

Project Report

ON

**“A COMPREHENSIVE STUDY ON FINANCIAL ANALYSIS
OF BHARAT HEAVY ELECTRICALS LIMITED”**

(For the Financial Year 2017-18 to 2021-22)

Submitted to:

G. S. College of Commerce and Economics, Nagpur
(An Autonomous Institute)

Affiliated to:

Rashtrasant Tukdoji Maharaj Nagpur University, Nagpur

In Partial fulfillment for the awards of the Degree of
MASTER OF BUSINESS ADMINISTRATION

Submitted By

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Under the Guidance of

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G. S. College of Commerce & Economics, Nagpur
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NAAC Re-Accredited “A” Grade Autonomous Institution

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G.S. College of Commerce & Economics, Nagpur

CERTIFICATE

This is to certify that “**ABHISHEK AGRAWAL**” has submitted the Project Report Synopsis titled “**A COMPREHENSIVE STUDY ON FINANCIAL ANALYSIS OF BHARAT HEAVY ELECTRICALS LIMITED**” (For the Financial Year 2017-18 to 2020-21)”, towards partial fulfillment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has ingeniously completed his/her project as prescribed by DMSR - G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Reaccredited “A” Grade Autonomous Institution) affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

Dr. Afsar Sheikh
(Project Guide)

Dr. Sonali Gadekar
(Co-Ordinator)

Place: Nagpur

Date:

G. S. College of Commerce & Economics, Nagpur

DECLARATION

I here-by declare that the project with title **“A COMPREHENSIVE STUDY ON FINANCIAL ANALYSIS OF BHARAT HEAVY ELECTRICALS LIMITED (For the Financial Year 2017-18 to 2020-21)”** has been completed by me in partial fulfillment of MASTER OF BUSINESS ADMINISTRATION degree examination as prescribed by DMSR - G. S. COLLEGE OF COMMERCE & ECONOMICS, NAGPUR (NAAC Reaccredited “A” Grade Autonomous Institution) affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.

Place: Nagpur

Abhishek Agrawal

Date:

G. S. College of Commerce & Economics, Nagpur

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With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. N.Y. Khandait, Principal and Anand Kale, Dean G.S. College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide Dr. Afsar Sheikh for his guideline throughout the project. I tender my sincere regards to Co-ordinator, Dr. Sonali Gadekar for giving me guidance, suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

Place: Nagpur

Abhishek Agrawal

Date:

INTRODUCTION

Financial analysis is the process of evaluating businesses, projects, budgets and other finance-related entities to determine their performance and suitability. Typically, financial analysis is used to analyze whether an entity is stable, solvent, liquid or profitable enough to warrant a monetary investment. When looking at a specific company, a financial analyst conducts analysis by focusing on the income statement, balance sheet and cash flow statement. Financial analysis is used to evaluate economic trends, set financial policy, build long-term plans for business activity, and identify projects or companies for investment. This is done through the synthesis of financial numbers and data.

One of the most common ways to analyze financial data is to calculate ratios from the data to compare against those of other companies or against the company's own historical performance. For example, return on assets (ROA) is a common ratio used to determine how efficient a company is at using its assets and as a measure of profitability. This ratio could be calculated for several similar companies and compared as part of a larger analysis.

Financial analysis can be conducted in both corporate finance and investment finance settings. In corporate finance, the analysis is conducted internally, using such ratios as net present value (NPV) and internal rate of return (IRR) to find projects worth executing. A key area of corporate financial analysis involves extrapolating a company's past performance, such as gross revenue or profit margin, into an estimate of the company's future performance. This allows the business to forecast budgets and make decisions based on past trends, such as inventory levels.

In investment finance, an outside financial analyst conducts financial analysis for investment purposes. Analysts can either conduct a top-down or bottom-up investment approach. A top-down approach first looks for macroeconomic opportunities, such as high-performing sectors, and then drills down to find the best companies within that sector. A bottom-up approach, on the other hand, looks at a specific company and conducts similar ratio analysis to corporate financial analysis, looking at past performance and expected future performance as investment indicators.

CLASSIFICATION OF RATIO BY STATEMENT

Profitability Ratios

Profitability ratios define how profitable the operations of the company are on per rupee of sales basis. It is evident that if the industry is very competitive and there are pricing pressures on the business, profitability will suffer. However, if the business is unique with significant entry barriers, or if it is an initial entrant in a sunrise industry profitability of the business would be high. A very high level of profitability will not sustain over a long period. With new entrants and competition, revenues and profits will moderate.

The profitability of a company can be evaluated at each level of P/L statement. The two main parameters of profitability are

- 1) EBITDA Margin
- 2) Net Profit Margin (NPM) or Profit After Tax margin (PAT margin)

(1) EBITDA Margin:

This ratio is useful in finding out the profitability of the company purely based upon its operations and direct costs. It is calculated as

$$\text{EBITDA Margin} = \frac{\text{EBITDA}}{\text{Net Sales}}$$

A firm with a higher EBITDA margin, indicates that it is able to operate with greater efficiency than other peer group companies. The EBITDA margins are useful in identifying profitability trends in an industry since it is not affected by the depreciation policies, funding decisions and taxation rates of the companies.

(2) PAT Margin:

Shareholders of a business get their dues only at the end, i.e., after paying all stakeholders, including the government. Hence, they would like to know how much of the business generated by the company actually comes their way. This is found by calculating PAT Margin.

$$\text{PAT Margin} = \frac{\text{PAT}}{\text{Net Sales}}$$

A firm with a higher ratio is seen as more efficient in managing costs and earning profits. A trend of increasing margins means improving profitability.

Return Ratios

While Profitability ratios give a sense of profitability per rupee of sales by the business, they do not communicate anything on the productivity of each rupee invested in the business. This part of allocation of capital and its productivity is captured through comparing profits with the capital employed in the business. Two important ratios to look at here are

- 1) Return on Equity (ROE)
- 2) Return on Capital Employed (ROCE).

(1) Return on Equity (ROE):

This is the single most important parameter for an investor to start digging for more information about a company. ROE communicates how a business allocates its capital and generates return. An efficient allocator of capital would have high ROE and a poor quality of business would have low ROE.

ROE, sometimes also known as Return on Net-worth (RoNW), is calculated as

$$\text{ROE} = \frac{\text{PAT}}{\text{Net Worth}}$$

Net Worth = Equity Capital + Reserves & Surplus

Higher the ROE, better the firm.

(2) Return on Capital Employed (ROCE):

This ratio uses EBIT and calculates it as a percentage of the money employed in the firm by way of both equity and debt.

$$\text{ROCE} = \frac{\text{EBIT}}{\text{Capital Employed}}$$

Capital Employed = Total Assets – Current Laibilities

Higher the ratio, better the firm since it is generating higher returns for every rupee of capital employed. Investors can use this to analyse the returns of companies with different sizes in the same industry.

Leverage Ratios

A high level of debt used in funding the operations can be risky for the business, especially in an economic downturn when revenues and profitability reduce. Leverage Ratios can be used to analyse the extent of leverage used by a business and its ability to meet the obligations arising from them. Two important parameters here are

- 1) Debt /Equity ratio
- 2) Interest coverage ratio

(1) Debt/ Equity (D/E):

As discussed earlier, high levels of debt in a business can prove to be detrimental for a company. In absence of its ability to pay to the lenders, business may have to face bankruptcy. When businesses create assets aggressively out of borrowed money, it could be quite dangerous if the assets are unable to generate the expected revenues and profitability. The liability will still have to be met.

It would be prudent for investors to avoid companies with extremely high levels of debt. On a most conservative basis, a D/E of 1 or less should be considered as the benchmark, and then depending upon the industry, track record of the company, capital required, project details, should a decision be taken. This ratio is defined as:

$$\text{Debt to Equity Ratio} = \frac{\text{Long Term Debt}}{\text{Net – worth}}$$

(2) Interest Coverage Ratio:

Companies having high debt need to pay high interest as well. Whether a company is headed for a trouble can be simply seen by comparing its earnings with the interest (we are not talking about principal repayment yet). This ratio, popularly known as Interest Coverage Ratio, tells us how many times the earnings of the business is, vis a vis its interest obligation. This is simply defined as:

$$\text{Interest Coverage Ratio} = \frac{\text{EBIT}}{\text{Interest Expense}}$$

If this ratio is high, clearly, business is in comfortable zone. The ratio will be less than one or negative in some businesses, which means that earnings are less than interest or earnings are negative and interest obligations exist. As these businesses would be either borrowing money or infusing equity to run the show, these

businesses may come into significant problems if they don't turn around soon. Kingfisher Airlines is one such example.

Liquidity Ratio

It is important to see whether a business is able to honor its obligations as and when they arise. Two simple measures for the same are

- 1) Current Ratio
- 2) Quick Ratio

(1) Current Ratio:

This ratio measures the company's liquidity situation by comparing its current assets with its current liabilities. A ratio of more than 1 means that the company has current assets more than its current liabilities. This ratio is also known as Working Capital Ratio.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

This ratio measures the ability of the company to meet its short-term liabilities. The elements that constitute the working capital of the company, trade receivables, inventory, trade payables, form an important component of this ratio. A high inventory of finished goods may mean that the sales are slowing down and high raw material inventory may mean poor production planning. High trade receivables will indicate that the company is selling on credit and not able to realize cash from its debtors. On the other hand, high trade payables may indicate the strength of the company in getting best credit terms from its suppliers. There are companies which take cash on sales and make payments on credit. Such a situation will result into a current ratio less than 1, however, this is not a red flag. In fact, it is a very good situation in which the company's working is funded by the customers.

A high ratio may indicate poor use of working capital while a very low ratio may point towards deeper analysis.

(2) Quick Ratio:

This is a more stringent version of the liquidity ratio as it does not consider assets, which although current in nature, but cannot be converted into cash immediately. Prominent example of such current assets is inventories. Thus,

$$\text{Quick Ratio} = \frac{(\text{Current Assets} - \text{Inventories})}{\text{Current Laibilities}}$$

Accounts receivable, cash, investments in liquid funds, are all included in calculating quick ratio.

Higher the ratio better the liquidity, but lesser will be the returns as cash is not a great source of generating returns.

Efficiency Ratio:

It is important to see whether a business is efficient in its operations. Efficiency would also help business improve its capital allocation and so the profitability and return ratios. Some simple parameters of efficiency in a business are defined below.

- 1) Accounts Receivable Turnover
- 2) Accounts Payable Turnover
- 3) Asset Turnover
- 4) Inventory Turnover

(1) Accounts Receivable Turnover:

This ratio indicates how fast company converts its sale in to cash. Higher the ratio, better the firm, as it means that very small portion of its revenues are in the form of credit. On the other hand, if the ratio is low, it means that the company is giving too easy credit or may be even facing difficulties in recovering money from its distributors/clients.

$$\text{Accounts Receivable Turnover} = \frac{\text{Revenue}}{\text{Accounts Receivable}}$$

(2) Asset Turnover:

This ratio indicates how many times assets of the business are churned / put to use to generate revenues for the business. Clearly, if assets are lying idle, that is not good for the business as capital is deployed but it is not generating revenue. On the other hand, if asset is continuously churned / put to use to produce goods and services, it would improve the revenues and the profits. Therefore, higher the ratio, better the firm.

$$\text{Asset Turnover} = \frac{\text{Net Sales}}{\text{Total Assets}}$$

(3) Inventory Turnover:

This ratio gives the number of times inventory is rolled over by a company. Hence, higher the ratio, better is the business. Inventory, if not converted into sales fast, would mean money is locked in the business. Also, perishable goods may start deteriorating if inventory is not turned into sales fast. This ratio would be high for FMCG companies whereas low for capital goods companies.

$$\text{Inventory Turnover} = \frac{\text{Sales}}{\text{Inventory}}$$

REVIEW OF LITERATURE

Review of Literature refers to the collection of the results of the various researches relating to the present study. It takes into consideration the research of the previous researchers which are related to the present research in any way. Here are the reviews of the previous researches related with the present study:

Bollen (1999) conducted a study on Ratio Variables on which he found three different uses of ratio variables in aggregate data analysis: (1) as measures of theoretical concepts, (2) as a means to control an extraneous factor, and (3) as a correction for heteroscedasticity. In the use of ratios as indices of concepts, a problem can arise if it is regressed on other indices or variables that contain a common component. For example, the relationship between two per capita measures may be confounded with the common population component in each variable. Regarding the second use of ratios, only under exceptional conditions will ratio variables be a suitable means of controlling an extraneous factor. Finally, the use of ratios to correct for heteroscedasticity is also often misused. Only under special conditions will the common form forgivers soon with ratio variables correct for heteroscedasticity. Alternatives to ratios for each of these cases are discussed and evaluated.

Cooper (2000) conducted a study on Financial Intermediation on which he observed that the quantitative behavior of business-cycle models in which the intermediation process acts either as a source of fluctuations or as a propagator of real shocks. In neither case do we find convincing evidence that the intermediation process is an important element of aggregate fluctuations. For an economy driven by intermediation shocks, consumption is not smoother than output, investment is negatively correlated with output, variations in the capital stock are quite large, and interest rates are procyclical. The model economy thus fails to match unconditional moments for the U.S. economy. We also structurally estimate parameters of a model economy in which intermediation and productivity shocks are present, allowing for the intermediation process to propagate the real shock. The unconditional correlations are closer to those observed only when the intermediation shock is relatively unimportant.

Gerrard (2001) conducted a study on The Financial Performance on which he found that Using ratio analysis the financial performance of a sample of

independent single-plant engineering firms in Leeds is examined with regard to structural and locational differences in establishments. A number of determinants of performance are derived and tested against the constructed data base. Inner-city engineering firms perform relatively less well on all indicators of performance compared with outer-city firms. The study illustrates the importance of using different measures of performance since this affects the magnitude and significance of the results. Financial support is necessary to sustain engineering in the inner city in the long run.

Schmidgall (2003) conducted a study on Financial Analysis Using the Statement of Cash Flows on which he observed that Managers use many financial ratios to judge the health of their businesses. With the recent requirement of a statement of cash flow (SCF) by the Financial Accounting Standards Board, managers now have a new set of ratios that will give a realistic picture of the business. The ratios include cash flow-interest coverage, cash flow-dividend coverage, and cash flow from operations to cash flow in investments. These ratios are particularly useful because they show changes in a hotel or restaurant's cash position over time. rather than at a given moment, as is the case with many other ratios.

Murinde (2003) conducted study on Corporate Financial Structures on which he observed that the financial structure of a sample of Indian non-financial companies using a new and unique dataset consisting of a panel containing the published accounts of almost 900 companies that published a full set of accounts every year during 1989-99. In a new departure in the literature, the dataset includes quoted and unquoted companies. We compare the sources-uses approach to analyzing company financial structures with the asset-liability approach. We use both approaches to characterize and to compare the financial structures of Indian companies over time; between quoted and unquoted companies; and between companies which belong to a business group and those that do not. Finally, we compare our results to those obtained previously for India and for the industrial countries.

McMahon (2005) conducted a study on Financial Information on which he found that financial statements mean little to the uninitiated. This paper, explains, in layman's terms, how to understand financial information. It covers measures of profitability. The second article will cover measures of company liquidity and the use of financial ratios. This paper continues to explain how to interpret and understand financial information. It deals with measures of liquidity, solvency and

fund flows and describes how to establish standards against which a company's financial ratios can be compared.

Lee (2008) conducted a study on Financial Risk on which he observed that financial researchers, including those concentrating on the lodging industry, use various financial risk measures for their studies. Examples of those risk measures are beta, earnings variability, bankruptcy probability, debt-to-equity ratio and book-to-market ratio. The purpose of this study is, first, to descriptively investigate various financial risk measures used in the lodging financial literature by performing factor analysis and identifying four distinct risk groups. Second, this study examines the predictive ability of the four risk groups for lodging firm performance. The findings of this study suggest that strategic and stock performance risk factors better represent a lodging firm's financial risk than do bankruptcy and firm performance risk factors, and also, ROA than ROE better estimates lodging firm performance in terms of their relationships with financial risk factors.

Johnson (2009) conducted a study on Financial Ratio patterns on which he found that the properties and characteristics of financial ratios have received considerable attention in recent years with interest primarily focused on determining the predictive ability of financial ratios and related financial data. Principal areas of investigation have included the prediction of corporate bond ratings, and the anticipation of financial impairment]. Related studies have examined the characteristics of merged firms the differences in financial ratio averages among industries whether firms seek to adjust their financial ratios toward industry averages the relationship between accounting-determined and market-determined risk measures, and the influence of financial ratios on analysts' judgments about impending bankruptcy The general conclusion to emerge from these various research efforts is that a number of financial ratios have predictive and descriptive utility when properly employed.

To summarize the literature, Ratio analysis is a key dimension of financial management, suggesting a relationship between profit and loss as mentioned in the balance sheet of an organization. Its appropriate use will go toward giving a true picture of the financial health of the unit. Its benefits can be seen in areas of management, production, marketing, personnel management etc.



COMPANY PROFILE

Established in 1964 Bharat Heavy Electricals Limited (BHEL) is the largest engineering and manufacturing enterprise in India in the energy and infrastructure sector with capability to manufacture the entire range of power plant equipment. BHEL caters to the core sectors like Power Generation, Transmission, Industry, Transportation, Renewable Energy, Oil & Gas, Water, Defense & Aerospace and e-Mobility & Energy Storage Solutions and has references in 82 countries across the globe. BHEL's mammoth size of operations is evident from its widespread network of 17 Manufacturing Units, 2 Repair Units, 4 Regional Offices, 8 Service Centers, 1 Subsidiary, 3 Overseas Offices, 5 Joint Ventures, 15 Regional Marketing Centers and more than 15 project sites across India and Abroad. Through its strategic partnerships with global technology leaders, BHEL has been acquiring technologies for the past five decades, which are adopted and indigenized technologies for the past five decades, which are adopted and indigenized at its in-house Corporate R&D Division and Research and Product Development (RPD) centers at manufacturing units that work together to evolve optimal solutions to suit customer-specific needs. While all the manufacturing units and other entities of the company have been accredited to Quality Management Systems (ISO9001), major manufacturing units have also been accredited to Environmental Management Systems (ISO 14001) and Occupational Health & Safety Management Systems (OHSAS18001)

OBJECTIVES OF THE STUDY

- 1) To Understand the risk & returns of the enterprise.
- 2) To Analyze Operational Efficiency of the company using Ratios.
- 3) To Identify the reason for change in Profitability of the company.
- 4) To Analyze Overall Financial Performance of the company.

SCOPE OF THE STUDY

The scope of the study is identified after and during the study is conducted. The main scope of the study was to put into practical the theoretical aspect of the study into real life work experience. The study of Ratio analysis further the study is based on last 5 years Annual Reports of BHEL Ltd.

RESEARCH METHODOLOGY

Research is essentially a logical and an organized enquiry seeking facts through objective verifiable methods in order to discover the relationship among them and to refer from the board principles or laws. It is really a method of critical thinking.

Research may be defined as a systematic and objective analysis and recording of controlled observation that may land to the development of generalization of principles and theories resulting in prediction and possibly ultimate control of events.

Methodology is often used in a narrow sense to refer to methods, technology or tools employed for the collection of data as well as its processing. This is also used sometimes to designate data collected to been done. It provides answers to some of the major questions while search like what must be done, how it will be done, what data will be needed, what data gathering devices will be employed, how sources of data will be analyzed at the conclusion.

DIFFERENT TYPE OF RESEARCH METHODS:

Success of conducting research depends over the result that is gained by the researcher at the end of the research. These obtained results are affected by the used methods to conduct research. In this way, there are

Two Types of Methods:

A) Primary Method

B) Secondary Method

A) Primary Method: All the data that are collected at first time are included under the primary data collection method. Three approaches or methods are comprised under the primary data methods such as:

1. Observation method
2. In-depth interview and
3. Survey through questionnaire.

Under the primary data collection method, most of the researchers prefer to use direct communication with the respondents to reach at the result of the research.

B) Secondary Method: Secondary Data Collection Method Data that are collected on the basis of previous data or research is included under the secondary data collection method. In this way, several types of approaches can be used such as:

1. Case study
2. Documentation review
3. Articles
4. Projects etc.

Research Methodology used in this Project:

The study is based on only secondary data. In the case study approach of the secondary data collection method, I have collected the data from annual reports, analyzed information which is available on web-sites of the **PIDILITE INDUSTRIES LIMITED**

Research Methodology- The study is based on secondary data which have been collected from:

- (1) Annual Reports of the company
- (2) Articles and Research papers
- (3) Internet
- (4) Books

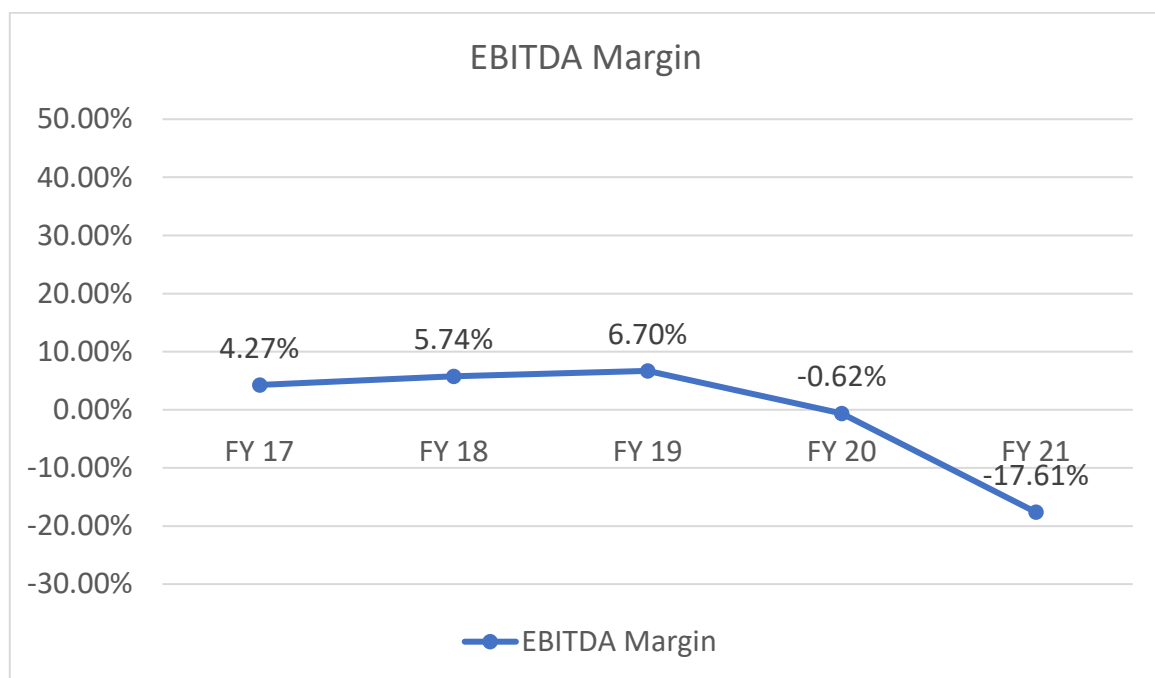
DATA ANALYSIS & INTERPRETATION OF DATA

A. Profitability Ratios

(1) EBITDA Margin:

$$\text{EBITDA Margin} = \frac{\text{EBITDA}}{\text{Net Sales}}$$

Year	EBITDA	Net Sales	EIBTDA Margin
FY 2017	1,091	25,536	4.27%
FY 2018	1,653	28,813	5.74%
FY 2019	2,032	30,349	6.70%
FY 2020	-133	21,463	-0.62%
FY 2021	-3,048	17,309	-17.61%



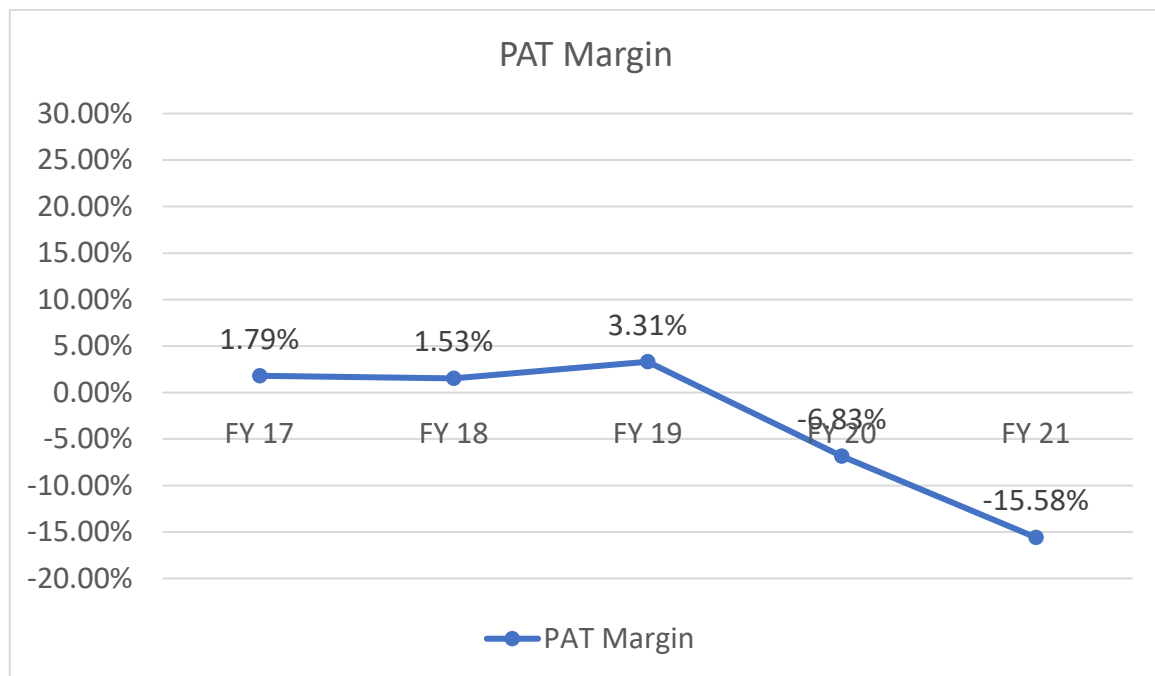
Interpretation:

EBITDA Margin of the Co. is very low in FY 21. We see in this chart that after FY 19 the EBITDA Margin is growing YOY but in FY 22 suddenly decrease in EBITDA Margin. This happens because of High input cost (Raw Material) and 2nd wave of Covid 19. And it's also realized that the EBITDA Margin of FY 22 is below average of last 5 Year and the average of last 5 year is 21.18.

(2) PAT Margin:

$$\text{PAT Margin} = \frac{\text{PAT}}{\text{Net Sales}}$$

Year	PAT	Net Sales	PAT Margin
FY 2018	457	25,536	2%
FY 2019	441	28,813	2%
FY 2020	1,005	30,349	3%
FY 2021	-1,466	21,463	-7%
FY 2022	-2,697	17,309	-16%



Interpretation:

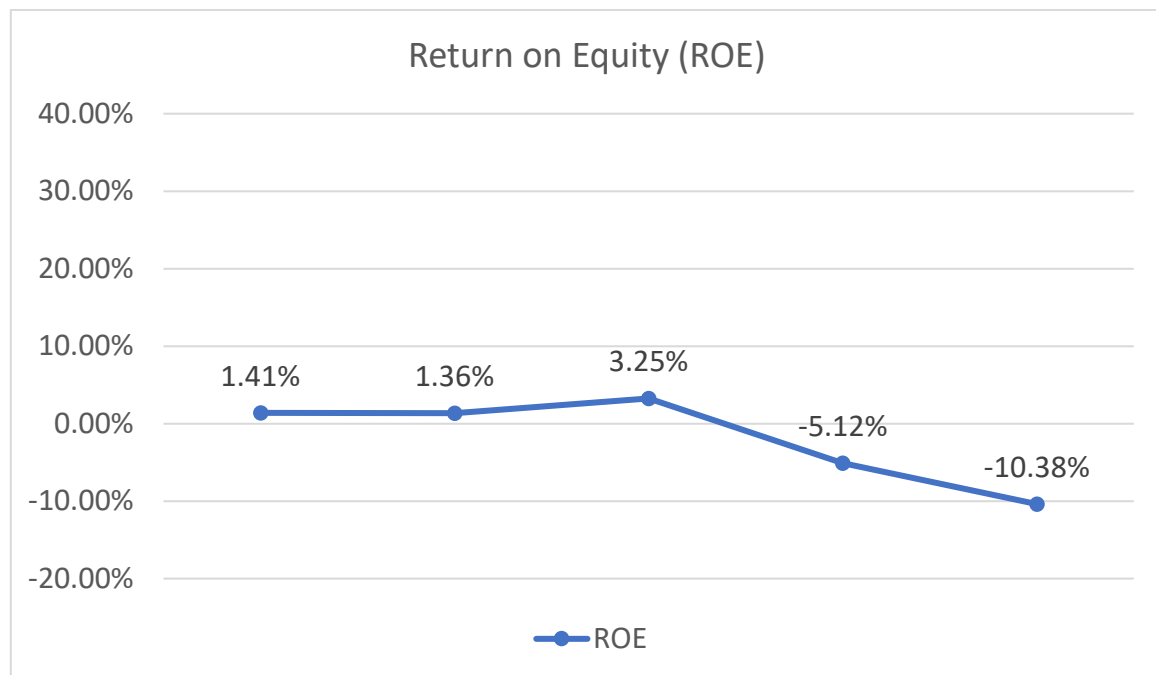
PAT margin of the Co. is Not good from last 5 years and also from FY20 it goes onto Negative. Overall, PAT Margin is very low.

B. Return Ratios

(1) Return on Equity (ROE):

$$\text{ROE} = \frac{\text{PAT}}{\text{Net Worth}}$$

Year	PAT	Net Worth	ROE
FY 2018	457	32,389	1%
FY 2019	441	32,335	1%
FY 2020	1,005	30,904	3%
FY 2021	-1,466	28,660	-5%
FY 2022	-2,697	25,983	-10%



Interpretation:

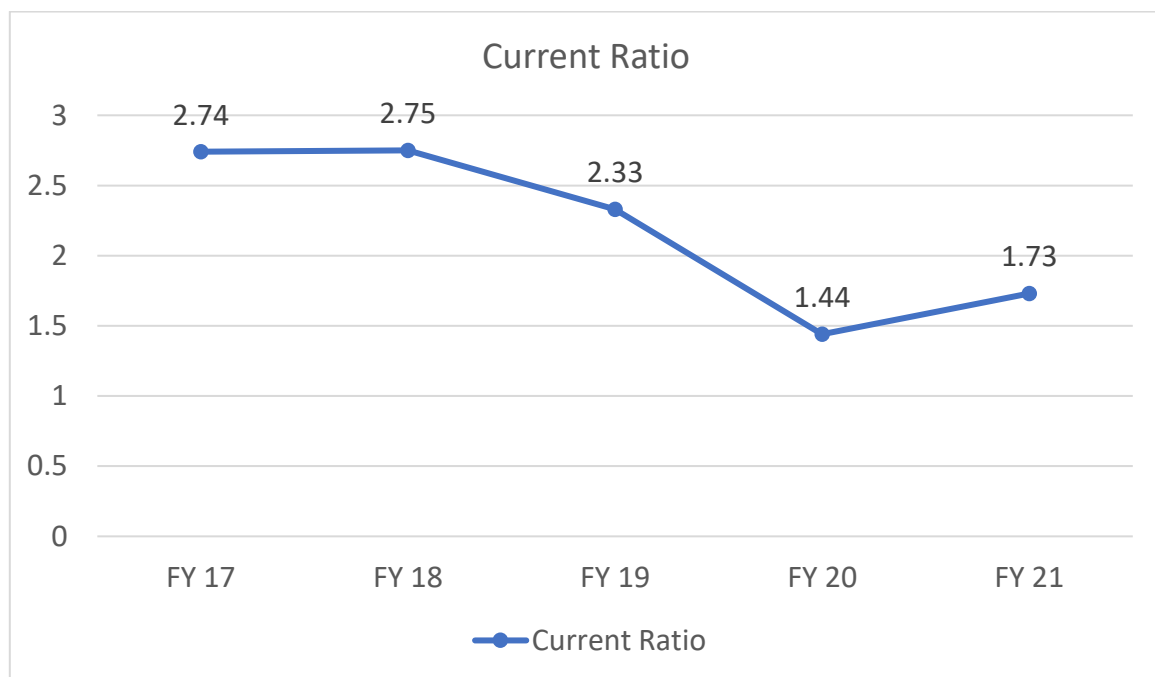
Nevertheless, we know that the Return on Equity (ROE) should be more than the shareholder's equity, in the year 2017,2018,2019 the company has maintained good ROE but later on their started the negative return.

C. Liquidity Ratio

(1) Current Ratio:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Year	Current Assets	Current Liabilities	Current Ratio
FY 2017	41,210	20,515	1.632
FY 2018	42,609	21,907	1.638
FY 2019	38,582	23,056	1.311
FY 2020	42,162	22,608	1.447
FY 2021	36,257	20,360	1.392



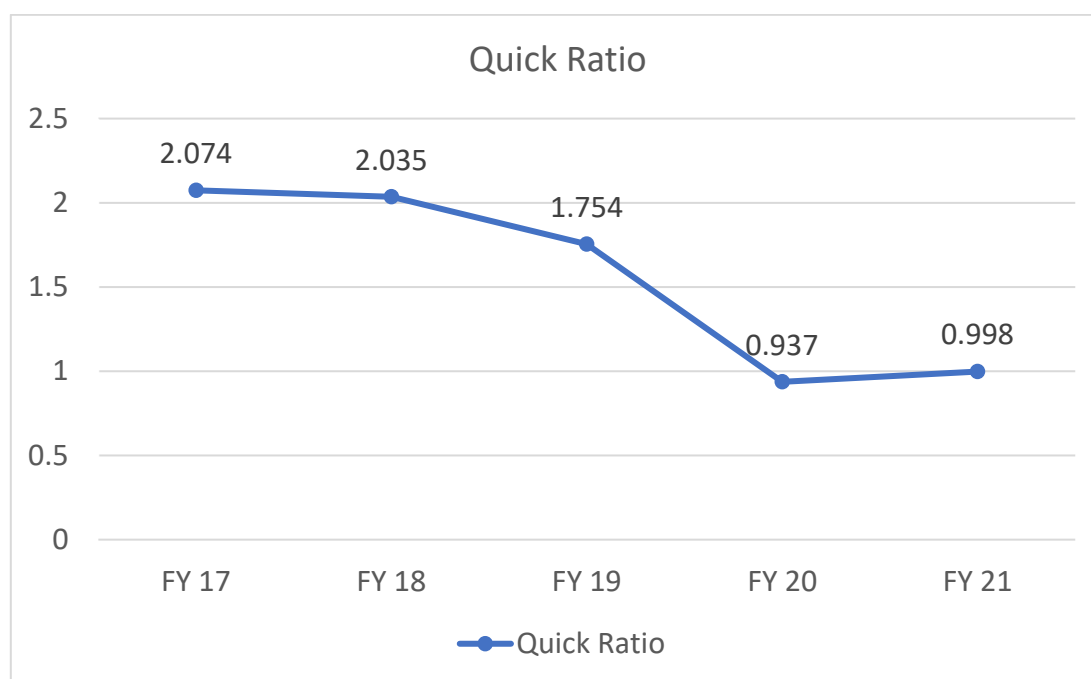
Interpretation:

If the current ratio of the company has the more than 1, it describes as the company is in good position, here in all the 5 years the company has the ratio more than, therefore the company is in really good position.

(2) Quick Ratio:

$$\text{Quick Ratio} = \frac{(\text{Current Assets} - \text{Inventories})}{\text{Current Liabilities}}$$

Year	(Current Assets – Inventories)	Current Liabilities	Quick Ratio
FY 2017	33,480	20,515	1.632
FY 2018	35,879	21,907	1.638
FY 2019	30,226	23,056	1.311
FY 2020	32,711	22,608	1.447
FY 2021	28,343	20,360	1.392



Interpretation:

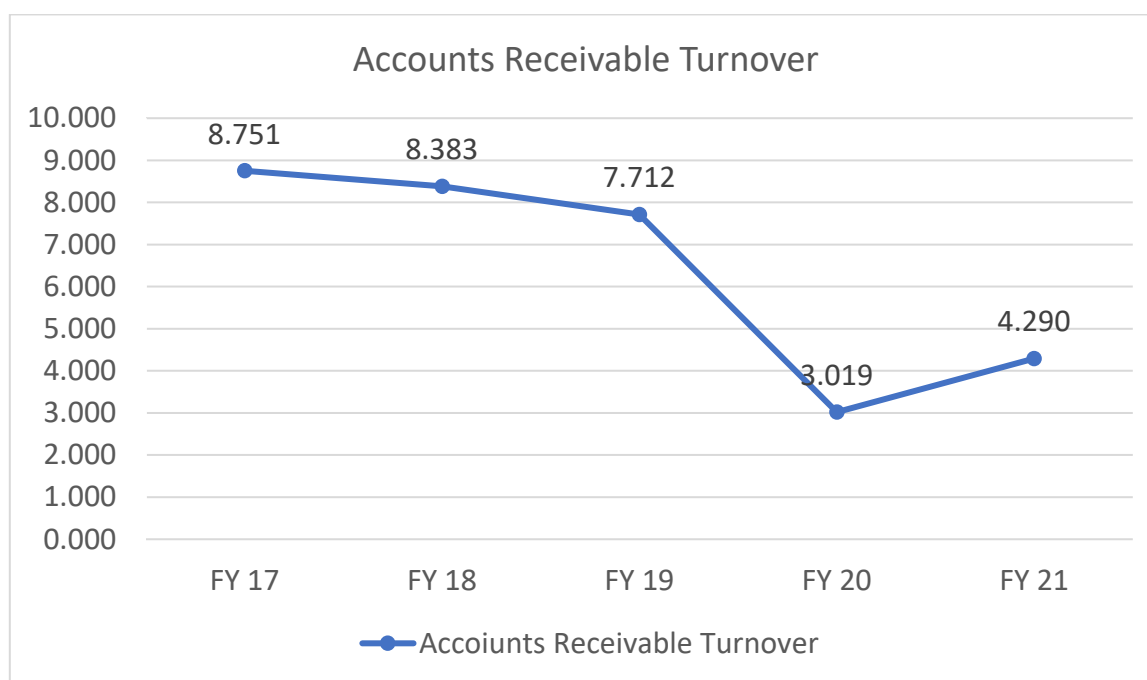
More the quick ratio the company has, better in the liquidity position the company is. So, in initial year i.e. in 2017-18 the company has maximum quick ratio, later on it is getting diminish & is minimum in the year 2020-21, hence the liquidity position of the company is going down.

D. Efficiency Ratio:

(1) Accounts Receivable Turnover:

$$\text{Accounts Receivable Turnover} = \frac{\text{Revenue}}{\text{Accounts Receivable}}$$

Year	Revenue	Accounts Receivable	Accounts Receivable Turnover
FY 2017	25,536	2,918	8.751
FY 2018	28,813	3,437	8.383
FY 2019	30,349	3,935	7.712
FY 2020	21,463	7,109	3.019
FY 2021	17,309	4,035	4.290



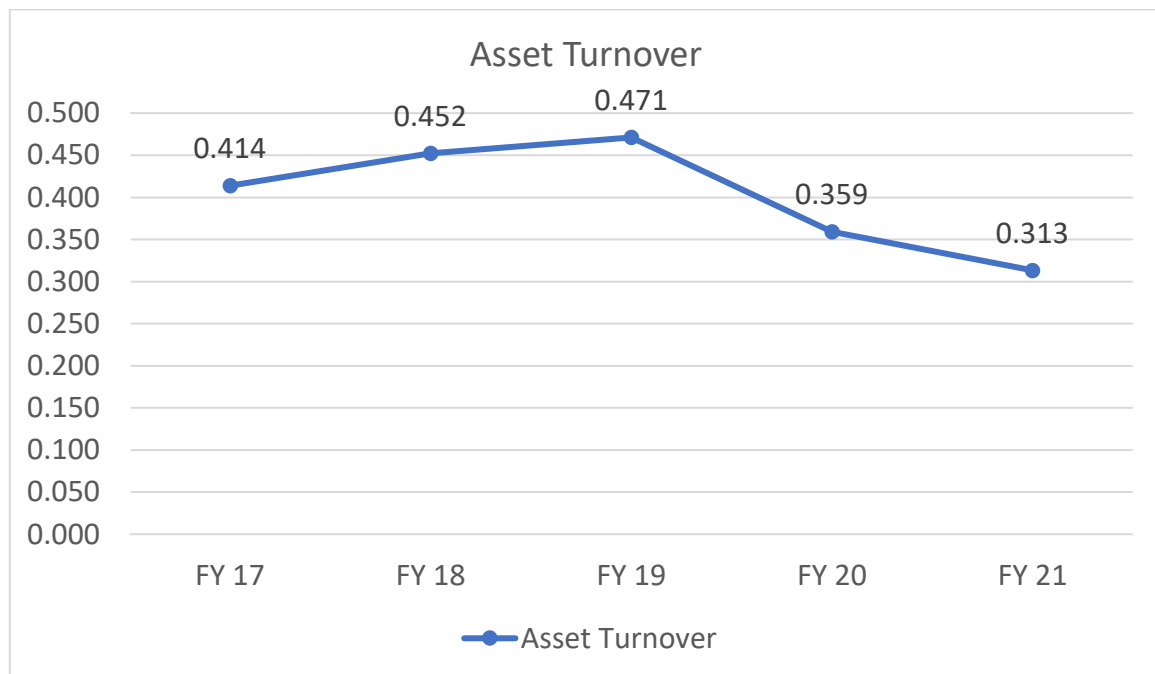
Interpretation:

Accounts Receivable Turnover of the company is very well maintained and always above 6.5 but in FY21 there is decrease in their Accounts Receivable Turnover. But after FY21 there significantly increased in Account Receivable. Means company converts its sale in to cash very fast.

(2) Asset Turnover:

$$\text{Asset Turnover} = \frac{\text{Net Sales}}{\text{Total Assets}}$$

Year	Net Sales	Total Assets	Asset Turnover
FY 2017	25,536	61,688	0.413
FY 2018	28,813	63,718	0.452
FY 2019	30,349	64,416	0.471
FY 2020	21,463	59,749	0.359
FY 2021	17,309	55,240	0.313



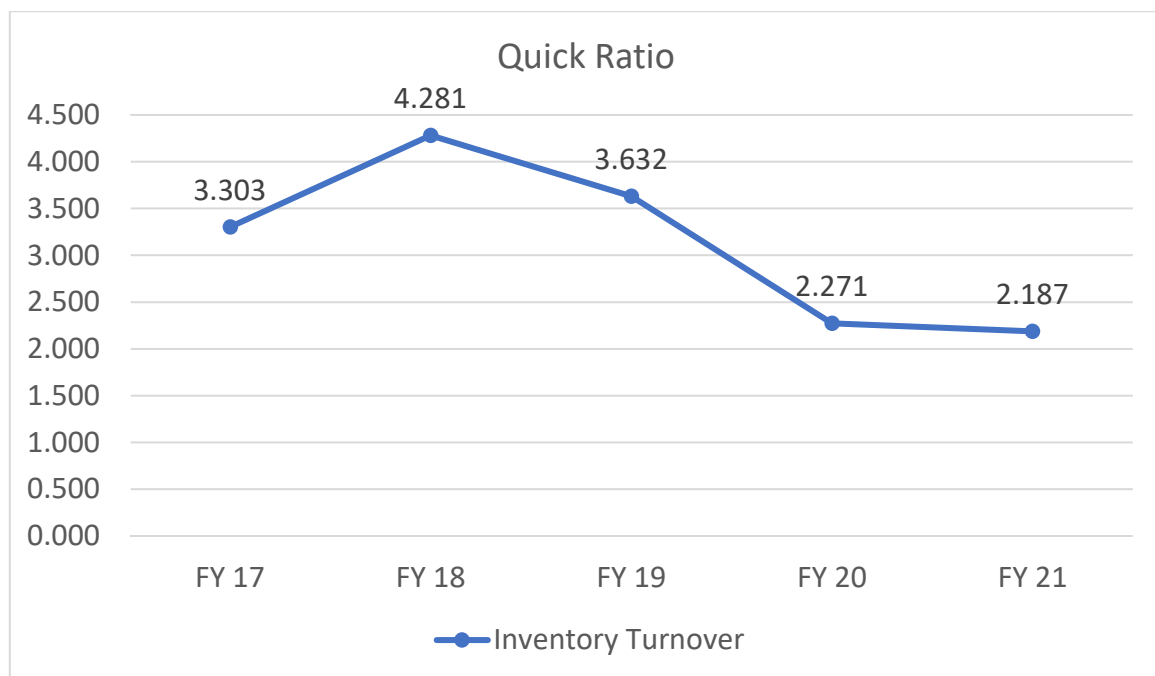
Interpretation:

Asset Turnover Ratio of the company that indicates that company maintain Asset Turnover Ratio above 1.1 except in FY21. Because of Covid-19 but there in increase after FY21.

(3) Inventory Turnover:

$$\text{Inventory Turnover} = \frac{\text{Sales}}{\text{Inventory}}$$

Year	Sales	Inventory	Inventory Turnover
FY 2018	25,536	7730	3.303
FY 2019	28,813	6730	4.281
FY 2020	30,349	8356	3.632
FY 2021	21,463	9451	2.270
FY 2022	17,309	7914	2.187



Interpretation:

Inventory Turnover Ratio of the company is constant in FY18 to FY20. But after FY20 there is Decrease in Inventory Turnover Ratio. But overall, the Ratio is High.

HYPOTHESIS TESTING

Hypothesis 1:

H₀ – The Financial position of BHARAT HEAVY ELECTRONICS LIMITED is not good not earning good profit.

H₁ – The Financial position of BHARAT HEAVY ELECTRONICS LIMITED is very good earning good profit.

Interpretation: From the above Research study it is found that within Hypothesis No. 1. The Null Hypothesis i.e., “The Financial position of BHARAT HEAVY ELECTRONICS LIMITED is not good not earning good profit”. Is found that True. Hence accepted. Whereas alternate Hypothesis i.e., “The Financial position of BHARAT HEAVY ELECTRONICS LIMITED is very good earning good profit”. Is Rejected.

Hypothesis 2:

H₀ – BHARAT HEAVY ELECTRONICS LIMITED has not shown good Financial Strength for the last five years.

H₁ – BHARAT HEAVY ELECTRONICS LIMITED has shown good Financial Strength for last five years.

Interpretation: From the above Research study it is found that within Hypothesis No. 1. The Null Hypothesis i.e., “BHARAT HEAVY ELECTRONICS LIMITED has not shown good Financial Strength for the last five years”. Is found that True. Hence accepted. Whereas alternate Hypothesis i.e., “BHARAT HEAVY ELECTRONICS LIMITED has shown good Financial Strength for last five years”. Is Rejected.

CONCLUSION

The study undertaken has brought into the light of following conclusions.

The financial Statement plays a crucial role in development of any company. So this research focus on it.

This study develops and empirically tests a number of methods of analyzing financial ratios to predict “Bharat Heavy Electricals Limited” success or loss. Methods of analysis found useful are: - **Profitability Ratio, Return Ratio, Leverage Ratio.**

Overall conclusion of the company is decent. Except in Profitability of the company.

Some Finding of the Analysis and Interpretation:

- **Profitability Ratio:** Overall Profitability of the company from FY17 to FY19 is increasing YOY but from FY2020 the Profitability of the company is significantly decreased the reason behind this, that we analyzed is High Input Cost (Raw Material Cost) and 2nd wave of covid.
- **Return Ratio:** ROE and ROCE of the company is steady from FY17 to FY19. But it has started diminishing later on very steadily that is not a good sign as per Top Fund Managers.
- **Efficiency Ratio:** The overall efficiency of the company is well Maintained.

BIBLIOGRAPHY

WEBSITE

<https://www.bhel.com/bhelglance>

<https://www.screener.in/company/BHEL/consolidated/>

<https://zerodha.com/varsity/module/fundamental-analysis/>

BOOK

NISM XV Research Analyst

ANNEXURE



Consolidated Balance Sheet

as at 31.03.2017

(₹ in Crore)

Particulars	Note No.	Figures as at the end of current reporting period 31.03.2017	Figures as at the end of previous reporting period 31.03.2016	Opening Figures as on Ind AS Transition date 01.04.2015
I. ASSETS				
(1) Non Current Assets				
(a) Property, Plant and equipment	2 (a)	3496.43	3831.35	3987.02
(b) Capital work-in-progress	2 (b)	159.51	309.46	501.99
(c) Intangible assets	3 (a)	104.76	137.36	158.30
(d) Intangible assets under development	3 (b)	8.83	8.38	17.30
(e) Investment accounted for using equity method	4	753.20	789.75	537.27
(f) Financial assets				
(i) Investments	4 (a)	3.93	6.67	8.71
(ii) Trade receivables	5	9789.14	11128.22	11240.02
(iii) Loans	6	78.04	65.62	104.26
(iv) Others	7	0.16	0.62	2.15
(g) Deferred tax assets (net)	8	3846.19	3662.72	2816.08
(h) Other non-current assets	9	203.30	240.40	528.49
		<u>18443.49</u>	<u>20180.55</u>	<u>19901.59</u>
(2) Current assets				
(a) Inventories	10	7379.67	9608.44	10108.77
(b) Financial Assets				
(i) Trade receivables	11	22077.58	22438.89	23970.19
(ii) Cash and Cash equivalents	12	1490.79	1966.10	2800.02
(iii) Bank balances other than (ii) above	13	9002.76	8121.10	7012.14
(iv) Loans	14	135.78	173.81	91.22
(v) Others	15	219.02	159.02	215.66
(c) Current Tax Assets (Net)	16	873.09	582.96	628.48
(d) Other current assets	17	1725.27	2089.59	2143.73
		<u>42903.96</u>	<u>45139.91</u>	<u>46970.21</u>
TOTAL ASSETS		<u>61347.45</u>	<u>65320.46</u>	<u>66871.80</u>
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	18	489.52	489.52	489.52
(b) Other Equity (refer SOCIE)		31899.47	31824.63	32787.76
Equity attributable to owner of the parent		32388.99	32314.15	33277.28
Non-controlling interests (refer SOCIE)		-1.08	0.78	2.23
Total Equity		<u>32387.91</u>	<u>32314.93</u>	<u>33279.51</u>

(₹ in Crore)

Particulars	Note No.	Figures as at the end of current reporting period 31.03.2017	Figures as at the end of previous reporting period 31.03.2016	Opening Figures as on Ind AS Transition date 01.04.2015
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	89.55	126.29	61.00
(ii) Trade Payables	20	633.10	747.69	645.03
(iii) Other financial liabilities	21	104.71	<u>123.51</u>	<u>90.16</u>
		827.36	997.49	796.19
(b) Provisions	22	5006.19	7629.61	6335.02
(c) Other non-current liabilities	23	2983.36	3637.78	4559.44
		8816.91	<u>12264.88</u>	<u>11690.65</u>
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	6.03	3.53	2.14
(ii) Trade payables	25	8715.88	8708.44	8803.17
(iii) Other financial liabilities	26	1532.39	<u>1644.64</u>	<u>1699.59</u>
		10254.30	10356.61	10504.90
(b) Other current liabilities	27	5694.55	7046.43	7414.20
(c) Provisions	28	4193.78	3337.61	3982.54
		20142.63	<u>20740.65</u>	<u>21901.64</u>
		61347.45	<u>65320.46</u>	<u>66871.80</u>
TOTAL EQUITY AND LIABILITIES				
Significant Accounting Policies	1			
Other Notes to Accounts	40			

See Accompanying Notes to the Consolidated financial statements.

For and on behalf of Board of Directors

(I. P. Singh)
Company Secretary



(T. Chockalingam)
Director (Finance)


(Atul Sobti)
Chairman and Managing Director

As per our report of even date attached

For Wahi & Gupta
Chartered Accountants
FRN-002263N

(CA Y.K. Gupta)
Partner
M.No. 016020
For DSP & Associates
Chartered Accountants
FRN-006791N

(CA Sanjay Jain)
Partner
M.No. 084906
For S B A & Company
Chartered Accountants
FRN-004651C

(CA. Sita Ram Soni)
Partner
M.No. 072381

Place: New Delhi
Date: May 29, 2017

Consolidated Statement of Profit and Loss

for the period ended 31st March, 2017

(₹ in Crore)

Particulars	Note No.	Figures for the current reporting period 31.03.2017	Figures for the previous reporting period 31.03.2016
I. Revenue from operations	29	29506.57	26678.52
II. Other income	30	983.36	1476.43
III. Total Income (I to II)		<u>30489.93</u>	<u>28154.95</u>
IV. Expenses			
Cost of material consumption, erection and engineering expenses	31	16590.68	16406.72
Changes in inventories of finished goods and work in progress	32	992.94	210.05
Employee benefits expenses	33	5408.00	5387.33
Depreciation & amortisation expense	2.1/3.1	849.79	936.70
Other expenses of manufacture, administration, selling and distribution	34	4438.91	4037.97
Provisions (net)	35	1274.22	2039.91
Finance costs	36	351.30	359.81
Less: Cost of jobs done for internal use		25.04	46.57
Total expenses (IV)		<u>29880.80</u>	<u>29331.92</u>
V. Profit /(loss) before exceptional items and tax (III- VI)		609.13	-1176.97
VI. Share of net profit of Joint Ventures accounted for using equity method		-23.56	15.84
VII. Add/ Less : Exceptional items		0.00	0.00
VIII. Profit (loss) before tax (V+VI-VII)		585.57	-1161.13
IX. Tax expense	37		
a) Current Tax		298.35	391.08
b) Deferred Tax		-167.96	-846.63
		130.39	-455.55
X. Profit (loss) for the period from continuing operations (VIII-IX)		<u>455.18</u>	<u>-705.58</u>
XI. Other Comprehensive income	38		
Items that will not be reclassified to profit or loss (Net of Tax)		-28.56	-76.38
Share of OCI of JV accounted for using equity method		-0.14	0.02
XII. Total comprehensive income for the period (X+XI)		<u>426.48</u>	<u>-781.94</u>
(comprising profit (loss) and other comprehensive income for the period)			
Attributable to:			
Equity holders of the parent		428.34	-780.49
Non-controlling interest		-1.86	-1.45
		<u>426.48</u>	<u>-781.94</u>

(₹ in Crore)

Particulars	Note No.	Figures for the current reporting period 31.03.2017	Figures for the previous reporting period 31.03.2016
XIII Total Other comprehensive income for the year (X)			
Attributable to:			
Equity holders of the parent		-28.92	-76.36
Non-controlling interest		0.22	0.00
		<u>-28.70</u>	<u>-76.36</u>
XIV Total profit for the year (X)			
Equity holders of the parent		457.26	-704.13
Non-controlling interest		-2.08	-1.45
		<u>455.18</u>	<u>-705.58</u>
XV Earnings per equity share (for continuing operations) attributable to equity holders of parent			
(1) Basic	39	1.86	-2.88
(2) Diluted		1.86	-2.88
Face value per share in (INR)		2.00	2.00
Significant Accounting Policies	1		
Other notes to accounts	40		

See accompanying notes to the Consolidated Financial Statements.

For and on behalf of Board of Directors


(I. P. Singh)
Company Secretary



(T. Chockalingam)
Director (Finance)



(Atul Sobti)
Chairman and Managing Director

As per our report of even date attached

For Wahi & Gupta
Chartered Accountants
FRN-002263N

For DSP & Associates
Chartered Accountants
FRN-006791N

For S B A & Company
Chartered Accountants
FRN-004651C



(CA Y.K. Gupta)
Partner
M.No. 016020



(CA Sanjay Jain)
Partner
M.No. 084906



(CA. Sita Ram Soni)
Partner
M.No. 072381

Place: New Delhi
Date: May 29, 2017


Consolidated Balance Sheet as at March 31, 2018

(₹ in Crore)

Particulars	Note	As at March 31, 2018	As at March 31, 2017
A. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	2a	2981.90	3496.43
(b) Capital work-in-progress	2b	194.53	159.51
(c) Intangible assets	3a	91.31	104.76
(d) Intangible assets under development	3b	8.23	8.83
(e) Investment accounted for using equity method	4	409.05	753.20
(f) Financial assets			
(i) Investments	4a	19.92	3.93
(ii) Trade receivables	5	12723.29	9789.14
(iii) Loans	6	84.28	78.04
(iv) Other financial assets	7	0.02	0.16
(g) Deferred tax assets (net of liabilities)	8	3632.43	3846.19
(h) Other non-current assets	9	206.27	203.30
Total non-current assets		20351.23	18443.49
(2) Current assets			
(a) Inventories	10	6263.15	7379.67
(b) Financial assets			
(i) Trade receivables	11	22772.11	22077.58
(ii) Cash and cash equivalents	12a	2768.81	1485.92
(iii) Bank balances other than (ii) above	12b	8522.78	9007.63
(iv) Loans	13	144.39	135.78
(v) Other financial assets	14	153.26	219.02
(c) Current tax assets (net of provisions)	15	222.94	873.09
(d) Other current assets	16	2346.01	1725.27
Total current assets		43193.45	42903.96
Total assets		63544.68	61347.45
B. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	734.28	489.52
(b) Other equity (refer to SOCIE)		31600.71	31899.47
		32334.99	32388.99
Non - controlling interests (refer to SOCIE)		(4.05)	(1.08)
Total equity		32330.94	32387.91

Consolidated Balance Sheet as at March 31, 2018


(₹ in Crore)


Particulars	Note	As at March 31, 2018		As at March 31, 2017	
Liabilities					
(2) Non current liabilities					
(a) Financial liabilities					
(i) Borrowings	18	57.18		89.55	
(ii) Trade payables	19	481.75		633.10	
(iii) Other financial liabilities	20	114.41	653.34	104.71	827.36
(b) Provisions	21		4984.89		5006.19
(c) Other non-current liabilities	22		3364.06		2983.36
Total non-current liabilities			9002.29		8816.91
(3) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	23	10.28		6.03	
(ii) Trade payables	24	10589.25		8715.88	
(iii) Other financial liabilities	25	2342.45	12941.98	1532.39	10254.30
(b) Provisions	26		3729.30		4193.78
(c) Other current liabilities	27		5540.17		5694.55
Total current liabilities			22211.45		20142.63
Total liabilities			31213.74		28959.54
Total equity and liabilities			63544.68		61347.45
Significant Accounting Policies	1				

The accompanying Notes 1 to 39 form an integral part of the Financial Statements

For and on behalf of Board of Directors


(I. P. Singh)
Company Secretary


(Subodh Gupta)
Director (Finance)


(Atul Sobti)
Chairman and Managing Director

As per our report of even date


For DSP & Associates
Chartered Accountants
FRN - 006791N


(CA. Sanjay Jain)
Partner
M. No. 084906

For Dhawan & Co.
Chartered Accountants
FRN - 002864N


(CA. Deepak Kapoor)
Partner
M. No. 072302

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


(CA. Ritesh Kumar Jain)
Partner
M. No. 077026

Place : New Delhi
Date : May 29, 2018



Consolidated Statement of Profit and Loss

For the year ended March 31, 2018

(₹ in Crore)

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
INCOME			
Revenue from operations (excluding excise duty)	28	28827.48	28629.44
Add: Excise Duty		247.98	1102.06
Revenue from operations (including excise duty)		29075.46	29731.50
Other income	29	678.01	753.19
Total Income		29753.47	30484.69
EXPENSES			
Material consumption, erection and engineering expense	30	15907.27	16590.68
Changes in inventories of finished goods and work in progress	31	739.00	992.94
Excise duty		135.04	1254.47
Employee benefits expense	32	6034.68	5402.71
Manufacture, administration, selling and distribution expense	33	2155.94	3013.33
Provisions	34	2240.24	1445.38
Finance costs	35	255.16	351.30
Depreciation & amortisation expense	2.1/3.1	787.33	849.79
Less: Cost of jobs done for internal use		106.82	25.04
Total expense		28147.84	29875.56
Profit / (loss) before exceptional items and tax		1605.63	609.13
Share of net profit/ (loss) of joint ventures accounted for using equity method		(390.76)	(23.56)
Profit / (loss) before tax		1214.87	585.57
Tax expense	36		
a) Current Tax		578.67	298.35
b) Deferred Tax		198.01	(167.96)
		776.68	130.39
Profit for the year from continuing operations		438.19	455.18
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)	37	83.30	(28.56)
Share of OCI of JV accounted for using equity method		0.18	(0.14)
Total comprehensive income for the year		521.67	426.48
Attributable to:			
Equity holders of the parent		524.63	428.34
Non-controlling interest		(2.96)	(1.86)
		521.67	426.48


Consolidated Statement of Profit and Loss For the year ended March 31, 2018

(₹ in Crore)

Particulars	Note	For the year ended March 31, 2018	For the year ended March 31, 2017
Total other comprehensive income for the year			
Attributable to:			
Equity holders of the parent		83.47	(28.92)
Non-controlling interest		0.01	0.22
		83.48	(28.70)
Total profit for the year			
Equity holders of the parent		441.16	457.26
Non-controlling interest		(2.97)	(2.08)
		438.19	455.18
Earnings per equity share	38		
(1) Basic		1.19	1.24
(2) Diluted		1.19	1.24
Face value per share in (INR)		2.00	2.00
Significant Accounting Policies	1		
The accompanying Notes 1 to 39 form an integral part of the Financial Statements			

For and on behalf of Board of Directors


(I. P. Singh)
Company Secretary


(Subodh Gupta)
Director (Finance)


(Atul Sobti)
Chairman and Managing Director

As per our report of even date

For DSP & Associates
Chartered Accountants
FRN - 006791N


(CA. Sanjay Jain)
Partner
M. No. 084906

For Dhawan & Co.
Chartered Accountants
FRN - 002864N


(CA. Deepak Kapoor)
Partner
M. No. 072302

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


(CA. Ritesh Kumar Jain)
Partner
M. No. 077026

Place : New Delhi
Date : May 29, 2018



Consolidated Balance Sheet as at March 31, 2019

(₹ in Crore)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
A. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3a	2887.39	2981.90
(b) Capital work-in-progress	3b	223.21	194.53
(c) Intangible assets	4a	83.07	91.31
(d) Intangible assets under development	4b	12.23	8.23
(e) Investment accounted for using equity method	5	149.42	409.05
(f) Financial assets			
(i) Investments	5a	2.94	19.92
(ii) Trade receivables	6	3935.09	3438.55
(iii) Loans	7	82.82	84.28
(iv) Other financial assets	8	-	0.02
(g) Deferred tax assets (net of liabilities)	9	3522.61	3632.43
(h) Other non-current assets	10	14671.78	10470.22
Total non-current assets		25570.56	21330.44
2 Current assets			
(a) Inventories	11	8116.24	6263.15
(b) Financial assets			
(i) Trade receivables	12	12011.92	14064.68
(ii) Cash and cash equivalents	13a	795.74	2768.81
(iii) Bank balances other than cash and cash equivalents	13b	6707.80	8407.47
(iv) Loans	14	157.71	144.39
(v) Other financial assets	15	165.40	153.26
(c) Current tax assets (net)	16	-	222.94
(d) Other current assets	17	10393.90	10118.47
Total current assets		38348.71	42143.17
TOTAL ASSETS		63919.27	63473.61
B. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	18	696.41	734.28
(b) Other equity	18a	30175.97	31600.71
		30872.38	32334.99
Non-controlling interests		(6.73)	(4.05)
Total equity		30865.66	32330.94

Consolidated Balance Sheet as at March 31, 2019

(₹ in Crore)

Particulars	Note	As at March 31, 2019		As at March 31, 2018	
Liabilities					
(2) Non-current liabilities					
(a) Financial liabilities					
(i) Borrowings	19	95.45		57.18	
(ii) Trade payables	20				
(i) Total outstanding dues of micro enterprises and small enterprises		-		-	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		702.87		481.75	
(iii) Other financial liabilities	21	91.29	889.61	114.41	653.34
(b) Provisions	22		5467.43		4984.89
(c) Other non-current liabilities	23		3615.88		3636.68
Total non-current liabilities			9972.92		9274.91
(3) Current liabilities					
(a) Financial liabilities					
(i) Borrowings	24	2470.11		10.28	
(ii) Trade payables	25				
(i) Total outstanding dues of micro enterprises and small enterprises		361.17		283.96	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		11019.81		10305.29	
(iii) Other financial liabilities	26	2070.24	15921.33	2271.38	12870.91
(b) Provisions	27		2488.94		3729.30
(c) Current tax liabilities (net)	16		91.34		-
(d) Other current liabilities	28		4579.08		5267.55
Total current liabilities			23080.69		21867.76
Total liabilities			33053.61		31142.67
TOTAL EQUITY AND LIABILITIES			63919.27		63473.61
Basis of preparation, measurement and significant accounting policies	2				

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors



(Rajeev Kalra)
Company Secretary
M.No.14567



(Subodh Gupta)
Director (Finance)
DIN:08113460



(Atul Sobti)
Chairman & Managing Director
DIN: 06715578

As per our report of even date attached

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



(CA Gopal Krishan)
Partner
M.No.081085

For Tiwari & Associates
Chartered Accountants
FRN- 002870N



(CA Sandeep Sandill)
Partner
M.No.085747

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



(CA. Rajat Jain)
Partner
M.No. 413515

Place : New Delhi
Date : May 27, 2019



Consolidated Statement of Profit and Loss

For the year ended March 31, 2019

(₹ in Crore)

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
INCOME			
Revenue from operations	29	30367.65	28827.48
Other income	30	661.52	679.24
Total Income		31029.17	29506.72
EXPENSES			
Material consumption, erection and engineering expenses	31	19320.20	15907.27
Changes in inventories of finished goods and work in progress	32	(1071.67)	739.00
Employee benefits expenses	33	6268.92	6075.55
Manufacture, administration, selling and distribution expenses	34	2698.49	2003.36
Provisions	35	1072.66	2240.24
Depreciation & amortisation expenses	3.1/4.1	475.74	787.33
Finance costs	36	288.01	255.16
Less: Expenses capitalised for internal use		58.88	106.82
Total Expenses		28993.47	27901.09
Profit before exceptional items and tax		2035.70	1605.63
Share of net profit/ (loss) of joint ventures accounted for using equity method		(185.60)	(390.76)
Profit / (loss) before tax		1850.10	1214.87
Tax expenses	37		
a) Current tax		735.07	578.67
b) Deferred tax		105.87	198.01
Profit for the year (A)		1009.16	438.19
Other comprehensive income	38		
Items that will not be reclassified to profit or loss (net of tax)			
Re measurement of defined employee benefits		(119.17)	83.30
Share of OCI of JV accounted using equity method		0.02	0.18
Other comprehensive income for the year (B)		(119.15)	83.48
Total comprehensive income for the year (A+B)		890.01	521.67
Attributable to:			
Equity holders of the parent		892.69	524.63
Non-controlling interest		(2.68)	(2.96)
		890.01	521.67

Consolidated Statement of Profit and Loss

For the year ended March 31, 2019

(₹ in Crore)

Particulars	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Total other comprehensive income for the year			
Attributable to:			
Equity holders of the parent		(119.15)	83.47
Non-controlling interest		-	0.01
		(119.15)	83.48
Total profit for the year			
Equity holders of the parent		1011.84	441.16
Non-controlling interest		(2.68)	(2.97)
		1009.16	438.19
Earnings per equity share	39		
(1) Basic [Face value of ₹ 2 each]		2.78	1.19
(2) Diluted [Face value of ₹ 2 each]		2.78	1.19
Basis of preparation, measurement and significant accounting policies	2		

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors


(Rajeev Kalra)
Company Secretary
M.No.14567


(Subodh Gupta)
Director (Finance)
DIN:08113460


(Atul Sobti)
Chairman & Managing Director
DIN: 06715578

As per our report of even date attached

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


(CA Gopal Krishan)
Partner
M.No.081085

For Tiwari & Associates
Chartered Accountants
FRN- 002870N


(CA Sandeep Sandill)
Partner
M.No.085747

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


(CA. Rajat Jain)
Partner
M.No. 413515

Place : New Delhi
Date : May 27, 2019



Consolidated Balance Sheet as at March 31, 2020

(₹ in Crore)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
A. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3a	2738.51	2887.39
(b) Capital work-in-progress	3b	306.74	223.21
(c) Intangible assets	4a	78.61	83.07
(d) Intangible assets under development	4b	7.26	12.23
(e) Investment accounted for using equity method	5	158.97	149.42
(f) Financial assets			
(i) Investments	5a	3.09	2.94
(ii) Trade receivables	6	5270.43	3935.09
(iii) Loans	7	83.17	82.82
(g) Deferred tax assets (net of liabilities)	8	2765.87	3505.45
(h) Other non-current assets	9	16660.49	14671.78
Total non-current assets		28073.14	25553.40
(2) Current assets			
(a) Inventories	10	8908.23	7800.04
(b) Financial assets			
(i) Trade receivables	11	7108.60	11863.14
(ii) Cash and cash equivalents	12	1402.86	795.74
(iii) Bank balances other than cash and cash equivalents	13	5015.73	6707.80
(iv) Loans	14	135.24	157.71
(v) Other financial assets	15	127.50	165.40
(c) Current tax assets (net)	16	229.07	
(d) Other current assets	17	9783.95	10891.08
Total current assets		32711.18	38380.91
TOTAL ASSETS		60784.32	63934.31
B. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	18	696.41	696.41
(b) Other equity	18a	27964.31	30207.93
		28660.72	30904.34
Non-controlling interests		(9.07)	(6.73)
Total equity		28651.65	30897.60

Consolidated Balance Sheet as at March 31, 2019

(₹ in Crore)

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	75.37	95.45
(ii) Trade payables	20		
(i) Total outstanding dues of micro enterprises and small enterprises		8.25	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		999.62	702.87
(iii) Other financial liabilities	21	159.02	91.29
(b) Provisions	22	5260.92	5476.03
(c) Other non-current liabilities	23	2952.65	3615.88
Total non-current liabilities		9455.83	9981.52
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	4947.92	2444.57
(ii) Trade payables	25		
(i) Total outstanding dues of micro enterprises and small enterprises		492.12	764.91
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		8405.40	10616.07
(iii) Other financial liabilities	26	1487.29	2070.24
(b) Provisions	27	3085.76	2488.97
(c) Current tax liabilities (net)	16	-	91.34
(d) Other current liabilities	28	4258.35	4579.08
Total current liabilities		22676.84	23055.19
Total liabilities		32132.67	33036.71
TOTAL EQUITY AND LIABILITIES		60784.32	63934.31

Basis of preparation, measurement and significant accounting policies 2

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors



(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



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

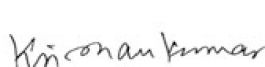
As per our report of even date attached

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



(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(CA. Krishan Kumar)
Partner
M. No. 085415

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



(CA. Deepesh Shah)
Partner
M. No. 404990

Place : New Delhi
Date : June 13, 2020



Consolidated Statement of Profit and Loss
For the year ended March 31, 2020

(₹ in Crore)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	29	21490.01	30441.38
Other income	30	564.30	661.52
Total Income		22054.31	31102.90
EXPENSES			
Material consumption, erection and engineering expenses	31	15081.72	19261.32
Changes in inventories of finished goods and work in progress	32	(1015.56)	(989.31)
Employee benefits expenses	33	5408.71	5509.25
Manufacture, administration, selling and distribution expenses	34	1996.53	2698.13
Provisions	35	255.98	1834.06
Finance costs	36	508.45	288.37
Depreciation & amortisation expenses	3.1/4.1	503.27	475.74
Total Expenses		22739.10	29077.56
Profit / (loss) before share of net profits / loss of investments accounted for using equity method and tax		(684.79)	2025.34
Share of net profit/ (loss) of joint ventures accounted for using equity method		25.72	(185.60)
Profit / (loss) before tax		(659.07)	1839.74
Tax expenses	37		
a) Current tax		1.52	735.07
b) Deferred tax		807.76	837.32
		809.28	102.25
Profit for the year (A)		(1468.35)	1002.42
Other comprehensive income	38		
Items that will not be reclassified to profit or loss (net of tax)			
Re measurement of defined employee benefits		(273.87)	(119.17)
Share of OCI of JV accounted using equity method		0.13	0.02
Other comprehensive income for the year (B)		(273.74)	(119.15)
Total comprehensive income for the year (A+B)		(1742.09)	883.27
Attributable to:			
Equity holders of the parent		(1739.75)	885.95
Non-controlling interest		(2.34)	(2.68)
		(1742.09)	883.27

Consolidated Statement of Profit and Loss

For the year ended March 31, 2020

(₹ in Crore)

Particulars	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
Total other comprehensive income for the year			
Attributable to:			
Equity holders of the parent		(273.74)	(119.15)
Non-controlling interest		-	-
		(273.74)	(119.15)
Total profit for the year			
Equity holders of the parent		(1466.01)	1005.10
Non-controlling interest		(2.34)	(2.68)
		(1468.35)	1002.42
Earnings per equity share	39		
(1) Basic [Face value of ₹ 2 each]		(4.22)	2.76
(2) Diluted [Face value of ₹ 2 each]		(4.22)	2.76
Basis of preparation, measurement and significant accounting policies	2		
The accompanying notes are an integral part of these financial statements			

For and on behalf of Board of Directors



(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



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

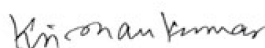
As per our report of even date attached

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



(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



(CA. Krishan Kumar)
Partner
M. No. 085415

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



(CA. Deepesh Shah)
Partner
M. No. 404990

Place : New Delhi
Date : June 13, 2020



Consolidated Balance Sheet as at March 31, 2021

(₹ in Crore)

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

Consolidated Balance Sheet as at March 31, 2021

(₹ in Crore)

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

For and on behalf of Board of Directors

(Rajeev Kalra)
Company Secretary
M.No. 14567(Subodh Gupta)
Director (Finance)
DIN: 08113460(Dr. Nalin Shinghal)
Chairman and Managing Director
DIN: 01176857

As per our report of even date

For Raj Har Gopal & Co.
Chartered Accountants
FRN - 002074N(CA Gopal Krishan)
Partner
M.No. 081085For Tiwari & Associates
Chartered Accountants
FRN - 002870N(CA. Sandeep Sandill)
Partner
M. No. 085747For Mahesh C. Solanki & Co.
Chartered Accountants
FRN - 006228C(CA. Priyanka Jajoo)
Partner
M. No. 411739Place : New Delhi
Date : June 11, 2021



Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in Crore)

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

Consolidated Statement of Profit and Loss

For the year ended March 31, 2021

(₹ in Crore)

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

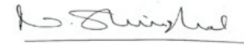
For and on behalf of Board of Directors



(Rajeev Kalra)
Company Secretary
M.No. 14567



(Subodh Gupta)
Director (Finance)
DIN: 08113460



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

As per our report of even date

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



(CA Gopal Krishan)
Partner
M.No. 081085

For Tiwari & Associates
Chartered Accountants
FRN - 002870N



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

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



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

Place : New Delhi
Date : June 11, 2021