.12	455.49
(iii) Other recovery operations	0.00	0.00
Total	6460.43	846.62
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	24.73	2.94
(ii) Landfilling	806.54	178.20
(iii) Other disposal operations	48436.44	42740.70
Total	49267.71	42921.84

[®]**Note A:** Figures for FY 2025-26 reflect updated measurement protocols and PPP value taken from IMF, resulting in restated comparative data for FY 2024-25 to ensure consistent reporting.

[^]From BAP Ranipet Unit 4990 MT ferrous scrap has been transported to CFFP Haridwar unit for recycling during 2025-26.

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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, assurance has been carried out by S R Asia for BRSR Core, as given in the Independent Assurance Statement, at end of BRSR report.

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.

BHEL's waste management adheres to the 3Rs: Reduce, Reuse, Recycle approach and implements a "Waste to Wealth" culture, prioritizing source segregation and in-house recycling. Metal scraps are either reused/recycled or sold to authorised agencies and biodegradable waste is composted at Units like HERP Varanasi and FSIP Jagdishpur. Hazardous and e-waste are handled as per regulatory norms with comprehensive documentation.

The Special Campaign 5.0 on Swachhata led to the disposal of scrap worth approximately ₹59.20 crore during the year. Furthermore, all 15 BHEL Townships have maintained their status as "Single Use Plastic Free" certified townships, reflecting our commitment to cleaner living spaces.

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. BHEL does not have operations or facilities located within or in the immediate vicinity of ecologically sensitive areas such as national parks, wildlife sanctuaries, or biodiversity hotspots.

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 extant 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

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, assurance has been carried out by S R Asia for BRSR Core, as given in the Independent Assurance Statement, at end of BRSR report.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2025-26	FY 2024-25
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	tCO ₂ e	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

While the company remains conscious of its indirect environmental impact, the quantification of Scope 3 emissions is currently under review. We are in the process of exploring suitable methodologies and frameworks to assess value-chain emissions as part of our evolving sustainability roadmap.

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 in line with response to Question 11 of Essential Indicators in Principle 6.

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
1.	Zero Effluent Discharge outside premises	To prevent water pollution and promote sustainable wastewater management, the company has set up 22 Effluent Treatment Plants (ETPs) and 18 Sewage Treatment Plants (STPs). Effluents treated by these plants are reused within our premises for various purposes such as industrial processes, toilet flushing, and gardening. Consequently, 11 units have achieved zero effluent discharge outside their boundaries due to these initiatives.	Due to non-discharge of effluent outside the premises, we have avoided land and water pollution.
2.	Single use plastic free townships	BHEL townships has been declared as single use plastic free through 3rd Party Audit.	BHEL Townships has been developed as sustainable habitats and citizens have developed a habit of avoiding single use plastic resulting in avoidance of land and water pollution on account of plastic waste.
3.	Installation of Energy Efficient Electrical appliances	Installation of: (i) 5-star window and split AC 491 Nos. - New 5-star, 1.5 TR, Inverter Window AC in place of Old 5-star, fixed speed, 1.5 TR, Window AC (ii) 61 Nos. Brand new 3-Star, 2 TR, Hot & Cold, Inverter Split AC in place of old 3-star, 2 TR, Cooling only Inverter Split AC etc.	Will result in annual avoidance of electrical energy to the tune of 5,61,286 units at HEEP Haridwar Unit.
4.	Energy efficient lighting	Installation of 200W LED high bay fittings	Will result in annual avoidance of electrical energy to the tune of 4,96,000 units at Trichy.
5.	Installation of Inhouse Solar Power Plants	The solar power plants installed across BHEL has reached an installed capacity of around 43.25 MW generating green energy for its internal consumption.	It has resulted in generation of 275.86 million units of green electricity in the last 9 years and avoiding equivalent amount of conventional power and consequently reducing the carbon footprint.

5. Does the entity have a business continuity and disaster management plan? Give details / web link.

Yes, BHEL has a business continuity and disaster management plan which are internal to the organisation and are hosted on Intranet as a restricted document. Due to security concerns, these are not available on web/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%

8. **How many Green Credits have been generated or procured:**

- a. **By the listed entity**

Nil

- b. **By the top ten (in terms of value of purchases and sales, respectively) value chain partners**

Nil

Principle 7: Policy advocacy

Essential Indicators

1. **a. Number of affiliations with trade and industry chambers/ associations.**

Seven (7) 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	Project Exports Promotion Council of India (PEPC)	National
7	Central Board of Irrigation and Power (CBIP)	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 - Dialogue with success partners of BHEL for strengthening self-reliance through innovation and collaboration	BHEL SAMVAAD initiative serves as a strategic platform to strengthen domestic supply chains and promote indigenization by fostering collaboration among industry, academia and government stakeholders and has emerged as an important enabler in building a resilient and self-reliant manufacturing ecosystem by facilitating meaningful dialogue and partnerships across the value chain. SAMVAAD happens at Unit level and as well as Corporate level (last being conducted on 07.08.2025 - Steel SAMVAAD).	Yes	--	--
2.	Participation in various activities/ meetings/ inputs for Ease of Doing Business (EoDB), etc. to boost Capital Goods Sector.	Through interaction with Industrial Bodies (CII, FICCI), Government Ministries (viz. MHI & MoP) and their consultants.	No	--	--
3.	Facilitation of international trade and collaboration	Through inputs to Industry Bodies/ Government agencies for FTAs, etc.	No	--	--
4.	Inputs on matters such as Customs, Export promotion and Export incentives, support indigenization, reducing carbon footprints etc.	Through input to Ministries, pre-budget memorandum for Union Budget 2026 to Industry association.	No	--	--

Principle 8: Inclusive growth

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable. The Company did not engage in social-related capital investment projects during the year and executed only in-house projects for its internal operational requirements. Accordingly, the requirement of conducting Social Impact Assessments is not applicable

2. 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 2025-26	FY 2024-25
Directly sourced from MSMEs/ small producers	54.8%	39.7%
Sourced directly from within the district and neighbouring districts	15%	14%

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 2025-26	FY 2024-25
Rural		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	₹3,78,53,17,213.00	₹3,88,11,79,474.48
ii) Total Wage Cost	₹60,11,37,15,971.00	₹57,77,59,26,056.80
iii) % of Job creation in Rural areas	6.30%	6.72%
Semi-urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	₹14,82,02,60,084.00	₹14,30,62,56,604.75
ii) Total Wage Cost	₹60,11,37,15,971.00	₹57,77,59,26,056.80
iii) % of Job creation in Semi-urban areas	24.65%	24.76%
Urban		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	₹15,88,85,70,404.00	₹14,91,64,76,621.57
ii) Total Wage Cost	₹60,11,37,15,971.00	₹57,77,59,26,056.80
iii) % of Job creation in Urban areas	26.43%	25.82%
Metropolitan		
i) Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis)	₹25,61,95,68,270.00	₹24,67,20,13,356.00
ii) Total Wage Cost	₹60,11,37,15,971.00	₹57,77,59,26,056.80
iii) % of Job creation in Metropolitan areas	42.62%	42.70%

Note: Employees considered here are permanent

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 in line with reply to Question 1 of Essential Indicators above

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 2025-26:

S. No.	State	Aspirational District	Amount Spent (in ₹ Lakh)
1	Uttarakhand	Haridwar	120.34

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No/NA)

Yes

- (b) From which marginalized / vulnerable groups do you procure?

Company has been supporting Micro and Small Enterprises (MSEs). MSEs tend to employ a larger share of the vulnerable sectors of the workforce, such as SC/ST, 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 and women, which serves 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-Gol), are given. To support all

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project (FY 2025-26)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Support for running schools located in BHEL manufacturing units at Haridwar, Jagdishpur and Jhansi	1200	100.00%
2	Financial Support for providing Nutritional food to overcome Nutritional deficiency among children at Miyapur, Hyderabad.	120	100.00%
3	Financial Support for providing Nutritional food to Desire Society - Caring for HIV/AIDS Children, IDA, Bolaram, Secunderabad, Hyderabad	65	100.00%

MSME/ MSE vendors, BHEL has onboarded itself on all the operating Trade Receivables Electronic Discounting System (TReDs) portals (mandated vide notification of MoMSME dated 07.11.2024). BHEL onboarded RXIL on 26-12-2018, Invoicemart on 15-12-2020, M1Xchange on 07-08-2021, KREDX on 11-12-2025, and C2treds on 24-03-2026. Further, for enhanced visibility, GeM has provided for integration of BHEL's enterprise resource planning (ERP) with GeM and the same is in place for BHEL. In FY 2025-26, ₹8,772 Crore procurement was done through GeM out of total procurement of ₹19,620 Crore for Goods and Services. The company also carried out 100% timely payments to MSE Vendors directly or through TReDs within the prescribed timelines (as mandated by MSMED Act, 2006). These initiatives affirm BHEL's full compliance with DPE guidelines.

- (c) What percentage of total procurement (by value) does it constitute?

In FY 2025-26, out of total procurement of ₹19,620 Crore for Goods and Services, ₹10,752 Crore (54.8%) is from MSE, ₹58 Crore (0.3%) is from MSEs owned by SC/ST entrepreneurs and ₹767 Crore (4%) from MSEs owned by women entrepreneurs.

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:

The company does not own or acquire Intellectual Property based on traditional knowledge. The company's products and corresponding IPs are based on knowledge derived through scientific evidence.

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 2025-26.

S. No.	CSR Project (FY 2025-26)	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
4	Financial support extended through provision of medical supported devices/equipment at Sivananda Rehabilitation Home, Kukatpally, Hyderabad.	35	100.00%
5	Financial support for Construction of one 5 seated Sulabh Toilet Complex at Kapildhara, Varanasi and six months maintenance of 11 Existing Toilet Complexes in District Varanasi (at 4 Places) & Chandauli (at 7 Places), Uttar Pradesh.	500000	100.00%
6	Financial support for project on Swastha Bharat in 350 villages from 10 Blocks of Amravati District, Maharashtra	6223	100.00%
7	Distribution of Aids & Appliance to the persons with Disabilities (PWDs) at District Sangareddy, Rangareddy, Hyderabad, Vikarabad, Malkajgiri, Telangana	32	100.00%
8	Supply and distribution of Surgical equipment to MPHC Ramachandrapuram, Sangareddy, Telangana	3600	100.00%
9	Providing mobility aids like artificial limbs, CP Chairs, Wheel chairs etc to the physically disabled people in the districts of Perambalur and Pudukkottai, Tamil Nadu	75	100.00%
10	Providing nutritional support kit to nearly 90 patients of Tuberculosis in Thiruverumbur Taluk –Tiruchy & LED microscope at Tiruchirapalli, TamilNadu	90	100.00%
11	Financial support to Arivalayam - a special school and rehabilitation Centre for intellectually challenged children, at Trichy	150	100.00%
12	Community Development: Yoga Classes at Bhopal, Madhya Pradesh	100	100.00%
13	Procurement and Distribution of Medical Equipment to Primary Health Centres (PHCs) at Bapuji Nagar, Avalahalli, Vijaynagar and Karenahalli, Bidadi, Bengaluru	30000	100.00%
14	Providing medical equipment's to rural Hospitals at Walaja and Urban Primary Health Centre, Ranipet, Tamil Nadu	20000	100.00%
15	Improve nutritional status and health outcomes of malnourished pregnant women at Varanasi, Uttar Pradesh	38	100.00%
16	Supply and Installation of 4 set Water Cooler Tank & UV Purifier at 04 locations, Rudrapur, Uttarakhand	300	100.00%
17	Installation of Water Cooler, Water Purifier and stabilizer and steel benches at nearby Govt. Hospitals, Amethi, Uttar Pradesh	4000	100.00%
18	Medical Camp for sugar patient, High BP etc., Amethi, Uttar Pradesh	300	100.00%
19	To construct a toilet block in Government hospital at Panki Thermal Power Station Panki, Kanpur, Uttar Pradesh	3500	100.00%
20	Distribution of BiPAP (Ventilation) Machine, Cardiac Monitor, Air Bed, Suction Machine & Wheelchairs, Nagpur	8	100.00%
21	Anaemia Screening Camp: Diagnosis, Counselling, Distribution of Medicines & Supplements at Angul, Odisha	282	100.00%

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 and are handled through internal systems. The complaints are subsequently escalated for resolution to respective departments for immediate resolution. Root Cause Analysis is done in parallel to avoid reoccurrences.

Apart from complaints, feedback is collected through meetings/ video-conferencing and in-person interaction with customers.

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".

Parameter	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/ or safe disposal	100%

The company provides capital goods accompanied by comprehensive documentation, which includes detailed guidance on safe operation, maintenance, and environmental stewardship. Furthermore, we provide professional knowledge-transfer sessions for customer personnel to support the safe and efficient operation of these systems throughout their designated lifecycle as per the requirement.

3. Number of consumer complaints in respect of the following:

	FY 2025-26			FY 2024-25		
	Received during the year	Pending resolution end of year	Remarks	Received during the year	Pending resolution end of year	Remarks
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	361	41	-	358	42	-

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recall	0	NA

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 established and approved cyber security policy, which is internal to the organisation and are hosted on Intranet. Due to security concerns, these are not available on web/internet. Moreover, BHEL is in B2B business and does not deal with individual customers. Hence, any individual customer data is not stored.

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.

No such issue has been raised

7. Provide the following information relating to data breaches:

- Number of instances of data breaches:
0
- Percentage of data breaches involving personally identifiable information of customers:
0%
- Impact, if any, of the data breaches:
Not applicable

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

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. Trainings are also provided to the customers w.r.t. the safe operation of the products and systems.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Not Applicable as BHEL operates in the capital goods sector, supplying equipment/systems against specific contractual requirements. Product-related information is governed by detailed technical specifications, drawings, manuals and contractual documents. All the required and standard information are always displayed on the products dispatched by BHEL as per industry practice. Accordingly, additional product information beyond statutory requirements is not applicable.

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. BHEL conducts customer satisfaction survey for major products/ services and feedback is obtained from the customer's time to time. However, no survey was conducted during FY 2025-26.

**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 07, 2026

Independent Practitioners' Reasonable Assurance Statement

To the Management of
Bharat Heavy Electricals Limited
BHEL Sadan, Film City, Noida (201301), India

Introduction

SR Asia (Social Responsibility Asia) is an international, licensed assurance provider recognized by AccountAbility UK, with a proven track record of delivering independent assurance engagements for leading Indian public sector and private entities. A specialized sustainability and ESG advisory firm, SR Asia possesses deep expertise across the entire sustainability landscape, including BRSR report preparation, third-party assurance, and ESG data validation. Aligned with the stringent requirements of the International Standard on Assurance Engagements (ISAE) 3000 (Revised), the firm brings a rigorous, data-backed methodology and a multidisciplinary team of assurance practitioners to its engagements, ensuring a credible and trustworthy opinion on an organization's sustainability performance.

Scope of Work

SR Asia was engaged by Bharat Heavy Electrical Limited (the 'Company') to conduct an independent assurance of Business Responsibility and Sustainability Report (BRSR). The assurance was conducted in accordance with the SEBI Circular dated 12, July 2023 and amended Circular No.: SEBI/HO/CFD/CFD-PoD1/P/CIR/2024/177 dated Dec 20, 2024. The assurance engagement was undertaken for the reporting period FY2025-26.

This engagement was conducted by a multidisciplinary team including assurance practitioners, engineers, environmental & social professionals.

Assessment Criteria and References

Our engagement was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) and the guidelines issued by SEBI.

SR Asia complies with the International Quality Management System (IQMS), which is applicable to firms undertaking assessments or reviews of non-financial information, as well as other assurance and related services engagements, as prescribed by the IAASB.



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We believe that the evidence obtained during the course of our engagement is sufficient and appropriate to provide a reasonable basis for our opinion.

Work Performed

1. A kick-off meeting was conducted at corporate office Noida with the representative from deferent department and project location joined through Webex platform. SR Asia team briefed the participants about Assurance scope and project location selected, objectives, methodology, and timelines.
2. This was informed that both on-site and online assurance activities for identified different business units and locations will be carried out.
3. A comprehensive review of the BRSR Report for FY 2025–26 was undertaken with reference to the applicable disclosures and data requirements prescribed under the relevant SEBI circulars. The review assessed the completeness, consistency, and alignment of disclosures with the BRSR and BRSR Core frameworks, and a detailed gap analysis was subsequently shared with the designated nodal officer.
4. Assurance activities were performed through site visits to HEEP (Haridwar), TP (Jhansi), and the Corporate Offices (Delhi and Noida), and BAP (Ranipet), EDN (Bangalore), and HPBP (Trichy) were covered through online.
5. The assurance activities covered core indicators such as Energy Consumption, Energy Savings, Water Management, Hazardous and Non-Hazardous Waste Management, Greenhouse Gas Emissions, Air Emissions, Environmental Expenditure, Occupational Health and Safety, Labour Practices, and other applicable Essential and Leadership Indicators.
6. The verification process included a review of applicable statutory and regulatory compliances specifically in relation to the (LODR) and an assessment of the completeness, accuracy, and reliability of the reported information against supporting records and evidence obtained from authentic sources, in accordance with the requirements of a Reasonable Assurance engagement.
7. Site wise assurance reports were prepared and submitted, following the completion of each site assessment. These reports documented key observations, findings, and supporting photographs, where applicable, and were subsequently reviewed with relevant stakeholders for validation and incorporation of feedback.
8. Upon completion of the assessment procedures, an Independent Assurance Statement was issued in accordance with the applicable assurance standards, using ISAE 3000 (Revised), providing an independent opinion on the accuracy, completeness, and reliability of the reported information.

Intended Use or Purpose

The Reasonable Assurance statement is intended for users and stakeholders of BHEL.

The Management of the organization acknowledges and understands their responsibility for:

- Designing, implementing and maintaining internal controls relevant to the preparation of the BRSR report that is free from material mis-statement, whether due to fraud or error.
- Selecting or establishing suitable criteria for preparing the report taking into account applicable laws and regulations as amended, if any, related to reporting, identification of key aspects, engagement with stakeholders, content preparation and presentation in accordance with the reporting criteria.
- Disclosure of the applicable criteria used for preparation of the relevant report/statement.
- Calculating the data and figures in accordance with the reporting criteria.
- Ensuring the reporting criteria is available for the intended users with relevant explanation.
- Establishing subjective targets, goals and other performance measures, and implementing actions to achieve such targets, goals and performance measures.
- Responsible for providing the details of the management personnel who take ownership of the disclosures in the report.
- Ensuring compliance with law, regulation or applicable standards.
- Making judgments and estimates that are reasonable in the circumstances.
- Identifying and describing any inherent limitations in the measurement or evaluation of information, subject to assurance in accordance with the reporting criteria.
- Preventing & detecting fraud and taking suitable action.
- Selecting the content of the BRSR report, including identifying and engaging with intended users to understand their information needs.

Inherent limitations in preparing the Assurance statement

The following inherent limitations were identified during the assurance engagement, which affect the completeness, accuracy, and verifiability of the reported information:

1. **Data Reported limited to plants:** GHG emissions data is recorded using CO2 emission and limited to the plants only. Key ESG parameters, including energy



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records, water consumption and recycled water utilization data, and waste collection vehicle logs needs improvements.

2. **Compliances:** The assurance engagement identified a few open regulatory compliances which needs to be expedited. These findings indicate gaps in compliance monitoring and reporting which needs improvement.
3. **Sample based Verification and Remote/Physical Access Constraints:** Given the multi-site scope and the virtual nature of certain site visits, physical inspection of assets, meters, and waste storage areas was limited. While professional standards permit remote procedures, the lack of physical access to certain locations represents an inherent practical limitation on evidence gathering.

Our Responsibilities

- To plan and perform the assurance engagement in order to obtain Reasonable Assurance that the BRSR disclosures are free from material misstatement, whether arising from fraud or error, and are prepared in accordance with the applicable Reporting Criteria outlined above.
- To evaluate the evidence obtained through the assurance procedures performed and form an independent assurance opinion based on the findings of the engagement.
- To communicate our Reasonable Assurance opinion on the BRSR disclosures to BHEL through the issuance of this Independent Assurance Statement.

Exclusions

Our assurance scope excludes the following and therefore we do not express an opinion on the same:

- Data related to the Company's financial performance disclosures.
- Operations of the Company other than those mentioned in the "Scope of Assurance".
- Data and Information outside the defined reporting period i.e., from 1st April 2025 to 31st March 2026.
- The statements that describe expression of opinion, belief, aspiration, expectation, aim, or future intentions provided by the Company.
- Compliance with any Environmental, Social, and Legal issues related to the regulatory authorities.
- Any of the statements related to company's reputation.

Reasonable Assurance Opinion

We conducted a reasonable assurance engagement on the selected ESG information forming part of BHEL's BRSR Core Report and Sustainability Report for FY 2025-26, in accordance with ISAE 3000 (Revised). Our procedures included assessing processes, testing data, evaluating methodologies, and reviewing supporting evidence across multiple operational sites.

Conclusion

Based on the evidence obtained, the Company has established foundational sustainability systems, including environmental and safety management frameworks, renewable energy infrastructure, and reporting processes for BRSR disclosures. We acknowledge management's cooperation and transparency during the assurance process and timely resolutions of the areas of improvements.

Opinion

In our opinion, except for the effects of the matters described in inherited limitation, the information subject to reasonable assurance is presented, in all material respects, in accordance with the applicable Reporting Criteria. We recommend that management prioritise action plan to address these observations in subsequent reporting cycles.

Statement of Independence, Impartiality, and Competence

SR Asia confirms that no financial, commercial, or personal relationships exist between the assurance team and BHEL or any of its locations that could compromise, or be perceived to compromise, the independence, impartiality, or objectivity of this engagement. The assurance fee is not contingent upon the outcome or conclusion of the assurance opinion.

A pre-engagement review was conducted to identify and evaluate any potential threats to independence, including self-interest, advocacy, familiarity, intimidation, and management participation threats. No such threats were identified, and appropriate safeguards were documented.

The assurance team adheres to a strict professional code of ethics, including the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour. The engagement was carried out in accordance with the independence requirements of ISAE 3000 (Revised) and the AA1000 Assurance Standard (2020).

The team collectively possesses deep competence and demonstrated experience in:

- BRSR Core requirements and Indian sustainability reporting framework



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- ISAE 3000 (Revised) for reasonable assurance engagements
- ISO 26000 (Social responsibility) and AA1000 AccountAbility Principles
- GRI Standards (2021) for materiality, topic management, and disclosure
- GHG Protocol for Scope 1, 2, and 3 emissions quantification
- Environmental, social, and governance (ESG) data validation and internal control assessment

All team members have completed relevant training on assurance methodologies and remain current with evolving sustainability disclosure regulations.

This statement remains valid for the FY 2025-26 assurance engagement and is without prejudice to the qualified conclusion expressed in the assurance opinion.

**BIRENDRA
A DUTT
RATURI**

Digitally signed by
BIRENDRA DUTT RATURI
DN: cn=BIRENDRA DUTT
RATURI c=IN o=PERSONAL
Reason: I am the author of
this document
Location:
Date: 2026-06-22
15:05+05:30

Birendra Raturi
(Director /Team Lead)
SR Asia
Date: 11th June 2026
Place: New Delhi, India

Pilot to scale - COBOT based MIG Welding System



- Company introduced its first trolley-mounted **Collaborative Robot (COBOT)-based MIG welding system** at BAP, Ranipet. By transcending the limitations of conventional automation, this technology introduces unprecedented flexibility for high-mix, low-volume heavy fabrication environments.
- Designed to operate seamlessly alongside skilled personnel without restrictive safety enclosures, the COBOT combines human expertise with intelligent automation, enhanced productivity, precision, workplace safety, and manufacturing agility.
- Featuring an intuitive **"teach mode,"** operators physically guide the robotic arm along complex welding trajectories. The system memorizes the path and replicates it with a high position repeatability of ± 0.05 mm, ensures flawless weld consistency, virtually eliminating component rework and rejections.
- This initiative underscores BHEL's commitment to adopt next-generation, digitally enabled solutions to achieve manufacturing excellence.

Annexure – VI to the Board's Report

Research and Development and Technological Achievements

6.1 R&D Strategy

BHEL operates in technology-intensive sectors where sustained competitiveness is driven by continuous innovation and product upgradation. Responding to growing demand for high-efficiency and digitally enabled solutions, the Company remains firmly committed to strengthening indigenous technologies to deliver advanced and future-ready offerings.

During FY 2025–26, the Company invested approximately ₹822 Crore, representing 2.4% of revenue from operations, towards R&D. It was ₹662 Crore during 2024–25. A total of 428 patents and copyrights were filed during the year, taking the cumulative Intellectual Property portfolio to 6,068 as on 31 March 2026. Further, around 14% of revenue was generated from in-house developed products, systems, and services—reflecting company's strong focus on commercialization of its R&D efforts.

Significant Initiatives and Achievements

BHEL has identified following major areas for R&D and product development

- **Clean Coal Technologies** - Advancing decarbonization initiatives, BHEL is collaborating with CSIR-IICT to

develop technology for direct catalytic hydrogenation for producing Di-Methyl Ether (DME) from coal derived CO₂.

- **Hydropower & Pumped Storage** - Leveraging sustained R&D and manufacturing excellence, BHEL has established end-to-end indigenous capabilities in hydro E&M solutions. Notable milestones include the largest-diameter 80 MW generator for the Polavaram Project and the highest-rated 240 MW generator for the Dibang Project. BHEL is well-positioned to address future pumped storage demand with fully indigenous reversible pump-turbines and motor-generators up to 350 MW.
- **Defence & Aerospace** - BHEL continues to collaborate with defence establishments for technology development like Compact Heat Exchangers and Pump Modules for airborne applications, reinforcing its commitment to India's defence preparedness and strategic autonomy.
- **Transmission** - Strengthening grid resilience in a renewable-intensive scenario, BHEL is developing synchronous condensers for grid stabilization.
- **Rail Transportation** - Reinforcing commitment to innovation in rail connectivity, safety, and sustainability, BHEL is developing TCAS (KAVACH) through a technology partnership.



Centre for Electric Transportation (CET) – Bhopal, with state-of-the-art systems in research, performance testing and energy efficiency analysis for rail vehicles, since 1987



A visiting delegation, including senior officials from the Ministry of Coal, with BHEL Trichy engineers on the elevated platform of the Combined Cycle Demonstration Plant (CCDP)

- **High Efficiency Thermal Power Plants** - Driving development of Advanced Ultra Super Critical (AUSC) technology to deliver cleaner, more efficient thermal power.
- **Technology Collaborations** - BHEL is strategically positioning itself to leverage emerging technologies for potential business opportunities through collaborations with global partners, with 18 active Technology Collaboration Agreements (TCAs) as on March 31, 2026.

BHEL is actively strengthening its knowledge ecosystem through continuously reskilling its engineers and driving focused initiatives on design optimization, cost efficiency, and accelerated product development cycles.

Achievement during the year

BHEL's R&D initiatives have delivered value through innovation, indigenization, and cost optimization across products and systems:

- Developed in-house casing design for advanced compressor by integrating Barrel Centrifugal and Multistage Centrifugal configurations, resulting in simplified machining, reduced weight and complexity, improved rotodynamic stability, and reduced manufacturing time. This is being deployed in refinery projects of capacity 15–25 MTPA.
- Achieved ~19.5-ton weight reduction per unit of condenser through optimization of thermal design.
- Upgraded Turbine Supervisory Instrumentation (TSI) and Vacuum unloader systems for 220 MWe nuclear turbines with advanced condition monitoring system ("KAMPAN"), with deployment planned across 7 nuclear units.
- Successfully designed E-3000 oil rig mast compatible for 750 Tons Top Drive System. The modified E-3000 series oil rig mast is a cantilever-style structure standing 152 feet tall with a base width of 35 feet. Commercial order for modified design is under execution.
- Indigenized Planetary Gearbox for HP1203 Bowl Mills. It is medium speed- 30 to 35 RPM and mill capacity of 96 Tons/Hr for poor quality coal.
- Delivered in-house developed 175 MW air-cooled turbo-generators for export markets. BHEL has earlier supplied air-cooled turbo-generator upto 150 MW under technology collaboration.
- Developed 100 kVA Rotary Frequency Converter (RFC) for SRGM, enabling frequency conversion for defence applications. RFC is a Motor-Alternator set constituting two machines on single shaft for conversion of power from 50 Hz system to 60 Hz system.



Flameproof motor at BHEL shop in Bhopal



Coal Gasification Pilot Plant facility, capacity; 0.25 TPD, IICT Campus, Hyderabad

- Developed 240 kW DC fast EV charger with Combined Charging System-2 (CCS2) interface and dynamic load sharing capability.
- Indigenized and commercialised high strength and fracture toughened non-ferrous retaining rings for motors and alternators.
- Successfully developed mixing sphere for ultra-supercritical boilers using indigenized forging-grade material, replacing imported high-thickness plates.
- Successfully designed Biplane Damper used in secondary air outlet of Air Pre-heater for 800 MW sets, resulting in length reduction.

6.2 Outlook for R&D and technology development

BHEL's R&D focus areas for future include:

- Advancing coal-to-chemicals technologies and CO₂-to-DME conversion, including Coal to 2000 TPD Ammonium Nitrate project with Bharat Coal Gasification and Chemicals Limited at Jharsuguda, Orissa.
- Development of next-generation propulsion systems, semi-high speed trainsets, and integrated rail solutions.
- Development of products and systems for Hydrogen Value chain including Electrolyzer and Fuel Cell.
- Development of Li-ion batteries, compact heat exchangers, and liquid cooling systems for aerospace application.
- Development of products for Downstream Oil and Gas sector.
- Development of products and systems for nuclear power plants based on PHWR and PWR technologies.

- Development of 350 MW supercritical units for flexible and efficient power generation.
- Development of solutions for E-mobility ecosystem (including power train, charging stations etc.) and Energy Storage Systems including pumped storage.
- Development of products and systems for digital substation and advanced power transmission.

BHEL remains steadfast in its commitment to achieving sustainable, innovation-led growth through technological leadership. By aligning R&D with market needs, strengthening indigenous capabilities, and fostering strategic collaborations, the Company is well-positioned to enhance competitiveness, create long-term value, and contribute meaningfully to India's industrial and energy landscape.

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 07, 2026

Annexure – VII to the Board's Report

7.1 Conservation of Energy

Your Steps taken or impact on conservation of energy

Your company continues to actively pursue energy efficiency and conservation as an integral part of the operational strategy. BHEL's energy-intensive manufacturing units are certified under ISO 50001:2018 Energy Management System, reaffirming the organization's commitment towards structured energy management practices and continual improvement in energy performance.

Systematic energy audits are regularly conducted across various units, leading to the identification and implementation of multiple energy conservation initiatives. These measures have resulted in measurable reductions in energy consumption and enhanced operational efficiency.

Ten manufacturing units — HEEP and CFFP Haridwar, HPBP and SSTP Trichy, PPPU Thirumayam, BAP Ranipet, HEP Bhopal, HPEP Hyderabad, HPVP Varanasi, and IVP Goindwal — continue to maintain ISO 50001:2018 certification. During FY 2025–26, 50 Energy Conservation (ENCON) projects were successfully implemented across BHEL, contributing significantly to improved energy efficiency and sustainability performance.

Steps taken by the company for utilising alternate sources of energy

The Company has made consistent progress in adopting renewable energy solutions, particularly solar energy to reduce dependency on conventional power sources.

During FY 2025–26, BHEL's captive solar power plants collectively generated approximately 44.21 million units of green energy across the organization. The cumulative solar energy generation has reached around 275.86 million units over the past nine years. As on March 31, 2026, the total installed solar capacity across BHEL stands at 43.25 MWp.

Capital investment on energy conservation equipment

During FY 2025–26, ₹39.95 Crore investment made in manufacturing Units towards various energy conservation projects viz. establishment of Re-gasified Liquefied Natural Gas (RLNG) Infrastructure at BHEL Trichy, 20 TPH Boiler at BHEL Hyderabad, 30T Electric Arc Furnace (EAF) at BHEL Haridwar, etc. to improve energy efficiency.

7.2 Technology Absorption, Research and Development

Research & Development

1.	Specific areas in which R&D carried out by the company	}	Given in the Board's Report under Annexure- VI "Research and Development and Technological Achievements"
2.	Benefits derived as a result of the above R&D		
3.	Future Focus areas		
4.	Expenditure on R&D		
Total		--	₹822 Crore
a)	Recurring	--	₹820.07 Crore
b)	Capital	--	₹1.93 Crore
Expenditure as a percentage of revenue		--	2.4%

Technology Absorption

Details of technology imported during the last 5 years:

Technology	Year of import	Absorption status
Upgraded Super Rapid Gun Mount (SRGM)	2021	Technology absorption in progress.
Circulating Fluidised Bed Combustion (CFBC) Boilers	2022	
Upgraded and New models of Gas Turbines	2023	
KAVACH (Signalling System)	2024	
Heat Recovery Steam Generators (HRSGs)	2025	

7.3 Foreign Exchange Earnings and Outgoing

(₹ Crore)

Particulars	2025-26	2024-25
Foreign Exchange Used	2,278	1,967
Foreign Exchange Earned	427	557

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 07, 2026

Annexure – VIII to the Board's Report

8.1 Implementation of Official Language

BHEL is committed towards implementation of Official Language 'Hindi'. Over the years, several activities were undertaken to promote Hindi in BHEL, and these efforts have been recognized with award of 'Rajbhasha Kirti Puraskar' for the year 2024-25 received on September 14, 2025. This is the highest National Award for Official Language, by the Department of Official Language, Ministry of Home Affairs, Government of India.

During the year 2025-26, regular meetings to review the status of Rajbhasha implementation were conducted and 09 units/ divisions were inspected. Also, the Hon'ble Committee of Parliament on Official Language inspected four units of BHEL – EDN Bengaluru, HEEP Haridwar, CFP Rudrapur and BAP Ranipet and appreciated the initiatives taken for the implementation of Official Language.

Major activities undertaken to promote use of Rajbhasha 'Hindi' during FY 2025-26 are:

- 30 officials of BHEL participated in the Hindi Diwas 2025 celebrations and All India Official Language Conference organized by the Department of Official Language, Ministry of Home Affairs on September 14, 2025 at Gandhinagar, Gujarat.
- On the occasion of Hindi Diwas - 2025, BHEL organized various competitions, seminars, cultural programs and poetry symposiums across the company.

- More than 1000 employees participated in nine competitions during 'Rajbhasha Ullas Parv' organized in Delhi-NCR offices.
- On the occasion of World Hindi Day on January 10, 2026, various competitions, programmes and poetry symposium were organized in all the units/divisions/offices of the company.
- Under 'Inter-Unit Rajbhasha Utkrishtata Samman', 11 units/divisions of the company were awarded Rajbhasha Shield and Certificate for excellent Rajbhasha implementation for the year 2024-25.
- 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. Various competitions, seminars, conferences and events are being organized by these committees. 15 employees from Delhi - NCR based BHEL offices won awards in various competitions organized by TOLIC Delhi during the year 2025-26.
- 17 Hindi magazines were published in BHEL and 30 employees were awarded for contributing excellent articles published in these magazines in FY 2025-26.
- Hindi workshops were organized regularly with more than 4,400 participants across the company. In Delhi – NCR located offices, 08 Hindi workshops were organized in which 275 employees were trained.
- Wards of employees who scored excellent marks in Hindi subject in Hindi Board examinations were also rewarded.



BHEL won the 'Rajbhasha Kirti Puraskar' for the year 2024-25 – the highest National Award for Official Language, by the Department of Official Language, Ministry of Home Affairs, GoI



Vigilance Awareness Week 2025 pledge administered at Corporate Office

- To promote Hindi writing, 4 employees were recognized for their efforts under the 'Maulik Hindi Pustak Lekhan Yojana' for the block year 2023-25.
- Hindi e-mail competition with rewards were conducted on quarterly basis across various units of the company.
- Hindi training for non-Hindi speaking employees in 'C' region was organized, under the Hindi Teaching Scheme of the Government of India.
- A new Hindi library equipped with modern facilities was established at one of the BHEL's Delhi-NCR office.

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) and Central Bureau of Investigation (CBI) at one side and the Management at the other. The manufacturing units and power sector regions of BHEL have a Vigilance set-up each, 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 and recruitment, 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 conducted 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 internal, statutory and CAG audit reports were also scrutinized as per the mandate of CVC, so as to determine whether there is any vigilance angle involved in respect of the audit paras listed in such reports. Annual property returns of 2,918 employees were scrutinized during the year 2025-26 thus covering about 20% of employees covered under CDA Rules.

During FY 2025-26, 38 cases were taken up for investigation. Deviation from norms and procedures and other misconducts were found in 11 cases and actions against 26 employees found responsible thereto were recommended. The misconducts generally involved acts of deliberate omission, concealment, forgery, abuse of position with intent to deceive, gaining undue advantage, or causing wrongful gain or loss, thereby harming the company's interests.

Another focus was on expeditious disposal of such actions. As a result, disciplinary proceedings against 19 employees were concluded & penalty imposed and 07 warning / advisory letters were also issued. Further, out of 330 complaints (304 received during the year FY 2025-26), 310 were disposed-off after examination and the balance are under different stages of disposals. On the advice of Vigilance, recoveries of ₹3.92 crore (approx.) have been made from various agencies, employees, vendors and contractors.

Besides above, as a preventive vigilance initiative, BHEL conducted 178 training programmes across the Company for stakeholder sensitization. Additionally, BHEL organized a

two-day Vigilance Heads' Meet on November 11-12, 2025 at BHEL Sadan, Noida with participation from Vigilance Officers and other Delhi-NCR officials, focusing on enhancing vigilance effectiveness through expert sessions and leadership addresses. Vigilance department also released four issues of its quarterly e-newsletter 'DISHA' during the year, taking the total to 50 since 2013, to promote awareness on procurement policies, CVC/Gol guidelines and best practices.

BHEL observed Vigilance Awareness Week (27 Oct–2 Nov 2025) on the theme “सतर्कता : हमारी साझा जिम्मेदारी”, commencing with the Integrity Pledge at Corporate Office and across all units. Mass outreach included pledges by ~27,500 employees, 152 vendors/customers, 9,517 citizens, 23,433 school students, and 1,028 college students. A total of 135 awareness programmes, 110 competitions, and 7 vendor meets/grievance camps were organized nationwide. Outreach activities included Nukkad Nataks, 11 walkathons, 2 cycle rallies, 4 human chains and Gram Sabhas in 9 villages. Extensive dissemination was undertaken through emails, distribution of vigilance materials, and wide coverage in social and print media.

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 07, 2026

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 statements 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	Bharat Coal Gasification and Chemicals Limited
1	Latest Audited Balance Sheet Date	31.03.2025	31.03.2025	31.03.2025	31.03.2025
2	Date on which Associate or Joint Venture was associated or acquired	5 th May, 1997	28 th April, 2008	15 th April, 2009	21 st May, 2024
3	Shares of JVs held by BHEL on the year end				
	No.	2379999	50000000	664040000	4870600
	Amount of investment	2.38	50.00	664.04	4.87
	Extent of Holding %	50% minus one share	50%	22.14%	49%
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.	N.A.
6	Net worth attributable to Shareholding as per latest audited Balance Sheet	275.58	NIL	NIL	NIL
7	Profit/ Loss for the year	As per equity method			
	i) Considered in Consolidation	63.41	NIL	NIL	(2.36)
	ii) Not considered in Consolidation	-	(13.37)	(401.72)	-

Figures given in brackets are negative. In RPCL, 300 shares are held by BHEL in the name of its nominee.

M/s Powerplant Performance Improvement Private Ltd. has been dissolved during the financial year and accordingly not considered in consolidation.

For and on behalf of Board of Directors



(Yogesh R Chhabra)
Company Secretary
M. No. F 7463



(Rajesh Kumar Dwivedi)
Director Finance & CFO
DIN: 10048893



(K Sadashiv Murthy)
Chairman and Managing Director
DIN: 09184201

Place : New Delhi
Date : May 04, 2026



Form No AOC - II

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 arms length transactions under fourth proviso thereto

[Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

1. Details of contracts or arrangements or transactions not at arm's length basis

Number of contracts or arrangements or transactions not at arm's length basis

0

a.	CIN or any other registration number	NIL
b.	Name(s) of the related party	NIL
c.	Nature of relationship	NIL
d.	Nature of contracts/ arrangements/ transactions	NIL
e.	Duration of the contracts / arrangements/ transactions	NIL
f.	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	NIL
g.	Justification for entering into such contracts or arrangements or transactions	NIL
h.	Date of approval by the Board (DD/MM/YYYY)	NIL
i.	Amount paid as advances, if any	NIL
j.	Date on which the resolution was passed in general meeting as required under first proviso to section 188 (DD/MM/YYYY)	NIL
k.	SRN of MGT-14	NIL

2. Details of materials contracts or arrangements or transactions at arm's length basis

Number of material contracts or arrangements or transactions at arm's length basis

2

a.	CIN or any other registration number	U29350D2024GOI045884
b.	Name(s) of the related party	Bharat Coal Gasification and Chemicals Limited (BCGCL)
c.	Nature of relationship	JV of BHEL (49%) with CIL (51%)
d.	Nature of contracts/ arrangements/ transactions	Sale of goods & services (Supply, Erection and Civil Services) for - Coal Gasification & Raw Syngas Cleaning Project (LSTK 1 Package), and - Syngas Purification Project (LSTK 2 Package)
e.	Duration of the contracts / arrangements/ transactions	Sale of goods & services for 42 months from 08.01.2026 for LSTK-1 42 months from 10.02.2026 for LSTK-2
f.	Salient terms of the contracts or arrangements or transactions including actual / expected contractual amount	Related Party Transactions with BCGCL worth - Approx. INR 5,400 Crore excluding GST (LSTK-1) - Approx. INR 2,800 Crore excluding Custom Duty and GST (LSTK-2) INR 9448.71 Crore + Euro 31.874 Million.
g.	Date of approval by the Board (DD/MM/YYYY)	Transactions are at arm's length and in the ordinary course of business and both BHEL and BCGCL are Government companies, accordingly approval of the Board under section 188 of the Companies Act, 2013 was not applicable.
h.	Amount paid as advances, if any	NIL

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

K. Sadashiv Murthy

Chairman & Managing Director

DIN: 09184201

Place: New Delhi
Date: July 07, 2026

Annexure – X:

Statutory & Cost Auditors of the Company for the FY 2025-26

Statutory Auditors

Joint Statutory Auditors

M/s K Venkatachalam Aiyer & Co, New Delhi

M/s K. S. Dua & Co, New Delhi

Branch Auditors

M/s Sanjay Srivastava & Co, Bhopal

M/s Ganesan and Company, Chennai

M/s Y C R J & Associates, Bengaluru

M/s Sarath & Associates, Hyderabad

M/s K Gopal Rao & Co, Chennai

Cost Auditors

Lead Cost Auditor

M/s Vijender Sharma & Co., Delhi

Other Cost Auditors

M/s R.M. Bansal & Co., Kanpur

M/s Narasimha Murthy & Co., Hyderabad

M/s Subramanian Rajagopal & Associates, Tiruchirapalli

M/s Murthy & Co. LLP., Bengaluru

M/s Paliwal & Associates, Lucknow

M/s SSPGR & Associates LLP, Visakhapatnam

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



K. Sadashiv Murthy
Chairman & Managing Director
DIN: 09184201

Place: New Delhi
Date: July 07, 2026



Annexure – XI to the Board's Report

INDEPENDENT AUDITORS' 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, 2026, 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 11 branches audited by us and 14 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, 2026, its profit including other comprehensive income, its changes in equity and 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 Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the 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 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
<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> The application of this revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period, and disclosures including presentations of balances in the financial statements. Estimated efforts is a critical estimate to determine revenue, as it requires consideration of progress of the contract, efforts incurred till date, efforts required to complete the remaining performance obligation. Refer Note 22 & 39 to the standalone financial statements.	<u>Principal Audit Procedures</u> Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: • Evaluated the effectiveness of controls over the preparation of information that are designed to ensure the completeness and accuracy. • Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. • Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with Ind AS 115. • Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness and other related material items.
<i>Assessment and recoverability of Trade Receivables and Contract Assets</i> The Company has trade receivables outstanding (net) of ₹9223.30 Crore and contract assets (net) of ₹29389.61 Crore at the end of March 31, 2026. 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. Refer Notes 6, 9, 39 to the standalone financial statements.	<u>Principal Audit Procedures</u> We have assessed the Company's internal process to recognize the revenue and review mechanism of trade receivables and contract assets. Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: • Evaluated the process of invoicing with Customers. • Obtained the list of project wise outstanding details and its review mechanism by the management. • Reviewed the guidelines and policies of the Company on impairment of trade receivables and contract assets. • Tested the accuracy of aging of trade receivables and contract assets at the year end on sample basis. • Performed analytical procedures and test of details for reasonableness, recoverability and other related material items.

Assessment of Contingent Liability 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. 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. Refer Note 32 to the standalone financial statements	Principal Audit Procedures The audit procedures included but were not limited to: - Obtaining a detailed understanding processes and controls of the Management with respect to claims or disputes - Performing following procedures on samples selected: - Understanding the matters by reading the correspondences, communications, minutes of the management meeting - Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Company, and perusing legal opinions, if any, obtained by the Management. - Evaluating the evidence supporting the judgement of the management about possible outcomes and the reasonableness of the estimates. - Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.
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Other Matters

We did not audit the financial statements/information of 14 (Fourteen) branches included in the standalone financial statements of the Company whose financial statements/ financial information reflect total assets of ₹49806 Crore as at 31st March, 2026 and total revenue from operations of ₹25523 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.

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 misstatement there-in we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with governance 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 misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Management of Company is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management of Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the 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 with reference to the standalone financial statements 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.

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:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
 - c. The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - e. In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules 2015 as amended;
 - f. In terms of Notification no. G.S.R. 463 (E) dt. 05.06.2015 issued by Ministry of Corporate Affairs, the Provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of directors are not applicable to the Company, being a Government Company.
 - g. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**";

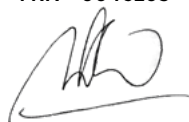
- h. As per notification number G.S.R. 463 (E) dated 5th June, 2015 issued by Ministry of Corporate Affairs, section 197 of the Act, regarding remuneration to director is not applicable to the Company, since it is a Government Company; and
- i. With respect to the other matters to be included in the 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:
 - i. 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;
 - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts. **Refer Note 38** to the financial statements;
 - iii. There has been no delay in transferring the amount, required to be transferred in accordance with the relevant provisions of the Companies Act, 2013 and the rules made thereunder, to the Investor Education and Protection Fund by the Company.
 - iv) a) The management has represented that, to the best of its knowledge and belief, of the Standalone Financial Statements, 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, whether, 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 management has represented, that, to the best of its knowledge and belief, as disclosed, 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, whether, 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 such audit procedures 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), as provided under (a) and (b) contain any material mis-statement.
- v) As stated in **Note 31** to the financial statements,
 - a) 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 dividend proposed is in accordance with section 123 of the Act to the extent it applies to the declaration of dividend.

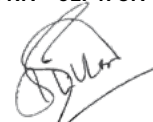
- b) During the year Company has not declared or paid any Interim Dividend.
- c) The Final dividend proposed for the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable
- vi. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks, and the reports of Branch Auditor's we report that the company has used multiple accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- (3) On the basis of verification 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 K Venkatachalam Aiyer & Co.
Chartered Accountants
FRN - 004610S



CA. V. Ramachandran
Partner
M. No. 020504
UDIN: 26020504IUTLNW3890

For K. S. Dua & Co.
Chartered Accountants
FRN - 017478N



CA. Swarn Singh Dhillon
Partner
M No. 527610
UDIN: 26527610PAIMQZ1233

Place: New Delhi
Dated: 4th May, 2026

Annexure "A" TO INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report to the Members of Bharat Heavy Electricals Limited of even date)

i. In respect of the Company's Property, Plant & Equipment and Intangible Assets:

- a) A] The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, Plant & Equipment, and relevant details of right of use assets.
- B] The Company has maintained proper records showing full particulars of intangible assets.
- b) Physical Verification of Property, Plant & Equipment have been stated to be physically verified by the Management during the year is being conducted in a phased manner by the management under

a programme designed to cover all the property, plant and equipment including intangible assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business and no material discrepancies were noticed on such verification to the extent verification was made during the year.

- c) According to the information and explanation given to us, the records examined by us, the title deeds of immovable properties as disclosed in Note 3a on Property, Plant and Equipment to the Standalone Financial Statements are held in the name of the Company except for the following:

Title deeds of Immovable Property not held in the name of BHEL (As on 31/03/2026)

Description of item of property (under the line item of B/S)	Gross Carrying value (₹ in Crore)	Lease/ Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
PPE:-					
Land-Freehold	0.52	State Govt of Telangana	No	1974 onwards	Transfer of title deed in progress, matter taken up with state govt. through TSIIIC
Land-Freehold	0.11	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	0.18	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	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 .

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
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	0.2799	Mysore Porcelain Ltd	No	21-05-1980	Land devolved to BHEL EPD through gazette of GOI. updation in land records in progress
Land-Freehold	1.64	State Govt. of TamilNadu	No	24-11-2010	Patta (Title Deed) is yet to be obtained
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	1989	Title in respect of 4 Flats are in dispute between builder & Land Owner
Building - Freehold	0.05	Maharashtra Cooperative Society	No	1989	6 Flats in name of Cooperative Society. There is no dispute.
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.
Building - Leasehold (Right-of-use of assets)	1.2777	State Govt. of Maharashtra	No	01-02-1991	Maharashtra Govt. has not executed the lease of land with MVIRDC, thus MVIRDC cannot execute the lease deed for 1 Floors with BHEL.

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
Investment Property:-					
Building - Leasehold	1.2777	State Govt. of Maharashtra	No	01-02-1991	Maharashtra Govt. has not executed the lease of land with MVIRDC, thus MVIRDC cannot execute the lease deed for 1 Floors with BHEL.

- (d) The Company has not revalued its Property, Plant & Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the other requirements of clause 3(i)(d) of the Order is not applicable.
- e) No proceedings have been initiated during the year or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) 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.
- According to the information and explanations given to us, no material discrepancies of 10% or more in the aggregate for each class of inventory between physical inventory and book records were noticed on physical verification
- (b) In our opinion and according to the information and explanations given to us, and relevant records produced, the company has been sanctioned working capital limit of ₹80,000 Crore (Fund Based Limit of ₹9,500 Crore, Non-Fund Based Limits Letter of Credit (LC) ₹4,500 Crore and Bank Guarantees (BG) ₹66,000 crore), under consortium finance from Banks/Financial institution against security of current assets. As per records verified by us, in our opinion, the monthly/quarterly returns or statement filed by the company with such Banks/Financial Institution are in agreement with books of accounts of the Company

- iii. No.
- The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured/ unsecured, to companies, firms LLPs' or any other parties during the year. Hence reporting under clause 3(iii)(a)(A) & (B) of the Order is not applicable.
- In view of above, the requirements of clause 3(iii)(b), 3(iii)(c), 3(iii)(d) & 3(iii)(e) of the Order are not applicable.
- The Company has not made any loans and advances in the nature of loans during the year including any amounts of loans granted to promoters, related parties as defined in clause (76) of section 2 of the Act and hence reporting under clause 3(iii)(f) of the Order is not applicable.
- iv. According to the 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, Government of India. In our opinion and according to the information given to us, the company has complied with the provisions of Section 185 & 186 of Companies Act 2013 in respect of loans and investment made.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Act and rules made thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost 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 Act and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We

have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

vii. In respect of statutory dues:

a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including Goods and Services 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 to the appropriate authorities. No such statutory dues were outstanding as at March 31, 2026 for a period of more than six months from the date they became payable.

b) The details of dues towards Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Goods and Services Tax which have not been deposited as at March 31, 2026, on account of disputes are given below:

(₹ in Crore)

Sl. No.	Name of the Statute	Forum where dispute is pending	Nature of the dues	Amount involved	Amount deposited	Amount not deposited	Period to which the amount relates
1	Central Sales Tax Act, Value Added Tax and Sales Tax Act of various States	Assessing Officer	Sales Tax	10.84	4.26	6.58	1991-92, 1995-96, 1997-98, 1999-00, 2004-05, 2007-08, 2009-13, 2016-17
		Dy.Commissioner/ Jt.Commissioner/ Commissioner (Appeals)		154.30	52.64	101.65	1993-94, 1994-95, 1998-99, 2002-03 to 2017-18
		Appellate Tribunal		135.28	38.35	96.93	1984-85, 1989-90, 1991-92, 1995-96 to 2017-18
		High Court		50.55	47.84	2.71	1985-86, 1994-95, 2000-01, 2006-07 to 2016-17
2	Central Excise Act, 1944	Dy.Commissioner/ Jt.Commissioner/ Commissioner (Appeals)	Excise Duty	10.60	0.02	10.58	1980 - 2008, 2011-12 to 2017-18
		Appellate Tribunal		44.44	4.31	40.13	1980 - 2008, 2005-06, 2016-17
		Supreme Court		27.49	-	27.49	2008-09, 2009-10
3	Service Tax under the Finance Act, 1994	Dy.Commissioner/ Jt.Commissioner/ Commissioner (Appeals)	Service Tax	1.31	0.44	0.87	2017-18
		Appellate Tribunal		400.68	5.74	394.95	2005-06 to 2017-18
4	Customs Act, 1962	Dy.Commissioner/ Jt.Commissioner/ Commissioner (Appeals)	Custom Duty	2.14	0.79	1.35	2013-14 to 2015-16, 2021-22 to 2025-26
		Appellate Tribunal		21.60	0.43	21.18	2007-08, 2012-14, 2020-21 to 2024-25
		High Court		5.80	5.80	-	2017-18

Sl. No.	Name of the Statute	Forum where dispute is pending	Nature of the dues	Amount involved	Amount deposited	Amount not deposited	Period to which the amount relates
5	GST Act 2017	Assessing Officer	GST	0.17	0.01	0.16	2021-22, 2024-25
		Dy.Commissioner/ Jt.Commissioner/ Commissioner (Appeals)		56.20	4.79	51.41	2017-18 to 2025-26
		Appellate Tribunal		7.75	0.54	7.22	2017-18 to 2019-20
6	Income Tax Act 1961	Jt.Commissioner/ Commissioner (Appeals)	Income Tax	0.41	0.41	-	2016-18
7	Income Tax (Foreign)	Settlement agreement to be filed before Rawandan Revenue Authority	Income Tax	20.01	6.55	13.47	2013-15
		Bangladesh tax appellate authority		22.87	-	22.87	2020-21
8	Employees Provident Fund and Miscellaneous Provisions Act, 1952	RPFC Kanpur	Provident Fund	1.24	0.62	0.62	2002-03
Total				973.70	173.53	800.16	

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.
- The Company has not taken any Term Loan during the year and there is no outstanding term loan at the beginning of the year and hence, reporting under clause 3(ix) (c) of Order is not applicable.
- On an overall examination of the Standalone Financial Statements of the Company, funds raised on short-term basis have, prima facie,

not been used during the year for long-term purposes by the Company.

- The Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint ventures.
- The Company has not raised any loans during the year on the pledge of securities held in its joint ventures.

x.

- The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

- xi.
 - a) Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
 - b) No report under section 143(12) of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with Central Government during the year and till the audit report date.
 - c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of audit procedures
- xii. The Company is not a Nidhi Company and hence reporting under of clause 3(xii)(a), (b), (c) of the Order is not applicable to the Company and hence not commented upon.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with related parties and the details of the related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.
- xiv.
 - a) In our opinion, the Company has an internal audit system to commensurate with the size and the nature of its business.
 - b) We have considered the furnished internal audit reports of the audits conducted for the year under audit, issued to the Company during the year and till date, in determining the nature, timing, and extent of our audit procedures.
- xv. In our opinion, during the year the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi.
 - a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, requirements of clause (xvi)(a) of the Order are not applicable to the Company.
 - b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities therefore the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, requirements of clause 3(xvi)(b) of the Order are not applicable.
 - c) In our opinion, the Company is not a core investment company as defined in the Core Investment Companies (Reserve Bank) Directions, 2016 and accordingly reporting under clause 3(xvi)(c) of the Order is not applicable.
 - d) 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. Based on our examination of the books and records of the Company, the company has not incurred cash losses in the current and in the immediately preceding financial year. Accordingly, provisions of clause 3(xvii) of the order are not applicable.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, requirements of clause 3 (xviii) of the order are not applicable.
- xix. 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 Standalone 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.

- 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 for the year.

- b) The Company has transferred unspent Corporate Social Responsibility amount as at March 31, 2021 to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

- xxi. Provision of clause (xxi) is not applicable to Company level Standalone Financial Statements.

For K Venkatachalam Aiyer & Co.
Chartered Accountants
FRN - 004610S



CA. V. Ramachandran
Partner
M. No. 020504
UDIN: 26020504IUTLNW3890

For K. S. Dua & Co.
Chartered Accountants
FRN - 017478N



CA. Swarn Singh Dhillon
Partner
M No. 527610
UDIN: 26527610PAIMQZ1233

Place: New Delhi
Dated: 04th May, 2026

"ANNEXURE B" TO 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, 2026 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 over financial reporting 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 statement, 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, 2026, 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 K Venkatachalam Aiyer & Co.
Chartered Accountants
FRN - 004610S

CA. V. Ramachandran
Partner
M. No. 020504
UDIN: 26020504IUTLNW3890

For K. S. Dua & Co.
Chartered Accountants
FRN - 017478N

CA. Swarn Singh Dhillon
Partner
M No. 527610
UDIN: 26527610PAIMQZ1233

Place: New Delhi
Dated: 04th May, 2026

"ANNEXURE C" TO INDEPENDENT AUDITORS' 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 2025-26:

Sl. No.	Areas Examined	Response
1	Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post-retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	The investments, made by Company for Post-retirement benefits of the employees have been valued appropriately in accordance with the applicable financial reporting framework and applicable regulations. The valuation approach and valuation methodologies applied by Company for these investments are reasonable and consistent with Ind AS-19 as disclosed at Note 36 of Financial statements. No material deviations or misstatements have been observed.
2	Whether the Company has a system in place to process all the accounting transactions through IT system? If yes, whether review of this system and controls that are significant to the Company, financial reporting process as well as cyber security has been done by Information Security Auditing Organisations empanelled by Cert-In at a minimum frequency of once in a year and material discrepancies found, if any, have been suitably reported? The implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications may also be reported.	The Company have a system in place to process all accounting transactions through IT system(s), thereby ensuring appropriate controls and accuracy of transactions. The Company conducts an annual review of its IT systems and cyber security through STQC, which is empaneled by CERT-In for IT security testing. Further, the review of systems and controls significant to the Company and the financial reporting process is carried out at reasonable intervals by in-house professionals, ensuring adequate coverage of all Units. In view of the above, there are no adverse implications on the integrity of the accounts nor any financial implications.
3	Whether funds (grants/ subsidy etc.) received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for as per the applicable accounting standards or norms and whether the received funds were utilised as per its terms and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	The Fund(s) received / receivable for specific schemes from Central / State agencies during the year 2025-26 including interest earned have been properly accounted for as per the applicable accounting standards or norms, and were utilized as per the terms and conditions of the Grant. No material deviations or misstatements have been observed.
4(a)	Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices?	Yes, BHEL has identified the key risk faced by it. The mitigation measures against the identified key risks are in place. The company has in place a Risk Management Charter and Policy to implement a structured and comprehensive Enterprise Risk Management system. This Charter is built on the established principles of sound risk management as per recognized sources of Risk Management Standard.

Sl. No.	Areas Examined	Response
4(b)	Whether the Company has identified its data assets and whether it has been valued appropriately?	The Company has not identified data assets, such as customer/vendor master data, engineering designs, and other similar information, and consequently, no such data assets have been valued by the company, apart from the intangible assets already recognized in the books of accounts.
5	Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India wherever applicable? If not, the cases of deviation may be highlighted.	During the period under review, the number of independent directors on the Board of the Company was less than half of the total strength of the Board as required under Regulation 17(1) of the SEBI Listing Regulations, Para 3.1.4 of the DPE Guidelines on Corporate Governance and Section 149 (4) of the Companies Act, 2013. Further, the Company did not have an independent woman director during the period as required under Regulation 17 (1) of the SEBI Listing Regulations. Apart from this, the Company is generally compliant with all applicable regulatory requirements. Periodical compliance reviews are being conducted. No material non-compliance impacting financial statements has been observed.

Further, Sub-directions to Statutory Auditors of Power Sector entities:

Sl. No.	Areas Examined	Auditor's Response
(i)	Verify whether the existing regulatory assets of the Company are supported by the tariff orders of the Electricity Regulatory Commission	The Company is not engaged in power distribution activity and hence there are no regulatory assets to report.
(ii)	Verify whether the revenue in respect of such assets has been recognised by the Company on the basis of tariff orders issued by the Electricity Regulatory Commission	Not applicable.
(iii)	State the impact of recognition/ existence of regulatory assets in the absence of tariff orders, if any	Not applicable.
(iv)	State the impact of delayed/ non-recovery of regulatory assets on the financial statements of the Company	Not applicable.
(v)	Examine and report upon the accuracy/ adequacy of accounting treatment/ related disclosures in this regard	Not applicable.

For K Venkatachalam Aiyer & Co.
Chartered Accountants
FRN - 004610S



CA. V. Ramachandran
Partner
M. No. 020504
UDIN: 26020504IUTLNW3890

For K S Dua & Co.
Chartered Accountants
FRN - 017478N



CA. Swarn Singh Dhillon
Partner
M No. 527610
UDIN: 26527610PAIMQZ1233

Place: New Delhi
Dated: 04th May, 2026



COMPLIANCE CERTIFICATE

We have conducted the audit of account of Bharat Heavy Electricals Ltd., Standalone and Consolidated accounts for the year ended on 31.03.2026 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 complied with all the directions / sub-directions issued to us.

For K Venkatachalam Aiyer & Co.
Chartered Accountants
FRN - 004610S

CA. V. Ramachandran
Partner
M. No. 020504
UDIN: 26020504IUTLNW3890

For K. S. Dua & Co.
Chartered Accountants
FRN - 017478N

CA. Swarn Singh Dhillon
Partner
M No. 527610
UDIN: 26527610PAIMQZ1233

Place: New Delhi
Dated: 04th May, 2026

No.DGA(P)/Rep/01-08/ACS-RHEL-SFS/2026-27/171

भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महानिदेशक लेखापरीक्षा (विद्युत)
नई दिल्ली-110002



INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Power)
New Delhi-110002

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Dated: 03/07/2026

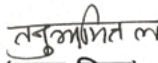
सेवा में,
अध्यक्ष एवं प्रबंध निदेशक,
भारत हैवी इलेक्ट्रिकल्स लिमिटेड,
नई दिल्ली

विषय:- 31 मार्च 2026 को समाप्त वर्ष के लिए भारत हैवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के वार्षिक लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ।

महोदय,
मैं, भारत हैवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के 31 मार्च 2026 को समाप्त वर्ष के वार्षिक लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रही हूँ।
कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्नक:- यथोपरि।

भवदीया,


(तनुजा मित्तल)
महानिदेशक (विद्युत)

**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 2026**

The preparation of financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2026 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 04 May 2026.

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 2026 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.

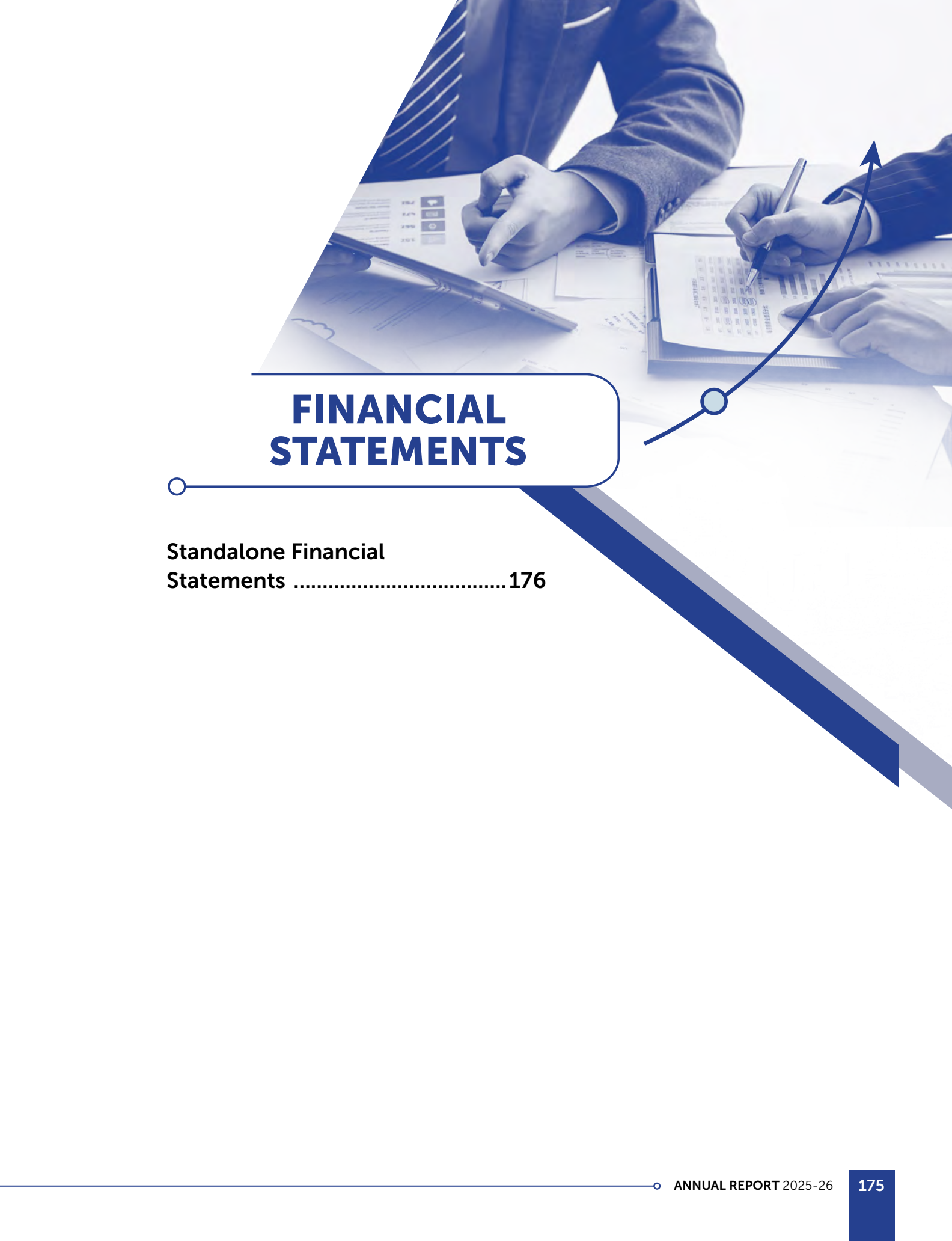
On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

Place: New Delhi

Date: 03/07/2026

Tanuja Mittal
(Tanuja Mittal)
Director General of Audit (Power)
New Delhi



FINANCIAL STATEMENTS

Standalone Financial Statements	176
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Standalone Balance Sheet as at March 31, 2026

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2026		As at March 31, 2025	
A. ASSETS						
1. Non-current assets						
(a) Property, plant and equipment	3a	190		2933.28		2862.46
(b) Capital work-in-progress	3b	190		399.20		161.70
(c) Investment Property	3c	191		0.52		0.45
(d) Intangible assets	4a	198		64.73		84.27
(e) Intangible assets under development	4b	199		95.85		33.73
(f) Financial assets						
(i) Investments	5	200		676.58		671.71
(ii) Trade receivables	6	201		2426.93		3046.58
(iii) Other financial assets	7	203		258.78	3362.29	715.95
(g) Deferred tax assets (net of liabilities)	8	204		3532.80		4067.72
(h) Other non-current assets	9	205		14716.11		14074.98
Total non-current assets				25104.78		25719.55
2. Current assets						
(a) Inventories	10	206		13334.58		9869.49
(b) Financial assets						
(i) Trade receivables	6	201		6796.27		5884.35
(ii) Cash and cash equivalents	11	207		1435.45		439.21
(iii) Bank balances other than cash and cash equivalents	12	207		10431.17		7173.20
(iv) Other financial assets	7	203		332.13	18995.02	300.76
(c) Current tax assets (net)	13	207		202.72		137.37
(d) Other current assets	9	205		18923.03		18955.39
Total current assets				51455.35		42759.77
TOTAL ASSETS				76560.13		68479.32
B. EQUITY AND LIABILITIES						
3. Equity						
(a) Equity share capital	14	208		696.41		696.41
(b) Other equity	15	208		25820.08		24416.60
Total Equity				26516.49		25113.01
4. Liabilities						
4.1 Non-current liabilities						
(a) Financial liabilities						
(i) Lease Liabilities	16	209		168.18		162.39
(ii) Trade payables	17	209				
(i) Total outstanding dues of micro enterprises and small enterprises				-		-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises				1343.44		2170.79
(iii) Other financial liabilities	18	211		410.96	1922.58	422.79
(b) Provisions	19	211		2354.62		2585.56
(c) Other non-current liabilities	20	211		13459.63		9793.90
Total non-current liabilities				17736.83		15135.43

Standalone Balance Sheet as at March 31, 2026

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2026		As at March 31, 2025	
4.2. Current liabilities						
(a) Financial liabilities						
(i) Borrowings	21	212	7950.00		8795.00	
(ia) Lease Liabilities	16	209	68.77		57.21	
(ii) Trade payables	17	209				
(i) Total outstanding dues of micro enterprises and small enterprises			1932.11		1430.24	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			8559.49		8110.68	
(iii) Other financial liabilities	18	211	1317.93	19828.30	1245.81	19638.94
(b) Provisions	19	211		1918.91		1815.31
(c) Other current liabilities	20	211		10559.60		6776.63
Total current liabilities				32306.81		28230.88
Total liabilities				50043.64		43366.31
TOTAL EQUITY AND LIABILITIES				76560.13		68479.32

Basis of preparation, measurement and Material Accounting Policies 2 184

The accompanying notes [1-55] are an integral part of these financial statements

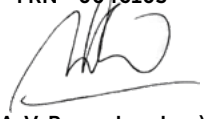
For and on behalf of Board of Directors

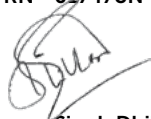

(Yogesh R Chhabra)
 Company Secretary
 M. No. F 7463


(Rajesh Kumar Dwivedi)
 Director Finance & CFO
 DIN: 10048893


(K Sadashiv Murthy)
 Chairman and Managing Director
 DIN: 09184201

As per our report of even date

For K. Venkatachalam Aiyer & Co.
 Chartered Accountants
FRN - 004610S

(CA. V. Ramachandran)
 Partner
 M. No. 020504

For K. S. Dua & Co.
 Chartered Accountants
FRN - 017478N

(CA. Swarn Singh Dhillon)
 Partner
 M. No. 527610
Place: New Delhi
Date: 04th May, 2026



Standalone Statement of Profit and Loss

For the year ended March 31, 2026

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2026	For the year ended March 31, 2025
INCOME				
Revenue from operations	22	213	33782.18	28339.48
Other income	23	213	846.39	503.39
TOTAL INCOME			34628.57	28842.87
EXPENSES				
Cost of raw materials consumed			10493.09	8207.65
Purchases of Bought out items			7402.09	6757.99
Civil, erection and engineering expenses			5872.55	4989.22
Consumption of stores & spares			506.55	432.61
Changes in inventories of finished goods, work in progress and Scrap	24	214	(1291.19)	(1542.32)
Employee benefits expense	25	214	6467.62	5923.42
Other Expenses	26	215	1989.28	2329.34
Finance costs	27	218	756.41	748.33
Depreciation & amortisation expense	3.1 3.2 4.1	192 197 198	315.87	271.96
TOTAL EXPENSES			32512.27	28118.20
PROFIT BEFORE TAX			2116.30	724.67
Tax expenses	28	218		
a) Current tax			3.31	23.16
b) Deferred tax			535.04	188.54
PROFIT FOR THE YEAR (A)			1577.95	512.97

Standalone Statement of Profit and Loss

For the year ended March 31, 2026

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2026	For the year ended March 31, 2025
OTHER COMPREHENSIVE INCOME	29	218		
Items that will not be reclassified to profit or loss (net of tax)				
-Remeasurement of defined employee benefits			(0.37)	(163.50)
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)			(0.37)	(163.50)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)			1577.58	349.47
Earnings per equity share	30	219		
(1) Basic [Face value of ₹2 each]			4.53	1.47
(2) Diluted [Face value of ₹2 each]			4.53	1.47

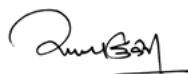
Basis of preparation, measurement and Material Accounting Policies **2** **184**

The accompanying notes [1-55] are an integral part of these financial statements

For and on behalf of Board of Directors



(Yogesh R Chhabra)
Company Secretary
M. No. F 7463



(Rajesh Kumar Dwivedi)
Director Finance & CFO
DIN: 10048893



(K Sadashiv Murthy)
Chairman and Managing Director
DIN: 09184201

As per our report of even date

For K. Venkatachalam Aiyer & Co.
Chartered Accountants
FRN - 004610S



(CA. V. Ramachandran)
Partner
M. No. 020504

For K. S. Dua & Co.
Chartered Accountants
FRN - 017478N



(CA. Swarn Singh Dhillon)
Partner
M. No. 527610

Place: New Delhi
Date: 04th May, 2026



Standalone Statement of Changes in Equity

For the year ended March 31, 2026

A. Equity Share Capital

(₹ in Crore)

Equity shares of ₹2 each issued, subscribed and fully paid	Number of shares		Amount	
	2025-26	2024-25	2025-26	2024-25
Balance at the beginning of the year	3482063355	3482063355	696.41	696.41
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	3482063355	3482063355	696.41	696.41

B. Other equity

For the year ended March 31, 2026

(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings		
Balance as at April 01, 2025	35.18	37.87	30476.66	(5551.67)	(581.44)	24416.60
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Reinstated balance as at April 01, 2025	35.18	37.87	30476.66	(5551.67)	(581.44)	24416.60
Add: Total comprehensive Income for the year				1577.95	(0.37)	1577.58
Less: Final dividend [Note 31]				(174.10)		(174.10)
Balance as at March 31, 2026	35.18	37.87	30476.66	(4147.82)	(581.81)	25820.08

For the year ended March 31, 2025

(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings		
Balance as at April 01, 2024	35.18	37.87	30476.66	(5977.59)	(417.94)	24154.18
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Reinstated balance as at April 01, 2024	35.18	37.87	30476.66	(5977.59)	(417.94)	24154.18
Add: Total comprehensive Income for the year	-	-	-	512.97	(163.50)	349.47
Less: Final dividend [Note 31]	-	-	-	(87.05)	-	(87.05)
Balance as at March 31, 2025	35.18	37.87	30476.66	(5551.67)	(581.44)	24416.60

For and on behalf of Board of Directors



(Yogesh R Chhabra)
Company Secretary
M. No. F 7463



(Rajesh Kumar Dwivedi)
Director Finance & CFO
DIN: 10048893



(K Sadashiv Murthy)
Chairman and Managing Director
DIN: 09184201

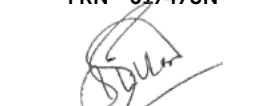
As per our report of even date

For K. Venkatachalam Aiyer & Co.
Chartered Accountants
FRN - 004610S



(CA. V. Ramachandran)
Partner
M No. 020504

For K. S. Dua & Co.
Chartered Accountants
FRN - 017478N



(CA. Swarn Singh Dhillon)
Partner
M. No. 527610

Place: New Delhi
Date: 04th May, 2026

Standalone Statement of Cash Flows

For the year ended March 31, 2026

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before tax	2116.30	724.67
Adjustments for :		
Provision and write off	(211.00)	(879.13)
Depreciation and amortisation	315.87	271.96
Finance cost (including unwinding of interest)	756.41	748.33
Interest & dividend income	(778.01)	(440.71)
Unrealised Foreign Exchange loss/(gain)	(433.47)	(16.97)
Amortisation of Government Grant	(9.66)	(8.99)
Others include profit on sale of investment & PPE and Impairment of Investment	(13.09)	(18.03)
Cash generated / (used) in operations before working capital changes	1743.34	381.13
Adjustment for changes in working capital:		
Trade Receivables	(538.60)	(1002.80)
Contract Assets	687.82	(1960.76)
Inventories	(3401.50)	(2632.53)
Loans, advances & other assets	(197.49)	(1448.04)
Sub total	(3449.77)	(7044.13)
Trade payable	182.25	846.94
Advances from customers, deposits and others	7351.17	7927.25
Sub total	7533.42	8774.19
Net cash (used in) / from working capital	4083.65	1730.06
Cash generated / (used) in operations	5826.99	2111.18
Income Tax paid	(209.80)	(154.41)
Refund of income tax	220.19	235.70
Net cash (used in) / from operating activities	5837.38	2192.47
B. CASH FLOW FROM INVESTING ACTIVITIES		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	(3148.14)	(2878.41)
Interest received	649.38	371.74
Sale proceeds from Investment	-	5.76
Dividend received from joint ventures	38.08	38.08
Sale of property, plant and equipment, Intangible Assets & Investment Property	13.01	13.46
Purchase of property, plant and equipment, Intangible Assets & Investment property	(589.04)	(304.37)
Investment in joint ventures	(4.87)	-
Income received from mutual funds	0.08	-
Receipt of Govt Grant (Capital)	6.09	22.25
Net cash (used in) / from investing activities	(3035.41)	(2731.49)

Standalone Statement of Cash Flows

For the year ended March 31, 2026

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	(845.00)	(13.00)
Proceeds / (repayment) of lease obligation (Principal)	(59.19)	(48.12)
Proceeds / (repayment) of lease obligation (Interest)	(17.76)	(7.24)
Dividend paid	(174.64)	(87.44)
Interest paid	(709.14)	(701.01)
Net cash (used in) / from financing activities [Refer Point 4]	(1805.73)	(856.81)
D. Net increase/(decrease) in cash and cash equivalents	996.24	(1395.83)
Opening balance of cash and cash equivalents	439.21	1835.04
Closing balance of cash and cash equivalents [Refer Note 11]	1435.45	439.21

(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 ₹220.19 Cr., including interest income of ₹48.90 Cr.

For and on behalf of Board of Directors



(Yogesh R Chhabra)
Company Secretary
M. No. F 7463



(Rajesh Kumar Dwivedi)
Director Finance & CFO
DIN: 10048893



(K Sadashiv Murthy)
Chairman and Managing Director
DIN: 09184201

As per our report of even date

For K. Venkatachalam Aiyer & Co.

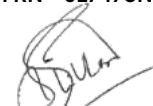
Chartered Accountants
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M. No. 020504

For K. S. Dua & Co.

Chartered Accountants
FRN - 017478N



(CA. Swarn Singh Dhillon)
Partner
M. No. 527610

Place: New Delhi
Date: 04th May, 2026

Notes to the Standalone Financial Statements for the year ended March 31, 2026

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

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively.

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

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

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

Temporary structures are fully depreciated in the year of construction.

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.

11. 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.

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.

20. Investment Property

Investment properties are properties (land or building or part of building or both) held to earn rental income and/or

for capital appreciation. It does not include property held for use in the production or supply of goods or services or for administrative purposes, nor it includes property held for sale in the ordinary course of business.

These are initially measured at cost, including related transaction costs and, where applicable, borrowing costs as per accounting standards. After initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Though measured at cost, the fair value of investment properties is disclosed in the notes to the financial statements, based on a valuation by an independent qualified valuer. Subsequent expenditure is capitalized if it is probable that future economic benefits will flow to the company and the cost of the expenditure can be reliably measured. Day-to-day repairs and maintenance are expensed off when incurred.

Investment properties are depreciated in accordance to the category of asset that it belongs to and the life of the asset shall be as conceived for the same in line with the policy on PPE.

Properties are transferred to or from investment property only when there is a clear change in use, supported by evidence. Transfers between investment property, and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes. An investment property is derecognized upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition (the difference between net disposal proceeds and carrying amount) is recognized in the Statement of Profit and Loss.

Note [3a] - Non current assets

Property, Plant and Equipment

Refer point 2 of Note [2] for Material accounting policy on Property, Plant and Equipment (PPE)

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Gross block	7661.74	7404.47
Less: Accumulated depreciation	4728.46	4542.01
Net block (for details refer to Note 3.1)	2933.28	2862.46

The Net block includes ₹300.42 Cr. (Previous Year ₹304.56 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, 2026	As at March 31, 2025
Plant & machinery and other equipments:		
Under Erection/ Fabrication/awaiting erection	226.79	87.16
In transit	3.98	24.59
Construction work-in-progress - Civil	166.58	45.37
Construction stores (including in transit)	1.85	4.58
Total	399.20	161.70

(₹ in Crore)

CWIP Ageing schedule - As at March 31, 2026	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	347.22	39.32	0.57	0.58	387.69
Projects temporarily suspended				11.51	11.51

(₹ in Crore)

CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2026	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
Other Projects less than ₹10 Crore (Total Nos - 6)	-	-	-	0.39	0.39
Projects temporarily suspended					
Equipment Fabrication Plant - Bhandara	-	-	-	7.74	7.74
Enabling work- Uppur	-	-	-	2.94	2.94
Other Projects less than ₹1 Crore (Total Nos - 2)	-	-	-	0.83	0.83

(₹ in Crore)

CWIP Ageing schedule - As at March 31, 2025	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	145.83	0.98	1.30	1.30	149.42
Projects temporarily suspended				12.28	12.28

(₹ in Crore)

CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2025	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
New Building - Noida	0.91	-	-	-	0.91
Electric Overhead Travelling Crane	1.47	-	-	-	1.47
Other Projects less than ₹10 Crore (Total Nos - 12)	1.10	-	-	0.37	1.47
Projects temporarily suspended					
Equipment Fabrication Plant - Bhandara	-	-	-	7.74	7.74
Enabling work- Uppur	-	-	-	2.94	2.94
Other Projects less than ₹1 Crore (Total Nos - 5)	-	-	-	1.60	1.60

Note [3c] - Non current assets

Investment Property

Refer point 20 of Note [2] for Material accounting policy on Investment Property

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Gross block	1.32	1.17
Less: Accumulated depreciation	0.80	0.72
Net block (for details refer to Note 3.2)	0.52	0.45

Fair value of Investment Property	133.67	111.58
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Note 3.1 - Details of Property, Plant & Equipment

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as on 01.04.2025	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2026	Accumulated Depreciation as at 01.04.2025	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2026	Net Block as at 31.03.2026	Net Block as at 31.03.2025
Land - Freehold land (including development expenses)*	27.73	0.33	0.00	28.06	0.00	0.00	0.00	0.00	28.06	27.73
Buildings - Freehold Buildings*	2130.26	65.30	(14.67)	2180.89	799.62	53.35	(13.74)	839.23	1341.66	1330.64
Roads, bridges & culverts	18.01	0.52	0.00	18.53	15.24	0.36	(0.00)	15.60	2.93	2.77
Drainage, Sewerage & water supply	44.76	0.05	(0.00)	44.81	12.24	1.60	(0.00)	13.84	30.97	32.52
Plant & Equipment	3568.25	186.68	(4.69)	3750.24	2727.36	116.40	(4.71)	2839.05	911.19	840.89
Railway Siding	8.85	0.00	0.00	8.85	6.58	0.41	0.00	6.99	1.86	2.27
Locomotives & Wagons	28.33	2.04	(0.17)	30.20	22.05	1.28	(0.18)	23.15	7.05	6.28
Furniture & fixtures	87.59	4.82	(2.13)	90.28	57.61	5.78	(1.84)	61.55	28.73	29.98
Vehicles	17.98	3.10	(0.15)	20.93	13.34	1.28	(0.15)	14.47	6.46	4.64
Office and Other equipments	167.27	13.98	(3.67)	177.58	141.71	8.98	(3.59)	147.10	30.48	25.56
Electronic Data Processing Equipment	195.52	2.31	(20.97)	176.86	182.38	4.92	(20.93)	166.37	10.49	13.14
Electrical Installations	347.20	7.91	(1.03)	354.08	207.61	12.19	(1.03)	218.77	135.31	139.58
Construction Equipment	66.85	1.87	(7.73)	60.99	65.36	0.63	(7.70)	58.29	2.70	1.49
Fixed Assets costing upto ₹10,000/-	27.46	5.11	(2.07)	30.50	27.46	5.11	(2.07)	30.50	0.00	-
Solar power generation	143.81	0.04	0.00	143.85	43.41	5.48	0.00	48.89	94.96	100.40
Right-of-use Assets*	524.59	75.62	(55.13)	545.08	220.04	77.14	(52.52)	244.66	300.42	304.56
TOTAL	7404.47	369.68	(112.41)	7661.74	4542.01	294.91	(108.45)	4728.46	2933.28	2862.46
Previous Year	6897.02	605.08	(97.66)	7404.47	4386.33	251.13	(95.47)	4542.01	2862.46	2510.69

Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2026 ₹14510.15 Crore and as at 31.03.2025 ₹14411.16 Crore

Gross Block as at 31.03.2026 includes assets condemned and retired from active use ₹10.23 Crore (Previous year ₹7.24 Crore)

Net Block as at 31.03.2026 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 ₹265.34 Crore (Previous year ₹243.50 Crore)

*Transfer to Investment Property C.Y. 2025-26 from Building Freehold Gross Block ₹0.15 Crore & Accumulated Depreciation ₹0.06 Crore, (P.Y. 2024-25 from Land Gross Block ₹Nil, Building Freehold Gross Block ₹0.53 Crore & Accumulated Depreciation ₹0.51 Crore and Building RoU Gross Block ₹0.64 Crore & Accumulated Depreciation ₹0.19 Crore)

In respect of additions to/deductions from PPE & intangible assets depreciation/amortization is charged by the company on pro-rata monthly basis at the existing rates.

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 01.04.2025	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2026	Accumulated Depreciation as at 01.04.2025	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2026	Net Block as at 31.03.2026	Net Block as at 31.03.2025
Land (including development expenses)	124.33	16.45	(0.00)	140.77	24.82	5.58	0.00	30.40	110.37	99.51
Buildings*	2.02	0.00	0.00	2.02	0.55	0.24	0.00	0.79	1.23	1.47
Plant & Equipment	16.30	8.79	(10.87)	14.22	11.20	2.15	(8.13)	5.22	8.99	5.10
Office & other equipment	7.87	1.08	(2.07)	6.89	6.09	0.67	(2.07)	4.69	2.20	1.78
EDP Equipment	341.68	45.82	(34.28)	353.22	157.72	62.53	(34.64)	185.61	167.61	183.96
Vehicle	6.65	2.21	(0.97)	7.89	3.48	1.78	(0.74)	4.52	3.37	3.17
Others	25.74	1.27	(6.94)	20.07	16.17	4.19	(6.94)	13.42	6.65	9.57
TOTAL	524.59	75.62	(55.13)	545.08	220.03	77.14	(52.52)	244.66	300.42	304.56
Previous Year	391.97	215.22	(82.60)	524.59	249.80	51.89	(81.65)	220.03	304.56	142.17

*Transfer to Investment Property from Building RoU C.Y. 2025-26 Nil, (P.Y. 2024-25 Gross Block ₹0.64 Crore & Accumulated Depreciation ₹0.19 Crore)

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 31/03/2026)

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	0.52	State Govt of Telangana	No	1974 onwards	Transfer of title deed in progress, matter taken up with state govt. through TSIC
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	0.18	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	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	0.0022	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	0.2799	Mysore Porcelain Ltd	No	21-05-1980	Land devolved to BHEL EPD through gazette of GOI. updation in land records in progress
Land-Freehold	1.64	State Govt. of Tamil Nadu	No	24-11-2010	Patta (Title Deed) is yet to be obtained
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	1989	Title in respect of 4 Flats are in dispute between builder & Land Owner
Building - Freehold	0.05	Maharashtra Cooperative Society	No	1989	6 Flats in name of Cooperative Society. There is no dispute.
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.
Building - Leasehold (Right-of-use of assets)	1.2777	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 1 Floors with BHEL.

Investment Property:-

Building - Leasehold	1.2777	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 1 Floors with BHEL.
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PPE:-

Land-Freehold	0.08	Bachha Lal S/O Late Ram Kishore	No	08-06-1983	The case is pending with Special Land Acquisition officer Varanasi for mutation in the name of HERP Varanasi.
Land-Freehold	0.52	State Govt of Telangana	No	1974 onwards	Transfer of title deed in progress, matter taken up with state govt. through TSIC
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	0.18	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	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	0.0022	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	1.64	State Govt. of Tamil Nadu	No	24-11-2010	Patta (Title Deed) is yet to be obtained
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	1989	Title in respect of 4 Flats are in dispute between builder & Land Owner
Building - Freehold	0.05	Maharashtra Cooperative Society	No	1989	6 Flats in name of Cooperative Society. There is no dispute.
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.
Building - Leasehold (Right-of-use of assets)	1.2777	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 1 Floors with BHEL.

Investment Property:-

Building - Leasehold	1.2777	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 1 Floors with BHEL.
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Additional disclosure of Note [3.1] details of Property, Plant and Equipment

Particulars		As at March 31, 2026	As at March 31, 2025
2. Land and buildings includes			
a. i)	Acres of land for which formal transfer/lease deed have not been executed (in acres)	8504.33	8441.47
	Net Block (₹ in Crore)	63.01	63.52
ii)	Number of flats for which formal transfer/lease deed have not been executed (in nos)	12	12
	Net Block (₹ in Crore)	0.88	0.92
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)	476.66	480.04
	Net Block (₹ in Crore)	59.02	59.82
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)	883.21	886.99
d.	1300.32653 acres (PY 1300.32653 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 and 2.4675 acres (P.Y. 2.4675 acres) related to BHEL vs Nakli Ram case which is pending before court		
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, 2026	As at March 31, 2025
3.	i) Total Area of Land in acres	16690.71	16690.71
	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	703.33	703.33

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, 2026	As at March 31, 2025
	100% depreciation on PPE upto ₹10,000/- charged off	6.92	6.18
	Less: Normal depreciation on above	(1.56)	(1.38)
	Excess amount charged to depreciation for the year	5.36	4.79

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, 2026	As at March 31, 2025
Addition to PPE & Intangible Assets	371.09	646.82
Increase/ (Decrease) in CWIP	237.50	(120.62)
Increase/ (Decrease) in Intangible Assets under development	62.12	7.66
Increase/ (Decrease) in Capital Advance	0.00	1.78
Total	670.71	535.64

Note 3.2 - Details of Investment Property

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as on 01.04.2025	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2026	Accumulated Depreciation as at 01.04.2025	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2026	Net Block as at 31.03.2026	Net Block as at 31.03.2025
Land - Freehold land (including development expenses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Buildings	1.17	0.00	0.15	1.32	0.72	0.02	0.06	0.80	0.52	0.45
TOTAL	1.17	0.00	0.15	1.32	0.72	0.02	0.06	0.80	0.52	0.45
Previous Year	0.00	(0.00)	1.17	1.17	0.00	0.02	0.70	0.72	0.45	0.00

Fair value of above investment property ₹133.67 Crore (Previous year ₹111.58 Crore)

Gross Block (as per earlier IGAAP) as at 31.03.2026 ₹3.89 Crore and as at 31.03.2025 ₹3.72 Crore

Note [4a] - Non current assets Intangible Assets

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

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Gross block	342.80	343.70
Less: Accumulated amortisation	278.07	259.43
Net block (for details refer to Note 4.1)	64.73	84.27

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 01.04.2025	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2026	Accumulated Depreciation as at 01.04.2025	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2026	Net Block as at 31.03.2026	Net Block as at 31.03.2025
Internally Developed										
-Others	38.63	0.32	(1.56)	37.39	35.87	1.58	(1.56)	35.89	1.50	2.77
Other than Internally Developed										
-Software	73.66	1.09	(0.75)	74.00	60.43	6.78	(0.74)	66.48	7.52	13.23
-Technical Know-how	231.41	0.00	0.00	231.41	163.13	12.57	0.00	175.70	55.71	68.28
TOTAL	343.70	1.41	(2.31)	342.80	259.43	20.93	(2.31)	278.07	64.73	84.27
Previous Year	339.23	41.74	(37.27)	343.70	275.87	20.83	(37.27)	259.43	84.27	63.35

Gross Block (as per earlier IGAAP) as at 31.03.2026 ₹592.77 Crore and as at 31.03.2025 ₹594.27 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, 2026	As at March 31, 2025
Intangible assets under development	95.85	33.73
Total	95.85	33.73

(₹ in Crore)

Intangible Assets under development ageing schedule - As at March 31, 2026	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	63.06	5.75	19.51	7.53	95.85
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, 2026	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	-	-	-	-	-

(₹ in Crore)

Intangible Assets under development ageing schedule - As at March 31, 2025	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	7.69	20.04	3.46	2.54	33.73
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, 2025	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 Material accounting policy on investment in joint ventures & point 16 of Note [2] on Non-derivative financial instruments

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
I Quoted equity instruments		-		-
II Unquoted equity instruments (fully paid up shares)				
(a) Investment in joint ventures (at cost)				
(i) Raichur Power Corporation Ltd.	664040000 (10)	664.04	664040000 (10)	664.04
(ii) BHEL-GE Gas Turbine Services Pvt. Ltd.	2379999 (10)	2.38	2379999 (10)	2.38
(iii) NTPC-BHEL Power Projects Pvt. Ltd.	50000000 (10)	50.00	50000000 (10)	50.00
Less: Provision for impairment		50.00		50.00
(iv) Bharat Coal Gasification and Chemicals Limited	4870600 (10)	10.16	4900 (10)	5.29
(includes deemed investment of ₹5.29 Crore (previous year ₹5.29 Crore) denotes the fair value of guarantee fees towards financial guarantee given without any consideration)				
		676.58		671.71
(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) : Provision for impairment		0.91		0.91
(ii) Engineering Projects (India) Ltd.	1892 (10)	*	1892 (10)	*
Share in Co-operative Societies #				
Total		676.58		671.71
*Value of less than ₹1 lakh				
Aggregate amount of unquoted investment		727.49		722.62
Aggregate amount of impairment in value of investments		50.91		50.91

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

Information about joint ventures and subsidiary

Particulars	Country of incorporation	As at March 31, 2026	As at March 31, 2025
Name of the joint ventures (JVC)		Proportion (%) of ownership	
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	One share less than 50%	One share less than 50%
NTPC-BHEL Power Projects Private Limited (NBPPL)		50%	50%
Raichur Power Corporation Limited (RPCL)		22.14%	22.14%
Bharat Coal Gasification and Chemicals Limited (BCGCL)		49%	49%

- (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. BHEL Board of Directors in its 566th meeting held on 28th January 2025 approved the annulment of in-principle approval for pursuing the winding up of NBPPL accorded by BHEL Board of Directors in its 494th meeting held on 08.02.2018 and accorded in-principle approval for taking up the implementation of 1x800 MW AUSC Technology based Technology Demonstration Plant (TDP) by NBPPL
- (ii) Investment in Neelanchal Ispat Nigam Limited (NINL) has been disposed in F.Y. 2022-23 and an amount of ₹26.22 Crores has been received till F.Y. 2023-24, Balance amount including interest of ₹5.93 Crores net of TDS received in current F.Y. 2025-26
- (iii) BHEL has provided a Corporate Guarantee amounting to ₹662 Cr., limiting to the liabilities to 49% of Financial Incentive of ₹1350 Cr. to the President of India for discharge of obligations payable to the Authority by the Bharat Coal Gasification & Chemicals Ltd. (BCGCL), a joint venture company formed by Coal India Limited (CIL) and Bharat Heavy Electricals Limited (BHEL), under Coal Gasification Plant Development and Production Agreement dated 12.03.2025

Note [6] - Financial assets - Trade receivables

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

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Unsecured, considered good	2648.70	7426.05	3351.23	6566.49
Credit impaired (included in allowances for B&D debts)	7076.69	425.23	8474.83	693.22
	9725.39	7851.28	11826.06	7259.71
Less: Allowances for bad and doubtful debts	7298.46	1055.01	8779.48	1375.36
Total Trade Receivable (Net)	2426.93	6796.27	3046.58	5884.35

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 ₹196 Cr. (USD 23 million post receipt of 2.5 Million in Current Year) [Previous Year ₹211 Cr. (USD 25.5 Million)] from customer STPG (formerly NEC Sudan), stuck due to ongoing crisis in Sudan, which has been considered good and not provided for. If the amount is provided for, the impact on 'Profit before tax' is ₹179 Cr. (net of ECL provision).

Non current Trade receivable ageing schedule - As at March 31, 2026

(₹ 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	136.91	226.40	227.67	166.28	422.59	-	-	1179.85
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	106.26	31.50	2.27	102.99	1225.83	-	-	1468.85
IV) Disputed Trade receivables - credit Impaired	13.03	33.07	167.15	266.58	6596.86	-	-	7076.69

Current Trade receivable ageing schedule - As at March 31, 2026

(₹ 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	5103.48	1145.56	435.86	260.23	480.93	-	-	7426.05
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
IV) Disputed Trade receivables - credit Impaired	10.83	5.84	22.32	24.20	362.03	-	-	425.23

Non current Trade receivable ageing schedule - As at March 31, 2025

(₹ 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	67.22	22.35	272.28	233.90	756.66	-	-	1352.41
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	6.89	16.56	81.34	8.93	1885.10	-	-	1998.82
IV) Disputed Trade receivables - credit Impaired	121.06	120.92	159.70	147.46	7925.69	-	-	8474.83

Current Trade receivable ageing schedule - As at March 31, 2025

(₹ 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	4827.68	577.21	753.85	225.97	181.78	-	-	6566.49
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
IV) Disputed Trade receivables - credit Impaired	5.60	1.11	4.25	1.96	680.30	-	-	693.22

Note [7] - Financial assets

Other Financial Assets

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

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Security deposits				
Deposits with SEBs, port trust & others				
Unsecured, considered good	114.35	125.89	101.45	91.91
Credit impaired	7.69	12.79	8.02	12.80
	122.04	138.68	109.47	104.71
Less: Allowances for bad & doubtful deposits	7.69	12.79	8.02	12.80
	114.35	125.89	101.45	91.91
Fixed deposits against margin money for BG issued	144.43	-	614.50	-
Interest accrued on banks deposits	-	152.50	-	141.00
Advance to Employees	-	53.75	-	68.29
Less: Allowance for bad and doubtful advances	-	0.01	-	0.44
	-	53.74	-	67.85
Total	258.78	332.13	715.95	300.76
Includes:				
Due from Directors	-	-	-	-
Dues from Officers	-	0.02	-	0.01

Note [8] - Non current assets

Deferred tax assets (net of liabilities)

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

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets		
Provisions	2452.24	2439.70
Dues allowed on payment basis	452.64	451.21
On account of taxable loss	696.12	1187.80
Others	42.27	62.43
Sub Total	3643.27	4141.14
Less : Deferred tax liabilities		
Depreciation (PP&E and Intangible assets)	110.47	73.42
Deferred tax assets (net of liabilities)	3532.80	4067.72

Movement of deferred tax balances

(₹ in Crore)

Particulars	Balance as at April 01, 2025	Recognized in retained earnings	Recognized in statement of profit & loss A/c	Recognized in OCI	Balance as at March 31, 2026
Deferred tax assets					
Provisions	2439.70	-	12.54	-	2452.24
Dues allowed on payment basis	451.21	-	1.31	0.12	452.64
On account of taxable loss	1187.80	-	(491.68)	-	696.12
Others	62.43	-	(20.16)	-	42.27
Subtotal	4141.14	-	(497.99)	0.12	3643.27
Less: Deferred tax liabilities					
Depreciation (PP&E and Intangible assets)	73.42	-	37.05	-	110.47
Deferred tax assets (net of liabilities)	4067.72	-	(535.04)	0.12	3532.80

Note [9] - Other Assets

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

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Contract assets (including unbilled revenue)				
Unsecured, considered good	15106.90	16091.13	14483.07	16759.98
Credit impaired (included in allowances for B&D debts)	3342.56	90.39	3633.32	127.58
	18449.46	16181.52	18116.39	16887.56
Less: Allowances for bad and doubtful debts	4252.74	988.63	4450.81	1,109.01
Sub Total (A)	14196.72	15192.89	13665.58	15778.55
Security deposits				
Deposits with tax authorities and others				
Unsecured, considered good	102.40	459.88	53.48	410.71
Unsecured, considered doubtful	34.75	55.31	35.20	69.89
	137.15	515.19	88.68	480.60
Less: Provision for bad & doubtful deposits	34.75	55.31	35.20	69.89
Sub Total (B)	102.40	459.88	53.48	410.71
Loans & advances				
Unsecured, considered good				
Advances towards purchases (Vendors & sub-Contractors)	245.71	347.71	172.56	92.90
Input Tax credit receivable	-	1464.15	-	1645.96
Claims recoverable and others	167.19	1458.11	179.28	1025.61
Capital advances	4.09	-	4.08	-
Advances to joint ventures	-	0.29	-	1.66
Unsecured, considered doubtful				
Advances towards purchases (Vendors & sub - Contractors)	16.23	21.39	16.23	6.34
Input Tax credit receivable	-	6.40	-	6.40
Claims recoverable and others	462.88	236.40	515.36	205.20
Capital advances	0.57	-	0.58	-
	896.67	3534.45	888.09	2984.07
Less: Provision for bad & doubtful loans & advances	479.68	264.19	532.17	217.94
Sub Total (C)	416.99	3270.26	355.92	2766.13
Total (A+B+C)	14716.11	18923.03	14074.98	18955.39

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
I) Undisputed Contract Assets - considered good	11969.80	16091.13	11423.52	16759.98
II) Undisputed Contract Assets - credit impaired	-	-	-	-
III) Disputed Contract Assets - considered good	3137.10	-	3059.55	-
IV) Disputed Contract Assets - credit Impaired	3342.56	90.39	3633.32	127.58
Total	18449.46	16181.52	18116.39	16887.56
Loan & advances includes :				
(a) Due from Directors	-	-	-	-
(b) Due from Officers	-	-	-	-

Note [10] - Current assets

Inventories

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

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
Raw material & components	5674.57		3726.37	
Material-in-transit	492.87	6167.44	358.87	4085.24
Work-in-progress (including items with sub-contractors)		6585.21		5369.49
Finished goods	524.45		485.92	
Inter - division transfers in transit	99.48	623.93	119.98	605.90
Stores & spare parts				
Production	219.09		204.17	
Fuel stores	5.27		8.26	
Miscellaneous	66.63	290.99	57.22	269.65
Other Inventory				
Materials with fabricators/contractors	108.62		121.65	
Loose tools	43.68		23.88	
Scrap (at estimated realisable value)	216.89	369.19	159.45	304.98
		14036.76		10635.26
Less: Provision for non-moving inventory		702.18		765.77
Total		13334.58		9869.49

Note [11] - Current assets

Financial assets - Cash & cash equivalents

Refer point 17 of Note [2] for Material accounting policy on cash and cash equivalents

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
Balances with banks				
EEFC a/c	100.77		112.92	
Fixed Deposits having maturity in 3 months or less	-		199.00	
Current / cash credit a/c *	819.17	919.94	121.79	433.71
Cheques, demand drafts on hand		515.49		3.55
Cash & stamps on hand		0.02		0.07
Remittances in transit		-		1.88
Total		1435.45		439.21

* Includes ₹352.25 Cr. for FY 2025-26 and ₹48.89 Cr. for FY 2024-25 in escrow account for specified projects.

Note [12] - Current assets

Financial assets - Bank balances

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
Fixed deposits having maturity more than 3 months but not more than 12 months		9766.20		6618.06
Fixed deposits against margin money for BG issued		536.96		431.45
Balances with bank (earmarked):				
CG II CEFC A/c & Others	5.01		5.76	
Unclaimed dividend a/c	0.81		1.35	
Non-repatriable a/c	0.24		0.66	
Sanrachna A/c	0.06		0.14	
Fixed Deposit with Court in BHEL A/C	114.38		111.08	
CSR	7.51	128.01	4.70	123.69
Total		10431.17		7173.20
Total Cash and Bank Balances [11 + 12]		11866.62		7612.41

Note [13] - Current assets

Current tax assets / (liabilities) (net)

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
Advance tax & TDS		212.49		149.57
Less: Provisions for taxation		9.77		12.20
Total		202.72		137.37

Note [14] - Equity Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
A Equity share capital				
Authorised	100000000000 (2)	2000.00	100000000000 (2)	2000.00
Issued, subscribed and fully paid up	3482063355 (2)	696.41	3482063355 (2)	696.41
a) The reconciliation of the number of equity shares outstanding				
Balance as at the beginning of the year	3482063355	696.41	3482063355	696.41
Add/(Less): Changes during the year	-	-	-	-
Balance as at the end of the year	3482063355	696.41	3482063355	696.41
b) Details of shares held by shareholders holding more than 5% of shares at the end of the year				
President of India (Promoter)	2025440587	58.17%	2199650402	63.17%
% change of Promoter holding during the year		-5%		Nil
Life Insurance Corporation of India	216337871	6.21%	233921477	6.72%
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.

Note [15] - Other Equity

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	35.18	35.18
Capital redemption reserve	37.87	37.87
General reserves	30476.66	30476.66
Retained earnings	(4147.82)	(5551.67)
OCI (Re-measurements of defined benefit plans)	(581.81)	(581.44)
Total	25820.08	24416.60

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

Nature and purpose of reserves:

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

Note [16] - Financial liabilities - Lease Liabilities

Refer point 3 of Note [2] for Material accounting policy on Leases

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Lease Liabilities	168.18	68.77	162.39	57.21
Total	168.18	68.77	162.39	57.21

Further disclosures available at Note [35] on Leases

Note [17] - Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	-	1932.11	-	1430.24
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1343.44	8529.15	2170.79	8075.21
(iii) Acceptances	-	30.34	-	35.47
Total	1343.44	10491.60	2170.79	9540.92

(₹ in Crore)

Micro and small enterprises disclosure	As at March 31, 2026	As at March 31, 2025
(i) The principal amount remaining unpaid to supplier as at the end of the accounting year *	1954.86	1466.85
(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, 2026.

Non current Trade Payable Ageing schedule - As at March 31, 2026

(₹ 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) Other than MSME	-	-	-	-	9.38	1016.91	1026.29
II) Disputed dues - Other than MSME *	-	-	-	14.12	0.09	302.94	317.15

Current Trade Payable Ageing schedule - As at March 31, 2026

(₹ 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	67.05	-	-	-	236.70	1626.27	1930.02
ii) Other than MSME	86.09	0.53	-	0.52	2254.86	6065.65	8407.65
III) Disputed dues - MSME	-	-	-	-	-	2.09	2.09
IV) Disputed dues - Others *	-	-	-	-	-	151.84	151.84

Non current Trade Payable Ageing schedule - As at March 31, 2025

(₹ 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) Other than MSME	-	-	-	-	8.32	1829.59	1,837.91
II) Disputed dues - Other than MSME *	-	-	-	14.73	0.09	318.06	332.88

Current Trade Payable Ageing schedule - As at March 31, 2025

(₹ 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	0.06	-	-	-	136.37	1289.82	1426.25
II) Other than MSME	166.63	8.65	2.73	3.21	1763.13	6154.34	8098.69
III) Disputed dues - MSME	-	-	-	-	-	3.99	3.99
IV) Disputed dues - Others *	-	-	-	-	7.18	4.81	11.99

\$ 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, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Deposits from contractors & others	399.02	844.97	413.11	716.19
Liabilities:				
- Employee dues	-	194.72	-	152.41
- Capital Expenditure~	11.94	130.94	9.68	131.02
- Others	-	129.62	-	212.24
Unpaid Dividend*	-	0.81	-	1.35
Interest accrued on borrowings	-	12.24	-	27.31
Financial Guarantee obligation	-	4.63	-	5.29
Total	410.96	1317.93	422.79	1245.81

~ includes MSME ₹22.75 Cr. for FY 2025-26 & ₹36.61 Cr. for FY 2024-25.

*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 Material accounting policy on Employee Benefits and Provisions

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Contractual obligation	1149.21	540.84	1349.46	422.32
Provision for employee benefits*	1088.26	839.26	1028.48	855.64
Provision others	117.15	531.69	206.09	534.18
Corporate social responsibility **	-	7.12	1.53	3.17
Total	2354.62	1918.91	2585.56	1815.31

*Further disclosure available at Note (25) on employee benefits.

**Disclosure as per point (vii) of Note [26] on CSR expense.

Note [20] - Other liabilities

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

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Contract liabilities (Advances received from customers incl. excess of billing over revenue)	13413.24	9110.39	9742.94	5550.73
Liabilities towards statutory dues	-	1443.06	-	1220.75
Deferred income- Govt. grant #	46.39	6.15	50.96	5.15
Total	13459.63	10559.60	9793.90	6776.63

#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 Financial Liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Loans from banks (secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)	7450.00	8795.00
Sub Total (A)	7450.00	8795.00
Unsecured		
From banks	500.00	-
Sub Total (B)	500.00	-
Total borrowings (A+B)	7950.00	8795.00

(i) Details of sanctioned limits

Description	Sanctioned Limit (₹/ Cr.)	Utilization		Sanctioned Limit (₹/ Cr.)	Utilization	
		As at March 31, 2026			As at March 31, 2025	
		Value (₹/ Cr.)	% Utilisation		Value (₹/ Cr.)	% Utilisation
Non Fund Based Limits	70500	60508	86%	70500	52371	74%
Bank Guarantees [#]	66000	57493	87%	67000	49122	73%
Letter of Credit (inc. Buyer's Credit)	4500	3015	67%	3500	3262	93%
Fund Based Limits	9500	7450.00	78%	9500	8795	93%
WCDL		7450.00			8795	
PCFC					NIL	
Commercial Paper/Unsecured Loan	5000	500	10%	5000	NIL	

[#] Out of above, Bank Guarantee of ₹19.84 Cr. was issued on behalf of M/S BCGCL, a joint venture between Coal India Ltd. And Bharat Heavy Electricals Ltd.

Total Consortium limit (fund based + non fund based) of ₹80,000 Crores is 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.

- (ii) Commercial Papers are in the nature of unsecured short term borrowings.
- (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 31.03.2026 is ₹52.39 Crore (previous year ₹315 Crore)
- (vi) Changes in Borrowings arising from Financing activities

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance (excl. Cash Credit)	8795.00	8808.00
Cash Flow during the year	(845.00)	(13.00)
Closing Balance (excl. Cash Credit)	7950.00	8795.00

For changes in lease liability arising from financing activities, refer Note [35](b)

Note [22]

Revenue from operations

Refer point 8 of Note [2] for Material accounting policy on Revenue from contracts with customers

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contracts with customers		
Revenue from Construction and Project related activity	22905.91	18478.11
Sale of Product & Other services	9453.92	8877.06
Total (A)	32359.83	27355.17
Other operational income		
Freight & insurance	149.75	158.18
Scrap sales	317.77	270.51
Recoveries from suppliers	260.28	228.55
Liabilities written back	507.93	182.94
Insurance claims	72.80	34.67
Export incentives	5.65	4.07
Others	108.17	105.39
Total (B)	1422.35	984.31
Revenue from operations (A + B)	33782.18	28339.48
Revenue from Operations excludes Goods and service tax:	6445.33	4551.81

Note [23]

Other income

Refer point 8 of Note [2] for Material accounting policy on Revenue from contracts with customers

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income		
From banks	642.77	374.63
Others	97.16	28.00
Sub Total (A)	739.93	402.63
Dividend income		
Dividend on investment in joint ventures (long term trade)	38.08	38.08
Sub Total (B)	38.08	38.08
Other income		
Profit on sale of Investment & Mutual Fund	0.08	5.76
Government grants on Solar PV Plant for Captive Use / CEFC scheme	9.66	8.99
Profit from sale of PPE & capital stores (Net)	13.01	13.46
Others	45.63	34.47
Sub Total (C)	68.38	62.68
Total other income (A+B+C)	846.39	503.39

Note [24]

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Work -in -progress		
Closing balance	6585.21	5371.51
Opening balance	5369.49	3917.74
	(1215.72)	(1453.77)
Finished goods		
Closing balance	524.45	485.94
Opening balance	485.92	414.31
	(38.53)	(71.63)
Scrap		
Closing balance	216.89	159.45
Opening balance	159.45	173.33
	(57.44)	13.88
Inter-division transfer in transit	20.50	(30.80)
(Accretion) / Decretion	(1291.19)	(1542.32)

Note [25]

Employee benefits expense

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages, bonus, allowances & other benefits	5353.73	5029.68
Contribution to provident and other funds	497.65	493.10
Staff welfare expenses	301.29	292.27
Contribution to gratuity fund	310.63	103.49
Group insurance	4.32	4.88
Total	6467.62	5923.42

Note [26]

Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Power & fuel	502.54	490.64
Expenditure on other sub contracts	322.66	288.10
Carriage outward	337.16	244.24
Payment to security agencies	175.08	165.57
Repairs & maintenance:		
Buildings	88.22	52.70
Plant & machinery	46.50	39.86
Others	138.18	124.79
Insurance	204.08	225.69
Travelling & conveyance	105.64	106.96
Bank charges	229.60	157.75
R&D related expense	14.94	11.65
Hire charges	67.21	59.70
Expenditure on collaborations & royalty	57.30	58.35
Rates & taxes	38.82	42.37
Office expense	31.65	30.88
Expenditure on skill development	21.40	15.67
Legal, audit & certification expense	45.19	41.48
EDP, software & lease line expense	34.12	25.94
Water charges	21.06	20.44
Rent non-residential	2.94	3.04
Expenditure in connection with exports	2.67	1.60
Entertainment & courtesy expenses	3.31	3.24
Environmental protection	7.67	6.08
Seminar, development and training expense	5.40	4.77
Publicity & public relation expense	3.00	2.29
Corporate social responsibility	8.60	6.72
Miscellaneous expense	91.30	76.16
Exchange variation [Net (gain) / loss]	(440.19)	(135.38)
Provisions & Write off (Details at point no. vi below)	(176.77)	158.04
Total	1989.28	2329.34

Note [26]

Other Expenses (Contd.)

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Further Details:		
(i) Legal, audit & certification expense includes:		
Payment to Statutory Auditors:		
Audit fees	1.07	1.07
Tax audit	0.24	0.24
Quarterly limited review & others	0.61	0.70
Audit expense	0.22	0.16
Payment to Cost Auditors fees	0.16	0.16
(ii) Director's fees	0.18	0.12
(iii) Expenditure on departmental repair & maintenance:		
Plant & machinery	204.01	195.91
Buildings	42.10	26.91
Others	34.70	31.33
(iv) Expenditure on research & development	134.86	128.73
(v) Expenditure on foreign travel		
No. of tours	203	193
Expenditure	3.64	6.81

Note: The Government of India has notified the four Labour Codes, collectively referred to as the New Labour Codes, on 21 November 2025. However, the detailed rules under these codes are yet to be fully notified and brought into effect. Any financial impact will be recognised in the period in which the relevant rules are notified and become effective, in accordance with applicable accounting standards.

The Company has recognised a provision for gratuity in respect of fixed-term employees based on guidance issued by the Institute of Chartered Accountants of India, using actuarial valuation principles consistent with Ind AS 19 - Employee Benefits.

(vi) Provisions & Write-offs:

(Refer Point 11 & 14 of Note [2] for Material accounting policy on Provisions and impairment of assets)

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Doubtful debts, liquidated damages and loans, advances & deposits		
Created during the year	2653.33	1880.92
Less: withdrawal during the year	5046.18 (2392.85)	4564.01 (2683.09)
Contractual obligations		
Created during the year	353.73	410.04
Less: withdrawal during the year	423.05 (69.32)	607.49 (197.45)
Other Provisions		
Created during the year	218.76	197.81
Less: withdrawal during the year	285.02 (66.26)	310.59 (112.78)
Investment written off		1.15
Bad debts written off	632.77	552.39
Liquidated damages & contractual charges charged off	1535.57	2573.11
Losses written off	30.06	23.11
Claim recoverable written off	153.26	1.60
Total Provisions and Write off	(176.77)	158.04

(vii) Corporate social responsibility

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. Amount required to be spent during the year	8.60	6.72
B. Amount available from previous year	4.70	-
C. Total (A+B)	13.30	6.72
D. Amount spent during the year on -		
(i) Construction/ acquisition of any asset		
(ii) On purposes other than (i) above	6.18	2.02
Total	6.18	2.02
Amount carried forward:	7.12	4.70
Current	7.12	3.17
Non-current	-	1.53

(₹ in Crore)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
	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	5.65	0.53	1.21	0.81
Total	5.65	0.53	1.21	0.81
Type of CSR activities	Health, Cleanliness, Education, Responsibility & Inclusivity, Disaster Relief , Water, Biodiversity, Carbon and Waste Management			

The provision for Unspent amount on ongoing projects ₹5.95 Cr. for FY 2025-26 transferred to a separate bank account on 28.04.2026 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 Material accounting policy on borrowing costs and provisions.

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Unwinding of provisions	43.66	33.70
Interest cost:		
Banks / Financial Institutions	557.51	667.46
Discount on commercial papers	104.01	5.31
Other expenses on issuance of Commercial paper	0.68	0.07
On lease obligation	18.68	11.28
Others	31.87	30.51
	712.75	714.63
Sub - Total	756.41	748.33
Less: Borrowing cost capitalised	-	-
Total	756.41	748.33

Note [28] Tax expenses

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Current tax		
For current year	3.31	7.69
For earlier years	3.31	15.47
		23.16
Deferred tax		
For current year	536.69	195.69
For earlier years	(1.65)	(7.15)
	535.04	188.54
Total	538.35	211.70

Note [29] Other comprehensive income / (expenditure)

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income / (expenditure)		
Re-measurement of defined employee benefits	(0.49)	(218.49)
Less: Income tax related to above items*	(0.12)	(54.99)
Total	(0.37)	(163.50)
* Includes		
Current tax	-	-
Deferred tax	(0.12)	(54.99)

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total Comprehensive Income / (Loss) (TCI) before tax (A)	2115.81	506.18
Statutory income tax rate (B)	25.168%	25.168%
Tax expense [C = (AxB)]	532.51	127.40
Difference due to: (D)		
Tax effect of expenses not deductible for tax purposes	7.38	21.11
Difference in tax due to Income chargeable to tax at special rate		(0.12)
Change in tax expense - earlier years	(1.65)	8.32
Sub-total (D)	5.73	29.31
Net Tax Expense [E = (C+D)]	538.23	156.71

Note [30]

Earnings per share

Refer point 19 of Note [2] for Material accounting policy on Earning per share

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit / (loss) attributable to equity shareholders	1577.95	512.97
Weighted average number of equity shares	348.21	348.21
Basic and diluted earnings per share of ₹2 each	4.53	1.47

Note [31]

Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Proposed dividend on equity shares not recognised as liability		
Proposed final dividend of ₹1.40 per share for FY 2025-26 (FY 2024-25 ₹0.50 per share).	487.49	174.10

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, 2026	As at March 31, 2025
A. Contingent liabilities		
Claims against the company not acknowledged as debt:		
(a) Sales tax matters	423.37	894.45
(b) Service tax matters	448.08	431.21
(c) Court & arbitration matters	772.41	825.36
(d) Excise duty matters	78.96	84.53
(e) Customs duty and others	991.25	942.71
(f) Goods & Service Tax	65.34	37.47
(g) Other matters (incl. disputed staff cases)	157.17	149.99
(h) Claim towards Liquidated damages (LD)	3673.27	2942.39
Total	6609.85	6308.11

- (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, 2026	As at March 31, 2025
Balance at the beginning of the year	6308.11	7945.21
Less: Reduction out of opening balance	1457.76	2040.18
Add: Additions (net) during the year	1759.50	403.08
Balance at the end of the year	6609.85	6308.11

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
B. Commitments		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for.	599.59	542.33
(The above includes related to acquisition of intangible assets)	122.46	112.77
(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.	54.87	50.00
(c) Bharat Coal Gasification and Chemicals Limited (BCGCL- a Joint Venture Company of BHEL and CIL): BHEL Board of Directors in its meeting held on March 19, 2026 accorded approval for investment of INR 3064.46 Crore towards BHEL's contribution in promoters' equity for setting up of coal to 2000 TPD ammonium nitrate plant of BCGCL. BHEL has already made an investment of INR 487.06 Lakhs as equity in BCGCL.	3059.59	1,732.00
(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.		

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 ₹4162 Crore (Previous Year ₹6051 Crore). Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹3507 Crore (previous year ₹4278 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 :

- The short-term leases exemptions to leases with lease term less than 12 months
- 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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Not later than 1 year #	78.12	66.81	15.61	14.95	62.51	51.86
Later than 1 year and not later than 5 years	187.80	187.08	22.07	24.86	165.73	162.22
Later than 5 years	5.21	3.03	2.76	2.85	2.45	0.18

The amount of future minimum lease payments in respect of leases where remaining lease term as at the end of March 31, 2026 is less than 12 months is ₹7.29 Cr. (Previous year ₹8.03 Cr.).

b) Movement in lease liabilities during the year

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities As at April 1*	219.60	48.45
Add: Additions	75.62	215.22
Add: Accretion of interest	18.68	11.28
Less : Payments/Adjustment	76.95	55.35
Lease Liabilities as at March 31*	236.95	219.60

* includes interest accrued of ₹6.26 Crore (PY ₹5.34 Crore).

c) Amounts recognised in profit or loss:

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Expense relating to Short-term leases	-	0.55
Expense relating to low value assets leases	2.30	0.92
Depreciation charge of right-of-use assets	77.13	51.89
Interest expense (included in finance cost)	18.68	11.28

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, 2026	As at March 31, 2025
Not later than 1 year	6.84	2.25
Later than 1 year and not later than 5 years	12.25	12.03
Later than 5 years	2.75	0.75

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 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum limit of ₹25 Lakhs [PY ₹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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Opening balance	2025.35	1921.07	1892.98	1534.45	132.38	386.62
Included in Profit for the Year:						
Current Service Cost	102.61	95.16	-	-	102.61	95.16
Past Service Cost	208.02	-	-	-	208.02	-
Interest cost /(income)	137.52	139.28	(137.52)	(130.95)	-	8.33
Total amount recognised in Profit for the Year	448.15	234.44	(137.52)	(130.95)	310.63	103.49
Included in Other Comprehensive income (OCI):						
Remeasurement loss / (gain):						
Actuarial loss / (gain) arising from:						
Change in Demographic Assumption	-	-	-	-	-	-
Change in Financial Assumption	(84.13)	95.31	-	-	(84.13)	95.31
Experience Adjustment	(12.64)	(62.11)	(6.84)	11.70	(19.48)	(50.41)
Total amount recognised in other comprehensive income	(96.77)	33.20	(6.84)	11.70	(103.62)	44.90
Others						
Contributions paid by the Employer	-	-	339.00	402.63	(339.00)	(402.63)
Benefits paid	153.80	163.35	153.80	163.35	-	-
Closing balance	2222.93	2025.35	2222.54	1892.98	0.40	132.38

Details of Plan assets

Particulars	As at March 31, 2026	As at March 31, 2025
Funds managed by Insurer*	96.32%	82.44%
High quality Corporate bonds (quoted)	1.61%	1.93%
State Government securities (quoted)	1.83%	2.30%
Bank Balance	0.24%	13.33%
Total	100.00%	100.00%

* Insurer is Life Insurance Corporation of India

Actuarial assumptions

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

Particulars	As at March 31, 2026	As at March 31, 2025
Economic assumptions:		
Discount rate	7.40%	6.79%
Salary escalation rate	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table %	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	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, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(109.30)	118.21	(103.29)	112.09
Change in Salary escalation rate (0.50% movement)	44.67	(51.26)	32.42	(39.42)

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, 2026	As at March 31, 2025
Less than 1 year	169.75	150.30
Between 1-2 years	138.73	124.94
Between 2-3 years	126.16	109.47
Between 3-4 years	111.41	100.29
Between 4-5 years	83.86	88.88
Between 5-6 years	79.49	69.68
Over 6 years	1513.54	1381.79
Total	2222.93	2025.35

Expected contributions to gratuity plans for the year ending 31 March 2027 are ₹102.47 Crore

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.05 years (31 March 2025: 14.39 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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Opening balance	2497.67	2376.14	2060.81	1903.77	436.86	472.37
Included in Profit for the Year:						
Current service cost	42.49	45.84			42.49	45.84
Past service Cost						
Interest cost / (income)	169.59	172.27	(155.03)	(159.24)	14.56	13.03
Total amount recognised in Profit for the Year	212.08	218.11	(155.03)	(159.24)	57.05	58.87
Included in Other Comprehensive Income (OCI):						
Remeasurement loss / (gain):						
Actuarial loss / (gain) arising from:						
Demographic assumptions			-	-	-	-
Financial assumptions	(99.29)	106.52	-	-	(99.29)	106.52
Experience adjustment	187.87	38.24	(6.95)	10.86	180.92	49.10
Total amount recognised in other comprehensive income	88.58	144.76	(6.95)	10.86	81.63	155.62
Others						
Contributions paid by the employer			-	250.00	-	(250.00)
Benefits paid	284.31	241.34	284.31	241.34	-	-
Closing balance	2514.02	2497.67	1938.48	2060.81	575.54	436.86

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, 2026	As at March 31, 2025
Economic assumptions:		
Discount rate	7.40%	6.79%
Salary escalation rate	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table %	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates % (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	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, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(160.18)	162.90	(148.04)	150.42
Change in cost (0.50% movement)	169.10	(158.57)	156.28	(146.42)

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, 2026	As at March 31, 2025
Less than 1 year	282.25	263.08
Between 1-2 years	297.45	286.01
Between 2-3 years	302.56	293.75
Between 3-4 years	316.82	304.64
Between 4-5 years	328.55	318.98
Between 5-6 years	337.42	330.81
Over 6 years	648.96	700.40
Total	2514.02	2497.67

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2027 are ₹58.79 Crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.88 years (31 March 2025: 12.67 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, 2026	March 31, 2025
Excess / (Shortfall) in PF interest liability based on actuarial valuation for the year	(28.26)	(25.88)
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	72.27	44.01
Remeasurement gain/(loss) recognised through other comprehensive income statement	(24.05)	(16.97)
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	4.21	8.91

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
BHEL EPF Trust, Ranipur, Hardwar	2141.73	1986.34	2153.80	2000.26	12.07	13.92
BHEL Employee Provident Fund-Trichy	1201.84	1084.17	1190.07	1075.96	(11.77)	(8.21)
BHEL Employee Provident Fund Bhopal	1814.62	1719.01	1795.10	1705.24	(19.52)	(13.77)
BHEL New Delhi Employees Provident Fund Trust	1595.41	1520.79	1576.81	1514.16	(18.60)	(6.63)
BHEL Employee Provident Fund-Hyderabad	973.66	887.48	990.60	918.33	16.94	30.85
BHEL PPD EPF Trust, Chennai	1116.43	1,021.78	1094.05	1,006.38	(22.38)	(15.40)
BHEL Employee Provident Fund-Bengaluru	679.52	679.89	689.83	694.38	10.31	14.49
BHEL (BAP Unit) EPF Trust, Ranipet	338.34	321.18	345.82	329.80	7.48	8.62
BHEL Employee Provident Fund Trust Jhansi	522.26	512.75	535.05	526.07	12.79	13.32
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	164.01	160.10	206.17	201.56	42.16	41.46
Total	10547.82	9893.49	10577.30	9972.14	29.48	78.65

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Opening balance	9893.49	9400.20	9972.15	9485.94
Included in Profit for the Year:				
Current service cost	410.19	389.44	-	-
Interest cost / (income)	796.08	765.59	(804.51)	(784.63)
Total amount recognised in Profit for the Year	1,206.27	1,155.03	(804.51)	(784.63)
Included in Other Comprehensive Income (OCI):				
Remeasurement loss / (gain):				
Actuarial loss / (gain) arising from:				
Demographic assumptions				
Financial assumptions	(2.69)	1.96	-	-
Experience adjustment	28.49	(4.75)	31.79	28.91
Total amount recognised in other comprehensive income	25.80	(2.79)	31.79	28.91
Others				
Contributions paid by the employer	-	-	410.19	389.44
Employee Contribution	746.86	680.29	746.86	680.29
Benefits paid	1,618.85	1719.39	1,618.85	1719.39
Settlements/Transfer-in	294.25	380.15	294.25	380.15
Closing balance	10547.82	9893.49	10577.32	9972.15

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 ₹53.11 Cr. based on the best possible assessment of recovery.

Details of Plan assets

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Govt. of India securities [Quoted]	788.72	879.15
State Government securities [Quoted]	5113.11	4983.06
Corporate bonds [Quoted]	3687.88	3224.07
Special Deposit [Unquoted]	330.42	299.98
Liquid Fund [Quoted]	20.83	6.65
Short term deposit [Unquoted]	78.53	111.82
Mutual Fund & Equity shares [Quoted]	557.82	467.42
Total	10577.30	9972.14

Actuarial assumptions

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

Particulars	As at March 31, 2026	As at March 31, 2025
Economic assumptions:		
Discount rate	7.40%	6.79%
Expected statutory interest rate on the ledger balance	8.25%	8.25%
Expected short fall in interest earnings on the fund	0.05%	0.05%
Demographic assumptions:		
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 Years	3.00%	3.00%
From 31 to 44 years	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, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(2.11)	2.27	(2.14)	2.25

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, 2026	As at March 31, 2025
Within the next 12 months	734.56	705.69
Between 2-5 years	1684.07	1796.95
Between 5-10 years	1819.85	1547.56
Beyond 10 years	6309.34	5843.29
Total	10547.82	9893.49

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, 2026	As at March 31, 2025
Opening balance	16.99	15.06
Current service cost	1.13	1.08
Interest cost / (income)	1.00	1.09
Included in Profit for the year	2.13	2.17
Actuarial loss / (gain)	(1.55)	0.99
Total amount recognised in TCI for the Year	0.58	3.16
Others		
Contributions paid by the employer	-	-
Benefits paid	0.86	1.23
Closing balance	16.71	16.99

Actuarial assumptions

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

Particulars	Settlement Allowance	
	As at March 31, 2026	As at March 31, 2025
Economic assumptions:		
Discount Rate	7.40%	6.79%
Salary escalation rate	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates % (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	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, 2026	As at March 31, 2025
Opening balance	1141.16	1065.02
Included in Profit for the Year:		
Current service cost	206.09	162.56
Interest cost / (income)	77.48	77.21
Actuarial loss / (gain)	18.05	(33.01)
Total amount recognised in Profit for the Year	301.62	206.76
Benefits paid	232.74	130.62
Closing balance	1210.04	1141.16

Actuarial assumptions

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

Particulars	Long Term Leave Liability	
	As at March 31, 2026	As at March 31, 2025
Economic assumptions:		
Discount rate	7.40%	6.79%
Salary escalation rate	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter	6.50% P.A. for 1st 4 yrs. & then 6% P.A. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates % (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	1%	1%
Above 44 years	1%	1%

C. Pension Fund

The Company has recognised ₹271 Cr. [PY ₹266 Cr.] as contribution in respect of pension scheme [defined contribution plan] for the FY 2025-26

Note [37]

Disclosure as per Ind AS 24 - Related Parties

A) List of related parties

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

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

ii) Other related parties:

a. Key Management Personnel [KMP]

Particulars	Designation	Position Held [w.e.f / upto]
Functional Directors		
Shri. K Sadashiv Murthy	Chairman & Managing Director	(w.e.f. 01.11.2023)
Shri. Krishna Kumar Thakur	Director (HR)	(upto 19.03.2026 F/N)
Shri. Tajinder Gupta*	Director (Power)	(w.e.f. 20.09.2023)
Ms. Bani Varma	Director (IS & P)	(w.e.f. 09.10.2023)
Shri. Rajesh Kumar Dwivedi	Director (Finance)	(w.e.f. 19.06.2024)
Shri S M Ramanathan	Director (E,R&D)	(w.e.f. 30.04.2025 A/N)
Company Secretary		
Dr. Yogesh R Chhabra	Company Secretary	(w.e.f. 11.07.2024)

* Holding additional charge of the post of Director (HR) w.e.f. 19.03.2026 F/N

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Compensation to Key management personnel		
- Short term employee benefits	3.89	3.64
- Post employment benefits	0.87	0.78
- Other long term benefits	-	-
- Termination benefits	-	-
- Share based payment	-	-
Total	4.76	4.42

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	(upto 30.09.2025)
Shri Asit Gopal*	Government Director	(w.e.f. 03.02.2026)
Ramesh Patlya Mavaskar	Independent Director	(w.e.f. 08.06.2023)
Shri Ashok Aseri	Independent Director	(upto 27.03.2026)
Shri Aashish Chaturvedi	Independent Director	(upto 27.03.2026)

* Ms Nigar Fatima Husain, AS&FA has been appointed as Part-time Official (Government Nominee) Director on BHEL's Board vice Shri Asit Gopal, the then SS&FA w.e.f. 27.04.2026

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Sitting Fees -- Independent Directors	0.18	0.12

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, 2026	March 31, 2025
PRMB Trust	Post Retirement medical scheme	-	250.00
Gratuity Trust	Gratuity	339.00	402.63
Employees Superannuation Fund	Pension Fund	331.00	327.59
BHEL EPF Trust,Ranipur,Hardwar	Provident Fund	77.18	70.22
BHEL Employee Provident Fund-Trichy	Provident Fund	66.88	63.50
BHEL Employee Provident Fund Bhopal	Provident Fund	63.86	62.65
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	51.70	46.51
BHEL Employee Provident Fund-Hyderabad	Provident Fund	45.12	43.73
BHEL PPD EPF Trust,Chennai	Provident Fund	35.77	33.55
BHEL Employee Provident Fund-Bengaluru	Provident Fund	30.54	29.80
BHEL (BAP Unit) EPF Trust,Ranipet	Provident Fund	17.71	17.51
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	14.57	14.44
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	Provident Fund	6.86	7.53



C) Details of Transactions with Joint Ventures and Balances

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Sales of Goods and services		
BGGTS	363.93	324.31
RPCL	1.09	5.47
NBPPL	0.88	0.11
Other income		
BGGTS - Dividend	38.08	38.08
BGGTS - Royalty	1.98	1.90
BCGCL - Interest	0.66	-
Purchase of Goods and Services		
BGGTS	2.04	1.49
Subscription to Equity Shares		
BCGCL	4.87	0.00*
Amounts due to BHEL at the end of the year		
BGGTS	181.02	195.29
RPCL	615.70	632.82
NBPPL	274.97	276.29
BCGCL	0.22	0.16
Amounts due from BHEL (incl. advances) at the end of the year		
BGGTS	1.19	0.21
RPCL	23.89	8.17
NBPPL	61.37	38.40
Provision for Doubtful debts & advances		
BGGTS	13.61	10.71
RPCL	25.16	20.73
NBPPL	254.50	239.35

*Equity shares 4900 Nos. of ₹10 each

Note [38]

Disclosure [Movement in provisions] - Ind AS 37

(₹ in Crore)

a.	Liquidated Damages	As at March 31, 2026	As at March 31, 2025
	Opening Balance	7069.53	9166.53
	Add: Additions	471.72	836.65
	Less: Usage/ Write off/payment	1354.10	2499.68
	Less: Withdrawal/adjustments	1548.15	433.97
	Closing Balance	4639.00	7069.53

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, 2026	As at March 31, 2025
	Opening Balance		
	As disclosed in Note [19]	1771.78	1822.17
	As disclosed in Note [6]	223.85	105.45
	As disclosed in Note [9]	169.54	397.29
	Closing Balance	2165.17	2324.91
	Add: Borrowing Cost	43.66	33.70
	Add: Additions	428.20	447.70
	Less: PV Adjustment	66.55	36.33
	Less: Usage/ Write off/payment	103.37	79.87
	Less: Withdrawal/adjustments	319.70	523.60
	Add/(Less): Change in estimate and rates	(7.92)	(1.33)
	Closing Balance	1690.05	1771.78
	As disclosed in Note [19]	203.31	223.85
	As disclosed in Note [6]	246.13	169.54
	As disclosed in Note [9]	2139.49	2165.17

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

Note [39]

Disclosure - Revenue from Contracts with Customers - Ind AS 115

a. Movement in impairment provisions

(₹ in Crore)

Particulars	2025-26		2024-25	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	4798.55	3602.00	5192.66	3979.22
Add: Additions	1382.25	659.88	650.00	224.88
Less: Write off	694.03	120.21	484.18	92.50
Less: Reversal/adjustments	841.39	258.87	559.92	509.60
Closing balance	4645.38	3882.80	4798.55	3602.00

b. Disaggregation of revenue from contracts with customers

(₹ in Crore)

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

2025-26

Revenue from customers

Timing of revenue recognition

(a) At a point in time (product/services)	3456.67	103.01	5802.91	91.33	9453.92
(b) Over time (projects)	20556.35	145.89	2093.63	110.04	22905.91

2024-25

Revenue from customers

Timing of revenue recognition

(a) At a point in time (product/services)	3782.90	64.31	4895.91	133.94	8877.06
(b) Over time (projects)	16138.30	266.87	2068.00	4.94	18478.11

(₹ in Crore)

Particulars	2025-26		2024-25	
	Power	Industry	Power	Industry
Revenue from customers				
CPSUs	11357.57	2875.83	9227.07	2776.16
Adani Group	6672.58	-	2553.12	-

c. Contract Balances (net of provisions)

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Receivables	9223.20	8930.93
Contract assets (incl. unbilled revenue)	29389.61	29444.13
Contract liabilities	22523.63	15293.67

d. Contract revenue recognised

(₹ in Crore)

Particulars	2025-26	2024-25
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	5161.05	2842.80
Revenue recognised against performance obligation satisfied in previous year (impact due to change in contract revenue)	32.18	594.72

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, financial guarantee 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, 2026	As at March 31, 2025
Financial assets:		
Investment in unquoted equity instruments	-	-
Financial Liabilities:		
Financial guarantee	4.63	5.29

b. Valuation Techniques used to determine fair value

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

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

(₹ in Crore)

As at March 31, 2025	-
Changes in fair value / Impairment	-
As at March 31, 2026	-



Financial Risk Management

Objectives and Policies

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

a) Management of Credit Risk

Credit risk is considered as an integral part of risk reward balance of doing business. BHEL is involved in setting up of power projects pertaining to Government sector (State utilities, PSUs, 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, 2026	As at March 31, 2025
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	1435.45	439.21
Other bank balances	10431.17	7173.20
Other financial assets	590.91	1016.71
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss		
Trade receivables	9223.20	8930.93

Concentration of credit risk- Geographical	Percentage of total receivable	
	As at March 31, 2026	As at March 31, 2025
Within India	97%	97%
Outside India	3%	3%
Total	100%	100%

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

Note	Percentage of Total Receivables	
	As at March 31, 2026	As at March 31, 2025
Central Public Sector Undertakings incl. Railways and Govt. Deptt.	48%	46%
State Electricity Boards	28%	35%
Private Customers and others	21%	16%
Exports	3%	3%
Total	100%	100%

(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, 2026	As at March 31, 2025
Balance as at April 1	20.82	16.32
Impairment loss recognised/ write off/ withdrawal	(0.34)	4.50
Balance as at March 31	20.48	20.82

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, 2026	As at March 31, 2025
Balance as at April 1	8400.55	9171.88
Impairment loss recognised	2042.13	874.88
Amounts written off/ withdrawal	(1914.50)	(1646.20)
Balance as at March 31	8528.18	8400.55

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

b) Management of Liquidity risk

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

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

(₹ in Crore)

Financial Liabilities Non-derivative financial liabilities	As at March 31, 2026		As at March 31, 2025	
	Within 1 year	Exceeding 1 year	Within 1 year	Exceeding 1 year
Trade payables	10491.60	1343.44	9540.92	2170.79
Deposits from contractors and others	844.97	399.02	716.19	413.11
Lease liabilities	68.77	168.18	57.21	162.39
Other Payables/liabilities				
Employee dues	194.72	-	152.41	-
Other dues	142.67	-	240.90	-
Capex dues	130.94	11.94	131.02	9.68
Financial Guarantee obligation	4.63	-	5.29	-
Short term borrowings	7950.00	-	8795.00	-
Total	19828.30	1922.58	19638.94	2755.97

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 31.03.2026 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, 2026		As at March 31, 2025		As at March 31, 2026	As at March 31, 2025
	Euro	Equivalent INR	Euro	Equivalent INR	Others INR	Others INR
Assets						
Trade receivable	55.30	588.18	59.23	543.50	29.37	41.12
Contract assets	192.00	2017.65	221.26	2026.77	131.67	263.20
Other assets	19.00	186.20	11.74	108.16	80.04	93.77
Sub Total (A)	266.30	2792.03	292.23	2678.42	241.08	398.09
Liabilities						
Advances from customer	26.50	177.86	28.22	190.35	0.83	1.29
Trade payables and others	27.10	296.54	27.69	256.30	181.90	343.61
Sub Total (B)	53.60	474.40	55.91	446.65	182.73	344.89
Assets (Net of Liabilities) [(A)-(B)]	212.70	2317.63	236.32	2231.77	58.35	53.19

Particulars	USD	Equivalent INR	USD	Equivalent INR
Assets				
Trade receivable	72.10	655.17	79.27	669.84
Contract assets	133.10	1231.62	187.27	1597.17
Other assets	0.60	4.68	0.87	6.74
Sub Total (A)	205.80	1891.47	267.41	2273.76
Liabilities				
Advances from customer	33.30	219.16	35.69	226.53
Trade payables and others	41.20	381.84	76.85	655.22
Sub Total (B)	74.50	601.00	112.55	881.75
Assets (Net of Liabilities) [(A)-(B)]	131.30	1290.47	154.87	1392.01

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, 2026		As at March 31, 2025	
	Strengthening	Weakening	Strengthening	Weakening
Effect on Profit/(loss) - 1 % movement				
Euro	23.18	(23.18)	22.32	(22.32)
USD	12.90	(12.90)	13.92	(13.92)
Others	0.58	(0.58)	0.53	(0.53)

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, 2026			For the year ended March 31, 2025		
	Power	Industry	Total	Power	Industry	Total
I. SEGMENT REVENUE FROM OPERATIONS						
Revenue From Operations-External	25406.71	8375.47	33782.18	20937.25	7402.23	28339.48
II. SEGMENT RESULTS						
a. Segment Results	2451.24	1684.07	4135.31	1216.02	1262.45	2478.47
b. Unallocated expenses (Net of income)			1262.60			1005.47
c. Profit before finance cost & Incometax (a) - (b)			2872.71			1473.00
d. Finance cost (Includes unwinding of Interest)			756.41			748.33
e. Net Profit before Income Tax (c) - (d)			2116.30			724.67
f. Income Tax			538.35			211.70
g. Net Profit/(loss) after Income Tax (e)-(f)			1577.95			512.97
III ASSETS & LIABILITIES						
a. Segment Assets	49208.93	10542.49	59751.42	45455.29	9240.71	54696.00
b. Common Assets			16808.71			13783.32
c. Total Assets			76560.13			68479.32
d. Segment Liabilities	32517.97	7735.31	40253.28	29075.97	7034.26	36110.23
e. Common Liabilities			9790.36			7256.08
f. Total Liabilities			50043.64			43366.31
IV OTHER INFORMATION						
a. Capital Expenditure	384.95	242.49		335.93	146.46	
b. Depreciation & Amortization	196.02	72.11		158.06	69.18	
c. Non Cash Expenses (other than depreciation & amortization)	(51.41)	165.90		(73.14)	214.64	

Geographical Segments

(₹ in Crore)

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Within India	Outside India	Total	Within India	Outside India	Total
1 Revenue from Operations	33326.20	455.98	33782.18	27863.22	476.26	28339.48
2 Non- Current Assets (PPE & Intangible Assets)	3492.61	0.45	3493.06	3141.70	0.46	3142.16
3 Capital Expenditure	670.71	-	670.71	535.30	0.34	535.64

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Power	Industry	Total	Power	Industry	Total
CPSUs	11357.57	2875.83	14233.40	9227.07	2776.16	12003.23
Adani Group	6672.58	-	6672.58	2553.12	-	2553.12

Note [42]

Additional Disclosures

(₹ in Crore)

A.	Category of Imports	For the year ended	
		March 31, 2026	March 31, 2025
	Imports on CIF basis		
	Raw materials	1320.17	1091.75
	Components and spare parts	813.47	771.38
	Capital goods	49.83	13.09
	Total Imports	2183.47	1876.22

(₹ in Crore)

B.	Types of Expenditure (incurred in foreign currency)	For the year ended	
		March 31, 2026	March 31, 2025
	i) Royalty	52.12	53.81
	ii) Know-how	27.79	5.74
	iii) Professional consultation fee	3.45	6.89
	iv) Interest and others (incl. on foreign sites)	11.22	24.06

(₹ in Crore)

C.	Classification of Consumption [raw materials, components, stores & spare parts]	For the year ended	
		March 31, 2026	March 31, 2025
	i) Imported (including custom duty)	1892.61	1931.03
	ii) Indigenous	16509.12	13467.22
	iii) Percentage of total consumption		
	Imported	10.28	12.54
	Indigenous	89.72	87.46

(₹ in Crore)

D.	Earnings in foreign exchange	For the year ended	
		March 31, 2026	March 31, 2025
	Physical Export of goods (FOB basis)	346.53	201.79
	Erection & other services	58.11	136.35
	Foreign exchange on deemed exports (incl. domestic contracts and SEZ export)	22.54	218.85
	Total	427.18	556.99

(₹ in Crore)

E.	Statement for raw materials and components consumed	For the year ended	
		March 31, 2026	March 31, 2025
	Raw Materials		
	i) Ferrous materials	3899.48	3527.85
	ii) Non-ferrous materials	1090.20	679.37
	iii) Insulating materials	295.39	116.50
	iv) Insulated cables and Magnet wires	80.03	14.96
	v) Other Components	4534.82	3198.26
	vi) Others	593.17	670.71
	Total	10493.09	8207.65
	Bought out Materials		
	i) Ferrous materials	124.80	102.99
	ii) Non-ferrous materials	27.26	110.17
	iii) Insulating materials	121.11	143.57
	iv) Insulated cables and Magnet wires	14.47	45.24
	v) Other Components	5923.10	4431.91
	vi) Others	1191.35	1924.11
	Total	7402.09	6757.99

Note [43]

Ratios

Particulars	Numerator	Denominator	2025-26	2024-25	% Variance	Reason for variance >25%
(a) Current ratio	Total Current Assets	Total Current Liabilities	1.59	1.51	-5.15	
(b) Debt-equity ratio	The company does not have any long term debt and hence these ratios are not applicable.					
(c) Debt service coverage ratio						
(d) Long term Debt to Working Capital						
(e) Interest service coverage ratio						
(f) Total Debt to Total Assets ratio	Total Debts	Total Assets	0.11	0.13	18.77	
(g) Inventory turnover ratio	Revenue from contracts with customers	Average Inventory (Net)	2.79	3.20	-12.87	
(h) Trade receivables turnover ratio	Revenue from contracts with customers	Average Trade receivable (net)	3.57	3.23	10.39	
(i) Bad debts to accounts receivable ratio	Bad debts written off	Gross Trade Receivables	0.05	0.03	60.06	Insignificant value
(j) Current Liability Ratio	Current Liabilities	Total Liabilities	0.65	0.65	-0.83	
(k) Trade payables turnover ratio	Purchases and Subcontracting	Average Trade Payables	2.23	1.89	17.89	
(l) Net capital turnover ratio	Revenue from contracts with customers	Total Current Assets - Total Current Liabilities	1.69	1.88	-10.24	
(m) Return on equity ratio	Profit for the year (PAT)	Average Total Equity - OCI	5.98%	2.01%	196.95	Increase in profitability driven by higher growth in RFO
(n) Operating profit ratio	Profit Before Interest, Depreciation & Tax - Other Income	Revenue from operations	6.93%	4.38%	58.25	Increase in profitability driven by higher growth in RFO
(o) Net profit ratio	Profit for the year (PAT)	Revenue from operations	4.67%	1.81%	158.05	Increase in profitability driven by higher growth in RFO
(p) Return on capital employed	Earning before interest and taxes	Capital Employed = Total Equity - CWIP - Intangible assets under development - Deferred tax assets	12.77%	7.06%	80.81	Increase in profitability driven by higher growth in RFO
(q) Return on investment	NA					
(r) Net worth (₹ / Cr.)	Share Capital + Reserve and Surplus		26516.49	25113.01	5.59	
(s) Profit After Tax (₹ / Cr.)	Profit after Tax		1577.95	512.97	207.61	
(t) Earning Per Share (₹)	Profit for the year (PAT)	Weighted average no. of shares	4.53	1.47	207.61	
(u) Capital redemption reserve (₹ / Cr.)			37.87	37.87	0.00	

Note [44]

Disclosure - Investment Property - Ind AS 40

Material Accounting Policy disclosed at point 20 of Note [2]

During the year Company has adopted the material accounting policy and applied the same for accounting of Investment property. Relevant details are as under:

(₹ in Crore)

Particulars	2025-26	2024-25
(i) Detail of Incomes and expenses:		
Rental Income	8.98	1.82
Direct Operating expenses (incl Repair & Maintenance)	0.50	0.39

(ii) Fair Value of Investment Property

The market value of the investment property has been assessed at ₹133.67 Cr. by registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules 2017 as at 31.03.2026 for various properties located at Bhopal, Mumbai and Hyderabad.

(iii) The Company has entered into operating lease on its investment property portfolio consisting of certain Land and Building. Future undiscounted lease payments to be received under operating lease as at 31.03.2026 are as follows:

Particulars	2025-26	2024-25
Less than 1 year	9.65	7.11
Between 1 and 2 year	9.88	7.13
Between 2 and 3 year	10.16	7.25
Between 3 and 4 year	7.90	7.56
Between 4 and 5 year	1.79	5.14
Beyond 5 years	1.43	1.85
Total	40.81	36.04

Note [45]

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

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

Note [46]

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

Note [47]

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

Note [48]

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

Note [49]

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

Note [50]

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

Note [51]

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

Note [52]

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

Note [53]

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 2025-26 in its meeting held on May 04, 2026.

For and on behalf of Board of Directors



(Yogesh R Chhabra)
Company Secretary
M. No. F 7463



(Rajesh Kumar Dwivedi)
Director Finance & CFO
DIN: 10048893



(K Sadashiv Murthy)
Chairman and Managing Director
DIN: 09184201

As per our report of even date

For K. Venkatachalam Aiyer & Co.
Chartered Accountants
FRN – 004610S



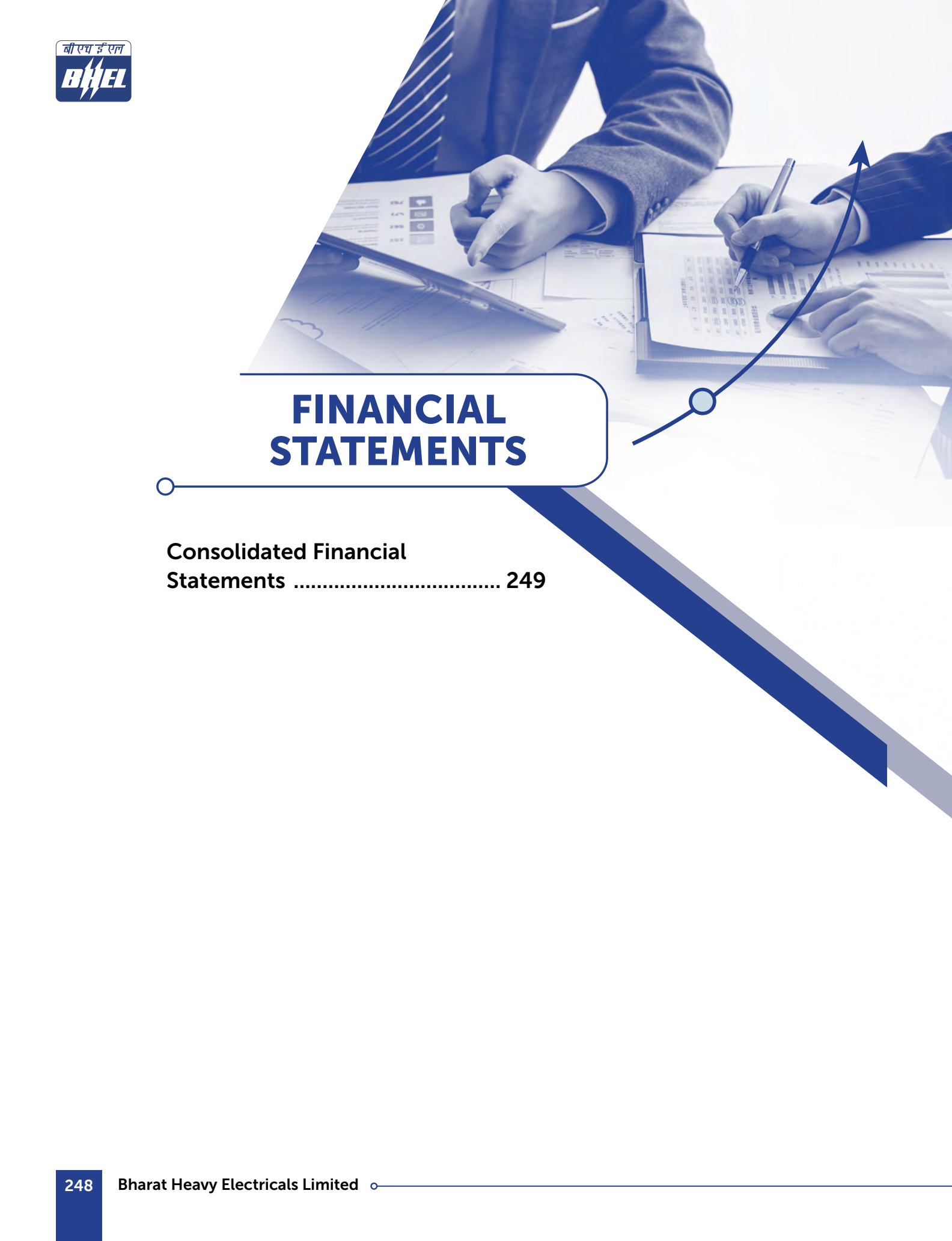
(CA. V. Ramachandran)
Partner
M. No. 020504

For K. S. Dua & Co.
Chartered Accountants
FRN – 017478N



(CA. Swarn Singh Dhillon)
Partner
M. No. 527610

Place : New Delhi
Date : 04th May, 2026

The background of the page is a light blue-tinted photograph showing several people in business attire working at a desk. They are looking at and writing on various financial documents, including spreadsheets and charts. A stylized blue line with an upward-pointing arrow is overlaid on the right side of the image, starting from the bottom and curving upwards.

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 company" and its share of profit in joint ventures, which comprise the Consolidated Balance Sheet as at 31st March, 2026, 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 for the year ended on that date (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, and based on the consideration of reports of other auditors on separate Financial Statements and on the other financial statements/ financial information of the joint ventures referred to in the Other Matters section below 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 and its joint ventures as at March 31, 2026, and their consolidated net profit (financial performance including other comprehensive income), their consolidated changes in equity and consolidated cash flows 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 and its Joint Ventures 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 made 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 obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key Audit Matters

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

Key Audit Matter	Auditor's Response
<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> The application of this revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period, and disclosures including presentations of balances in the financial statements. Estimated efforts is a critical estimate to determine revenue, as it requires consideration of progress of the contract, efforts incurred till date, efforts required to complete the remaining performance obligation. Refer Note 22 & 41 to the consolidated financial statements.	<u>Principal Audit Procedures</u> Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: • Evaluated the effectiveness of controls over the preparation of information that are designed to ensure the completeness and accuracy. • Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. • Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with Ind AS 115. • Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. • Performed analytical procedures and test of details for reasonableness and other related material items
<i>Assessment and recoverability of Trade Receivables and Contract Assets</i> The Company has trade receivables outstanding (net) of ₹9223.30 Crore and contract assets (net) of ₹29389.61 Crore at the end of March 31, 2026. These balances are related to revenue recognized in line with Ind AS 115 "Revenue from contracts with customers" for ongoing contracts and completed contracts. The assessment of its recoverability is a key audit matters in the audit due to its size, pending balance confirmation of letters sent and high level of management judgment Refer Notes 6, 9, 41 to the consolidated financial statements.	<u>Principal Audit Procedures</u> We have assessed the Company's internal process to recognize the revenue and review mechanism of trade receivables and contract assets. Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: • Evaluated the process of invoicing with customers. • Obtained the list of project wise outstanding details and its review mechanism by the management. • Reviewed the guidelines and policies of the Company on impairment of trade receivables and contract assets. • Tested the accuracy of aging of trade receivables and contract assets at the year end on sample basis. • Performed analytical procedures and test of details for reasonableness, recoverability and other related material items.

Key Audit Matter	Auditor's Response
<i>Assessment of Contingent Liability</i> 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. 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. Refer Note 33 to the Consolidated statements	<u>Principal Audit Procedures</u> The audit procedures included but were not limited to: • Obtaining a detailed understanding processes and controls of the Management with respect to claims or disputes • Performing following procedures on samples selected. • Understanding the matters by reading the correspondences, communications, minutes of the management meeting • Making corroborative inquiries with appropriate level of the management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Company, and perusing legal opinions, if any, obtained by the Management. • Evaluating the evidence supporting the judgement of the management about possible outcomes and the reasonableness of the estimates. • Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Board of Directors of the companies included in the Company are 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 either intends to liquidate the Company and its Joint Ventures or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company included in the Company and of its joint ventures are responsible for overseeing the financial reporting process of the Company and of its joint ventures.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company and its joint ventures incorporated in India have adequate internal financial controls with reference to Consolidated Financial Statements 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 company's 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 ability of Company's and its Joint Ventures 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 and its Joint Venture 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 Company and its Joint Ventures 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. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para 1 to para 5 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/information of **14 (Fourteen)** branches included in the standalone financial statements of the Company whose financial statements/ financial information reflect total assets of **₹49806 Crore** as at 31st March 2026 and total revenue from operations of **₹25523 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.
2. We did not audit the financial statements/information of Joint Ventures BHEL-GE Gas Turbine Services Private Limited ('BGGTS'). The consolidated financial results also include the Company's share of net profit after tax of ₹63.41 Cr and total comprehensive income of ₹63.16 Cr for the year ended 31st March 2026, in respect of Joint Ventures-BHEL-GE Gas Turbine Services Private Limited ('BGGTS'), whose financial statements are unaudited. These unaudited financial statements/ financial information furnished to us by the company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of aforesaid joint ventures, is based solely on such unaudited financial statements/financial information.
3. We also did not audit the financial statements of two jointly controlled entities i.e. Raichur Power Corporation Ltd. and NTPC-BHEL Power Projects Pvt. Ltd. The consolidated financial statements do not include the share of net loss and other comprehensive loss of these jointly controlled entities as the Company 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 of Raichur Power Corporation Ltd. and NTPC-BHEL Power Projects Pvt. Ltd are unaudited and financial statements / financial information are furnished to us by the Company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of aforesaid joint ventures, is based solely on such unaudited financial results/financial information.

4. We did not audit the financial statements of jointly controlled entity Bharat Coal Gasification and Chemicals Limited (BCGCL). The consolidated financial results include the Company's share of net loss and total comprehensive loss of ₹2.36 Cr for the year ended 31st March 2026 in respect of Joint Venture - Bharat Coal Gasification and Chemicals Limited (BCGCL), whose financial statements are unaudited. This unaudited financial statements/ financial information furnished to us by the company's management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of aforesaid joint ventures, is based solely on such unaudited financial statements/ financial information.
5. M/s Power Plant Performance Improvement Ltd., a joint venture, has been dissolved during the financial year and accordingly not considered in consolidation.

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 by the company so far as it appears from our examination of those books and management certified financials.

- (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended,
- (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 and its joint ventures;
- (f) With respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the company and Joint Ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
- (g) As per Notification No. GSR 463(E) dated 5 June 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 to the company and its Joint Ventures.
- (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 Company and Joint Ventures – **Refer Note 33** to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts – **Refer Note 40** to the consolidated financial statements in respect of such items as it relates to the Company and Joint Ventures.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company and Joint Ventures incorporated in India.
- iv.a) The respective Managements of the Company and its joint ventures, 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 such Joint Ventures 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 joint ventures, 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 joint ventures from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of joint ventures 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 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), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in Note 31 to the Consolidated Financial Statements
 - (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) 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.

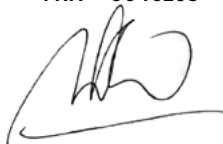
vi. Based on our examination carried out in accordance with the Implementation Guidance on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (Revised 2024 Edition) issued by the Institute of Chartered Accountants of India, which included test checks and that performed by the respective auditors of the joint ventures whose financial statements have been audited under the Act,

we report that the company and the above referred joint ventures have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

2. With respect to the matter of paras 3 (xxi) and 4 of the Companies (Auditor's Report) Order 2020, and four Joint Ventures remains unaudited as mentioned in the section titled "Other Matters", CARO is not applicable and no report has been issued by the Auditors of such entity. Based on the CARO report issued by us for the standalone financial statement of the company for the year ended 31st March 2026, we report that there are no qualifications or adverse remarks in the CARO report.

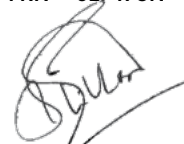
For K Venkatachalam Aiyer & Co.
Chartered Accountants
FRN – 004610S



CA. V. Ramachandran
Partner
M. No. 020504

UDIN: 26020504BASOMQ1304

For K. S. Dua & Co.
Chartered Accountants
FRN – 017478N



CA. Swarn Singh Dhillon
Partner
M. No. 527610

UDIN: 26527610MNMJXK7081

Place : New Delhi
Date : 04th May, 2026

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, 2026, we have audited the internal financial controls over financial reporting of Bharat Heavy Electricals Limited (hereinafter referred to as "the Company"), and joint ventures, which are companies incorporated in India as of that date. We did not audit the financial statements of any of the four Joint Ventures which are unaudited.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the company and joint ventures, 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 for the Audit of the Consolidated Financial Statements

Our responsibility is to express an opinion on the Company's, internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to Consolidated financial statements (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 with reference to consolidated 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to Consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the branches and joint ventures, incorporated in India, in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls of the Company and its Joint Venture Companies incorporated in India, with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated 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 Consolidated 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to Consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to Consolidated financial statements 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 with reference to Consolidated financial statements in so far as it relates to four jointly controlled entities, which are companies incorporated in India, is based on the corresponding management certificate of these four jointly controlled entities incorporated in India.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements

in so far as it relates to five joint ventures incorporated in India, out of which four Joint Venture's financial statements / financial information are unaudited and our opinion on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Company is not affected as the Company's share of net profit/loss (including Other Comprehensive Income) and disclosures included in respect of these joint ventures in these Consolidated Financial Statements are not material to the Company.

Our report is not modified in respect of the above matters.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company, and its joint ventures, which are entities incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated financial statements and such internal financial controls with reference to Consolidated financial statements were operating effectively as at March 31, 2026, based on the internal controls over the financial reporting criteria established by the Company and its Joint Ventures incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to Consolidated financial statements issued by the Institute of Chartered Accountants of India.

For K Venkatachalam Aiyer & Co.
Chartered Accountants
FRN – 004610S



CA. V. Ramachandran
Partner

M. No. 020504
UDIN: 26020504BASOMQ1304

For K. S. Dua & Co.
Chartered Accountants
FRN – 017478N



CA. Swarn Singh Dhillon
Partner

M. No. 527610
UDIN: 26527610MNMJXK7081

Place : New Delhi
Date : 04th May, 2026

No. DGA(P)/Rep/01-67/A/c- BHEL-CFS/2026-27/173
भारतीय लेखापरीक्षा एवं लेखा विभाग
कार्यालय महानिदेशक लेखापरीक्षा (विद्युत)
नई दिल्ली-110002



INDIAN AUDIT & ACCOUNTS DEPARTMENT
Office of the Director General of Audit (Power)
New Delhi-110002

SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Dated: 03/07/2026

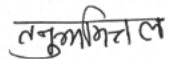
सेवा में,
अध्यक्ष एवं प्रबंध निदेशक,
भारत हेवी इलेक्ट्रिकल्स लिमिटेड,
नई दिल्ली

विषय:- 31 मार्च 2026 को समाप्त वर्ष के लिए भारत हेवी इलेक्ट्रिकल्स लिमिटेड, नई दिल्ली के समेकित लेखाओं 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 2026 को समाप्त वर्ष के समेकित लेखाओं पर कम्पनी अधिनियम 2013 की धारा 143(6)(b) एवं धारा 129(4) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रही हूँ।
कृपया इस पत्र की संलग्नकों सहित प्राप्त की पावती भेजी जाए।

संलग्नक:- यथोपरि।

भवदीया,


(तनुजा मित्तल)
महानिदेशक (विद्युत)

**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 2026**

The preparation of consolidated financial statements of Bharat Heavy Electricals Limited for the year ended 31 March 2026 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 04 May 2026.

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 2026 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, Raichur Power Corporation Limited and Bharat Coal Gasification and Chemicals Limited for the year ended on that date. Further, Section 139(5) and 143(6)(a) of the Act are not applicable to 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

Tanuja Mittal
(Tanuja Mittal)
Director General of Audit (Power)
New Delhi

Place: New Delhi
Date: 03/07/2026

Consolidated Balance sheet

as at March 31, 2026

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2026		As at March 31, 2025	
A. ASSETS						
1. Non-current assets						
(a) Property, plant and equipment	3a	275	2933.28		2862.46	
(b) Capital work-in-progress	3b	275	399.20		161.70	
(c) Investment Property	3c	276	0.52		0.45	
(d) Intangible assets	4a	279	64.73		84.27	
(e) Intangible assets under development	4b	280	95.85		33.73	
(f) Investment accounted for using equity method	5	281	302.06		275.57	
(g) Financial assets						
(i) Investments	5a	282	0.00		0.00	
(ii) Trade receivables	6	283	2426.93		3046.58	
(iii) Other financial assets	7	285	258.78	2685.71	715.95	3762.53
(h) Deferred tax assets (net of liabilities)	8	285	3532.80		4067.72	
(i) Other non-current assets	9	286	14716.11		14074.98	
Total non-current assets			24730.26		25323.41	
2. Current assets						
(a) Inventories	10	287	13334.58		9869.49	
(b) Financial assets						
(i) Trade receivables	6	283	6796.27		5884.35	
(ii) Cash and cash equivalents	11	288	1435.45		439.21	
(iii) Bank balances other than cash and cash equivalents	12	288	10431.17		7173.20	
(iv) Other financial assets	7	285	332.13	18995.02	300.76	13797.52
(c) Current tax assets (net)	13	288	202.72		137.37	
(d) Other current assets	9	286	18923.03		18955.39	
Total current assets			51455.35		42759.77	
TOTAL ASSETS			76185.61		68083.18	
B. EQUITY AND LIABILITIES						
3. Equity						
(a) Equity share capital	14	289	696.41		696.41	
(b) Other equity	15	289	25450.19		24025.75	
Total Equity			26146.60		24722.16	
4. Liabilities						
4.1 Non-current liabilities						
(a) Financial liabilities						
(i) Lease Liabilities	16	290	168.18		162.39	
(ii) Trade payables	17	290				
(i) Total outstanding dues of micro enterprises and small enterprises			1343.44		2170.79	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises						
(iii) Other financial liabilities	18	292	410.96	1922.58	422.79	2755.97

Consolidated Balance sheet

as at March 31, 2026

(₹ in Crore)

Particulars	Note	Page	As at March 31, 2026	As at March 31, 2025
(b) Provisions	19	292	2354.62	2585.56
(c) Other non-current liabilities	20	292	13459.63	9793.90
Total non-current liabilities			17736.83	15135.43
4.2. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	21	293	7950.00	8795.00
(ia) Lease Liabilities	16	290	68.77	57.21
(ii) Trade payables	17	290		
(i) Total outstanding dues of micro enterprises and small enterprises			1932.11	1430.24
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			8559.49	8110.68
(iii) Other financial liabilities	18	292	1313.30	1240.52
(b) Provisions	19	292	1918.91	1815.31
(c) Other current liabilities	20	292	10559.60	6776.63
Total current liabilities			32302.18	28225.59
Total liabilities			50039.01	43361.02
TOTAL EQUITY AND LIABILITIES			76185.61	68083.18

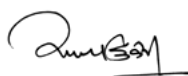
Basis of preparation, measurement and material accounting policies 2 268

The accompanying notes [1 - 55] are an integral part of these financial statements

For and on behalf of Board of Directors



(Yogesh R Chhabra)
Company Secretary
M. No. F 7463



(Rajesh Kumar Dwivedi)
Director Finance & CFO
DIN: 10048893



(K Sadashiv Murthy)
Chairman and Managing Director
DIN: 09184201

As per our report of even date

For K. Venkatachalam Aiyer & Co.
Chartered Accountants
FRN – 004610S

For K. S. Dua & Co.
Chartered Accountants
FRN – 017478N



(CA. V. Ramachandran)
Partner
M. No. 020504



(CA. Swarn Singh Dhillon)
Partner
M. No. 527610

Place : New Delhi
Date : 04th May, 2026

Consolidated Statement of Profit and Loss

For the year ended March 31, 2026

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2026	For the year ended March 31, 2025
INCOME				
Revenue from operations	22	294	33782.18	28339.48
Other income	23	294	807.65	465.31
TOTAL INCOME			34589.83	28804.79
EXPENSES				
Cost of raw materials consumed			10493.09	8207.65
Purchases of Bought out items			7402.09	6757.99
Civil, erection and engineering expenses			5872.55	4989.22
Consumption of stores & spares			506.55	432.61
Changes in inventories of finished goods, work in progress and Scrap	24	295	(1291.19)	(1542.32)
Employee benefits expense	25	295	6467.62	5923.42
Other Expenses	26	296	1989.28	2329.34
Finance costs	27	297	756.41	748.33
Depreciation & amortisation expense	3.1 3.2 4.1	277 279 280	315.87	271.96
TOTAL EXPENSES			32512.27	28118.20
Profit / (loss) before share of net profits / loss of investments accounted for using equity method and tax			2077.56	686.59
Share of net profit / (loss) of joint venture accounted for using equity method			61.05	59.01
PROFIT BEFORE TAX			2138.61	745.60
Tax expenses	28	297		
a) Current tax			3.31	23.16
b) Deferred tax			535.04	188.54
PROFIT FOR THE YEAR (A)			1600.26	533.90
OTHER COMPREHENSIVE INCOME	29	298		
Items that will not be reclassified to profit or loss (net of tax)				
-Remeasurement of defined employee benefits			(0.37)	(163.50)
-Share of OCI of JV accounted using equity method			(0.24)	0.16
OTHER COMPREHENSIVE INCOME FOR THE YEAR (B)			(0.61)	(163.34)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)			1599.65	370.56
Attributable to:				
Equity holders of the parent			1599.65	370.56
Non Controlling interest				
TOTAL			1599.65	370.56
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR				
Attributable to:				
Equity holders of the parent			(0.61)	(163.34)
Non Controlling interest				
TOTAL			(0.61)	(163.34)

Consolidated Statement of Profit and Loss

For the year ended March 31, 2026

(₹ in Crore)

Particulars	Note	Page	For the year ended March 31, 2026	For the year ended March 31, 2025
TOTAL PROFIT FOR THE YEAR				
Attributable to:				
Equity holders of the parent			1600.26	533.90
Non Controlling interest				
TOTAL			1600.26	533.90
Earnings per equity share	30	298		
(1) Basic [Face value of ₹2 each]			4.60	1.53
(2) Diluted [Face value of ₹2 each]			4.60	1.53

Basis of preparation, measurement and material accounting policies

2

268

The accompanying notes [1 - 55] are an integral part of these financial statements

For and on behalf of Board of Directors



(Yogesh R Chhabra)
Company Secretary
M. No. F 7463



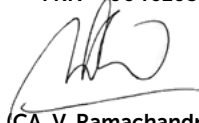
(Rajesh Kumar Dwivedi)
Director Finance & CFO
DIN: 10048893



(K Sadashiv Murthy)
Chairman and Managing Director
DIN: 09184201

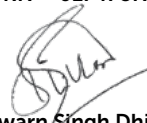
As per our report of even date

For K. Venkatachalam Aiyer & Co.
Chartered Accountants
FRN – 004610S



(CA. V. Ramachandran)
Partner
M. No. 020504

For K. S. Dua & Co.
Chartered Accountants
FRN – 017478N



(CA. Swarn Singh Dhillon)
Partner
M. No. 527610

Place : New Delhi
Date : 04th May, 2026



Consolidated Statement of Changes in Equity

For the year ended March 31, 2026

A. Equity Share Capital

(₹ in Crore)

Equity shares of INR 2 each issued, subscribed and fully paid	Number of shares		Amount	
	2025-26	2024-25	2025-26	2024-25
Balance at the beginning of the year	3482063355	3482063355	696.41	696.41
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	3482063355	3482063355	696.41	696.41

B. Other equity

For the year ended March 31, 2026

(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity*	Non controlling interest
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings			
Balance as at April 01, 2025	35.18	37.87	30,476.66	(5943.29)	(580.65)	24,025.75	-
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Reinstated balance as at April 01, 2025	35.18	37.87	30,476.66	(5943.29)	(580.65)	24,025.75	-
Add: Total comprehensive Income for the year	-	-	-	1,600.26	(0.61)	1,599.65	-
Less: Final dividend [Note 31]	-	-	-	(174.10)	-	(174.10)	-
Less: Other Adjustments	-	-	-	(1.11)	-	(1.11)	-
Balance as at March 31, 2026	35.18	37.87	30,476.66	(4518.25)	(581.26)	25,450.19	-

* Total other equity represents owners of the parent

Consolidated Statement of Changes in Equity

For the year ended March 31, 2026

For the year ended March 31, 2025

(₹ in Crore)

Description	Reserves and surplus				Other items of other comprehensive income	Total other Equity *	Non controlling interest
	Capital Reserves	Capital Redemption Reserves	General Reserves	Retained Earnings			
Balance as at April 01, 2024	35.18	37.87	30476.66	(6,390.15)	(417.32)	23742.24	-
Changes in Accounting Policy or prior period errors						-	-
Reinstated balance as at April 01, 2024	35.18	37.87	30476.66	(6,390.15)	(417.32)	23742.24	-
Add: Total Comprehensive Income for the year				533.90	(163.34)	370.56	-
Less: Final dividend [Note 31]				(87.05)		(87.05)	-
Balance as at March 31, 2025	35.18	37.87	30476.66	(5,943.29)	(580.65)	24025.75	-

* Total other equity represents owners of the parent

For and on behalf of Board of Directors



(Yogesh R Chhabra)
Company Secretary
M. No. F 7463



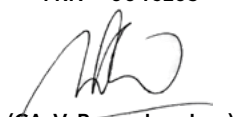
(Rajesh Kumar Dwivedi)
Director Finance & CFO
DIN: 10048893



(K Sadashiv Murthy)
Chairman and Managing Director
DIN: 09184201

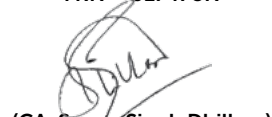
As per our report of even date

For K. Venkatachalam Aiyer & Co.
Chartered Accountants
FRN – 004610S



(CA. V. Ramachandran)
Partner
M. No. 020504

For K. S. Dua & Co.
Chartered Accountants
FRN – 017478N



(CA. Swarn Singh Dhillon)
Partner
M. No. 527610

Place : New Delhi
Date : 04th May, 2026

Consolidated Statement of Cash Flows

For the year ended March 31, 2026

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit /(Loss) before tax	2138.61	745.60
Adjustments for :		
Provision and write off	(211.00)	(879.13)
Depreciation and amortisation	315.87	271.96
Finance cost (including unwinding of interest)	756.41	748.33
Interest & dividend income	(739.27)	(402.63)
Share of loss /(profit) in joint venture	(61.05)	(59.01)
Unrealised Foreign Exchange loss/(gain)	(433.47)	(16.97)
Amortisation of Government Grant	(9.66)	(8.99)
Others include profit on sale of investment & PPE and Impairment of Investment	(13.09)	(18.03)
Cash generated / (used) in operations before working capital changes	1743.34	381.13
Adjustment for changes in working capital:		
Trade Receivables	(538.60)	(1002.80)
Contract Assets	687.82	(1960.76)
Inventories	(3401.50)	(2632.53)
Loans, advances & other assets	(197.49)	(1448.04)
Sub total	(3449.77)	(7044.13)
Trade payable	182.25	846.94
Advances from customers, deposits and others	7351.17	7927.25
Sub total	7533.42	8774.19
Net cash (used in) / from working capital	4083.65	1730.06
Cash generated / (used) in operations	5826.99	2111.18
Income Tax paid	(209.80)	(154.41)
Refund of income taxes	220.19	235.70
Net cash (used in) / from operating activities	5837.38	2192.47
B. CASH FLOW FROM INVESTING ACTIVITIES		
Redemption / maturity of bank deposits (having original maturity of more than 3 months)	(3148.14)	(2878.41)
Interest received	649.38	371.74
Sale proceeds from Investment	-	5.76
Dividend received from joint ventures	38.08	38.08
Sale of Property, Plant and Equipment & Intangible Assets	13.01	13.46
Purchase of Property, Plant and Equipment & Intangible Assets	(589.04)	(304.37)
Investment in joint ventures	(4.87)	-
Income received from mutual funds	0.08	-
Receipt of Govt Grant (Capital)	6.09	22.25
Net cash (used in) / from investing activities	(3035.41)	(2731.49)

Consolidated Statement of Cash Flows

For the year ended March 31, 2026

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from short term borrowings	(845.00)	(13.00)
Proceeds / (repayment) of lease obligation (Principal)	(59.19)	(48.12)
Proceeds / (repayment) of lease obligation (Interest)	(17.76)	(7.24)
Dividend paid	(174.64)	(87.44)
Interest paid	(709.14)	(701.01)
Net cash (used in) / from financing activities (refer point 4)	(1805.73)	(856.81)
D. Net increase/(decrease) in cash and cash equivalents	996.24	(1395.83)
Opening balance of cash and cash equivalents (excluding cash credit of subsidiary)	439.21	1835.04
Closing balance of cash and cash equivalents [Refer Note 11]	1435.45	439.21

- (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 ₹220.19 Cr, including interest income of ₹48.90 Cr.

For and on behalf of Board of Directors



(Yogesh R Chhabra)
Company Secretary
M. No. F 7463



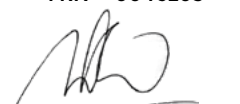
(Rajesh Kumar Dwivedi)
Director Finance & CFO
DIN: 10048893



(K Sadashiv Murthy)
Chairman and Managing Director
DIN: 09184201

As per our report of even date

For K. Venkatachalam Aiyer & Co.
Chartered Accountants
FRN – 004610S



(CA. V. Ramachandran)
Partner
M. No. 020504

For K. S. Dua & Co.
Chartered Accountants
FRN – 017478N



(CA. Swarn Singh Dhillon)
Partner
M. No. 527610

Place : New Delhi
Date : 04th May, 2026

Notes to the Consolidated Financial Statements for the year ended March 31, 2026

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

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively.

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 different 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	2-25
Electrical installations	2-10
Furniture and fixtures	3-10
Computers	2-5
Office equipment	2-10

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

In the case of Raichur Power Corporation Limited

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

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

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

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

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

3. Leases

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

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 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:

- the customer simultaneously consumes the benefit of the Company's performance or
- the customer controls the asset as it is being created/enhanced by the Company's performance or
- 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 plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using an appropriate government bond rate that have terms to maturity approximating to the terms of the related liability.

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

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

Long term Leave Liability

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

10. Provisions 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.

19. Investment Property

Investment properties are properties (land or building or part of building or both) held to earn rental income and/or for capital appreciation. It does not include property held for use in the production or supply of goods or services or for administrative purposes, nor it includes property held for sale in the ordinary course of business.

These are initially measured at cost, including related transaction costs and, where applicable, borrowing costs as per accounting standards. After initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Though measured at cost, the fair value of investment properties is disclosed in the notes to the financial statements, based on a valuation by an independent qualified valuer. Subsequent expenditure is capitalized if it is probable that future economic benefits will flow to the company and the cost of the expenditure can be reliably measured. Day-to-day repairs and maintenance are expensed off when incurred.

Investment properties are depreciated in accordance to the category of asset that it belongs to and the life of the asset shall be as conceived for the same in line with the policy on PPE.

Properties are transferred to or from investment property only when there is a clear change in use, supported by evidence. Transfers between investment property, and owner-occupied property do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes. An investment property is derecognized upon disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition (the difference between net disposal proceeds and carrying amount) is recognized in the Statement of Profit and Loss.

Note [3a] - Non current assets

Property, Plant and Equipment

Refer point 2 of Note [2] for Material accounting policy on Property, Plant and Equipment (PPE)

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Gross block	7661.74	7404.47
Less: Accumulated depreciation	4728.46	4542.01
Net block (details refer to Note 3.1)	2933.28	2862.46

The Net block includes ₹300.42 Cr (Previous Year ₹304.56 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, 2026	As at March 31, 2025
Plant & machinery and other equipments:		
Under Erection/ Fabrication/awaiting erection	226.79	87.16
In transit	3.98	24.59
Construction work-in-progress -Civil	166.58	45.37
Construction stores (including in transit)	1.85	4.58
Total	399.20	161.70

(₹ in Crore)

CWIP Ageing schedule - As at March 31, 2026	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	347.22	39.32	0.57	0.58	387.69
Projects temporarily suspended	-	-	-	11.51	11.51

(₹ in Crore)

CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2026	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
Other Projects less than ₹10 Crore (Total Nos - 6)	-	-	-	0.39	0.39
Projects temporarily suspended					
Equipment Fabrication Plant - Bhandara	-	-	-	7.74	7.74
Enabling work -Uppur	-	-	-	2.94	2.94
Other Projects less than ₹1 Crore (Total Nos - 2)	-	-	-	0.83	0.83

(₹ in Crore)

CWIP Ageing schedule - As at March 31, 2025	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	145.83	0.98	1.30	1.30	149.42
Projects temporarily suspended	-	-	-	12.28	12.28

(₹ in Crore)

CWIP Completion Schedule (CWIP which are overdue or has exceeded its cost compared to its original plan) - As at March 31, 2025	To be completed in				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
Projects in progress					
New Building - Noida	0.91	-	-	-	0.91
Electric Overhead Travelling Crane	1.47	-	-	-	1.47
Other Projects less than ₹10 Crore (Total Nos - 12)	1.10	-	-	0.37	1.47
Projects temporarily suspended					
Equipment Fabrication Plant - Bhandara	-	-	-	7.74	7.74
Enabling work- Uppur	-	-	-	2.94	2.94
Other Projects less than ₹1 Crore (Total Nos - 5)	-	-	-	1.60	1.60

Note [3c] - Non current assets Investment Property

Refer point 19 of Note [2] for Material accounting policy on Investment Property

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Gross block	1.32	1.17
Less: Accumulated amortisation	0.80	0.72
Net block (for detail refer to Note 3.2)	0.52	0.45
Fair value of Investment Property	133.67	111.58

Note 3.1 - Details of Property, Plant & Equipment

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as on 01.04.2025	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2026	Accumulated Depreciation as at 01.04.2025	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2026	Net Block as at 31.03.2026	Net Block as at 31.03.2025
Land - Freehold land (including development expenses)*	27.73	0.33	0.00	28.06	0.00	0.00	0.00	0.00	28.06	27.73
Buildings - Freehold Buildings *	2130.26	65.30	(14.67)	2180.89	799.62	53.35	(13.74)	839.23	1341.66	1330.64
Roads, bridges & culverts	18.01	0.52	0.00	18.53	15.24	0.36	(0.00)	15.60	2.93	2.77
Drainage, Sewerage & water supply	44.76	0.05	(0.00)	44.81	12.24	1.60	(0.00)	13.84	30.97	32.52
Plant & Equipment	3568.25	186.68	(4.69)	3750.24	2727.36	116.40	(4.71)	2839.05	911.19	840.89
Railway Siding	8.85	0.00	0.00	8.85	6.58	0.41	0.00	6.99	1.86	2.27
Locomotives & Wagons	28.33	2.04	(0.17)	30.20	22.05	1.28	(0.18)	23.15	7.05	6.28
Furniture & fixtures	87.59	4.82	(2.13)	90.28	57.61	5.78	(1.84)	61.55	28.73	29.98
Vehicles	17.98	3.10	(0.15)	20.93	13.34	1.28	(0.15)	14.47	6.46	4.64
Office and Other equipments	167.27	13.98	(3.67)	177.58	141.71	8.98	(3.59)	147.10	30.48	25.56
Electronic Data Processing Equipment	195.52	2.31	(20.97)	176.86	182.38	4.92	(20.93)	166.37	10.49	13.14
Electrical Installations	347.20	7.91	(1.03)	354.08	207.61	12.19	(1.03)	218.77	135.31	139.58
Construction Equipment	66.85	1.87	(7.73)	60.99	65.36	0.63	(7.70)	58.29	2.70	1.49
Fixed Assets costing upto ₹10,000/-	27.46	5.11	(2.07)	30.50	27.46	5.11	(2.07)	30.50	0.00	-
Solar power generation	143.81	0.04	0.00	143.85	43.41	5.48	0.00	48.89	94.96	100.40
Right-of-use Assets *	524.59	75.62	(55.13)	545.08	220.04	77.14	(52.52)	244.66	300.42	304.56
TOTAL	7404.47	369.68	(112.41)	7661.74	4542.01	294.91	(108.45)	4728.46	2933.28	2862.46
Previous Year	6897.02	605.08	(97.66)	7404.47	4386.33	251.13	(95.47)	4542.01	2862.46	2510.69

Notes:

Gross Block (as per earlier IGAAP) as at 31.03.2026 ₹14510.15 Crore and as at 31.03.2025 ₹14411.16 Crore

Gross Block as at 31.03.2026 includes assets condemned and retired from active use ₹10.23 Crore (Previous year ₹7.24 Crore)

Net Block as at 31.03.2026 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 ₹265.34 Crore (Previous year ₹243.50 Crore)

* Transfer to Investment Property C.Y. 2025-26 from Building Freehold Gross Block ₹0.15 Crore & Accumulated Depreciation ₹0.06 Crore, (P.Y. 2024-25 from Land Gross Block ₹ Nil, Building Freehold Gross Block ₹0.53 Crore & Accumulated Depreciation ₹0.51 Crore and Building RoU Gross Block ₹0.64 Crore & Accumulated Depreciation ₹0.19 Crore)

In respect of additions to / deductions from PPE & intangible assets depreciation/ amortization is charged by the company on pro- rata monthly basis at the existing rates.

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 01.04.2025	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2026	Accumulated Depreciation as at 01.04.2025	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2026	Net Block as at 31.03.2026	Net Block as at 31.03.2025
Land (including development expenses)	124.33	16.45	(0.00)	140.77	24.82	5.58	0.00	30.40	110.37	99.51
Buildings*	2.02	0.00	0.00	2.02	0.55	0.24	0.00	0.79	1.23	1.47
Plant & Equipment	16.30	8.79	(10.87)	14.22	11.20	2.15	(8.13)	5.22	8.99	5.10
Office & other equipment	7.87	1.08	(2.07)	6.89	6.09	0.67	(2.07)	4.69	2.20	1.78
EDP Equipment	341.68	45.82	(34.28)	353.22	157.72	62.53	(34.64)	185.61	167.61	183.96
Vehicle	6.65	2.21	(0.97)	7.89	3.48	1.78	(0.74)	4.52	3.37	3.17
Others	25.74	1.27	(6.94)	20.07	16.17	4.19	(6.94)	13.42	6.65	9.57
TOTAL	524.59	75.62	(55.13)	545.08	220.03	77.14	(52.52)	244.66	300.42	304.56
Previous Year	391.97	215.22	(82.60)	524.59	249.80	51.89	(81.65)	220.03	304.56	142.17

* Transfer to Investment Property from Building RoU C.Y. 2025-26 Nil, (P.Y. 2024-25 Gross Block ₹0.64 Crore & Accumulated Depreciation ₹0.19 Crore)

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

Particulars		As at March 31, 2026	As at March 31, 2025
1. Land and buildings includes			
a.	i) Acres of land for which formal transfer/lease deed have not been executed (in acres)	8504.33	8441.47
	Net Block (₹ in Crore)	63.01	63.52
	ii) Number of flats for which formal transfer/lease deed have not been executed (in nos)	12	12
	Net Block (₹ in Crore)	0.88	0.92
	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)	476.66	480.04
	Net Block (₹ in Crore)	59.02	59.82
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)	883.21	886.99
d.	1300.32653 acres (PY 1300.32653 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 and 2.4675 acres (PY. 2.4675 acres) related to BHEL vs Nakli Ram case which is pending before court.		
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, 2026	As at March 31, 2025
2. i) Total Area of Land in acres	16690.71	16690.71
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	703.33	703.33
3. The company provides 100% depreciation on an item of PPE having cost / opening net block up to ₹10000/- each. The impact of providing 100% depreciation on an item of PPE on profit, without considering the impact of earlier years is as under :		

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
100% depreciation on PPE upto ₹10,000/- charged off	6.92	6.18
Less: Normal depreciation on above	(1.56)	(1.38)
Excess amount charged to depreciation for the year	5.36	4.79
4. Properties (i) 2nd Floor office in Chatterjee International Centre, Kolkata (ii) Indora Residential flats, Nagpur – Land & buildings and (iii) Vadodra Township - Land & buildings, having a net block value of ₹1.42 Crore, have been identified for sale under asset monetisation drive, subject to requisite approvals.		

Note 3.2 - Details of Investment Property

(₹ in Crore)

Description	Gross Block				Depreciation/ Amortization				Net Block	
	Opening Balance as on 01.04.2025	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2026	Accumulated Depreciation as at 01.04.2025	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2026	Net Block as at 31.03.2026	Net Block as at 31.03.2025
Land - Freehold land (including development expenses)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Buildings	1.17	0.00	0.15	1.32	0.72	0.02	0.06	0.80	0.52	0.45
TOTAL	1.17	0.00	0.15	1.32	0.72	0.02	0.06	0.80	0.52	0.45
Previous Year	0.00	(0.00)	1.17	1.17	0.00	0.02	0.70	0.72	0.45	0.00

Fair value of above investment property ₹133.67 Crore (Previous year ₹111.58 Crore)

Gross Block (as per earlier IGAAP) as at 31.03.2026 ₹3.89 Crore and as at 31.03.2025 ₹3.72 Crore

Note [4a] - Non current assets

Intangible assets

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

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Gross block	342.80	343.70
Less: Accumulated amortisation	278.07	259.43
Net block (details refer to note 4.1)	64.73	84.27

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 01.04.2025	Additions/ Adjustments	Deductions/ Adjustments	Closing Balance as on 31.03.2026	Accumulated Depreciation as at 01.04.2025	Depreciation/ Amortisation for the year	Depreciation Adjustments	Accumulated Depreciation as at 31.03.2026	Net Block as at 31.03.2026	Net Block as at 31.03.2025
Internally Developed										
-Others	38.63	0.32	(1.56)	37.39	35.87	1.58	(1.56)	35.89	1.50	2.77
Other than Internally Developed										
-Software	73.66	1.09	(0.75)	74.00	60.43	6.78	(0.74)	66.48	7.52	13.23
-Technical Know-how	231.41	0.00	0.00	231.41	163.13	12.57	0.00	175.70	55.71	68.28
TOTAL	343.70	1.41	(2.31)	342.80	259.43	20.93	(2.31)	278.07	64.73	84.27
Previous Year	339.23	41.74	(37.27)	343.70	275.87	20.83	(37.27)	259.43	84.27	63.35

Gross Block (as per earlier IGAAP) as at 31.03.2026 ₹592.77 Crore and as at 31.03.2025 ₹594.27 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, 2026	As at March 31, 2025
Intangible assets under development	95.85	33.73
Total	95.85	33.73

(₹ in Crore)

Intangible Assets under development ageing schedule - As at March 31, 2026	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	63.06	5.75	19.51	7.53	95.85
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, 2026	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	-	-	-	-	-

(₹ in Crore)

Intangible Assets under development ageing schedule - As at March 31, 2025	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	7.69	20.04	3.46	2.54	33.73
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, 2025	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, 2026	As at March 31, 2025
BHEL GE Gas Turbine Services Private Limited		
Opening net assets	275.57	254.48
Profit / (Loss) for the year	63.41	59.01
Other Comprehensive income	(0.24)	0.16
Less: Dividend paid	38.08	38.08
Closing net assets	300.66	275.57
Bharat Coal Gasification and Chemicals Limited		
Opening net assets	-	-
Investment during the year including losses of last year	3.76	0.00
Profit / (Loss) for the year	(2.36)	(0.00)
Other Comprehensive income		
Less: Dividend paid		
	1.40	0.00

(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 ₹2310 Crore as per their unaudited financial statement for the year ended March 31, 2026.

(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 ₹134 Crore as per their unaudited financial statement for the year ended March 31, 2026.

(iii) During the year the Company has made investment of ₹48706000 in Joint Venture Bharat Coal Gasification & Chemicals Limited ("BCGCL") (BHEL's share 49% of share capital) incorporated on 21st May, 2024 has been considered in consolidated financial statements on the basis of audited financial statements for the year ended 31.03.2026. The Group has recognised accumulated losses of ₹1.11 Crore of FY 2024-25 and ₹2.36 Crore as per the unaudited financial statement for the year ended March 31, 2026.

Note [5a] - Non current assets

Financial assets - Investments

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	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)				
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: Provision for impairment		0.91 0		0.91 0
(ii) Engineering Projects (India) Ltd.	1892 (10)	*	1892 (10)	*
Share in Co-operative Societies		#		#
Total		0.00		0.00
*Value of less than ₹1 lakh				
Aggregate amount of unquoted investment		0.91		0.91
Aggregate amount of impairment in value of investments		0.91		0.91

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, 2026	As at March 31, 2025
		Proportion (%) of ownership	
Name of the joint ventures (JVC)			
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	One share less than 50%	One share less than 50%
NTPC-BHEL Power Projects Private Limited (NBPPL)		50%	50%
Raichur Power Corporation Limited (RPCL)		22.14%	22.14%
Bharat Coal Gasification and Chemicals Limited (BCGCL)		49%	49%

- (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. BHEL Board of Directors in its 566th meeting held on 28th January 2025 approved the annulment of in-principle approval for pursuing the winding up of NBPPL accorded by BHEL Board of Directors in its 494th meeting held on 08.02.2018 and accorded in-principle approval for taking up the implementation of 1x800 MW AUSC Technology based Technology Demonstration Plant (TDP) by NBPPL.
- (ii) Investment in Neelanchal Ispat Nigam Limited (NINL) has been disposed in F.Y. 2022-23 and an amount of ₹26.22 Crores has been received till F.Y. 2023-24, Balance amount including interest of ₹5.93 Crores net of TDS received in current F.Y. 2025-26.
- (iii) BHEL has provided a Corporate Guarantee amounting to ₹662 Cr. limiting to the liabilities to 49% of Financial Incentive of ₹1350 Cr. to the President of India for discharge of obligations payable to the Authority by the Bharat Coal Gasification & Chemicals Ltd. (BCGCL), a joint venture company formed by Coal India Limited (CIL) and Bharat Heavy Electricals Limited (BHEL), under Coal Gasification Plant Development and Production Agreement dated 12.03.2025.

Note [6] - Financial assets - Trade receivables

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

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Unsecured, considered good	2648.70	7426.05	3351.23	6566.49
Credit impaired (included in allowances for B&D debts)	7076.69	425.23	8474.83	693.22
	9725.39	7851.28	11826.06	7259.71
Less: Allowances for bad and doubtful debts	7298.46	1055.01	8779.48	1375.36
Total Trade Receivables (Net)	2426.93	6796.27	3046.58	5884.35

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 ₹196 Cr (USD 23 million post receipt of 2.5 Million in Current Year) [Previous Year ₹211 Cr (USD 25.5 Million)] from customer STPG (formerly NEC Sudan), stuck due to ongoing crisis in Sudan, which has been considered good and not provided for. If the amount is provided for, the impact on 'Profit before tax' is ₹179 Cr (net of ECL provision).

Non current Trade receivable ageing schedule - As at March 31, 2026

(₹ 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	136.91	226.40	227.67	166.28	422.59	-	-	1179.85
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	106.26	31.50	2.27	102.99	1225.83	-	-	1468.85
IV) Disputed Trade receivables - credit Impaired	13.03	33.07	167.15	266.58	6596.86	-	-	7076.69

Current Trade receivable ageing schedule - As at March 31, 2026

(₹ 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	5103.48	1145.56	435.86	260.23	480.93	-	-	7,426.05
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
IV) Disputed Trade receivables - credit Impaired	10.83	5.84	22.32	24.20	362.03	-	-	425.23

Non current Trade receivable ageing schedule - As at March 31, 2025

(₹ 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	67.22	22.35	272.28	233.90	756.66	-	-	1,352.41
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	6.89	16.56	81.34	8.93	1885.10	-	-	1,998.82
IV) Disputed Trade receivables - credit Impaired	121.06	120.92	159.70	147.46	7925.69	-	-	8,474.83

Current Trade receivable ageing schedule - As at March 31, 2025

(₹ 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	4827.68	577.21	753.85	225.97	181.78	-	-	6,566.49
II) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
III) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
IV) Disputed Trade receivables - credit Impaired	5.60	1.11	4.25	1.96	680.30	-	-	693.22

Note [7] - Financial assets - Others

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

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Security deposits				
Deposits with SEBs, port trust & others				
Unsecured, considered good	114.35	125.89	101.45	91.91
Credit impaired	7.69	12.79	8.02	12.80
	122.04	138.68	109.47	104.71
Less: Allowances for bad & doubtful deposits	7.69	12.79	8.02	12.80
	114.35	125.89	101.45	91.91
Fixed deposits against margin money for BG issued	144.43		614.50	
Interest accrued on banks deposits	-	152.50		141.00
Advance to Employees	-	53.75	-	68.29
Less: Allowance for bad and doubtful advances	-	0.01	-	0.44
	-	53.74	-	67.85
Total	258.78	332.13	715.95	300.76
Security Deposits Includes:				
Due from Directors	-	-	-	-
Dues from Officers	-	0.02	-	0.01

Note [8] - Non current assets

Deferred tax assets (net of liabilities)

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

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Deferred tax assets		
Provisions	2452.24	2439.70
Dues allowed on payment basis	452.64	451.21
On account of taxable loss	696.12	1187.80
Others	42.27	62.43
Sub Total	3643.27	4141.14
Less : Deferred tax liabilities	-	-
Depreciation (PP&E and Intangible assets)	110.47	73.42
Deferred tax assets (net of liabilities)	3532.80	4067.72

Note [9] - Other Assets

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

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Contract assets (including unbilled revenue)				
Unsecured, considered good	15106.90	16091.13	14483.07	16759.98
Credit impaired (included in allowances for B&D debts)	3342.56	90.39	3633.32	127.58
	18449.46	16181.52	18116.39	16887.56
Less: Allowances for bad and doubtful debts	4252.74	988.63	4450.81	1,109.01
Sub Total (A)	14196.72	15192.89	13665.58	15778.55
Security deposits				
Deposits with tax authorities and others				
Unsecured, considered good	102.40	459.88	53.48	410.71
Unsecured, considered doubtful	34.75	55.31	35.20	69.89
	137.15	515.19	88.68	480.60
Less: Provision for bad & doubtful deposits	34.75	55.31	35.20	69.89
Sub Total (B)	102.40	459.88	53.48	410.71
Loans & advances				
Unsecured, considered good				
Advances towards purchases (Vendors & sub - Contractors)	245.71	347.71	172.56	92.90
Input Tax credit receivable	-	1464.15	-	1645.96
Claims recoverable and others	167.19	1458.11	179.28	1025.61
Capital advances	4.09	-	4.08	-
Advances to joint ventures	-	0.29	-	1.66
Unsecured, considered doubtful				
Advances towards purchases (Vendors & sub - Contractors)	16.23	21.39	16.23	6.34
Input Tax credit receivable	-	6.40	-	6.40
Claims recoverable and others	462.88	236.40	515.36	205.20
Capital advances	0.57	-	0.58	-
	896.67	3534.45	888.09	2984.07
Less: Provision for bad & doubtful loans & advances	479.68	264.19	532.17	217.94
Sub Total (C)	416.99	3270.26	355.92	2766.13
Total (A+B+C)	14716.11	18923.03	14074.98	18955.39

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
I) Undisputed Contract Assets - considered good	11969.80	16091.13	11423.52	16759.98
II) Undisputed Contract Assets - credit impaired	-	-	-	-
III) Disputed Contract Assets - considered good	3137.10	-	3059.55	-
IV) Disputed Contract Assets - credit Impaired	3342.56	90.39	3633.32	127.58
Total	18449.46	16181.52	18116.39	16887.56
Loan & advances includes:				
(a) Due from Directors	-	-	-	-
(b) Due from Officers	-	-	-	-

Note [10] - Current assets

Inventories

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

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
Raw material & components	5674.57		3726.37	
Material-in-transit	492.87	6167.44	358.87	4085.24
Work-in-progress		6585.21		5369.49
(including items with sub-contractors)				
Finished goods	524.45		485.92	
Inter - division transfers in transit	99.48	623.93	119.98	605.90
Stores & spare parts				
Production	219.09		204.17	
Fuel stores	5.27		8.26	
Miscellaneous	66.63	290.99	57.22	269.65
Other Inventory				
Materials with fabricators/contractors	108.62		121.65	
Loose tools	43.68		23.88	
Scrap (at estimated realisable value)	216.89	369.19	159.45	304.98
		14036.76		10635.26
Less: Provision for non-moving inventory		702.18		765.77
Total		13334.58		9869.49

Note [11] - Current assets

Financial assets - Cash & cash equivalents

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

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Balances with banks		
EEFC a/c	100.77	112.92
Fixed Deposits having maturity in 3 months or less	-	199.00
Current / cash credit a/c*	819.17	121.79
Cheques, demand drafts on hand	515.49	3.55
Cash & stamps on hand	0.02	0.07
Remittances in transit	-	1.88
Total	1435.45	439.21

* Includes ₹352.25 Cr for FY 2025-26 and ₹48.89 Cr for FY 2024-25 in escrow account for specified projects.

Note [12] - Current assets

Financial assets - Bank balances

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Fixed deposits having maturity more than 3 months but not more than 12 months	9766.20	6618.06
Fixed deposits against margin money for BG issued	536.96	431.45
Balances with banks (earmarked):		
CG II CEFC A/c & Others	5.01	5.76
Unclaimed dividend a/c	0.81	1.35
Non-repatriable a/c	0.24	0.66
Sanrachna A/c	0.06	0.14
Fixed Deposit with Court in BHEL A/C	114.38	111.08
CSR	7.51	4.70
Total	10431.17	7173.20
Total Cash and Bank Balances [11 + 12]	11866.62	7612.41

Note [13] - Current assets

Current tax assets / (liabilities) (net)

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

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Advance tax & TDS	212.49	149.57
Less: Provisions for taxation	9.77	12.20
Total	202.72	137.37

Note [14] - Equity Equity share capital

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	No. of Shares (Face value in ₹)	Amount	No. of Shares (Face value in ₹)	Amount
Equity share capital				
Authorised	10000000000 (2)	2000.00	10000000000 (2)	2000.00
Issued, subscribed and fully paid up	3482063355 (2)	696.41	3482063355 (2)	696.41
a) The reconciliation of the number of equity shares outstanding				
Balance as at the beginning of the year	3482063355	696.41	3482063355	696.41
Add/(Less): Changes during the year	-	-	-	-
Balance as at the end of the year	3482063355	696.41	3482063355	696.41
b) Details of shares held by shareholders holding more than 5% of shares at the end of the year				
President of India (Promoter)	2025440587	58.17%	2199650402	63.17%
Percentage change of Promoter holding during the year		-5%		Nil
Life Insurance Corporation of India	216337871	6.21%	233921477	6.72%
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.

Note [15] - Other Equity

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Capital reserve	35.18	35.18
Capital redemption reserve	37.87	37.87
General reserves	30476.66	30476.66
Retained earnings	(4518.25)	(5943.29)
OCI (Re-measurements of defined benefit plans)	(581.26)	(580.65)
Total	25450.19	24025.77

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

Nature and purpose of reserves:

- (a) **Capital reserve:** It represents mainly the excess of net assets taken, over the cost of consideration paid during amalgamation of the then subsidiary company (HPVP) with the BHEL.
- (b) **Capital redemption reserve:** The Company has recognised Capital Redemption Reserve on buy back of equity shares from its general reserve. The amount in capital redemption reserve is equal to nominal amount of equity shares bought back.
- (c) **General reserve:** This represents accumulation of profits retained by Company to meet future (known/unknown) obligations.
- (d) **Retained earnings:** Retained earnings are profits that Company has earned till date, less transfer to general reserve, dividends 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 Material accounting policy on lease.

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Lease Liabilities	168.18	68.77	162.39	57.21
Total	168.18	68.77	162.39	57.21

Further disclosures available at Note [37] on lease

Note [17] - Financial liabilities -Trade payables

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises	-	1932.11	-	1430.24
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1343.44	8529.15	2170.79	8075.21
(iii) Acceptances	-	30.34	-	35.47
Total	1343.44	10491.60	2170.79	9540.92

Non current Trade Payable Ageing schedule - As at March 31, 2026

(₹ 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) Other than MSME	-	-	-	-	9.38	1016.91	1026.29
II) Disputed dues - Others*	-	-	-	14.12	0.09	302.94	317.15

Current Trade Payable Ageing schedule - As at March 31, 2026

(₹ 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	67.05	-	-	-	236.70	1626.27	1930.02
II) Other than MSME	86.09	0.53	-	0.52	2254.86	6065.65	8407.65
III) Disputed dues - MSME	-	-	-	-	-	2.09	2.09
IV) Disputed dues - Others*	-	-	-	-	-	151.84	151.84

Non current Trade Payable Ageing schedule - As at March 31, 2025

(₹ 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) Other than MSME	-	-	-	-	8.32	1829.59	1837.91
II) Disputed dues - Others*	-	-	-	14.73	0.09	318.06	332.88

Current Trade Payable Ageing schedule - As at March 31, 2025

(₹ 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	0.06	-	-	-	136.37	1289.82	1426.25
II) Other than MSME	166.63	8.65	2.73	3.21	1763.13	6154.34	8098.69
III) Disputed dues - MSME	-	-	-	-	-	3.99	3.99
IV) Disputed dues - Others^	-	-	-	-	7.18	4.81	11.99

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

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

Note [18] - Financial liabilities - Others

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Deposits from contractors & others	399.02	844.97	413.11	716.19
Liabilities:				
- Employee dues	-	194.72	-	152.41
- Capital Expenditure	11.94	130.94	9.68	131.02
- Others	-	129.62	-	212.24
Unpaid Dividend*	-	0.81	-	1.35
Interest accrued on borrowings	-	12.24	-	27.31
Total	410.96	1313.30	422.79	1240.52

*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 Material accounting policy on employee benefits and provisions.

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Contractual obligation	1149.21	540.84	1349.46	422.32
Provision for employee benefits*	1088.26	839.26	1028.48	855.64
Provision others	117.15	531.69	206.09	534.18
Corporate social responsibility	-	7.12	1.53	3.17
Total	2354.62	1918.91	2585.56	1815.31

*Further disclosure available at Note (25) on Employee Benefits.

Note [20] - Other liabilities

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

(₹ in Crore)

Particulars	As at March 31, 2026		As at March 31, 2025	
	Non Current	Current	Non Current	Current
Contract liabilities (Advances received from customers incl.excess of billing over revenue)	13413.24	9110.39	9742.94	5550.73
Liabilities towards statutory dues	-	1443.06	-	1220.75
Deferred income- Govt. grant #	46.39	6.15	50.96	5.15
Total	13459.63	10559.60	9793.90	6776.63

#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 Financial liabilities - Borrowings

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Secured		
Loans from banks (secured by hypothecation of raw materials, components, work-in-progress, finished goods & stores)	7450.00	8795.00
Sub Total (A)	7450.00	8795.00
Unsecured		
From Banks	500.00	-
Sub Total (B)	500.00	-
Total borrowings (A+B)	7950.00	8795.00

(i) Details of sanctioned limits

Description	Sanctioned Limit	Utilization As at March 31, 2026		Sanctioned Limit	Utilization As at March 31, 2025	
		Value (Rs./ Cr)	% Utilisation		Value (Rs./ Cr)	% Utilisation
Non Fund Based Limits	70500	60508	86%	70500	52371	74%
Bank Guarantees#	66000	57493	87%	67000	49122	73%
Letter of Credit (inc. Buyer's Credit)	4500	3015	67%	3500	3262	93%
Fund Based Limits	9500	7450	78%	9500	8795	93%
WCDL		7450			8795	
PCFC		NIL			NIL	
Commercial Paper/ Unsecured Loan	5000	500	10%	5000	NIL	

#Out of above, Bank Guarantee of ₹19.84 Cr. was issued on behalf of M/s BCGCL, a joint venture between Coal India Ltd. And Bharat Heavy Electricals Ltd.

Total Consortium limit (fund based + non fund based) of ₹80,000 crores is 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.

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

(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 31.03.2026 is ₹52.39 Crore (previous year ₹315 Crore).

(vi) Change in Borrowings arising from Financing activities

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Opening Balance (excl. cash credit)	8795.00	8808.00
Cash Flow during the year	(845.00)	(13.00)
Closing Balance (excl. cash credit)	7950.00	8795.00

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 Material accounting policy on Revenue from contracts with customers

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Revenue from contracts with customers		
Revenue from Construction and Project related activity	22905.91	18478.11
Sale of Product & Other services	9453.92	8877.06
Total (A)	32359.83	27355.17
Other operational income		
Freight & insurance	149.75	158.18
Scrap sales	317.77	270.51
Recoveries from suppliers	260.28	228.55
Liabilities written back	507.93	182.94
Insurance claims	72.80	34.67
Export incentives	5.65	4.07
Others	108.17	105.39
Total (B)	1422.35	984.31
Revenue from operations (A + B)	33782.18	28339.48
Revenue from Operations excludes Goods and service tax:	6445.33	4551.81

Note [23]

Other income

Refer point 7 of Note [2] for Material accounting policy on Revenue from contracts with customers

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income		
From banks	642.77	374.63
Others	97.16	28.00
Sub Total (A)	739.93	402.63
Other income		
Profit on sale of Investment	0.08	5.76
Government grants on Solar PV Plant for captive use / CEFC	9.66	8.99
Profit from sale of PPE & capital stores (Net)	13.01	13.46
Others	44.97	34.47
Sub Total (B)	67.72	62.68
Total Other Income (A+B)	807.65	465.31

Note [24]**Changes in inventories of finished goods, work in progress and Scrap
[(Accretion) / Decretion]**

(₹ in Crore)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
Work -in -progress				
Closing balance	6585.21		5371.51	
Opening balance	5369.49	(1215.72)	3917.74	(1453.77)
Finished goods				
Closing balance	524.45		485.94	
Opening balance	485.92	(38.53)	414.31	(71.63)
Scrap				
Closing balance	216.89		159.45	
Opening balance	159.45	(57.44)	173.33	13.88
Inter-division transfer in transit		20.50		(30.80)
(Accretion) / Decretion		(1291.19)		(1542.32)

Note [25]**Employee benefits expense**

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Salaries, wages, bonus, allowances & other benefits	5353.73	5029.68
Contribution to provident and other funds	497.65	493.10
Staff welfare expenses	301.29	292.27
Contribution to gratuity fund	310.63	103.49
Group insurance	4.32	4.88
Total	6467.62	5923.42

Note [26]

Other Expenses

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Power & fuel	502.54	490.64
Expenditure on other sub contracts	322.66	288.10
Carriage outward	337.16	244.24
Payment to security agencies	175.08	165.57
Repairs & maintenance:		
Buildings	88.22	52.70
Plant & machinery	46.50	39.86
Others	138.18	124.79
Insurance	204.08	225.69
Travelling & conveyance	105.64	106.96
Bank charges	229.60	157.75
R&D expense	14.94	11.65
Hire charges	67.21	59.70
Expenditure on collaborations & royalty	57.30	58.35
Rates & taxes	38.82	42.37
Office expense	31.65	30.88
Expenditure on skill development	21.40	15.67
Legal, audit & certification expense	45.19	41.48
EDP, software & lease line expense	34.12	25.94
Corporate social responsibility	8.60	6.72
Water charges	21.06	20.44
Expenditure in connection with exports	2.67	1.60
Rent non-residential	2.94	3.04
Entertainment & courtesy expenses	3.31	3.24
Environmental protection	7.67	6.08
Seminar, development and training expense	5.40	4.77
Publicity & public relation expense	3.00	2.29
Miscellaneous expense	91.30	76.16
Exchange variation [Net (gain) / loss]	(440.19)	(135.38)
Provision and Write off (Details at point no v below)	(176.77)	158.04
Total	1989.28	2329.34
Further Details:		
(i) Director's fees	0.18	0.12
(ii) Expenditure on departmental repair & maintenance:		
Plant & machinery	204.01	195.91
Buildings	42.10	26.91
Others	34.70	31.33
(iii) Expenditure on research & development	134.86	128.73
(iv) Expenditure on foreign travel		
No. of tours	203	193
Expenditure	3.64	6.81

Note: The Government of India has notified the four Labour Codes, collectively referred to as the New Labour Codes, on 21 November 2025. However, the detailed rules under these codes are yet to be fully notified and brought into effect. Any financial impact will be recognised in the period in which the relevant rules are notified and become effective, in accordance with applicable accounting standards.

The Company has recognised a provision for gratuity in respect of fixed-term employees based on guidance issued by the Institute of Chartered Accountants of India, using actuarial valuation principles consistent with IndAS 19 - Employee Benefits.

(v) Provisions and Write-offs:

Refer Point 10 & 13 of Note [2] for accounting policy on Provision and Impairment of assets

(₹ in Crore)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
Doubtful debts, liquidated damages and loans, advances & deposits				
Created during the year	2653.33		1880.92	
Less: withdrawal during the year	5046.18	(2,392.85)	4564.01	(2683.09)
Contractual obligations				
Created during the year	353.73		410.04	
Less: withdrawal during the year	423.05	(69.32)	607.49	(197.45)
Other Provisions				
Created during the year	218.76		197.81	
Less: withdrawal during the year	285.02	(66.26)	310.59	(112.78)
Investment written off		-		1.15
Bad debts written off		632.77		552.39
Liquidated damages & contractual charges charged off		1535.57		2573.11
Losses written off		30.06		24.71
Claim recoverable written off		153.26		-
Total		(176.77)		158.04

Note [27]**Finance costs**

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
Unwinding of provisions		43.66		33.70
Interest cost:				
Banks / Financial Institutions	557.51		667.46	
Discount on commercial papers	104.01		5.31	
Other expenses on issuance of Commercial paper	0.68		0.07	
On lease obligation	18.68		11.28	
Others	31.87	712.75	30.51	714.63
Sub - Total		756.41		748.33
Less: Borrowing cost capitalised		-		-
Total		756.41		748.33

Note [28]**Tax expenses**

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
Current tax				
For current year	3.31		7.69	
For earlier years	-	3.31	15.47	23.16
Deferred tax				
For current year	536.69		195.69	
For earlier years	(1.65)	535.04	(7.15)	188.54
Total		538.35		211.70

Note [29]

Other comprehensive income / (expenditure)

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Income / (expenditure)		
Re-measurement of defined employee benefits	(0.49)	(218.49)
Less: Income tax related to above items *	(0.12)	(54.99)
Total	(0.37)	(163.50)
* Includes		
Current tax	-	-
Deferred tax	(0.12)	(54.99)

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Total Comprehensive Income / (Loss) (TCI) before tax (A)	2137.88	527.27
Statutory income tax rate (B)	25.168%	25.168%
Tax expense [C = (AxB)]	538.06	132.70
Difference due to: (D)		
Tax effect of expenses not deductible for tax purposes	17.12	30.70
Difference in tax due to income chargeable to tax at special rate	-	(0.12)
Tax effect on share of JVs Profit / Loss	(15.30)	(14.89)
Change in tax expense - earlier years	(1.65)	8.32
Sub Total (D)	0.17	24.01
Net Tax Expense [E = (C+D)]	538.23	156.71

Note [30]

Earnings per share

Refer point 18 of Note [2] for Material accounting policy on Earning per share

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Profit / (loss) attributable to equity shareholders	1,600.26	533.90
Weighted average number of equity shares	348.21	348.21
Basic and diluted earnings per share of ₹2 each	4.60	1.53

Note [31]

Dividend per share

(₹ in Crore)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Proposed dividend on equity shares not recognised as liability		
Proposed final dividend of ₹1.40 per share for FY 2025-26 (FY 2024-25 ₹0.50 per share).	487.49	174.10

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	
		2025-26	2024-25
Joint Venture Companies			
(accounted for using equity method)			
BHEL-GE Gas Turbine Services Private Limited	India	One share less than 50%	One share less than 50%
NTPC-BHEL Power Projects Private Limited		50%	50%
Raichur Power Corporation Limited		22.14%	22.14%
Bharat Coal Gasification & Chemicals Limited		49%	49%

- a) Interest in Joint Ventures in respect of BHEL-GE Gas Turbine Services Ltd., NTPC-BHEL Power Projects Pvt. Ltd, Raichur Power Corporation Ltd. and Bharat Coal Gasification & Chemicals Ltd. is considered based on unaudited financial statements for the year ended on 31.03.2026.
- b) The Power Plant Performance Improvements Ltd. a joint Venture of BHEL has been dissolved during the year.

Note [33] Contingent Liabilities and Commitments

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
A. Contingent liabilities		
Claims against the company not acknowledged as debt:		
(a) Sales tax matters	423.37	894.45
(b) Service tax matters	448.08	431.21
(c) Court & arbitration matters	772.41	825.36
(d) Excise duty matters	78.96	84.53
(e) Customs duty and others	991.25	942.71
(f) Goods & Service Tax	65.34	37.47
(g) Other matters (incl. disputed staff cases)	157.17	149.99
(h) Claim towards Liquidated damages (LD)	3673.27	2942.39
Total	6609.85	6308.11

- (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, 2026	As at March 31, 2025
Balance at the beginning of the year	6308.11	7945.21
Less: Reduction out of opening balance	1457.76	2040.18
Add: Additions (net) during the year	1759.50	403.08
Balance at the end of the year	6609.85	6308.11

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
B. Commitments		
(a) Estimated amount of contracts, net of advances, remaining to be executed on capital account and not provided for.	599.59	542.33
(The above includes related to acquisition of intangible assets)	122.46	112.77
(b) Investment in the Joint Venture entity 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.	54.87	50.00
(c) Bharat Coal Gasification and Chemicals Limited (BCGCL- a Joint Venture Company of BHEL and CIL): BHEL Board of Directors in its meeting held on March 19, 2026 accorded approval for investment of INR 3064.46 Crore towards BHEL's contribution in promoters' equity for setting up of coal to 2000 TPD ammonium nitrate plant of BCGCL. BHEL has already made an investment of INR 487.06 Lakhs as equity in BCGCL	3059.59	1,732.00
(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.		

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 ₹4162 Crore (Previous Year ₹6051 Crore). Out of completed contracts, the projects reconciled with customers have outstanding trade receivables of ₹3507 Crore (previous year ₹4278 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	
		2026	2025	2026	2025
BHEL-GE Gas Turbine Services Private Limited (BGGTS)	India	50% minus 1 share	50% minus 1 share	2.38	2.38
NTPC-BHEL Power Projects Private Limited (NBPPL)		50.00%	50.00%	-	-
Raichur Power Corporation Limited (RPCL)		22.14%	22.14%	664.04	664.04
Bharat Coal Gasification & Chemicals Ltd. (BCGCL)		49.00%	49.00%	4.87	-

- (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. BHEL Board of Directors in its 566th meeting held on 28th January 2025 approved the annulment of in-principle approval for pursuing the winding up of NBPPL accorded by BHEL Board of Directors in its 494th meeting held on 08.02.2018 and accorded in-principle approval for taking up the implementation of 1x800 MW AUSC Technology based Technology Demonstration Plant (TDP) by NBPPL.
- (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) Bharat Coal Gasification and Chemicals Limited (BCGCL) was incorporated as a Joint Venture Company (JVC) of BHEL and CIL on 21.05.2024 to undertake coal to chemicals business by initially setting up a coal to 2000 TPD Ammonium Nitrate Project at Lakhanpur, Odisha by utilizing BHEL's "Pressurized Fluidized Bed Gasification (PFBG)" technology.

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

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

BHEL-GE Gas Turbine Services Pvt. Ltd

(₹ in Crore)

Balance Sheet	As at March 31, 2026	As at March 31, 2025
Non-current assets	236.54	55.22
Current assets	896.15	979.27
Cash and Cash Equivalent (incl.bank balances) included in Current assets	94.61	184.37
Non-current liabilities	45.49	9.27
Non-Current financial liabilities (excluding Trade Payables)	36.30	1.55
Current liabilities	485.88	474.07
Current financial liabilities (excluding Trade Payables)	5.71	5.59

(₹ in Crore)

Statement of Profit and Loss	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from operations	1239.60	1052.58
Other Income	37.15	30.78
Depreciation and Amortization	9.90	7.97
Finance Cost	3.07	0.52
Income tax Expense	42.22	40.95
Profit / loss for the year after tax	126.82	118.02
Other Comprehensive Income	(0.49)	0.32
Total Comprehensive Income	126.33	118.34

Raichur Power Corporation Ltd.

(₹ in Crore)

Balance Sheet	As at March 31, 2026	As at March 31, 2025
Non-current assets	8881.05	8647.70
Current assets	2889.91	4060.82
Cash and Cash Equivalent [incl. bank balances] included in Current assets	12.55	197.16
Non-current liabilities	16856.55	15929.32
Non-Current financial liabilities (excluding Trade Payables)	16856.55	15929.32
Current liabilities	5347.33	5397.65
Current financial liabilities (excluding Trade Payables)	4592.88	4830.24

(₹ in Crore)

Statement of Profit and Loss	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from operations	3799.70	4424.22
Other Income	191.86	204.25
Depreciation and Amortization	695.43	662.31
Finance Cost	2532.02	2407.36
Income tax Expense	-	-
Profit / loss for the year after tax	(1814.47)	(1405.03)
Total Comprehensive Income	(1814.47)	(1405.03)

NTPC-BHEL Power Projects Pvt. Ltd.

(₹ in Crore)

Balance Sheet	As at March 31, 2026	As at March 31, 2025
Non-current assets	141.67	162.62
Current assets	390.03	390.18
Cash and Cash Equivalent [incl. bank balances] included in Current assets	0.67	0.87
Non-current liabilities	454.98	454.78
Current liabilities	343.99	338.55
Current financial liabilities (excluding Trade Payables)	26.87	22.75

(₹ in Crore)

Statement of Profit and Loss	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from operations	1.04	3.48
Depreciation and Amortization	4.56	5.65
Finance Cost	0.59	0.63
Income tax Expense	16.39	2.18
Profit / loss for the year after tax	(26.74)	(17.70)
Total Comprehensive Income	(26.74)	(17.23)

Bharat Coal Gasification & Chemicals Ltd.

(₹ in Crore)

Balance Sheet	As at March 31, 2026	As at March 31, 2025
Non-current assets	8.61	-
Current assets	2.11	0.41
Cash and Cash Equivalent [incl. bank balances] included in Current assets	1.14	0.00
Non-current liabilities	-	-
Current liabilities	7.86	2.66
Current financial liabilities (excluding Trade Payables)	3.31	0.81

(₹ in Crore)

Statement of Profit and Loss	For the year ended	
	March 31, 2026	March 31, 2025
Revenue from operations	-	-
Depreciation and Amortization	-	-
Finance Cost	-	-
Income tax Expense	(1.54)	-
Profit / loss for the year after tax	(4.81)	(2.26)
Total Comprehensive Income	(4.81)	(2.26)

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 ₹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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Not later than 1 year #	78.12	66.81	15.61	14.95	62.51	51.86
Later than 1 year and not later than 5 years	187.80	187.08	22.07	24.86	165.73	162.22
Later than 5 years	5.21	3.03	2.76	2.85	2.45	0.18

The amount of future minimum lease payments in respect of leases where remaining lease term as at the end of March 31, 2026 is less than 12 months is ₹7.29 Cr. (Previous year ₹8.03 Cr.).

b) Movement in lease liabilities during the year

(₹ in Crore)

Particulars	As at	
	March 31, 2026	March 31, 2025
Lease Liabilities as at April 1*	219.60	48.45
Add: Additions	75.62	215.22
Add: Accretion of interest	18.68	11.28
Less : Payments/Adjustment	76.95	55.35
Lease Liabilities as at March 31*	236.95	219.60

* includes interest accrued of ₹6.26 Crore (PY ₹5.34 Crore).

c) Amounts recognised in Profit or Loss:

(₹ in Crore)

Particulars	For the Year Ended	
	March 31, 2026	March 31, 2025
Expense relating to Short-term leases	-	0.55
Expense relating to low value assets leases	2.30	0.92
Depreciation charge of right-of-use assets	77.13	51.89
Interest expense (included in finance cost)	18.68	11.28

- 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, 2026	March 31, 2025
Not later than 1 year	6.84	2.25
Later than 1 year and not later than 5 years	12.25	12.03
Later than 5 years	2.75	0.75

Note [38]

Disclosure on 'Employee benefits' - Ind AS 19

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

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

(i) Gratuity (Funded Plan)

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum limit of ₹25 Lakhs [PY ₹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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Opening balance	2025.35	1921.07	1892.98	1534.45	132.38	386.62
Included in Profit for the Year :						
Current Service Cost	102.61	95.16	-	-	102.61	95.16
Past Service Cost	208.02	-	-	-	208.02	-
Interest cost /(income)	137.52	139.28	(137.52)	(130.95)	-	8.33
Total amount recognised in Profit for the Year	448.15	234.44	(137.52)	(130.95)	310.63	103.49
Included in Other Comprehensive income (OCI) :						
Remeasurement loss / (gain):	-	-	-	-	-	-
Actuarial loss / (gain) arising from:	-	-	-	-	-	-
Change in Demographic Assumption	-	-	-	-	-	-
Change in Financial Assumption	(84.13)	95.31	-	-	(84.13)	95.31
Experience Adjustment	(12.64)	(62.11)	(6.84)	11.70	(19.48)	(50.41)
Total amount recognised in other comprehensive income	(96.77)	33.20	(6.84)	11.70	(103.62)	44.90
Others						
Contributions paid by the Employer	-	-	339.00	402.63	(339.00)	(402.63)
Benefits paid	153.80	163.35	153.80	163.35	-	-
Closing balance	2222.93	2025.35	2222.54	1892.98	0.40	132.38

Details of Plan assets

Particulars	As at March 31, 2026	As at March 31, 2025
Funds managed by Insurer *	96.32%	82.44%
High quality Corporate bonds (quoted)	1.61%	1.93%
State Government securities (quoted)	1.83%	2.30%
Bank Balance	0.24%	13.33%
Total	100.00%	100.00%

* Insurer is Life Insurance Corporation of India

Actuarial assumptions

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

Particulars	As at March 31, 2026	As at March 31, 2025
Economic assumptions:		
Discount rate	7.40%	6.79%
Salary escalation rate	6.50% P.A. for 1 st 4 yrs. & then 6% P.A. thereafter	6.50% P.A. for 1 st 4 yrs. & then 6% P.A. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	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, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(109.30)	118.21	(103.29)	112.09
Change in Salary escalation rate (0.50% movement)	44.67	(51.26)	32.42	(39.42)

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, 2026	As at March 31, 2025
Less than 1 year	169.75	150.30
Between 1-2 years	138.73	124.94
Between 2-3 years	126.16	109.47
Between 3-4 years	111.41	100.29
Between 4-5 years	83.86	88.88
Between 5-6 years	79.49	69.68
Over 6 years	1513.54	1381.79
Total	2222.93	2025.35

Expected contributions to gratuity plans for the year ending 31 March 2027 are ₹102.47 Crore

The weighted average duration of the gratuity defined benefit plan obligation at the end of the reporting period is 14.05 years (31 March 2025: 14.39 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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Opening balance	2497.67	2376.14	2060.81	1903.77	436.86	472.37
Included in Profit for the Year :						
Current service cost	42.49	45.84	-	-	42.49	45.84
Past service Cost	-	-	-	-	-	-
Interest cost / (income)	169.59	172.27	(155.03)	(159.24)	14.56	13.03
Total amount recognised in Profit for the Year	212.08	218.11	(155.03)	(159.24)	57.05	58.87
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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Actuarial loss / (gain) arising from:	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(99.29)	106.52	-	-	(99.29)	106.52
Experience adjustment	187.87	38.24	(6.95)	10.86	180.92	49.10
Total amount recognised in other comprehensive income	88.58	144.76	(6.95)	10.86	81.63	155.62
Others						
Contributions paid by the employer	-	-	-	250.00	-	(250.00)
Benefits paid	284.31	241.34	284.31	241.34	-	-
Closing balance	2514.02	2497.67	1938.48	2060.81	575.54	436.86

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, 2026	As at March 31, 2025
Economic assumptions:		
Discount rate	7.40%	6.79%
Salary escalation rate	6.50% P.A. for 1 st 4 yrs. & then 6% P.A. thereafter	6.50% P.A. for 1 st 4 yrs. & then 6% P.A. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates % (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	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, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(160.18)	162.90	(148.04)	150.42
Change in cost (0.50% movement)	169.10	(158.57)	156.28	(146.42)

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, 2026	As at March 31, 2025
Less than 1 year	282.25	263.08
Between 1-2 years	297.45	286.01
Between 2-3 years	302.56	293.75
Between 3-4 years	316.82	304.64
Between 4-5 years	328.55	318.98
Between 5-6 years	337.42	330.81
Over 6 years	648.96	700.40
Total	2514.02	2497.67

Expected contributions to Post retirement medical benefit plan for the year ending 31 March 2027 are ₹58.79 Crore.

The weighted average duration of the post retirement medical benefit plan obligation at the end of the reporting period is 12.88 years (31 March 2025: 12.67 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, 2026	March 31, 2025
Excess / (Shortfall) in PF interest liability based on actuarial valuation for the year	(28.26)	(25.88)
Accumulated provision for shortfall in PF interest liability based on actuarial valuation	72.27	44.01
Remeasurement gain/(loss) recognised through other comprehensive income statement	(24.05)	(16.97)
Interest shortfall / (surplus) accounted through Statement of Profit & Loss	4.21	8.91

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
BHEL EPF Trust,Ranipur,Hardwar	2141.73	1986.34	2153.80	2000.26	12.07	13.92
BHEL Employee Provident Fund-Trichy	1201.84	1084.17	1190.07	1075.96	(11.77)	(8.21)
BHEL Employee Provident Fund Bhopal	1814.62	1719.01	1795.10	1705.24	(19.52)	(13.77)
BHEL New Delhi Employees Provident Fund Trust	1595.41	1520.79	1576.81	1514.16	(18.60)	(6.63)
BHEL Employee Provident Fund-Hyderabad	973.66	887.48	990.60	918.33	16.94	30.85
BHEL PPD EPF Trust,Chennai	1116.43	1,021.78	1094.05	1,006.38	(22.38)	(15.40)
BHEL Employee Provident Fund-Bengaluru	679.52	679.89	689.83	694.38	10.31	14.49
BHEL (BAP Unit) EPF Trust,Ranipet	338.34	321.18	345.82	329.80	7.48	8.62
BHEL Employee Provident Fund Trust Jhansi	522.26	512.75	535.05	526.07	12.79	13.32
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	164.01	160.10	206.17	201.56	42.16	41.46
Total	10547.82	9893.49	10577.30	9972.14	29.48	78.65

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, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Opening balance	9,893.49	9,400.20	9,972.15	9,485.94
Included in Profit for the Year:	-	-	-	-
Current service cost	410.19	389.44	-	-
Interest cost / (income)	796.08	765.59	(804.51)	(784.63)
Total amount recognised in Profit for the Year	1,206.27	1,155.03	(804.51)	(784.63)
Included in Other Comprehensive Income (OCI):	-	-	-	-
Remeasurement loss /(gain):	-	-	-	-
Actuarial loss / (gain) arising from:	-	-	-	-
Demographic assumptions	-	-	-	-
Financial assumptions	(2.69)	1.96	-	-
Experience adjustment	28.49	(4.75)	31.79	28.91
Total amount recognised in other comprehensive income	25.80	(2.79)	31.79	28.91
Others	-	-	-	-
Contributions paid by the employer	-	-	410.19	389.44
Employee Contribution	746.86	680.29	746.86	680.29
Benefits paid	1,618.85	1719.39	1,618.85	1719.39
Settlements/Transfer-in	294.25	380.15	294.25	380.15
Closing balance	10,547.82	9,893.49	10,577.32	9,972.15

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 ₹53.11 Cr. based on the best possible assessment of recovery.

Details of Plan assets

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Govt. of India securities [Quoted]	788.72	879.15
State Government securities [Quoted]	5113.11	4983.06
Corporate bonds [Quoted]	3687.88	3224.07
Special Deposit [Unquoted]	330.42	299.98
Liquid Fund [Quoted]	20.83	6.65
Short term deposit [Unquoted]	78.53	111.82
Mutual Fund & Equity shares[Quoted]	557.82	467.42
Total	10577.30	9972.14

Actuarial assumptions

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

Particulars	As at March 31, 2026	As at March 31, 2025
Economic assumptions:		
Discount rate	7.40%	6.79%
Expected statutory interest rate on the ledger balance	8.25%	8.25%
Expected short fall in interest earnings on the fund	0.05%	0.05%
Demographic assumptions:		
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rate % (All ages)		
Upto 30 Years	3.00%	3.00%
From 31 to 44 years	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, 2026		As at March 31, 2025	
	Increase	Decrease	Increase	Decrease
Change in Discount rate (0.50% movement)	(2.11)	2.27	(2.14)	2.25

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, 2026	As at March 31, 2025
Within the next 12 months	734.56	705.69
Between 2-5 years	1684.07	1796.95
Between 5-10 years	1819.85	1547.56
Beyond 10 years	6309.34	5843.29
Total	10547.82	9893.49

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, 2026	As at March 31, 2025
Opening balance	16.99	15.06
Current service cost	1.13	1.08
Interest cost / (income)	1.00	1.09
Included in Profit for the Year	2.13	2.17
Actuarial loss / (gain)	(1.55)	0.99
Total amount recognised in TCI for the Year	0.58	3.16
Others		
Contributions paid by the employer	-	-
Benefits paid	0.86	1.23
Closing balance	16.71	16.99

Actuarial assumptions

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

Particulars	Settlement Allowance	
	As at March 31, 2026	As at March 31, 2025
Economic assumptions:		
Discount rate	7.40%	6.79%
Salary escalation rate	6.50% P.A. for 1 st 4 yrs. & then 6% P.A. thereafter	6.50% P.A. for 1 st 4 yrs. & then 6% P.A. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	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, 2026	As at March 31, 2025
Opening balance	1,141.16	1,065.02
Included in Profit for the Year:	-	-
Current service cost	206.09	162.56
Interest cost / (income)	77.48	77.21
Actuarial loss / (gain)	18.05	(33.01)
Total amount recognised in Profit for the Year	301.62	206.76
Benefits paid	232.74	130.62
Closing balance	1,210.04	1,141.16



Actuarial assumptions

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

Particulars	Long Term Leave Liability	
	As at March 31, 2026	As at March 31, 2025
Economic assumptions:		
Discount rate	7.40%	6.79%
Salary escalation rate	6.50% P.A. for 1 st 4 yrs. & then 6% P.A. thereafter	6.50% P.A. for 1 st 4 yrs. & then 6% P.A. thereafter
Demographic assumptions:		
Retirement age	60	60
Mortality table	100% of IALM (2012-14)	100% of IALM (2012-14)
Withdrawal rates (All ages)		
Upto 30 Years	3%	3%
From 31 to 44 years	1%	1%
Above 44 years	1%	1%

C. Pension Fund

The Company has recognised ₹271 Cr. [PY ₹266 Cr.] as contribution in respect of pension scheme [defined contribution plan] for the FY 2025-26.

Note [39]

Disclosure as per Ind AS 24 - Related Parties

A) List of related parties

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

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

ii) Other related parties:

a. Key Management Personnel [KMP]

Particulars	Designation	Position Held [w.e.f / upto]
Functional Directors		
Shri. K Sadashiv Murthy	Chairman & Managing Director	(w.e.f. 01.11.2023)
Shri. Krishna Kumar Thakur	Director (HR)	(upto 19.03.2026 F/N)
Shri. Tajinder Gupta*	Director (Power)	(w.e.f. 20.09.2023)
Ms. Bani Varma	Director (IS & P)	(w.e.f. 09.10.2023)
Shri. Rajesh Kumar Dwivedi	Director (Finance)	(w.e.f. 19.06.2024)
Shri S M Ramanathan	Director (E,R&D)	(w.e.f. 30.04.2025 A/N)
Company Secretary		
Dr. Yogesh R Chhabra	Company Secretary	(w.e.f. 11.07.2024)

* Holding additional charge of the post of Director (HR) w.e.f. 19.03.2026 F/N

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Compensation to Key management personnel		
- Short term employee benefits	3.89	3.64
- Post employment benefits	0.87	0.78
- Other long term benefits	-	-
- Termination benefits	-	-
- Share based payment	-	-
Total	4.76	4.42

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	(upto 30.09.2025)
Shri Asit Gopal*	Government Director	(w.e.f. 03.02.2026)
Ramesh Patlya Mavaskar	Independent Director	(w.e.f. 08.06.2023)
Shri Ashok Aseri	Independent Director	(upto 27.03.2026)
Shri Aashish Chaturvedi	Independent Director	(upto 27.03.2026)

* Ms Nigar Fatima Husain, AS&FA has been appointed as Part-time Official (Government Nominee) Director on BHEL's Board vice Shri Asit Gopal, the then SS&FA w.e.f. 27.04.2026

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Sitting Fees -- Independent Directors	0.18	0.12

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, 2026	March 31, 2025
PRMB Trust	Post Retirement medical scheme	-	250.00
Gratuity Trust	Gratuity	339.00	402.63
Employees Superannuation Fund	Pension Fund	331.00	327.59
BHEL EPF Trust,Ranipur,Hardwar	Provident Fund	77.18	70.22
BHEL Employee Provident Fund-Trichy	Provident Fund	66.88	63.50
BHEL Employee Provident Fund Bhopal	Provident Fund	63.86	62.65
BHEL New Delhi Employees Provident Fund Trust	Provident Fund	51.70	46.51
BHEL Employee Provident Fund-Hyderabad	Provident Fund	45.12	43.73
BHEL PPD EPF Trust,Chennai	Provident Fund	35.77	33.55
BHEL Employee Provident Fund-Bengaluru	Provident Fund	30.54	29.80
BHEL (BAP Unit) EPF Trust,Ranipet	Provident Fund	17.71	17.51
BHEL Employee Provident Fund Trust Jhansi	Provident Fund	14.57	14.44
Bharat Heavy Plates & Vesseles Limited Employee Contributory Provident Fund-Vizag	Provident Fund	6.86	7.53

C) Details of Transactions with Joint Ventures and Balances

(₹ in Crore)

Particulars	For the year ended	
	March 31, 2026	March 31, 2025
Sales of Goods and services		
BGGTS	363.93	324.31
RPCL	1.09	5.47
NBPPL	0.88	0.11
Other income		
BGGTS - Dividend	38.08	38.08
BGGTS - Royalty	1.98	1.90
BCGCL - Interest	0.66	-
Purchase of Goods and Services		
BGGTS	2.04	1.49
Subscription to Equity Shares		
BCGCL	4.87	0.00 *
Amounts due to BHEL at the end of the year		
BGGTS	181.02	195.29
RPCL	615.70	632.82
NBPPL	274.97	276.29
BCGCL	0.22	0.16
Amounts due from BHEL (incl. advances) at the end of the year		
BGGTS	1.19	0.21
RPCL	23.89	8.17
NBPPL	61.37	38.40
Provision for Doubtful debts & advances		
BGGTS	13.61	10.71
RPCL	25.16	20.73
NBPPL	254.50	239.35

* Equity shares 4900 Nos. of Rs. 10 each

Note [40]

Disclosure [Movement in provisions] - Ind AS - 37

(₹ in Crore)

a	Liquidated Damages	As at March 31, 2026	As at March 31, 2025
	Opening Balance	7069.53	9166.53
	Add: Additions	471.72	836.65
	Less: Usage/ Write off/payment	1354.10	2499.68
	Less: Withdrawal/adjustments	1548.15	433.97
	Closing Balance	4639.00	7069.53

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, 2026	As at March 31, 2025
	Opening Balance		
	As disclosed in Note (19)	1771.78	1822.17
	As disclosed in Note (6)	223.85	105.45
	As disclosed in Note (9)	169.54	397.29
		2165.17	2324.91
	Add: Borrowing Cost	43.66	33.70
	Add: Additions	428.20	447.70
	Less: PV Adjustment	66.55	36.33
	Less: Usage/ Write off/payment	103.37	79.87
	Less: Withdrawal/adjustments	319.70	523.60
	Add/(Less): Change in estimate and rates	(7.92)	(1.33)
	Closing Balance		
	As disclosed in Note (19)	1690.05	1771.78
	As disclosed in Note (6)	203.31	223.85
	As disclosed in Note (9)	246.13	169.54
		2139.49	2165.17

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

Note [41]

Disclosure - Revenue from Contracts with Customers - Ind AS-115

a. Movement in impairment provisions

(₹ in Crore)

Particulars	2025-26		2024-25	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	4798.55	3602.00	5192.66	3979.22
Add: Additions	1382.25	659.88	650.00	224.88
Less: Write off	694.03	120.21	484.18	92.50
Less: Reversal/adjustments	841.39	258.87	559.92	509.60
Closing balance	4645.38	3882.80	4798.55	3602.00

b. Disaggregation of revenue from contracts with customers

(₹ in Crore)

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

2025-26

Revenue from customers

Timing of revenue recognition

(a) At a point in time (product/services)	3456.67	103.01	5802.91	91.33	9453.92
(b) Over time (projects)	20556.35	145.89	2093.63	110.04	22905.91

2024-25

Revenue from customers

Timing of revenue recognition

(a) At a point in time (product/services)	3782.90	64.31	4895.91	133.94	8877.06
(b) Over time (projects)	16138.30	266.87	2068.00	4.94	18478.11

(₹ in Crore)

Particulars	2025-26		2024-25	
	Power	Industry	Power	Industry
Revenue from customers				
CPSUs	11357.57	2875.83	9227.07	2776.16
Adani Group	6672.58	-	2553.12	-

c. Contract Balances (net of provisions)

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Trade Receivables	9223.20	8930.93
Contract assets (incl. unbilled revenue)	29389.61	29444.13
Contract liabilities	22523.63	15293.67

d. Contract revenue recognised

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Revenue recognised against contract liabilities (adjustment of customer advances and valuation adjustment during the year)	5161.05	2842.80
Revenue recognised against performance obligation satisfied in previous year (impact due to change in contract revenue)	32.18	594.72

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, financial guarantee 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, 2026	As at March 31, 2025
Financial assets:		
Investment in unquoted equity instruments	-	-



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)

As at March 31, 2025	-
Changes in fair value / Impairment	-
As at March 31, 2026	-

Financial Risk Management

Objectives and Policies

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

- Credit risk
- Liquidity risk
- Market risk

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

Risk management framework

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

a) Management of Credit Risk

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

(i) Exposure to credit risk

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

(₹ in Crore)

Particulars	As at March 31, 2026	As at March 31, 2025
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Cash and cash equivalents	1435.45	439.21
Other bank balances	10431.17	7173.20
Other financial assets	590.91	1016.71
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) including impairment loss		
Trade receivables	9223.20	8930.93

Concentration of credit risk- Geographical	Percentage of total receivable	
	As at March 31, 2026	As at March 31, 2025
Within India	97%	97%
Outside India	3%	3%
Total	100%	100%

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

Note	Percentage of total trade receivables	
	As at March 31, 2026	As at March 31, 2025
Central Public Sector Undertakings incl Railways and Govt Deptt	48%	46%
State Electricity Boards	28%	35%
Private Customers and others	21%	16%
Exports	3%	3%
Total	100%	100%

(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, 2026	As at March 31, 2025
Balance as at April 1	20.82	16.32
Impairment loss recognised/ write off/ withdrawal	(0.34)	4.50
Balance as at March 31	20.48	20.82

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, 2026	As at March 31, 2025
Balance as at April 1	8400.55	9171.88
Impairment loss recognised	2042.13	874.88
Amounts written off/ withdrawal	(1914.50)	(1646.20)
Balance as at March 31	8528.18	8400.55

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

b) Management of Liquidity risk

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

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

(₹ in Crore)

Financial Liabilities Non-derivative financial liabilities	As at March 31, 2026		As at March 31, 2025	
	Within 1 year	Exceeding 1 year	Within 1 year	Exceeding 1 year
Trade payables	10491.60	1343.44	9540.92	2170.79
Deposits from contractors and others	844.97	399.02	716.19	413.11
Lease liabilities	68.77	168.18	57.21	162.39
Other Payables/liabilities				
Employee dues	194.72	-	152.41	-
Other dues	142.67	-	240.90	-
Capex dues	130.94	11.94	131.02	9.68
Short term borrowings	7950.00	-	8795.00	-
Total	19823.67	1922.58	19633.65	2755.97

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 31.03.2026 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, 2026		As at March 31, 2025		As at March 31, 2026	As at March 31, 2025
	Euro	Equivalent INR	Euro	Equivalent INR	Others INR	Others INR
Assets						
Trade receivable	55.30	588.18	59.23	543.50	29.37	41.12
Contract assets	192.00	2017.65	221.26	2026.77	131.67	263.20
Other assets	19.00	186.20	11.74	108.16	80.04	93.77
Sub Total (A)	266.30	2792.03	292.23	2678.42	241.08	398.09
Liabilities						
Advances from customer	26.50	177.86	28.22	190.35	0.83	1.29
Trade payables and others	27.10	296.54	27.69	256.30	181.90	343.61
Sub Total (B)	53.60	474.40	55.91	446.65	182.73	344.89
Assets (Net of Liabilities)	212.70	2317.63	236.32	2,231.77	58.35	53.19

Particulars	USD	Equivalent INR	USD	Equivalent INR
Assets				
Trade receivable	72.10	655.17	79.27	669.84
Contract assets	133.10	1231.62	187.27	1597.17
Other assets	0.60	4.68	0.87	6.74
Sub Total (A)	205.80	1891.47	267.41	2273.76
Liabilities				
Advances from customer	33.30	219.16	35.69	226.53
Trade payables and others	41.20	381.84	76.85	655.22
Sub Total (B)	74.50	601.00	112.55	881.75
Assets (Net of Liabilities)	131.30	1290.47	154.87	1392.01

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, 2026		As at March 31, 2025	
	Strengthening	Weakening	Strengthening	Weakening
Effect on Profit/(loss) on 1% movement				
Euro	23.18	(23.18)	22.32	(22.32)
USD	12.90	(12.90)	13.92	(13.92)
Others	0.58	(0.58)	0.53	(0.53)

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, 2026			For the year ended March 31, 2025		
	Power	Industry	Total	Power	Industry	Total
I. SEGMENT REVENUE FROM OPERATIONS						
Revenue from operations-External	25406.71	8375.47	33782.18	20937.25	7402.23	28339.48
II. SEGMENT RESULTS						
a. Segment Results	2451.24	1684.07	4135.31	1216.02	1262.45	2478.47
b. Unallocated expenses (Net of income)			1240.29			984.54
c. Profit before finance cost & Incometax (a) - (b)			2895.02			1493.93
d. Finance cost (Includes unwinding of Interest)			756.41			748.33
e. Net Profit before Income Tax (c) - (d)			2138.61			745.60
f. Income Tax			538.35			211.70
g. Net Profit/(loss) after Income Tax (e)-(f)			1600.26			533.90
III ASSETS & LIABILITIES						
a. Segment Assets	49208.93	10542.49	59751.42	45455.29	9240.71	54696.00
b. Common Assets			16434.19			13387.18
c. Total Assets			76185.61			68083.18
d. Segment Liabilities	32517.97	7735.31	40253.28	29075.97	7034.26	36110.23
e. Common Liabilities			9785.73			7250.79
f. Total Liabilities			50039.01			43361.02
IV OTHER INFORMATION						
a. Capital Expenditure	384.95	242.49		335.93	146.46	
b. Depreciation & Amortization	196.02	72.11		158.06	69.18	
c. Non Cash Expenses (other than depreciation & amortization)	(51.41)	165.90		(73.14)	214.64	

Geographical Segments

(₹ in Crore)

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Within India	Outside India	Total	Within India	Outside India	Total
1 Revenue from Operations	33326.20	455.98	33782.18	27863.22	476.26	28339.48
2 Non- Current Assets (PPE & Intangible Assets)	3492.61	0.45	3493.06	3141.70	0.46	3142.16
3 Capital Expenditure	670.71	-	670.71	535.30	0.34	535.64

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

(₹ in Crore)

Particulars	For the year ended March 31, 2026			For the year ended March 31, 2025		
	Power	Industry	Total	Power	Industry	Total
CPSUs	11357.57	2875.83	14233.40	9227.07	2776.16	12003.23
Adani Group	6672.58	-	6672.58	2553.12	-	2553.12

Note [44]

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	2025-26	98.84	25844.54	96.18	1539.21	60.66	(0.37)	96.20	1538.84
	2024-25	98.89	24446.59	88.95	474.89	100.10	(163.50)	84.03	311.39
Joint Ventures (investment as per the equity method)									
BHEL-GE Gas Turbine Services Private Limited	2025-26	1.15	300.66	3.96	63.41	39.34	(0.24)	3.95	63.17
	2024-25	1.11	275.57	11.05	59.01	(0.10)	0.16	15.97	59.17
NTPC-BHEL Power Projects Private Limited	2025-26	-	-	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-	-	-
Raichur Power Corporation limited	2025-26	-	-	-	-	-	-	-	-
	2024-25	-	-	-	-	-	-	-	-
Bharat Coal Gasification and Chemicals Ltd.	2025-26	0.01	1.40	(0.15)	(2.36)	-	-	(0.15)	(2.36)
	2024-25	-	-	-	-	-	-	-	-
Total	2025-26	100.00	26146.60	100.00	1600.26	100.00	(0.61)	100.00	1599.65
	2024-25	100.00	24722.16	100.00	533.90	100.00	(163.34)	100.00	370.56

Note [45] - Disclosure - Investment Property - Ind AS 40 [Material Accounting Policy disclosed at item 19 of Note 2]

During the year Company has adopted the material accounting policy and applied the same for accounting of Investment property. Relevant details are as under:

(₹ in Crore)

Particulars	2025-26	2024-25
(i) Detail of Incomes and expenses:		
Rental Income	8.98	1.82
Direct Operating expenses (incl Repair & Maintenance)	0.5	0.39

(ii) Fair Value of Investment Property

The market value of the investment property has been assessed at ₹133.67 Crore by registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules 2017 as at 31.03.2026 for various properties located at Bhopal, Mumbai and Hyderabad.

(iii) The Company has entered into operating lease on its investment property portfolio consisting of certain Land and Building. Future undiscounted lease payments to be received under operating lease as at 31.03.2026 are as follows:

Particulars	2025-26	2024-25
Less than 1 year	9.65	7.11
Between 1 and 2 year	9.88	7.13
Between 2 and 3 year	10.16	7.25
Between 3 and 4 year	7.90	7.56
Between 4 and 5 year	1.79	5.14
Beyond 5 years	1.43	1.85
Total	40.81	36.04

Note [46]

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

Note [47]

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

Note [48]

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

Note [49]

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

Note [50]

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

Note [51]

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

Note [52]

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

Note [53]

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 2025-26 in its meeting held on May 04, 2026.

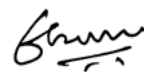
For and on behalf of Board of Directors



(Yogesh R Chhabra)
Company Secretary
M. No. F 7463



(Rajesh Kumar Dwivedi)
Director Finance & CFO
DIN: 10048893



(K Sadashiv Murthy)
Chairman and Managing Director
DIN: 09184201

As per our report of even date

For K. Venkatachalam Aiyer & Co.
Chartered Accountants
FRN – 004610S



(CA. V. Ramachandran)
Partner
M. No. 020504

For K. S. Dua & Co.
Chartered Accountants
FRN – 017478N



(CA. Swarn Singh Dhillon)
Partner
M. No. 527610

Place : New Delhi
Date : 04th May, 2026

ADDITIONAL INFORMATION For Stakeholder

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Financial Performance Trend

Sl. No.	Particulars		2025-26	2024-25	2023-24	2022-23	2021-22
	Order Book (Excluding Taxes)						
	Order Received	₹ in crore	75916	92535	77907	23548	20379
	Orders Outstanding	₹ in crore	239057	196328	131598	91336	90084
A.	Operating Results						
I	Total Income						
	Revenue	₹ in crore	32360	27355	22921	22136	20153
	Other operational income	₹ in crore	1422	984	972	1229	1058
	Revenue from operations (a)	₹ in crore	33782	28339	23893	23365	21211
	Other income (b)	₹ in crore	846	503	588	515	368
	Total (I= a+b)	₹ in crore	34629	28843	24481	23880	21579
II	Operating expenses						
	Material consumption, Bought Out items, Civil, Erection and engg. expenses	₹ in crore	23768	19955	16894	15954	13997
	Consumption of stores & spares	₹ in crore	507	433	350	404	271
	Changes in inventories of FG , WIP & scrap	₹ in crore	(1291)	(1542)	(437)	(57)	526
	Employee benefits expenses	₹ in crore	6468	5923	5629	5701	5517
	Power & Fuel	₹ in crore	503	491	452	488	415
	Other expenses of Mfg, Admn. & S&D	₹ in crore	2104	1816	1534	1466	1355
	Exchange variation (gain) / loss (net)	₹ in crore	(440)	(135)	(105)	(460)	(82)
	Provisions	₹ in crore	(177)	158	(1037)	(1083)	(1526)
	Depreciation & amortisation expenses	₹ in crore	316	272	249	260	314
	Finance costs	₹ in crore	756	748	731	521	355
	Total (II)	₹ in crore	32512	28118	24260	23194	21142
III	Operating Profit/(loss) (a-II)	₹ in crore	1270	221	(368)	171	69
IV	Profit / (Loss) before tax (I-II)	₹ in crore	2116	725	220	686	437
	Tax expense (Net)	₹ in crore	538	212	(40)	61	27
V	Profit /(Loss) after tax	₹ in crore	1578	513	260	624	410
	Other Comprehensive Income	₹ in crore	(0.37)	(164)	(82)	(17)	77
VI	Total comprehensive income	₹ in crore	1578	349	177	607	487
	Dividend payout	₹ in crore	487	174	87	139	139
	EBIT	₹ in crore	2873	1473	952	1207	792
	EBITDA	₹ in crore	3189	1745	1201	1468	1106
	Cash Flow:						
	From Operating Activities	₹ in crore	5837	2192	(3713)	(741)	660
	From Investing Activities	₹ in crore	(3035)	(2731)	1331	1480	(1125)
	From Financing Activities	₹ in crore	(1806)	(857)	2656	89	(330)

Sl. No.	Particulars		2025-26	2024-25	2023-24	2022-23	2021-22
B.	Financial Position (Assets, Equity & Liabilities)						
VII	Assets						
	Property, plant & equipment and intangible assets	₹ in crore	2998	2947	2574	2476	2398
	Investment Property	₹ in crore	0.52	0.45	-	-	-
	Capital WIP and intangible assets under development	₹ in crore	495	195	308	354	431
	Non-current investments	₹ in crore	677	672	668	670	670
	Other non current assets	₹ in crore	778	1125	600	492	365
	Trade Receivables (Net)	₹ in crore	9223	8931	8010	6544	6229
	Contract Assets (Net)	₹ in crore	29390	29444	26748	26466	26940
	Cash & Bank Balances	₹ in crore	11867	7612	6157	6698	7154
	Inventory	₹ in crore	13335	9869	7221	6756	6560
	Deferred tax assets(Net)	₹ in crore	3533	4068	4201	4247	3530
	Other Current assets	₹ in crore	4265	3615	2927	2652	2432
	Total Assets	₹ in crore	76560	68479	59414	57354	56708
VIII	Equity						
	Equity share capital	₹ in crore	696	696	696	696	696
	Other equity	₹ in crore	25820	24417	24154	24116	26275
	Total Equity	₹ in crore	26516	25113	24851	24812	26971
IX	Liabilities						
	Borrowings	₹ in crore	7950	8795	8808	5385	4745
	Trade Payables	₹ in crore	11835	11712	10832	11962	9882
	Contract Liabilities	₹ in crore	22524	15294	7133	5635	6048
	Other Non current liabilities	₹ in crore	626	636	471	310	269
	Non current provisions	₹ in crore	2355	2586	2489	4101	3771
	Other Current liabilities	₹ in crore	2836	2529	2511	2353	1956
	Current provisions	₹ in crore	1919	1815	2318	2797	3067
	Total liabilities	₹ in crore	50044	43366	34563	32542	29737
X	Total Equity & Liabilities (VIII+IX)	₹ in crore	76560	68479	59414	57354	56708
	Equity shares (Face Value of ₹ 2 each)	Nos.	348	348	348	348	348
	Market Capitalisation as at year end	₹ in crore	85502	75230	86077	24420	17184
	Net worth	₹ in crore	26516	25113	24851	24812	26971
	Net worth (excl. OCI & Capital Reserve)	₹ in crore	27063	25659	25233	25113	27254
XI	Human Resources	Nos	27284	27800	28673	29536	30758
	Executives	Nos	10726	10375	10256	10187	10280
	Non-Executives	Nos	16558	17425	18417	19349	20478
XII	Financial Performance Ratios						
1	Return on Net worth	%	5.99	2.02	1.03	2.38	1.52
2	EBITDA margin	%	9.21	6.05	4.90	6.15	5.12
3	Operating Profit margin	%	3.76	0.78	(1.54)	0.73	0.33
4	Revenue per employee	₹ in lakhs	119	98	80	75	66
5	Revenue per rupee of employee benefit expenses	₹	5.00	4.62	4.07	3.88	3.65

Sl. No.	Particulars		2025-26	2024-25	2023-24	2022-23	2021-22
XIII	Balance Sheet Ratios						
1	Current ratio	Ratio	1.59	1.51	1.37	1.24	1.30
2	% liquidation of current year net billing	%	83	81	78	86	86
3	Trade receivable (no. of days)	Days	100	115	122	102	107
4	Inventory (no. of days)	Days	150	132	115	111	119
5	Assets Turnover	Times	0.45	0.42	0.41	0.42	0.38
XIV	Per Share data						
1	Earning per share	(₹)	4.53	1.47	0.75	1.79	1.18
2	Net worth per share	(₹)	76.15	72.12	71.37	71.26	77.46
3	Market Price per share (BSE) as at year end	(₹)	245.55	216.05	247.20	70.13	49.35
4	Market Price to Book Value	Ratio	3.22	3.00	3.46	0.98	0.64
XV	Segment Revenue From Operations						
	Power Segment	₹ in crore	25407	20937	18436	18496	16206
	Industry Segment	₹ in crore	8375	7402	5457	4869	5005
	Total	₹ in crore	33782	28339	23893	23365	21211
	Segment Share						
	Power Segment	%	75	74	77	79	76
	Industry Segment	%	25	26	23	21	24

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 exclud. 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 Income/Total Assets

INTEGRATED REPORTING

VALUE CREATION MODEL

INPUTS



Financial Capital

Rs. 76,560 Cr. Total Assets
Rs. 11,867 Cr. Cash & Investments



Intellectual Capital

18 Tech Collaboration Agreements
Engineering Knowhow and Advanced Manufacturing technology
13 Centres of Excellence
9,000+ Technical Graduates
550+ Finance Professionals



Human Capital

27,284 Employees
1,590 Female Employees



Natural and Manufactured Capital

16 Manufacturing Units
8 Service Centres
2 Repair Units



Social Capital

Rs. 618 Cr. CSR Spend
Collaboration with Suppliers and Contractors

ENVIRONMENT



Thermal Power

~315 GW by
FY2035-36



Renewable Energy

60% non-fossil installed capacity
by 2035



Transmission & Grid

NEP substantial expansion driving
demand



Nuclear Energy

100 GW by 2047



Energy Storage

100 GW Pumped Storage Projects
by 2035-36



Coal

97 GW addition by 2034-35



Defence

Technology Perspective &
Capability Roadmap 2025 -
significant opportunities



Rail

High-horsepower locomotives &
propulsion systems

PROCESS & STRATEGY

Design & Innovation

Engineering Excellence, R&D,
Product Development
Strategic Collaboration

Manufacture

Procurement Efficiencies, Quality
Assurance

Deliver

Higher EPC Execution, Faster
Installation & Commissioning

Support

Services after Sales, Renovation &
Modernisation

Improve

Digital Transformation, Sustainability

VALUE CREATION MODEL

OUTPUTS



Financial

₹33,782 Cr.

Revenue from Operations

+19% YoY

₹3,189 Cr.

EBITDA

+83% YoY

₹1,578 Cr.

PAT

3x growth

₹46,425 Cr.

Collection against Dispatches

+41% YoY



Intellectual

428 patents filed

14% revenue from in-house products



Human

7,199 trained on Health & Safety

17,290 trained on skills



Manufactured

840,000+ MVA transmission equipment

300+ substations/ switchyards

850+ locomotives

52 SRGMs (Naval Guns)



Social & Relationship

44,380 Saplings planted

6.3% wages paid towards rural jobs

OUTCOMES



Financial

8.9 GW commissioned

Profitable & sustainable growth



Intellectual

Diversification to new growth areas

Innovation-led growth



Human

Culture of innovation, collaboration

& excellence



Natural and Manufactured

94 countries with BHEL footprints

214 GW installed globally

14+ GW outside India



Recognition to Manufacturing Units

1 Gold + 8 Silver + 3 Bronze

Green Company ratings



Environmental

9.07% carbon footprint reduction

43 MWp energy conservation

STAKEHOLDERS



Shareholders

Sustainable growth

Debt-free balance sheet

Long term value creation



Customers

Reliable & technologically advanced engineering solutions

Timely execution



Employees

Safe workplace

Career progression



Suppliers

Long-term collaborative partnerships

Vendor capability development



Communities

CSR, skill development

Improved access to Education, Healthcare and community infrastructure



Environment

Resource-efficient manufacturing

Cleaner engineering solutions



Nation

Strengthening Energy security

Promoting technological self-reliance : Aatmanirbhar Bharat

Integrated Reporting

Creating Sustainable Value

BHEL's value creation journey is anchored in its Vision and Mission, leveraging its engineering, manufacturing, project execution and lifecycle service capabilities to deliver reliable and innovative business solutions in the fields of Energy, Industry and Infrastructure. Guided by its commitment to strengthening India's industrial and energy self-reliance and aligned with the national priorities of **Atmanirbhar Bharat** and the vision of **Viksit Bharat @2047**, the Company transforms the six capitals through its business model into sustainable value for customers, shareholders, employees, business partners, communities and the nation over the short, medium and long term.

BHEL creates sustainable value by leveraging its engineering excellence, manufacturing capabilities, technological expertise, skilled workforce, stakeholder relationships, and responsible environmental stewardship to deliver reliable and innovative solutions across the energy, industrial, transportation, defence and infrastructure sectors.

For over six decades, the Company has played a pivotal role in strengthening India's industrial and energy landscape by providing technologically advanced products, integrated engineering solutions, and lifecycle services. Guided by its purpose of contributing to India's industrial self-reliance and energy security, BHEL continues to transform its resources and capabilities into long-term value for customers, shareholders, employees, communities, business partners and the nation.

Our integrated value creation approach is founded on responsible governance, prudent financial management, technological innovation, operational excellence, sustainability and effective stakeholders' engagement. These principles enable the Company to respond to evolving business opportunities, strengthen competitiveness, support the nation's clean energy transition, and deliver sustainable value over the short, medium, and long term.

Our Value Creation Model

BHEL's value creation model demonstrates how the Company transforms six interconnected capitals into sustainable outcomes through its integrated business model. The six capitals provide the resources and capabilities required to execute the Company's strategy, while its engineering, manufacturing, project execution, and service capabilities convert these resources into high-quality and world class products, total business solutions and long-term stakeholder value.

The Company's diversified business portfolio, supported by strong corporate governance, structured risk management, innovation and operational excellence enables BHEL to continuously enhance the quality and productivity of these capitals while creating economic, social, technological, and environmental value.

Value Creation Framework

External Environment

BHEL operates in a continuously evolving external environment shaped by the energy transition, infrastructure expansion, technological advancements, policy reforms, national priorities and increasing sustainability expectations. These developments influence the Company's strategic priorities, investment decisions, business model and long-term value creation.

Key Growth Drivers

India's evolving policy and infrastructure landscape presents significant long-term growth opportunities across BHEL's core business segments. The following sectoral growth drivers are expected to shape future demand for engineering, manufacturing and project execution capabilities, while influencing the Company's strategic priorities, deployment of the six capitals and long-term value creation:

- **Thermal Power:** India's Long-Term Resource Adequacy Plan (LTRAP) projects approximately **315 GW** of thermal power capacity by FY 2035–36, underscoring the continuing role of efficient thermal generation in ensuring grid reliability during the energy transition.
- **Renewable Energy:** The country's proposed Nationally Determined Contributions (NDCs) for 2031–2035 envisage achieving **60% cumulative installed electricity capacity from non-fossil fuel-based sources by 2035**, creating significant opportunities across renewable energy, hydro, nuclear and grid integration technologies.
- **Transmission & Grid Modernisation:** The National Electricity Plan (NEP) envisages substantial expansion of transmission infrastructure, driving demand for transformers, switchyards, substations and other transmission equipment. Simultaneously, deployment of advanced technologies such as Ultra High Voltage AC (UHVAC), High Voltage Direct Current (HVDC) corridors and Synchronous Condensers (SynCon) is expected to accelerate investments in grid modernisation.
- **Nuclear Energy:** The Government's target of expanding nuclear power capacity to **100 GW by 2047** is expected to generate sustained opportunities in nuclear equipment, engineering, manufacturing and associated services.

- **Energy Storage:** The Central Electricity Authority (CEA) has outlined a roadmap targeting **100 GW** of Pumped Storage Project (PSP) capacity by 2035–36, supporting the large-scale deployment of energy storage infrastructure.
- **Balanced Energy Mix:** While renewable energy capacity continues to expand rapidly, India is also expected to add around **97 GW** of coal-based generation capacity by 2034–35, reinforcing the need for high-efficiency, low-emission thermal technologies and flexible generation solutions.
- **Defence Manufacturing:** The Technology Perspective and Capability Roadmap (TPCR) 2025, together with the Government's continued emphasis on defence modernisation, indigenisation and self-reliance, is expected to create significant opportunities across naval systems, marine gas turbines, artillery systems and other advanced defence equipment.
- **Rail Transportation:** Continued modernisation of Indian Railways is expected to drive sustained demand for high-horsepower locomotives, trainsets, propulsion systems, signalling solutions, track machines and other rail transportation technologies.

These sectoral growth drivers, together with BHEL's diversified capabilities and engineering expertise, provide a strong foundation for the Company's strategy, deployment of the six capitals and sustainable value creation over the short, medium and long term.

Six Capitals – The Foundation of Value Creation

BHEL's business model is built upon six interconnected capitals that collectively provide the resources, capabilities, relationships, and environmental assets required to execute its strategy and create sustainable value. These capitals are continuously strengthened through responsible management, innovation, operational excellence, and stakeholder engagement.

FINANCIAL CAPITAL

Strengthening Financial Resilience for Sustainable Growth

Financial Capital represents the financial resources that enables BHEL to execute its business strategy, invest in future growth, strengthen its execution capabilities and create sustainable long-term value for all stakeholders. The Company's Financial Capital is generated primarily through cash flows from operating activities and is strengthened through prudent financial management, focussed cash collection, efficient working capital management, operational efficiency, cost optimisation and a robust framework of internal financial controls.

BHEL's financial strategy is centred on maintaining a robust balance sheet, preserving liquidity, improving profitability, optimising resource utilisation, and generating healthy cash flows to support long-term sustainable growth. The Company's disciplined financial management enables it to withstand business cycles, respond to emerging opportunities, fund capital expenditure largely through internal accruals and invest in strategic initiatives that enhance competitiveness and stakeholder value.

During FY 2025–26, BHEL delivered a strong financial performance driven by improved project execution, enhanced operational efficiency, disciplined cost management, robust cash realisation, and a sustained focus on working capital optimisation.

Strong growth in revenue, significant improvement in profitability, healthy cash generation, and a debt-free balance sheet further strengthened the Company's financial resilience and reinforced its ability to invest in future growth.

The Company continuously strengthens its Financial Capital through strengthening execution of projects, effective receivables management, driving procurement efficiencies, cost optimisation, efficient working capital management and prudent investment decisions. These measures enhance liquidity, minimise financing cost and provide the financial enablement to support business operations and strategic diversification initiatives.

Financial Capital is strategically deployed to:

- Execute large EPC and other projects expeditiously.
- Strengthen supply chain and drive project execution capabilities.
- Strengthening manufacturing activities, improve operational efficiency, modernise manufacturing facilities and augmenting capacities by debottlenecking of production facilities.
- Invest in research, innovation, digital transformation, and advancement of engineering capabilities.
- Expand into diversified and new-growth businesses.
- Support sustainability initiatives and long-term strategic investments.

The Company's disciplined approach to financial capital allocation ensures that financial resources are deployed efficiently while maintaining an appropriate balance between business growth, operational requirements, technological advancement, stakeholder expectations and long-term financial stability.

Strong Financial Capital also enables BHEL to reinforce its market leadership, strengthen customer confidence,

enhance execution capability, and support national priorities. By maintaining a debt-free balance sheet, strong liquidity, and healthy cash generation, the Company remains well-positioned to pursue sustainable growth opportunities while creating enduring value for shareholders and other stakeholders.

Value Created through Financial Capital

BHEL's strong financial discipline, prudent capital allocation, efficient working capital management, and robust cash generation have strengthened its financial resilience and enhanced its ability to invest in manufacturing capabilities, innovation, digital transformation, project execution, and business diversification.

A debt-free balance sheet, healthy liquidity, and sustained profitability provide the financial flexibility to support long-term growth, create superior stakeholder value, and reinforce the company's contribution to India's industrial development and energy transition.

The company's financial performance during FY 2025–26 reflects the strength of its financial capital and its effective deployment in support of strategic priorities.

- **Revenue growth:** Revenue from operations increased by **19% to ₹33782 crore**, driven by higher execution levels, a strong order book and a 25% increase in shop capacity utilisation.
- **Enhanced profitability:** EBITDA increased by **83% to ₹3,189 crore**, while profit after tax more than tripled to **₹1,578 crore**, reflecting improved operational efficiency, better execution and disciplined financial management.
- **Strong cash realisation:** Focused collection efforts resulted in a **41% increase** in cash realisation from dispatches over the previous year. Total cash collection from customers reached **₹46,425 crore**, equivalent to **143%** of revenue, significantly strengthening liquidity and cash flows.
- **Efficient receivables management:** Sustained emphasis on receivables management reduced trade receivables to **100 days of Revenue from operations**, despite a **19%** increase in Revenue from operations, representing the company's best receivables performance in the last ten years.
- **Optimised payables management:** Continued focus on accelerating project execution and strengthening the supply chain resulted in trade payables reducing to **165 days**, compared with **201 days** in the previous year, reflecting improved working capital efficiency while supporting business continuity.

- **Robust operating cash flows:** Cash generated from operating activities increased by **176%** to **₹5,827 crore**, demonstrating effective working capital management, disciplined cash flow planning and the company's ability to internally finance growth and strategic investments.

Collectively, these financial outcomes have strengthened BHEL's Financial Capital, providing the resources and flexibility required to invest in the other capitals, execute its growth strategy and create sustainable value for customers, shareholders, employees, business partners, communities and the nation over the short, medium and long term.

Indicator	FY 2025–26
Revenue from Operations	₹33,782 Crore
Total Income	₹34,629 Crore
EBITDA	₹3,189 Crore
Profit After Tax	₹1,578 Crore
Outstanding Order Book	₹2,39,057 Crore
Cash Collection	₹46,425 Crore
Cash Collection from Dispatches as % of Revenue	143%
Net Cash Surplus Generated	₹4,630 Crore
Trade Receivables	100 Days of Revenue
Trade Payables	165 Days
Debt Position	Debt-Free
EPS	₹4.53
Dividend Per share (₹)	₹1.40

MANUFACTURED CAPITAL

Building Engineering Excellence through World-Class Manufacturing and Project Execution

Manufactured Capital represents BHEL's integrated manufacturing ecosystem comprising its manufacturing plants, Service Centres, Repair Units, fabrication and machining infrastructure, testing laboratories, quality assurance systems, project execution capabilities, and other physical assets that enable the Company to design, manufacture, supply, install and commission engineering products and solutions.

Over six decades, BHEL has established one of India's largest engineering and manufacturing infrastructures, providing the capability to execute complex projects across various sectors including power, industrial, transportation, defence, and infrastructure sectors. The Company's manufacturing

footprint, supported by advanced engineering facilities and a nationwide project execution network, forms the foundation of its operational excellence and competitive advantage.

The Company continuously strengthens its Manufactured Capital through modernisation of manufacturing facilities, technology upgradation, process automation, digital manufacturing, advanced quality systems, productivity improvement, and capacity optimisation. Capital investments in modernisation of equipment, testing infrastructure and process excellence enhance manufacturing efficiency, improve product quality, reduce manufacturing timelines and strengthen operational reliability.

BHEL's integrated manufacturing capabilities enable the Company to deliver a diversified portfolio of products and engineering solutions spanning thermal, hydro, nuclear, gas-based and renewable power, transmission systems, rail and transportation equipment, defence and aerospace systems, industrial products, renovation and modernisation services, and emerging technologies such as coal gasification, clean energy solutions and e-mobility.

The Company's manufacturing and project execution capabilities support every stage of the value chain from engineering and procurement to manufacturing, construction, commissioning, lifecycle services and performance improvement. Continuous improvement initiatives, digital integration, quality assurance, and supply chain optimisation ensure timely execution of projects while maintaining the highest standards of safety, reliability, and customer satisfaction.

During FY 2025–26, Manufactured Capital played a critical role in supporting improved project execution, enhanced manufacturing efficiency, higher revenue generation, increased profitability, robust cash realisation, and the achievement of the Company's highest-ever outstanding order book of ₹2,39,057 crore. The Company's manufacturing capabilities also supported continued diversification into hydro, nuclear, transmission, transportation, defence, industrial systems, renewable energy, and coal gasification, thereby strengthening business resilience and reducing dependence on conventional thermal power.

BHEL remains committed to continuously enhancing its manufacturing ecosystem through Industry 4.0 technologies, automation, digital manufacturing, predictive maintenance, process optimisation, sustainable manufacturing practices, and capacity enhancement. These initiatives will further improve productivity, manufacturing agility, product quality, operational efficiency, and execution capability while supporting India's vision of self-reliance and advanced manufacturing.

Manufactured Capital – Key Performance Indicators

Indicator	FY 2025–26
Manufacturing Units	16
Regional Offices	4
Service Centres	8
Outstanding Order Book	₹2,39,057 Crore
Revenue from Operations	₹33,782 Crore
Capacity Commissioned/ Synchronised	~ 8.9 GW of Power Capacity
Power Sector Orders (incl. SynGas) in 2025-26	₹59,256 Crore
Coal Gasification Orders secured	₹8,288 Crore
No. of Upgraded SRGMs delivered to Indian Navy ahead of schedule	4

HUMAN CAPITAL

Empowering People to Build a Stronger Future

Human Capital represents the collective knowledge, skills, technical expertise, leadership, experience, innovation, commitment, and values of BHEL's employees. As a technology-driven engineering enterprise, the Company recognises that its people are its greatest strength and the foundation of its operational excellence, innovation, customer satisfaction, and sustainable long-term growth.

BHEL fosters a culture founded on integrity, accountability, collaboration, inclusion, continuous learning, and excellence. The Company believes that an empowered and engaged workforce is essential to successfully executing complex engineering projects, driving innovation, strengthening customer relationships, and achieving strategic objectives.

The Company remains committed to attracting, developing, and retaining highly skilled talent through structured learning and development programmes, technical and managerial training, leadership development initiatives, succession planning, digital capability enhancement, and continuous knowledge sharing. These initiatives strengthen organisational capability while preparing employees to meet evolving technological and business challenges.

Employee well-being, health, and safety remain integral to BHEL's operational philosophy. The Company continually strengthens its occupational health and safety framework through robust safety management systems. Creating a safe and healthy workplace enhances employee confidence, improves operational reliability, and supports sustainable business performance.



BHEL actively promotes an inclusive and respectful workplace that provides equal opportunities for growth and development. Diversity of thought, cross-functional collaboration, ethical conduct, employee participation, and innovation are encouraged across the organisation to foster a culture of continuous improvement and organisational resilience.

During FY 2025–26, the dedication, technical competence, and commitment of BHEL's employees played a vital role in improving project execution, enhancing manufacturing efficiency, strengthening customer confidence and delivering improved financial and operational performance.

BHEL remains committed to developing future-ready capabilities by strengthening digital competencies, leadership effectiveness, innovation and employee engagement. Continuous investment in Human Capital will enable the Company to enhance productivity, strengthen execution capabilities, improve customer satisfaction, and sustain long-term value creation.

Human Capital – Key Performance Indicators

Indicator	FY 2025–26
Total Permanent Employees (Nos.)	27,284
Permanent Female Employees (Nos.)	1,591
Training given to employees	
- on Health & Safety Measures (Nos.)	7,199
- on Skill upgradation (Nos.)	17,290

Occupational Health and Safety Management System (OHSMS) has been implemented across the organization. This system is applicable to all our Manufacturing Units, Power Sector Regions and Divisions covering all the employees working with and for BHEL.

The company maintains robust systems and processes to identify work-related hazards and assess risks on both routine and non-routine bases.

Value Created through Human Capital

BHEL's Human Capital drives engineering excellence, innovation, operational efficiency, and customer satisfaction. Through continuous investment in people, leadership, learning, safety, and employee well-being, the Company strengthens organisational capability, enhances productivity, supports technological advancement, and builds a resilient, future-ready workforce. These efforts enable BHEL to execute its strategy successfully, create sustainable stakeholder value, and contribute meaningfully to India's industrial growth and energy transition.

SOCIAL & RELATIONSHIP CAPITAL

Building Trusted Partnerships for Sustainable Value Creation

Social & Relationship Capital represents the trust, goodwill, collaborative partnerships and enduring relationships that BHEL has established with its stakeholders over more than six decades. These include customers, shareholders, employees, suppliers, business partners, technology collaborators, Government and Public Sector agencies, regulators, financial institutions, local communities and society at large. These relationships constitute a strategic asset that strengthens the Company's ability to execute complex engineering projects, respond to evolving stakeholder expectations and create sustainable long-term value.

As one of India's premier engineering and manufacturing enterprises, BHEL recognises that sustainable business success is built upon stakeholder trust. Accordingly, the Company conducts its business with the highest standards of integrity, transparency, accountability and ethical conduct. Robust corporate governance, effective stakeholder engagement, responsible business practices and regulatory compliance reinforce confidence among stakeholders and strengthen BHEL's reputation as a trusted partner in India's industrial and infrastructure development.

Customer relationships remain central to the Company's value creation process. BHEL collaborates closely with customers throughout the project lifecycle from concept and engineering to manufacturing, execution, commissioning and lifecycle support to deliver reliable, high-quality and technology-driven solutions. Continuous engagement enables the Company to understand customer requirements, improve operational performance and develop innovative solutions that enhance efficiency, reliability and long-term asset performance.

The Company also maintains strong relationships with suppliers, contractors and technology partners, recognising that an integrated and resilient supply chain is fundamental to successful project execution. Through transparent procurement practices, vendor development programmes, localisation initiatives and collaborative partnerships, BHEL promotes quality enhancement, innovation, supply chain resilience and sustainable business growth while supporting the national objective of strengthening domestic manufacturing capabilities.

Constructive engagement with shareholders, investors, lenders, regulators and Government agencies remains integral to BHEL's governance framework. Timely disclosures, transparent communication, sound financial management and responsible corporate governance strengthen stakeholder confidence and support the Company's long-term access to capital, business opportunities and strategic partnerships.

As a responsible corporate citizen, BHEL is committed to creating positive social impact through its Corporate Social Responsibility initiatives. The Company's CSR programmes focus on education, healthcare, community infrastructure and other initiatives that improve the quality of life in communities surrounding its operations. Through these initiatives, BHEL contributes to inclusive growth while reinforcing its commitment to sustainable development and nation building.

During FY 2025–26, the Company's strong stakeholder relationships contributed significantly to improved customer confidence, successful execution of strategically important projects, expansion of its diversified order book, strengthened market reputation and enhanced business resilience. Collaboration across the stakeholder ecosystem also supported innovation, localisation, operational excellence and sustainable value creation.

Going forward, BHEL will continue to strengthen stakeholder engagement through greater collaboration, customer-centricity, responsible supply chain management, transparent governance, enhanced community development initiatives and continuous dialogue with all stakeholder groups. These efforts will further strengthen trust, reinforce the Company's social licence to operate and create enduring value for society.

Value Created through Social & Relationship Capital

Indicator	FY 2025–26
Value Chain Partners awareness programmes	48
Value Chain Partners covered under awareness programme	28%
CSR Budget 2025-26	₹859.12667 Lakh
CSR Expenditure during the year	₹264.29790 Lakh (Out of Budget 2025-26)
CSR Expenditure during the year	₹353.32617 Lakh (Out of CSR Unspent Account 2024-25 ₹470.14339 Lakh)

Strong stakeholder relationships enable BHEL to enhance customer satisfaction, strengthen supply chain resilience, expand collaborative partnerships and create positive social impact. These trusted relationships support business growth, strengthen stakeholder confidence, improve organisational resilience and enable the Company to create shared value for customers, shareholders, employees, communities and the nation.

NATURAL CAPITAL

Driving Sustainable Growth through Responsible Environmental Stewardship

Natural Capital represents the environmental resources and ecosystem services that support BHEL's operations and long-term business sustainability, including energy, water, land and the natural environment. As a responsible engineering enterprise, BHEL recognises that efficient utilisation and responsible management of these resources are essential for sustainable industrial development and long-term value creation.

Environmental stewardship is integrated into the Company's strategy, operations and investment decisions. BHEL remains committed to minimising its environmental footprint by promoting resource efficiency, reducing emissions, conserving water, managing waste responsibly, preventing pollution and adopting sustainable manufacturing practices across its manufacturing facilities, project sites and offices.

The Company continuously strengthens its Natural Capital through investments in cleaner technologies, energy-efficient manufacturing processes, digital environmental monitoring systems, water conservation initiatives, waste reduction programmes and environmentally responsible operational practices. These initiatives enhance resource productivity, improve operational efficiency, reduce environmental impacts and support regulatory compliance.

Beyond managing its own environmental footprint, BHEL plays a significant role in enabling India's clean energy transition through the technologies and solutions it delivers. The Company's diversified portfolio includes hydro, nuclear, renewable energy, emission control systems, transmission systems and emerging technologies that contribute to improved energy efficiency and reduced environmental impact. BHEL is also actively strengthening capabilities in green hydrogen, energy storage, carbon reduction technologies etc. that support the nation's long-term sustainability objectives.

During FY 2025–26, the Company further strengthened its contribution to sustainable development through continued diversification into hydro, nuclear, renewable energy, transmission and other non-conventional business segments. Simultaneously, initiatives aimed at improving manufacturing efficiency, resource optimisation and sustainable operations enhanced environmental performance while supporting profitable business growth.

Climate resilience and sustainable manufacturing will continue to remain strategic priorities for BHEL. The Company is committed to improving energy efficiency, reducing resource intensity, enhancing water conservation, increasing waste recycling, strengthening climate risk management and



integrating environmental considerations into engineering, manufacturing and project execution.

By responsibly managing Natural Capital and developing technologies that support cleaner energy generation and sustainable industrial development, BHEL contributes meaningfully to India's energy transition while creating long-term environmental, social and economic value.

BHEL has established nearly 43.25 MWp of solar power capacity, including rooftop installations, significantly reducing GHG emissions. In FY 2025-26, FSIP Jagdishpur added a capacity of 750 kW rooftop solar plant. Total solar power capacity led to avoidance of 31,308 MT of carbon emissions during the year. Further, Manufacturing Units of BHEL routinely implement energy conservation and efficiency projects to support demand-side energy management, thereby curbing associated carbon emissions that would otherwise occur at higher levels.

Value Created through Natural Capital

Indicator	FY 2025-26
Total electricity consumption from renewable sources (in Giga Joules)	1,58,747
Total Waste recovered through recycling (in metric tonnes)	5755.31
Total Waste recovered through re-use (in metric tonnes)	705.12
Energy Conservation Captive Solar PV plants	~ 43 MWp
Electricity generation from captive SPV in FY 2025-26	~ 44 MUs
Saplings planted in last 7 years	4,30,380 +
Saplings planted in FY 2025-26	44,380 +

INTELLECTUAL CAPITAL

Driving Innovation, Technology Leadership and Engineering Excellence

Intellectual Capital represents BHEL's collective engineering knowledge, technological capabilities, research and development ecosystem, intellectual property, digital capabilities, proprietary processes, quality systems, organisational knowledge, and innovation culture that enable the Company to deliver technologically advanced engineering solutions and sustain its competitive advantage.

Over the past six decades, BHEL has built a strong foundation of engineering excellence and technological expertise across the power, industrial, transportation, defence, and infrastructure

sectors. The Company's intellectual assets encompass specialised design capabilities, advanced manufacturing know-how, research and development infrastructure, digital engineering tools, proprietary processes, quality management systems, and extensive project execution experience. These capabilities enable BHEL to successfully execute complex projects and respond effectively to the evolving needs of customers and the nation.

Innovation remains central to BHEL's long-term strategy. The Company continuously invests in research and development, product design, technology development, process innovation, digitalisation, and knowledge management to enhance operational excellence and develop next-generation engineering solutions. Continuous learning, collaborative innovation, and technology partnerships further strengthen the Company's capability to address emerging opportunities in clean energy, and new growth areas.

Digital transformation has become an integral component of BHEL's Intellectual Capital. The adoption of digital engineering tools, automation, integrated project management systems, and data-driven decision-making enhances project monitoring, quality assurance, and customer responsiveness. These initiatives improve productivity while enabling faster and more informed business decisions across the value chain.

BHEL's Intellectual Capital also supports the Company's diversification strategy. Engineering expertise and technological capabilities have enabled the Company to expand its presence across hydro, nuclear, renewable energy, transmission, transportation, defence and aerospace, industrial systems, coal gasification, green hydrogen, energy storage, and other emerging technologies. These capabilities contribute to technological self-reliance and strengthen India's industrial and energy ecosystem.

During FY 2025-26, the Company's intellectual assets supported the execution of technologically complex projects, enhanced project delivery, strengthened operational efficiency, improved product quality, accelerated digital transformation, and reinforced BHEL's position as a trusted engineering partner for strategic national projects. Continued investment in innovation and technology also contributed to the expansion of the diversified order book and improved long-term competitiveness.

Going forward, BHEL will continue to strengthen its Intellectual Capital by investing in indigenous technology development, advanced engineering capabilities and future-ready technologies. These initiatives will further enhance technology leadership, improve competitiveness, accelerate innovation, and create sustainable long-term value for all stakeholders.

Value Created through Intellectual Capital

Indicator	FY 2025–26
No. of Technology Collaboration agreements	18
R&D expenditure	₹822 crore
In-house R&D centres of manufacturing units & divisions recognised by DSIR	11
Research Institutes	4
Centres of Excellence	13
Patents & copyrights filed during the year	428
Cumulative Intellectual Property portfolio as on March 31, 2026	6,068

BHEL's Intellectual Capital enables continuous innovation, strengthens engineering excellence, enhances operational efficiency, accelerates digital transformation, and supports the development of advanced technologies. By leveraging its technological capabilities and organisational knowledge, the Company improves competitiveness, expands into emerging business sectors, supports national technological self-reliance, and creates sustainable value for customers, shareholders, employees, and society.

A total of 428 patents and copyrights were filed during the year, taking the cumulative Intellectual Property portfolio to 6,068 as on 31 March 2026. Further, around 14% of revenue was generated from in-house developed products, systems, and services— reflecting company's strong focus on commercialization of its R&D efforts.

Value Created for Stakeholders

BHEL's integrated business model generates value that extends beyond financial performance. By responsibly deploying the six capitals, the Company creates economic, technological, social and environmental value for a broad spectrum of stakeholders.

Value for Shareholders

- Sustainable and profitable growth.
- Improved profitability and cash generation.
- Strong financial resilience through a debt-free balance sheet.
- Long-term value creation through prudent capital allocation.
- Enhanced enterprise value supported by a robust order book and diversified business portfolio.

Value for Customers

- Reliable and technologically advanced engineering solutions.
- Timely execution of projects.
- Enhanced operational efficiency and lifecycle support.
- Improved reliability, quality and customer experience.
- Long-term partnerships built on trust and performance.

Value for Employees

- A safe, inclusive and engaging workplace.
- Continuous learning and capability development.
- Leadership development and career progression.
- Opportunities to contribute to nationally significant engineering projects.
- A culture of innovation, collaboration and excellence.

Value for Suppliers and Business Partners

- Long-term collaborative partnerships.
- Transparent procurement practices.
- Vendor capability development and localisation.
- Shared innovation and operational excellence.
- Sustainable business opportunities across diversified sectors.

Value for Communities

- Employment generation and skill development.
- Inclusive growth through Corporate Social Responsibility initiatives.
- Improved access to education, healthcare and community infrastructure.
- Support for local development.
- Responsible corporate citizenship.

Value for the Environment

- Resource-efficient manufacturing.
- Reduced environmental footprint.
- Cleaner engineering solutions.
- Contribution to renewable energy and decarbonisation.
- Support for sustainable industrial development.

Value for the Nation

- Strengthening India's energy security.
- Supporting infrastructure development.
- Advancing indigenous manufacturing under the vision of Atmanirbhar Bharat.
- Promoting technological self-reliance.
- Supporting the national energy transition through diversified engineering solutions.
- Contributing to sustainable economic growth and industrial development.



Looking Ahead

BHEL will continue to strengthen its integrated value creation model by investing in technology, people, manufacturing excellence, digital transformation and sustainability. The Company will remain focused on operational excellence, disciplined financial management, responsible governance and stakeholder-centric growth while expanding its presence in emerging sectors that support India's evolving infrastructure and energy landscape.

By continuously enhancing the six capitals and strengthening the connectivity between them, BHEL aims to improve organisational resilience, accelerate innovation, create sustainable stakeholder value and contribute meaningfully to the nation's journey towards energy security, industrial self-reliance and sustainable economic development.

Our Value Creation Commitment

At BHEL, value creation extends beyond financial performance. It encompasses engineering excellence, technological innovation, responsible manufacturing, empowered people, trusted stakeholder relationships and environmental stewardship. Guided by strong governance, ethical business practices and a commitment to sustainability, the Company transforms its six capitals into enduring value for shareholders, customers, employees, business partners, communities, the environment and the nation.

Through integrated thinking, disciplined execution and continuous innovation, BHEL remains committed to creating sustainable value over the short, medium and long term while contributing to India's aspiration of becoming a globally competitive, technologically advanced and environmentally responsible economy.

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 800 MW unit rating including 350 / 660 /700 /800 MW unit ratings 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 800 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
- Gas/Oil fired Boilers based Power Plants

Nuclear Power Plants

- Complete EPC solution 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. along with Installation of Reactor Side Equipment

Hydro Power Plants

- Custom made conventional Hydro Turbines of Kaplan type up to 100 MW unit rating, Francis and Pelton types up to 400 MW unit rating.
- Custom-made Salient Pole Vertical Synchronous Hydro Generator up to 400 MW unit rating with matching excitation system
- Reversible Pump-Turbines for Pumped Storage Plants up to 350 MW
- Fixed Speed Generator-Motor for Pump Storage Plants up to 400 MW (Motoring Mode)
- High capacity pumps up to 200 MW unit rating and vertical synchronous motor up to 200 MW unit rating 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 – generator up to 10 MW unit rating and Horizontal Generator up to 20 MW unit rating along with matching 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 for 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, Alternate fuel rolling stock and Track Machines
- Electrics for Diesel Electric Tower Car (DETC), Self-propelled Inspection Car, MEMUs, Metro and other trainsets
- Semi-High Speed Trainsets (Vande Bharat)
- Traction Motors and Traction Alternators
- Train Collision Avoidance System (KAVACH)
- IGBT based Traction Drive System & Controls
- Traction Transformers
- Maintenance services including Depot management & Rolling stock upkeep

Transmission Systems

- Complete EPC solution for transmission systems
- Extra High Voltage Substations/Switchyard (both Air Insulated Substation (AIS) & Gas Insulated Substation (GIS) types) up to 765kV
- High Voltage Direct Current (HVDC) converter stations up to ± 800 kV
- Digital Substation up to 400kV
- Flexible AC Transmission System (FACTS) Solution
- Power System Studies

Defence and Aerospace

- Super Rapid Gun Mount (SRGM) / Upgraded SRGM, including life time product support
- Integrated Platform Management System (IPMS) for naval ships
- Heat Exchangers, Cooling Systems & Li-ion Battery for Aerospace application
- Li-ion cells/Batteries, Solar Panels, Titanium Domes & Propellant Tanks for Space Application
- Power Generation Equipment for Naval applications
- System Engineering & Analysis for Naval applications

Industrial Systems

- Complete EPC solutions for Process Packages
- 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

- Charging Stations for Electric Vehicles
- Complete EPC Solutions for Battery Energy Storage System (BESS)

Hydrogen Systems

- PEM Fuel Cell (PEMFC) Systems with single stack size of 5KW and PEMFC stack of 25 kW
- Complete EPC solution for Hydrogen Electrolyser Systems
- Complete EPC solution for biomass gasification to Green hydrogen and derivatives

Detailed Product Profile is as follows:

Product Profile

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; including sets with supercritical parameters
- Circulating Fluidized Bed Combustion (CFBC) Steam Generators, with subcritical parameters up to 350 MW and with supercritical parameters from 151 MW to 660 MW
- 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 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 in implementing Biomass as well as Methanol 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)
- Air Quality Control System (AQCS)
 - » Particulate Emission Control
 - » Electrostatic Precipitators with outlet emission as low as 15 mg/Nm³ (efficiency up to 99.97%)
 - » Bag Filters for utility and industrial applications
 - » Ammonia Flue Gas Conditioning System

- Steel Chimneys
 - » Steel Chimneys for flue gas exhaust applications with maximum height of 80 m and inner diameter up to 6.5 m
- 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
 - » 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 3,000 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
- 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
- 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 SO₂ efficiency of 99.9%
- De NO_x solutions
 - » In-furnace combustion control solutions to reduce NO_x 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 and Minimum Technical load of 40% TMCR as per CEA guidelines

Soot Blowers

- Long Retractable Soot Blowers (LRSB) for travel up to 12.2 m
- Wall blowers (Water wall deslaggers) for water wall furnace area
- 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/cm²) 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/cm² and temperature up to 630°C
- Automatic electrically operated Pressure Relief Valves for set pressure up to 320 kg/cm² and temperature up to 610°C
- Safety relief valves for set pressure up to 421 kg/cm² 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/cm² 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 800 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 mm to 133 mm and wall thickness of 2 mm 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 44.5 mm 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 mm to 69.85 mm and wall thickness of 3 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 800 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 unit rating for Nuclear Power Plants
- 15000 HP Turbines for Marine Propulsion

Gas Turbines

- Gas Turbines from 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

Turbo Generators

- Air, Hydrogen and Hydrogen/ Water cooled Turbo Generators up to 800 MW unit rating along with 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 800 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 rating
- Kaplan type Hydro Turbines up to 100 MW unit rating
- Bulb type Hydro Turbines – Generators up to 10 MW unit rating
- Salient Pole Vertical Synchronous Hydro Generator up to 400 MW unit rating
- Horizontal Generator up to 20 MW unit rating

- Reversible Pump-Turbines up to 350 MW unit rating
- Fixed Speed Generator-Motor up to 400 MW unit rating (Motoring Mode) for Pump Storage Plants (PSP)
- High capacity Pump & Motor (vertical synchronous) up to 200 MW unit rating for Lift Irrigation Schemes (LIS)

Industrial Sets

- Steam Turbine based Captive Power Plants (Non Reheat & Reheat Units)
 - » Steam Turbine-Generator (STG)/ Boiler/ Boiler Turbine - Generator (BTG)/Engineering Procurement Construction (EPC)
- 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
- Process Packages/ Equipment/ Solutions for the Downstream Oil & Gas (DSOG) segment

Castings and Forgings

- Steel Castings right 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 800 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, Drain Cooler, Gland steam condenser etc.) including retrofitting of Non-BHEL heaters
 - » Thermal from 7 to 600 MW (sub-critical) & 350 to 800 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
- D₂O 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 defence 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 general application and for Downstream Oil & Gas (DSOG) application
 - » Water - Water Coolers (Shell & Tube Type)
- 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 800 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 800 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 as per API 617 (driven by Steam Turbine, Electric Motor (VFD/ VSD) 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
- Compressor packages for capacity up to 3,00,000 m³/hr for various gases like Air, CO, Syngas, N₂, H₂, NH₃, 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

Automation and Control Systems

- Steam Generator/ Boiler Controls including Boiler Protection
- Control, Protection & Monitoring Systems for Turbine, Generator & Auxiliaries 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
- 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

Transmission Systems

- Extra High Voltage Substations/Switchyard (both Air Insulated Substation (AIS) & Gas Insulated Substation (GIS) types) up to 765kV
- High Voltage Direct Current (HVDC) converter stations up to ± 800 kV
- Digital Substation up to 400kV
- 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, 26.3 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, 2000 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.

L T Switchgear & Busducts

- 415 V LT Switchgear for Thermal, Hydro, Nuclear, Captive Power Plants & steel industry
- Generator Busducts with associated equipment to suit generator power output of utilities of up to 800 MW capacity
 - ◇ HV Busduct – Isolated Phase Busducts (IPBD) Rated Voltage 12 kV to 36 kV and Rated Current 100 Amp to 26000 Amp
 - ◇ MV Busduct – Segregated Phase Busducts (SPBD) Rated Voltage 3.3 kV to 12 kV and Rated Current 1000 Amp to 6000 Amp
 - ◇ LV Busduct – Non-Segregated Phase Busducts (NSPBD) Rated Voltage up to 1.1 kV and Rated Current 1600 Amp to 5000 Amp

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, ± 800 kV) / (up to 254 MVA, ± 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
 - » Dead Tank Current Transformers up to 800 kV
 - » Live Tank Current Transformer up to 400 kV
 - » Electro-magnetic Voltage Transformers up to 220 kV
 - » Capacitor Voltage Transformers (33 kV to 1200 kV)
 - » Polymer Insulator Capacitor Voltage Transformers up to 400kV
 - » 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 800 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 SF₆ circuit breakers
 - » Solid core insulators up to 400 kV Bus Post & Isolators for Transmission and 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 Rolls and Building Segment for Pulverizer Mill in Thermal Power Plant
 - » IGBT Insulators for Traction Converter
 - » Ceramic Pouring Tube for Rail Wheel Casting

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 12000 kW

- AC Machines for Hazardous Area Application (Fixed speed or with VFD)
 - » Flame-proof squirrel cage induction motors (Ex 'd') (150 kW to 2000 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 12000kW)
- Industrial Alternators (Steam turbine, Gas turbine and Diesel engine driven) (3000 kVA to 31250 kVA)
- Vertical Motors for Primary Coolant Pumps for Nuclear Power Plants
- 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)
- EMU based Trainset (Vande Metro)
- AC Electric Locomotives (up to 9000 HP, 25 kV AC)
- AC-DC Dual Voltage Electric Locomotives
- Hybrid and Alternate Fuel 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)
 - » Conventional EMU/MEMUs
 - » Self-Propelled Inspection Car
 - » Semi High Speed Trainset (Vande Bharat)
 - » KAVACH Mobile Maintenance Car
 - » 1600 HP IGBT based DEMU (Diesel Electric Multiple Unit)
 - » 750V DC 3rd Rail based 3-phase system for Kolkata Metro
 - » 1600 HP Multi-genset Locomotive
- Diesel Electric Tower Car
- Diesel Electric Shunting Locomotives (up to 1400 HP)
- OHE recording-cum-test car
- Dynamic track stabilizers
- Rail Borne Maintenance Vehicle
- Rail cum Road vehicle
- IIoT solution for Rail Application
- TCMS (Train Control & Monitoring System) Panels
- Train Collision Avoidance System (KAVACH)

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 & Vande Bharat
- 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
- Electrics for Cape Gauge application of 3300 HP
- DC Blower motors up to 50 kW for dynamic braking system
- Motor Generator sets up to 25 kW for auxiliary requirements
- Eddy Current Clutch
- Traction gears and pinions for Locomotives & EMUs
- Aluminium Tank for 7775 kVA and 6531 kVA Transformer
- Specialized Wagons (up to 28 axles, 296 Ton)

- Wheel and Axle machining

Defence and Aerospace

- Super Rapid Gun Mount (SRGM) / Upgraded SRGM, including life time product support
- Rotary Frequency Converter (RFC) for Upgraded SRGM along with its Control Panel
- Integrated Platform Management System (IPMS), Ballast & Cargo Control System (BCCS) and Hull Response Monitoring System (HRMS) for ships
- Compact Heat Exchangers, Liquid Cooling System & Pump Module for aerospace application
- Space Grade Li-ion cells for Launch Vehicles, Space Grade batteries and Solar Panels for Satellites
- Li-ion Battery for aircraft application
- Motor Generator sets and Permanent Magnet based motors and generators
- Steam Turbines, Turbo Alternators, Turbo Alternator Turbines, Diesel Alternators, Condensers, Steam Generators, Heat Exchangers & Valves for Naval applications
- Marine Gas Turbine spares for Naval Applications
- Thermopressed Components for Tank Armor of T-72 / T-90 Tanks & Turret Casting for tanks.
- Titanium Domes & Propellant Tanks for Space application.
- System Engineering & Analysis for Naval applications

Energy Storage System & E- Mobility

- DC Fast Chargers for Electric Vehicles
- Complete EPC solutions for Battery Energy Storage systems

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 draw-works and hoisting equipment including:
 - » Mast and Substructure
 - » Hoisting and Rotating Equipment: Drawworks, Rotary Tables, 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
- » Fail safe braking system for AC SCR-DC Drawworks
- » 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, 0-1000V)
- » Mobile Lighting Tower, Rig Lighting Tower
- » STATCOM for power factor improvement in AC SCR Rigs
- Well heads and X-mas Trees up to 15000 psi, Mud Line Suspension, Choke and Kill Manifold, CBM Wellheads, Mud valves

Fabricated Equipment and Mechanical Packages

- Pressure Vessels, Columns, Reactors/Separators, Heat Exchangers
- Fired Heaters
- Purge Gas Recovery Unit
- Pressure Vacuum Swing Adsorption (PVSA) Oxygen System (MO₂) 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

Glossary & Abbreviations

ADA	Aeronautical Development Agency
AIS	Air Insulated Switchgear
AMNS	Arcelor Mittal and Nippon Steel
APAR	Annual Performance Appraisal Report
ARAI	Automotive Research Association of India
AUSC	Advanced Ultra Super Critical
BAP	Boiler Auxiliaries Plant
BARC	Bhabha Atomic Research Centre
BCCS	Ballast & Cargo Control System
BCGCL	Bharat Coal Gasification and Chemicals Ltd
BESS	Battery Energy Storage System
BGGTS	BHEL-GE Gas Turbine Services Private Limited
BLAC	Board Level Audit Committee
BoP	Balance of Plant
BQMM	BHEL Quality Maturity Model
BRSR	Business Responsibility and Sustainability Report
BSMR	Bharat Small Modular Reactor
BTG	Boiler Turbine Generator
CBI	Central Bureau of Investigation
CCPP	Combined Cycle Power Plant
CDSL	Central Depository Services (India) Limited
CEA	Central Electricity Authority
CEFC	Common Engineering Facility Centre
CERT	Computer Emergency Response Team
CET	Centre for Electric Transportation
CFBC	Circulating Fluidised Bed Combustion
CFFP	Central Foundry Forge Plant
CFP	Component Fabrication Plant
CFS	Consolidated Financial Statement
CII	Confederation of Indian Industry
CIL	Coal India Ltd
CIRO	Chief Investor Relationship Officer
CPGRAMS	Centralised Public Grievance Redress and Monitoring System

CPIO	Central Public Information Officer
CSR	Corporate Social Responsibility
CVC	Central Vigilance Commission
CVO	Chief Vigilance Officer
DESL	Diesel Electric Shunting Locomotive
DME	Di-Methyl Ether
DPDP	Digital Personal Data Protection
DPE	Department of Public Enterprises
DSOG	Downstream Oil & Gas
DST	Department of Science and Technology
DVC	Damodar Valley Corporation
EAF	Electric Arc Furnace
ECL	Expected Credit Losses
EDN	Electronics Division
EDR	Endpoint Detection and Response
EFQM	European Foundation for Quality Management
EHV	Extra High Voltage
EMRP	Electrical Machine Repair Plant
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 Plant
FSI	Frequency Severity Index
FSIP	Fabrication, Stamping & Insulator Plant
GeM	Government e- Marketplace
GIS	Gas Insulated Switchgear
GRI	Global Reporting Initiative
HEEP	Heavy Electrical Equipment Plant
HEP, Bhopal	Heavy Electrical Plant, Bhopal
HEP	Hydro Electric Plant

Glossary & Abbreviations

HERP	Heavy Equipment Repair Plant
HIL	Hardware in the Loop
HIRA	Hazard Identification and Risk Assessment
HPBP	High Pressure Boiler Plant
HPEP	Heavy Power Equipment Plant
HPVP	Heavy Plates & Vessels Plant
HRMS	Hull Response Monitoring System
HRSB	Heat Recovery Steam Generators
HSE	Health, Safety and Environment
HVAC	High Voltage Alternating Current
HVDC	High Voltage Direct Current
IBC	Insolvency and Bankruptcy Code
ICAI	The Institute of Chartered Accountants of India
ICC	Internal Complaints Committee
ICQCC	International Convention on Quality Control Circles
IEM	Independent External Monitors
IFC	Internal Financial Control
IGBT	Insulated-Gate Bipolar Transistor
IGCC	Integrated Coal Gasification Combined Cycle
IICA	Indian Institute of Corporate Affairs
IMF	International Monetary Fund
IOCL	Indian Oil Corporation Ltd
IPMS	Integrated Platform Management System
IPR	Intellectual Property Right
IPS	Intrusion Prevention Systems
IR	Indian Railway
ISIN	International Securities Identification Number
ISMS	Information Security Management System
ISO	International Organization for Standardization
ISRO	Indian Space Research Organisation
IVP	Industrial Valves Plant
JSA	Job Safety Analysis
KAMPAN	Key to vibration Analysis and Monitoring for Plant

KMP	Key Management Personnel
KPCL	Karnataka Power Corporation Limited
LCA	Light Combat Aircraft
LIS	Lift Irrigation Scheme
LODR	Listing Obligations and Disclosure Requirements
LP	Low Pressure
LPG	Liquefied Petroleum Gas
LSTK	Lump Sum Turn Key
LTIFR	Lost Time Injury Frequency Rate
MeitY	Ministry of Electronics and Information Technology
MEMU	Mainline Electric Multiple Unit
MHI	Ministry of Heavy Industries
MMTPA	Million Metric Tonnes Per Annum
MoD	Ministry of Defence
MoP	Ministry of Power
MoSPI	Ministry of Statistics and Program Implementation
MPPGCL	Madhya Pradesh Power Generating Company Limited
MSE	Micro and Small Enterprises
MSME	Micro, Small and Medium Enterprises
MSR	Moisture Separator & Reheater
NABL	National Accreditation Board for Testing and Calibration Laboratories
NBPPL	NTPC BHEL Power Projects Private Limited
NCIIPC	National Critical Information Infrastructure Protection Centre
NDC	Nationally Determined Contribution
NEMMP	National Electric Mobility Mission Plan
NEP	National Electricity Plan
NGRBC	National Guidelines on Responsible Business Conduct
NRC	Nomination & Remuneration Committee
NRP	National Rail Plan
NSDL	National Securities Depository Limited
NSP	National Steel Policy
OA	Operational availability

OEM	Original Equipment Manufacturer
OHSMS	Occupation Health and Safety Management System
OLTC	On-load Tap Changer
PALM	Plant Automation and Live Monitoring
PAT	Performance, Achieve and Trade
PEMFC	PEM Fuel Cell
PFBG	Pressurized Fluidized Bed Gasification
PFBR	Prototype Fast Breeder Reactor
PHC	Primary Health Centre
PII	Personally Identifiable Information
PLF	Plant Load Factor
PM E-DRIVE scheme	PM Electric Drive Revolution in Innovative Vehicle Enhancement
PPE	Property, plant and equipment
PPPU	Power Plant Piping Unit
PSP	Pumped Storage Projects
PwD	Persons with Disabilities
QHI	Quality Health Index
QMS	Quality Management System
R&D	Research & Development
R&M	Renovation & Modernisation
RCA	Root Cause Analysis
RE/ RES	Renewable Energy/ Renewable Energy Sources
RESCO	Renewable Energy Service Company
RLNG	Regasified Liquefied Natural Gas
RMDS	Remote Monitoring and Diagnostic Services
RPCL	Raichur Power Company Limited
RPT	Related party transactions
RTC	Round the Clock
RTI	Right To Information
RVDS	Remote Vibration and Diagnostic System
RWH	Rain Water Harvesting
SASB	Sustainability Accounting Standards Board
SBD	Solar Business Division
SCOPE	Standing Conference of Public Enterprises
SDG	UN Sustainable Development Goal

SEBI	Securities and Exchange Board of India
SG	Steam Generator
SHANTI Act	Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Act
SIL	Software in the Loop
SLDP	Succession and Leadership Development Plan
SME	small and medium-sized enterprises
SOAR	Security Orchestration Automation and Response
SOC	Security Operations Centre
SPARROW Platform	Smart Performance Appraisal Report Recording Online Window Platform
SPV	Special Purpose Vehicle
SRGM	Super Rapid Gun Mount
SRU	Sulphur Recovery Unit
SSTP	Seamless Steel Tube Plant
STG	Steam Turbine Generator
STP	Sewage Treatment Plants
SUPF	Single Use Plastic Free
TCA	Technical Collaboration Agreement
TCAS	Train Collision Avoidance System
TCFD	Task Force on Climate-Related Financial Disclosures
TCMS	Train Control and Management System
TG	Turbine Generator
TII	Transparency International India
TOLIC	Town Official Language Implementation Committees
TP	Transformer Plant
TPD	Tonnes Per Day
TReDs	Trade Receivables Electronic Discounting System
TSD	Technical Services Division
UEBA	User and Entity Behaviour Analysis
UHV/ UHVAC	Ultra High Voltage/ Ultra High Voltage Alternating Current
VGF	Viability Gap Funding
WAF	Web Application Firewall
WRI	Welding Research Institute
ZTNA	Zero Trust Network Access

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 is:

- (a) possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Consolidated financial statements (CFS): Consolidated financial statements - are the "Financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent company and its subsidiaries are presented as those of a single economic entity.

Credit risk: The risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Current ratio: The current ratio is a liquidity ratio that measures ability to pay short term obligations 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.

EBITDA means Earnings before interest, taxes, depreciation and amortization. Operational EBITDA is determined after excluding other income from EBITDA.

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.

Investment Property: Investment properties are properties (land or building or part of building or both) held to earn rental income and/or for capital appreciation.

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, E-mail: shareholderquery@bhel.in

NOTICE

Notice is hereby given that the 62nd Annual General Meeting of the Members of BHARAT HEAVY ELECTRICALS LIMITED will be held on Wednesday, August 5, 2026 at 10 A.M. IST through Video Conferencing/ Other Audio-Visual Means, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2026 together with the Board's Report and Auditors' Report thereon.
2. To approve and declare dividend for the financial year 2025-26.
3. To appoint a Director in place of Shri Rajesh Kumar Dwivedi (DIN: 10048893), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Serugulathur Mahadevan Ramanathan (DIN: 11084884), 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 2026-27.

SPECIAL BUSINESS

6. Ratification of remuneration of Cost Auditors for FY 2026-27

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 (₹17.36 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 31st March, 2027 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. Appointment of Ms. Nigar Fatima Husain as Director

To consider and, if thought fit, to pass with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Ms. Nigar Fatima Husain (DIN: 11688785), 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. April 27, 2026 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."

By Order of the Board of Directors



(Dr. Yogesh R Chhabra)
Company Secretary

Place: New Delhi
Dated: July 07, 2026

NOTES:

1. The Ministry of Corporate Affairs (MCA) has vide its General Circular no. 3/2025 dated September 22, 2025 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 Listing Regulations, Notice of the AGM along with the Annual Report 2025-26 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 2025-26 will be available on the websites of the Company (www.bhel.com), BSE Limited (www.bseindia.com), National Stock Exchange of India Limited (www.nseindia.com) and on the website of the e-voting agency, National Securities Depository Limited (NSDL) at 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. 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 csdelhi84@gmail.com with a copy marked to evoting@nsdl.com.
8. Members of the Company, including 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. Shri Rajesh Kumar Dwivedi and Shri Serugulathur Mahadevan Ramanathan, Directors, retire by rotation and being eligible, offer themselves for re-appointment. However, as per the terms of their appointment, the tenures of Shri Dwivedi and Shri Ramanathan will expire on their superannuation i.e. on 31.01.2028 and 31.01.2027 respectively. Brief resume of Shri Rajesh Kumar Dwivedi and Shri Serugulathur Mahadevan Ramanathan 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 2018-19 which remains unclaimed, are proposed to be transferred to the said account on October 22, 2026.

Members who have not claimed/ encashed their dividend so far for the financial year ended on March 31, 2019 or any subsequent financial year(s) may approach the Company/ Registrar & Transfer Agent, for obtaining payments thereof before expiry of the stipulated 7 years period. (Contact details are provided at point number 13 (ii) below)

12. The Board of Directors of the Company has recommended a final dividend of 70% (₹1.40 per share of ₹2/- each) on the Paid-up Equity Share Capital of the Company for FY 2025-26. 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 3, 2026 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, July 17, 2026.

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, 2025 (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 121 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. In accordance with Regulation 12 of SEBI Listing Regulations read with SEBI Master Circular No. HO/38/13/ (4)2026 – MIRSD - POD/I/4298/2026 dated February 6, 2026, dividend to security holders shall be paid only through electronic mode including to those who are holding securities in physical form. Further, relevant FAQs published by SEBI on its website can be viewed at the following link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2026/1767611333081.pdf.

Accordingly, members are advised to submit their National Electronic Clearing Service/ Electronic Clearing Service details (NECS/ ECS) or update their KYC details:

- 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 Bigshare Services Private Limited (Office No. S6-2, 6th floor Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri-East, Mumbai – 400093) in respect of their physical shares, in the prescribed forms available at <https://www.bhel.com/mandatory-furnishing-kyc-details-and-nomination-shareholders-holding-physical-shares>.

Alternatively, Members may notify the aforesaid changes to the Company at shareholderquery@bhel.in or to the Registrar & Transfer Agent at investor@bigshareonline.com.

14. Members may avail facility of nomination in terms of Section 72 of the Companies Act, 2013, by nominating any person (in form SH 13) to whom their shares in the Company shall vest in the event of their death. (Nomination Forms available at www.bhel.com/nominationchange-nomination-shareholders)
15. Pursuant to Regulation 40 of SEBI Listing Regulations, as amended, request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further, transmission or transposition of securities shall be only in dematerialised form. In view thereof and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to convert their holdings to dematerialized form. Members can contact the Company or the RTA for assistance in this regard.
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 2026-27 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.
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 Wednesday, July 29, 2026 (Cut-off Date) will be eligible to vote for the purpose of remote e-voting/ e-voting at AGM and a person who is not a Member as on the cut-off date should treat this notice for information purposes only. The remote e-voting period will commence from Sunday, August 2, 2026 at 9.00 A.M. and will end on Tuesday, August 4, 2026 at 5.00 P.M. The e-voting module will be blocked on August 4, 2026 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. July 29, 2026.

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 Shri Deepak Kumar, Company Secretary (FCS no. 10189, Certificate of Practice no. 11372) of M/s Akhil Rohatgi & 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 Chairperson. The results along with the Scrutinizer's Report will be declared within two working days of the conclusion of the Meeting and the same shall be available on the Company's website (www.bhel.com) and on the website of the e-voting agency (www.evoting.nsdl.com) immediately after the declaration of result by the Chairperson/ person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.
23. The procedure 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 07, 2026

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 and 7 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.

The Board of Directors in its meeting held on May 27, 2026 has approved the names of eight Cost Accountants/ Firms for appointment for a total remuneration of ₹17.36 Lakhs as detailed under:

₹/Lakhs

Sl. No.	Name of the Proposed Cost Auditors	Unit	Remuneration (Rs/INR) for FY 2026-27
1	M/s Dhananjay V. Joshi & Associates, Pune	Consolidation	1,11,000
		HEEP Haridwar	2,64,500
2	M/s R.M. Bansal & Co., Kanpur	HEP Bhopal	2,21,000
		TP Jhansi	89,000
		HERP Varanasi	44,000
3	M/s Narasimha Murthy & Co., Hyderabad	HPEP Hyderabad	2,21,000
4	M/s SBK & Associates, Chennai	HPBP Trichy	2,93,500
5	M/s BBS & Associates, Chennai	BAP Ranipet	1,47,000
6	M/s GSR & Associates, Bengaluru	SBD Bengaluru	58,000
		EDN Bengaluru	74,000
7	M/s K B Saxena & Associates, Lucknow	CFP Rudrapur	44,000
		FSIP Jagdishpur	67,000
		IVP Goindwal	44,000
8	M/s SSPGR & Associates LLP, Visakhapatnam	HPVP Visakhapatnam	58,000
	Total		17,36,000

The above fees are 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 31st March, 2027.

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

Ms. Nigar Fatima Husain (DIN: 11688785), aged 58 years, was inducted as Part-time Official (Government Nominee) Director on the Board of BHEL w.e.f. April 27, 2026.

Her brief resume, inter-alia, giving nature of expertise in specific functional areas, shareholding in the Company, other Directorship, Membership/ Chairmanship of Committees and other particulars is enclosed with this notice.

In line with applicable statutory provisions read with Article 67(iv) of the Articles of Association of the Company, Ms. Nigar Fatima Husain 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. Nigar Fatima Husain for the Office of Director of the Company.

Except for Ms. Nigar Fatima Husain, being an appointee, none of the other Directors or Key Managerial Personnel of the Company or their relatives is in any way, concerned or interested, financially or otherwise, in the resolution set out at item no. 7.

The Board of Directors commends the resolution for approval of the Shareholders.

By Order of the Board of Directors



(Dr. Yogesh R Chhabra)
Company Secretary

Place: New Delhi
Dated: July 07, 2026

DETAILS OF DIRECTOR PROPOSED FOR APPOINTMENT AT THE ANNUAL GENERAL MEETING

(PURSUANT TO REGULATION 36(3) OF SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA)

Sl. No.	Name \ Particulars	Ms. Nigar Fatima Husain
1.	Current Designation	Part-time Official (Government Nominee) Director
2.	DIN	11688785
3.	Age	58 years
4.	Date of appointment on BHEL's Board	April 27, 2026
5.	Qualifications	B. Sc (Hons.) in Zoology from Kolkata University - LLB from Delhi University - Post-Graduation in Sociology from Dr. Harisingh Gour Vishwavidyalaya, Sagar (M.P.)
6.	Brief Resume and Experience in specific Functional Areas	Ms. Nigar Fatima Husain is an Indian Defence Estates Service Officer of 1996 batch. She is presently posted as Additional Secretary & Financial Advisor, Ministry of Commerce & Industry and Ministry of Heavy Industries, Government of India. She has served as Chief Executive Officer of Roorkee, Jhansi, Deolali and Mhow Cantonments. She was also Deputy Director General, Defence Estates, looking after Vigilance matters of the Department and as Addl. Director General, Defence Estates, she was responsible for land matters pertaining to the entire Defence land in the country. She has also served as Director, in the Department of School Education and Literacy and as Joint Secretary in the Ministry of Minority Affairs, Government of India.
7.	Terms & Conditions of appointment including Remuneration	Being a Government of India nominee on the Board of BHEL, Ms. Nigar Fatima Husain does not receive any remuneration from BHEL.
8.	Shareholding in BHEL as on 31.03.2026	Nil
9.	Directorships held in other Companies (including listed entities)	Nominee Director in H.M.T. Limited, India International Convention & Exhibition Centre Limited, MMTC Limited, The State Trading Corporation of India Limited and Invest India.
10.	Chairmanship / Memberships of Committees across all Companies	- Member - Audit Committee of H.M.T. Limited and MMTC Limited - Chairperson - Audit Committee of Invest India
11.	Names of listed entities in which the person held the directorship and membership of Committees from which the person has resigned in the past three years	Not Applicable
12.	Number of Board Meetings attended during FY 2025-26	Since Ms. Nigar Fatima Husain was appointed as Director on 27.04.2026, she did not attend any Board Meeting held during FY 2025-26.
13.	Relationship with other Directors, Manager and other Key Managerial Personnel	None

DETAILS OF DIRECTORS PROPOSED FOR RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(PURSUANT TO REGULATION 36(3) OF SEBI LISTING REGULATIONS AND SECRETARIAL STANDARD-2 ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA)

Sl. No.	Name \ Particulars	Shri Rajesh Kumar Dwivedi	Shri Serugulathur Mahadevan Ramanathan
1	Current Designation	Director (Finance) and Chief Financial Officer	Director (Engineering, Research & Development)
2	DIN	10048893	11084884
3	Age	58 years	59 years
4	Date of appointment on BHEL's Board	June 19, 2024	April 30, 2025
5	Qualifications	- Fellow Member of the Institute of Cost Accountants of India - Master's degree in Business Administration	- Mechanical Engineering graduate from IIT Madras M. Tech in Stress and Vibration Analysis - Fellow member of the Institute of Cost Accountants of India
6	Brief Resume and Experience in specific Functional Areas	Shri Dwivedi brings 34 years of rich and diverse experience across the entire spectrum of BHEL's operations. Since joining BHEL as an Executive Trainee in 1992, he has built extensive expertise in Business Strategy, Financial Management, Manufacturing & Project Execution and Corporate Governance. Shri Dwivedi has played a pivotal role in driving the Company's growth, financial performance, and liquidity enhancement. His strategic focus on optimizing working capital management has significantly improved operational efficiency, strengthened cash flows and improved the bottom line. These efforts have bolstered the confidence of customers and supply chain partners alike, thereby enhancing BHEL's market competitiveness and enabling the Company to deliver superior value propositions. His profound understanding of financial management has strengthened corporate governance, internal controls and systemic improvements. This, coupled with his focus on building robust risk mitigation frameworks, has enabled the effective resolution of several long-pending issues, fostering collaboration and ensuring amicable outcomes. During his tenure, BHEL received the ICAI Award for Excellence in Financial Reporting and the ICMAI National Award for Excellence in Cost Management, underscoring his leadership and focus on building high-performing teams. He strongly believes in	Shri Ramanathan has 38 years of diverse and extensive experience across many major functions of the Company, which include Engineering, Design, R&D, Strategic Management and diverse areas of Operations including Commercial, Materials Management, Maintenance, Production, Technology adoption, Field Engineering Services, etc., as well as different core areas of Finance in various capacities across the entire value chain in BHEL's manufacturing units at Ranipet, Tiruchirappalli and Bhopal. Shri Ramanathan's expertise in the initial phase across various functions of BHEL units, including Hydro Turbines, Steam Turbines, Switchgears, FGD & Water Systems, Spares, Outsourcing, Central Planning, Digital Technologies and Finance has equipped him with sharp market insights. This enables him to effectively analyze trends, develop market-ready products and capabilities and contribute to strategic planning. His forward-thinking research-oriented approach is focused on staying competitive and future-ready in a rapidly evolving business landscape. He is known for his dynamic and result-driven leadership, inspiring his team with energy and driving efficiency at all levels. Shri S M Ramanathan was instrumental in refining and designing of Hydro Turbines using IT tools and mathematical techniques leading to savings in cost and cycle time and had a Turbine patent to his name.

Sl. No.	Name \ Particulars	Shri Rajesh Kumar Dwivedi	Shri Serugulathur Mahadevan Ramanathan
		empowering people and fostering a culture of collaboration, continuous learning and professional development. In recognition of his visionary leadership and transformational approach he was conferred the prestigious “CFO – Outstanding Performer Award 2024” by ICMAL. Beyond his organizational responsibilities, he has also actively contributed to the profession as a Member of the Cost Accounting Standards Board of the Institute of Cost Accountants of India. Shri Dwivedi’s strategic vision, proven leadership and distinguished track record of navigating complex business environments have contributed significantly to BHEL’s growth and transformation. His contributions have not only strengthened the Company’s financial and operational performance but have also enhanced long-term value creation for all stakeholders.	Shri Ramanathan joined BHEL as an Engineer Trainee in the Company’s High Pressure Boiler Plant, Tiruchirappalli, in 1988 through campus placement and was awarded the Best Engineer Trainee award in 1989. He has also been awarded EXCEL award under UTKRISHTA (innovation) category, the highest recognition in BHEL.
7	Terms & Conditions of Re-appointment including Remuneration	Appointment of Shri Rajesh Kumar Dwivedi is upto 31.01.2028 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.	Appointment of Shri Ramanathan is upto 31.01.2027 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.
8	Shareholding in BHEL as on 31.03.2026	750 shares	Nil
9	Directorships held in other Companies (including listed entities)	Current: - Vice-Chairman, Bharat Coal Gasification & Chemicals Limited - Chairman, BHEL-GE Gas Turbine Services Pvt. Limited Previous: - Director (Finance), Heavy Engineering Corporation Limited	Nil
10	Chairmanship / Memberships of Committees across all Companies	Chairperson of the Audit Committee of Bharat Coal Gasification & Chemicals Limited	Nil

Sl. No.	Name \ Particulars	Shri Rajesh Kumar Dwivedi	Shri Serugulathur Mahadevan Ramanathan
11	Names of listed entities in which the person held the directorship and membership of Committees from which the person has resigned in the past three years	Not Applicable	Not Applicable
12	Number of Board Meetings attended during FY 2025-26	Shri Dwivedi has attended all the Board Meetings (nine) held during FY 2025-26.	Shri Ramanathan has attended all the Board Meetings (eight) held during his tenure in FY 2025-26.
13	Relationship with other Directors, Manager and other Key Managerial Personnel	None	None

By Order of the Board of Directors



(Dr. Yogesh R Chhabra)
Company Secretary

Place: New Delhi
Dated: July 07, 2026

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 Sunday, August 2, 2026
End of remote e-voting:	5:00 P.M. on Tuesday, August 4, 2026

Members holding shares either in physical form or in dematerialized form, as on Wednesday, July 29, 2026 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 2, 2026 and ending on August 4, 2026 or e-voting during the AGM. Members who have cast their vote by remote e-voting prior to the AGM may attend/participate in the AGM through VC but shall not be entitled to cast their vote on such resolution again.

The Board of Directors of the Company have appointed Shri Deepak Kumar, Company Secretary of M/s Akhil Rohatgi & Co., Practicing Company Secretaries as Scrutinizer to scrutinize the process of remote e-voting and electronic voting at the AGM in a fair and transparent manner.

The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the Cut-off date.

The Scrutinizer will, after the conclusion of e-voting at the Meeting, scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman. The result of e-voting will be declared within two working days of the conclusion of the Meeting and the same, along with the consolidated Scrutinizer's Report, will be placed on the website of the Company (www.bhel.com) and on the website of the e-voting agency (www.evoting.nsdl.com). The result will simultaneously be communicated to the stock exchanges.

Subject to receipt of requisite number of votes, the Resolutions proposed in the Notice shall be deemed to be passed on the date of the Meeting, i.e., on August 5, 2026.

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

A.1) Login method for Individual shareholders holding securities in demat mode

In terms of the SEBI Circular dated December 9, 2020 on the e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting process has been enabled for all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email-id in their demat accounts in order to access e-voting facility.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. - Existing IDeAS user can visit the e-Services website of NSDL Viz., https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

	3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-voting website of NSDL. Open web browser and type the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on  App Store  Google Play  
Individual Shareholders holding securities in demat mode with CDSL	1. 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 www.cdslindia.com and click on login icon & New System My Easi Tab and then use your existing My Easi username & password. 2. 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 e-voting 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 & voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly.

	3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System My Easi Tab and then click on registration option. 4. Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from an e-voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also log in using the login credentials of your demat account through your depository participant registered with NSDL / CDSL for the e-voting facility. 2. Once logged in, you will be able to see the e-voting option. Once you click on the e-voting option, you will be redirected to the NSDL / CDSL depository site after successful authentication, wherein you can see e-voting feature. 3. Click on Company name or e-voting service provider-NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com 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 helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

A.2) Login Method for shareholders, other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

1. Visit the e-voting website of NSDL. Open web browser and type 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. Examples of 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 140023 then user ID is 140023001***.

6. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the '**initial password**' which was communicated to you. Once you retrieve your '**initial password**', you need to enter the '**initial password**' and the system will prompt you to change your password.
 - c) How to retrieve your '**initial password**'?
 - (i) If your email ID is registered in your demat account

or with the Company, your '**initial password**' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your '**User ID**' and your '**initial password**'.

- (ii) If your email ID is not registered, please follow steps mentioned below in '**General Guidelines for shareholders**'.

7. If you are unable to retrieve or have not received the '**initial password**' or have forgotten your password:
 - a) Click on '**Forgot User Details/Password?**' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Click on '**Physical User Reset Password?**' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.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 140023**' 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 022-4886 7000 or contact Ms. Pallavi Mhatre - NSDL at 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 from July 27, 2026 (9:00 a.m. IST) to July 30, 2026 (5:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of questions and number of speakers, subject to availability of sufficient time for smooth conduct of the AGM.
7. Members may also ask questions in writing by sending mail in advance at shareholderquery@bhel.in, mentioning their name, demat account number/folio number, email id, mobile number and the requisite views/ questions. The same will be replied by the Company suitably.
8. Facility to join the meeting shall be opened 15 minutes before the scheduled time of the AGM and shall be kept open throughout the proceedings of the AGM.
9. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

10. Only those Members, 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 csdelhi84@gmail.com with a copy marked to 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 this case, you are requested to go through the '**Forgot User Details/Password?**' or '**Physical User Reset Password?**' option available on www.evoting.nsdl.com to reset the password.
3. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the Cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.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 or call on 022-4886 7000 or send a request to Ms. Pallavi Mhatre- NSDL at evoting@nsdl.com.
5. Members whose email IDs are not registered with the depositories / Company may send a request to 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 or to M/s Bigshare Services Private Limited, Registrar & Share Transfer Agent of the company at investor@bigshareonline.com alongwith scanned copy of the request letter duly signed by the first shareholder, providing the e-mail 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 e-mail addresses with their respective Depository Participant.
- c) In case of queries in the matter, members are requested to write to investor@bigshareonline.com or call at 022-62638200.

Bankers, Auditors and Registrar & Share Transfer Agent

Bankers	Auditors
State Bank of India	M/s K. Venkatachalam Aiyer & Co, New Delhi
Canara Bank	M/s K. S. Dua & Co, New Delhi
IDBI Bank Limited	M/s Sanjay Srivastava & Co, Bhopal
ICICI Bank Limited	M/s Ganesan and Company, Chennai
HDFC Bank Limited	M/s Y C R J & Associates, Bengaluru
Axis Bank Limited	M/s Sarath & Associates, Hyderabad
IndusInd Bank Limited	M/s K Gopal Rao & Co, Chennai
Bank of Baroda	
Export Import Bank of India	Cost Auditors
Indian Bank	M/s Vijender Sharma & Co., Delhi
Punjab National Bank	M/s R.M. Bansal & Co., Kanpur
Union Bank of India	M/s Narasimha Murthy & Co., Hyderabad
Yes Bank Limited	M/s Subramanian Rajagopal & Associates, Tiruchirapalli
RBL Bank Limited	M/s Murthy & Co. LLP., Bengaluru
Indian Overseas Bank	M/s Paliwal & Associates, Lucknow
Kotak Mahindra Bank Limited	M/s SSPGR & Associates LLP, Visakhapatnam
Federal Bank Limited	
Hongkong and Shanghai Banking Corporation Limited	
South Indian Bank Limited	
Bank of India	Registrar & Share Transfer Agent
	M/s Bigshare Services Private Limited
	Office No S6-2, 6 th floor Pinnacle Business Park,
	Next to Ahura Centre,
	Mahakali Caves Road, Andheri (East) Mumbai – 400093
	Tel No.: 022-62638200
	Email: investor@bigshareonline.com
	Website: www.bigshareonline.com

Registered Office

BHEL House, Siri Fort, New Delhi-110049 (India)

CIN: L74899DL1964GOI004281

Phone: 011-66337598

Website : www.bhel.com E-mail: shareholderquery@bhel.in

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NOTES

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Investing in ESG ENVIRONMENT, SOCIAL & GOVERNANCE

At BHEL, sustainability is deeply integrated into every facet of our operations, driving responsible growth and long-term value creation for all stakeholders



Harit BHEL initiative

launched in FY2023-24 - Net Zero target by the year 2047

WEF Pledge to conserve **3 million existing trees** at BHEL campuses

44,380+ saplings planted in FY 2025-26

430,380+ saplings planted in last 7 years

Miyawaki forests in four BHEL units with cumulative coverage of **31,050 sqm**

GreenCo Gold rating: 1 manufacturing unit

GreenCo Silver rating: 8 manufacturing units

GreenCo Bronze rating: 3 manufacturing units

Energy Conservation Captive **Solar PV** plants ~ **43 MW_p**

Electricity generation from captive SPV in FY 2025-26 ~ **44 MUs**

Carbon footprint avoidance in FY 2025-26 9.07% increase over last year

22 Effluent Treatment Plants and **18 Sewage Treatment Plants** across BHEL

140+ rain water harvesting systems and water bodies across BHEL units

BHEL Townships certified as **"Single Use Plastic Free"**

BHEL's green initiatives are a testament to the Company's commitment to sustainability, and environmental stewardship, reinforcing its role in India's clean energy transition



Bharat Heavy Electricals Limited

Registered office : BHEL House, Siri Fort, New Delhi - 110049, India
Corporate Identity Number : L74899DL1964GOI004281
www.bhel.com

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company/bhel