



आत्मनिर्भर भारत

Pioneering  
**Atmanirbharta**  
Through  
**Innovation &  
Indigenization**



# 58<sup>th</sup> ANNUAL REPORT 2021-22



## BEML LIMITED

DEFENCE & AEROSPACE | MINING & CONSTRUCTION | RAIL & METRO

[www.bemlindia.in](http://www.bemlindia.in)

## CORPORATE VISION, MISSION AND VALUES

### A) Vision:

To become a market leader as a diversified Company, supplying quality products and services to sectors such as Defence & Aerospace, Mining & Construction, Rail & Metro and to emerge as a prominent international player.

### B) Mission:

- Improve competitiveness through collaboration, strategic alliances and joint ventures.
- Grow profitably by aggressively pursuing business and market opportunities in domestic and international markets.
- Adoption of state-of-the-art technologies and bring in new products through Transfer of Technology and in-house R&D.
- Continue in diversified growth in new products and markets.
- Attract and retain people in a rewarding and inspiring environment by fostering creativity and innovation.
- Offer technology and cost effective total solutions for enhanced customer satisfaction.

### C) Values:

Reiterate commitment towards holding 'BEML FIRST' with the intrinsic values and culture as guiding principles as under:

<b>F</b>	Focus on Customer	We strive to achieve customer delight in all our actions
<b>I</b>	Innovation & Technology	We leverage our continuous learning, innovation and technology in all our work
<b>R</b>	Reliability & Quality	We build reliability and quality in all our products & services
<b>S</b>	Speed & Responsiveness	We are agile and respond to needs and challenges of all stakeholders with swift execution
<b>T</b>	Trust & Teamwork	We help each other succeed through integrity, trust, respect, transparency, teamwork and being a socially responsible corporate citizen

## Chairman's Message



### Dear Shareowners,

It is an honour and privilege to present the Annual Report for the Financial Year 2021-22. Through this report, we will rejoice a journey of continued resilience in the year gone by, coupled with confidence for a better future.

The past couple of years have been a period of intense action and reflection. We have seen a global pandemic, geopolitical tensions, thereon supply chain disruptions and many other upheavals. As we step into the third year of the pandemic, it is abundantly clear that we are at the crossroads of a redefined future.

I believe we are standing at the dawn of a period of boundless opportunity and growth. Our journey into the future will be shaped by our ability to adapt to the new normal and address emerging challenges with agility, innovative capabilities, inclusivity and resilience. While the COVID-19 crisis has caused unprecedented disruptions to human life and economic activity, it has also provided multi-dimensional learnings which will power transformational change going forward.

In the face of widespread change, your Company has shown remarkable resilience and adaptability, coming out stronger than ever, after catastrophic

events like the global financial crisis or the pandemic.

I, on behalf of the Board of Directors as well as 5,573 enthusiastic human resource of BEML Limited, present to you the Company's Annual Report for the financial year 2021-22 for your consideration and adoption at the ensuing Annual General Meeting.

### Performance Highlights:

With a sense of pride, I would like to place on record that your Company has set a new benchmark by recording an all-time high Sale of Goods and Services of ₹4,143 Crores. during 2021-22 with a growth of 16% over previous year adding an all-time high incremental revenue of ₹586 crores.

This growth is the source of our energy and vibrancy, reflected in the 44.7% growth in market value. Mining & Construction Business achieved highest ever sales and registered a growth of 7.91% over the previous year. Defence Business has registered an impressive 60.74% growth over the previous year. Also, Rail & Metro Business registered a growth of 9.78% over the previous year.

Your Company is continuously working on opportunities for maximizing profitability. Various



optimization and technological measures are being taken for resource utilization and keeping costs under control.

With amplified business and sustained focus on cost control, your Company registered a Profit before Tax of ₹206 crores as against Profit before Tax of ₹93 crores in the previous financial year, increase by 121.50%.

Your Company made exports aggregating ₹565 crores (including deemed exports) during FY 2021-22, as against ₹464 crores (including deemed exports) during the previous year.

Also, Company has exported goods and services to new Country i.e., Madagascar in addition to 68 countries supplied over the years.

The Order Book of your Company as on 1st April, 2022 stood at ₹9,192 crores, as against ₹11,363 crores. in the previous year. Employee strength from 6,053 to 5,573, down by 480 (8.61%) and increased VoP per employee of ₹71.65 lakhs by adopting system integration model through increased outsourcing. Value added per employee is ₹31 lakhs as against ₹25 lakhs in the previous year, a jump of over 24%.

## The Year passed.....

### Competition:

Amidst post covid challenges & stiff competition, 71% of sales was achieved from orders obtained through competition mode. Your Company has sustained and maintained a major market share in Dozers and Dumpers market of Mining & Construction equipment.

### Research & Development:

During the year, Company has designed and developed products such as Mechanical Mine Field Marking Equipment (MMME), 1500 HP Engine for Future Main Battle Tank – design is under way, Sub-assemblies for Geo Synchronous Satellite Launch Vehicle (GSLV) Mk-III for ISRO, BMP Transportation Platform, 60 Ton Dump truck with wet brakes in both front & rear axles and independent wheel mounting, engineering of CEV Stage-IV compliant engine

on Motor Grader, 3.5 Ton capacity Tyre Handler meeting DGMS safety features for usage in mines, special attachments like tree pusher with forestry cabin for 324 and 180 HP dozer, wood grasper for 5 Ton Loader and Driverless Metro car (Unattended Train Operation) for Mumbai Metropolitan Region Development Authority.

Also, your Company has designed and developed 25 Kg Class Tactical Unmanned Aerial Vehicle (UAV) in association with IIT, Kanpur. Initial Trials have been completed.

Towards protecting the Intellectual property of the Company, the Innovation Cell has succeeded in filing 42 IPRs during 2021-22 covering innovations in product design, manufacturing and operations. Twelve patents have been awarded so far over the years.

Company has spent ₹103 crores on R&D during 2021-22 which is about 2.48% of sales. 88 % of sales turnover achieved was from in-house R&D developed products.

### Self-Reliance:

Your Company has achieved over 90% level of indigenization in the mainline M&C products, Rail coaches & EMU's, over 60-84% in High Mobility vehicles (HMV) and over 65% in Metro cars. Further, efforts are underway to reach higher levels.

Srijan Defence Portal a GoI initiative is being utilized for indigenization of items by uploading imported items. So far 1645 items have been uploaded in Srijan Portal for indigenization, out of which orders for 430 items have been released. 215 items have been indigenized with an import negated value of ₹256 crores approx.

Your Company has identified major aggregates of Armoured Recovery Vehicle (ARV) and High Mobility Vehicle (HMV) 12x12 for Indigenisation. Further, during the year 2021-22, the Company had set a target of 216 items for Indigenization under Atmanirbhar Bharat & 82 items have been indigenized.

Your company has been spearheading the initiative for increased sourcing from local manufacturers



especially MSMEs thereby supporting skilled employment generation and developing the ecosystem. Outsourcing has emerged as one of the strategic tools to achieve cost benefits and also complement the strengths of private sector and build a strong industrial base. To facilitate outsourcing, streamlined policies, procedures and guidelines have been put in place. Your Company has procured highest ever goods & services from MSE's which is 32% of the local procurement.

### Digital Transformation initiatives:

Your Company is embarking implementing digital transformative initiatives for the business processes covering all 3 business verticals.

The Digital Transformation (DT) initiatives in the areas of Infrastructure, Cyber Security, Business Applications & Systematic Improvements have been fully implemented and all these projects have positive impact on business both top-line and bottom-line while aligning people and processes.

Some of the initiatives implemented during 2021-22 viz., SRM Systemic improvements for the benefit of vendors and purchasers, New Linux based Email Solution, Online Vendor Registration, e-waste Management, Direct Medical Billing Automation, Visitor Management System, Cyber Security initiatives like Setting-up of Cyber Security Operation Center (SOC), Monthly awareness security training sessions, Daily Security Tips.

Initiatives started during 2021-22 and under implementation viz., Industry 4.0 for manufacturing shop floor at H&P Division, KGF Complex is taken as a first step and will be moved to other complexes, CRM Solution (Customer Compliant Management).

### Human Resources and Administrative Initiatives:

Your company, a canon establisher across industry in the function of Human Resources (HR) has achieved exceptional upshots during the last Financial Year. During 2020-21, amidst pandemic scenario, your company had successfully transited from orthodox class-room based training sessions towards on-line training for enhancing the organizational

competency, well, during 2021-22, your company has taken further leap across functions of HR.

Your Company's HR Function has now been aligned towards catering the business needs through HR-Business Partnering Model. Now, your HR Function, apart from its functional role, has been assigned with equal opportunity for contributing your company's business to expand its footprint in the Industry. Your Company's HR Function is now much more committed towards driving changes across organization and is continuously making effort to transform the organizational culture through benevolent 'Employee Relations Strategy & Practices'.

Holding the additional charge of Director (HR) of your company, I feel extremely honored to impart my vision for strengthening your HR Function in-line with the best contemporary approaches & practices and to move ahead in the direction of change management, your HR Function has adopted and revamped various initiatives, models & surveys which have been initiated within the HR fraternity to test the various aspects of change and assess its impact which HR desires to drive/bring into your company in the field of Talent, Competency, Engagement, ER/IR, Welfare, etc. Upon its successful completion and impact assessment, the change module(s) would be sensitized through various modes/channels of communication and will be driven at organizational level.

### Vigilance Initiatives:

During the Financial year 2021-22, surprise checks, periodic checks, scrutiny of purchase orders/contracts, Scrutiny of TA/DA & Medical reimbursement claims, scrutiny of Annual Property Returns, ten CTE type of in-house inspections and fifteen system studies were conducted. Based on the outcome of these, Systemic Improvements were recommended to Management & implemented, which mainly pertain to process improvements, management of procurement activities, contract, stores/inventory, Vendor assessment, weigh bridge operation, processing of travel claims, clearing of bills, quality of products/ aggregates etc.

## The Year Ahead....

Presently, the major challenge is to keep our supply chain uninterrupted and maintain the margin which is getting affected due to rise in fuel prices and other inputs viz. steel & aluminium. Your Company has taken all advance actions and long-term contracts have been entered with major suppliers to meet delivery requirement of the customers. We are optimistic about quantum growth in our top line and bottom line by end of the current fiscal.

Also, stiff competition in all segments of business against global players and the retention of talent is a key challenge which we are facing. The same is being addressed on Priority.

My Vision for the Company is to become a cornerstone for India's Make-in-India aspirations, a manufacturing hub for the highly competitive core businesses.

Priorities will be to leverage the strengths in our core business for significant growth in the next 4-5 years. This would involve diversifying in the Aerospace & Defence business, accelerate the growth in Rail & Metro business and sustain the Mining & Construction business. We need to develop new products adopting the latest technologies through strategic tie-ups with global players and premium academic institutions. Increasing the indigenisation levels in all the products will be a key thrust area. Exploring the international market opportunities in all the business areas to increase the exports will be a major priority.

The goal in the next few years would be to increase the revenues substantially with reasonable margins and contribute significantly towards exports.

Your Company has a healthy order book of over Rs 9000 crores. During the current FY we are expecting an overall growth of around 15%. Out of this, Defence Business has got tremendous opportunity and expected to grow exponentially. The present Order book position of Mining & Construction Business includes ₹118 crores of Rope Shovel order. Rail & Metro Business vertical is projected to grow around 5-7% beating expected inflation rate. Orders over ₹ 2000 crore is under pipeline in addition to our current order book position.

## Defence & Aerospace:

In Defence & Aerospace segment, major orders are available for execution during current year. Further orders are expected for High Mobility Vehicles for various programmes, and Overhauling of Tanks/High Mobility Vehicles and aggregates.

The call for Atmanirbhar Bharat has provided further impetus to realize the goal of self-reliance. The initiatives taken by government regarding various policy actions to boost indigenous design, development and manufacture of defence equipment in the country and make a sustainable defence industrial eco system would undoubtedly open various opportunities for the domestic sector.

Your Company has entered into MoUs with various Global OEMs/entities for emerging Defence procurement opportunities. Also new areas of Business viz., Overhauling of Armoured Recovery Vehicles/High Mobility Vehicles will also add numbers in top-line. Your Company is part of the Philippines export deal regarding supply of High Mobility Vehicles for Brahmos Missiles which is expected to be a harbinger in the Defence exports.

Also, your Company is developing India's first High Powered 1500HP Engine for Defence Application and first firing is expected in current year.

Further, your Company is making all efforts to pick up business in the areas related to its product portfolio and in overhauling business. The Company is also working with other DPSUs/DRDO Labs/Private Sectors for supply of High Mobility Vehicles, Tank aggregates and components/sub assy's for various Aerospace/Missile Programmes.

On Defence export front, our team visited Bangladesh for having discussions with Bangladesh Army for supply of Defence equipment (Air craft Towing Tractor and Heavy Recovery Vehicle) under Defence Line of Credit to Bangladesh. Also, your Company has registered with Defence Portals of Foreign Countries like Philippines and Singapore.

In Aerospace segment, your Company is supplying structures and aggregates for various Missile and National programmes. Also, newly established

facilities at Bengaluru Complex have already started supplying various aerospace components and parts for global requirements. Possible tie-ups with renowned OEM's are also underway and will help in propelling its growth.

## Rail & Metro:

In Rail segment, manufacturing of Rail Grinding Machines has commenced and 1st set will be supplied during current year. Also, recently your Company has received variation order of 3 phase MEMU for 88 cars for which supply will commence in next year.

Further prospects for manufacture of Vande Bharat trains/bogies are on anvil for which your Company is confident for getting orders. Your Company is also pursuing tie-ups to cater the requirement of upcoming Semi High-Speed Rail Medium/High speed Coaches/LHB Coaches.

On Metro Cars, supply of Driverless Metro Car for Mumbai Metro is under execution and will be completed in next 3 years. Additional order for 18 Metro cars from Kolkata Metro Rail Corporation Limited has been received and supply will commence during next year. Additional order from Delhi Metro is expected shortly. Also, prospects for Other upcoming metro rolling stock tenders viz. Patna Metro, Extensions to Delhi Metro, Mumbai Metro is being pursued.

## Mining & Construction:

On Mining front, your Company has successfully commissioned India's biggest Dump Trucks models "BH150E" at M/s SECL and "BH205E" at M/s NCL. Also, contract has been signed with M/s. Coal India Ltd. for supply of 21 Cu. M Electric Rope Shovel model "BRS21". This 21 Cu. M Electric Rope Shovel is being designed and developed indigenously by your Company under 'Atmanirbhar Bharat'. This project would not only enable the Country to achieve self-reliance in this class of product but also save huge outgoing foreign exchange. Your Company is also working on design & development of 240T Dump Truck.

Further, Coal India Limited plans to increase

annual output to 1 billion tonnes by 2024, from 622.6 million tonnes currently. Also, India is looking to boost its coal output by 75 million tonnes per annum in the next two-to-three years by restarting closed mines and thus reduction in coal imports.

Keeping in view of future technology trends with changing business scenario, R&D has taken up initiatives to launch new products and upgrade existing products in line with the latest emission norms as mandated by the government, DGMS and safety features in the areas of Dump Trucks, Dozers, Excavators, Wheel Loaders and Underground Mining Equipment apart from up gradation of existing Products with innovative and new features in line with major global competitors. Your Company has designed electric hydraulic shovels & walking dragline which is well accepted by coal companies and run completely on high voltage electricity. Also, Company has launched CEV stage IV compliant Motor grader and wheel loaders. From 2024 all Mining product will comply with CEV Stage IV emission norms.

Your Company is in the process of upgrading 140 & 170 Bore Engines to CEV Stage IV emission norms and has strategic plan to develop Hybrid and electric /battery operated driven Dozer/Wheel loader.

Further, the Company is also working with industry partners to leverage technology for the benefit/safety of customers and introduced AI features in mining equipment.

## Exports:

In the recovery phase of post COVID conditions, amalgamated with volatile geo political situation, the market dynamics of demand and supply have changed drastically. Company is positioning itself to mantle the market situation with appropriate strategies.

MoD has set an ambitious export target of Rs 35,000 crore by 2025 by Indian industries. DDP, MoD has assigned Kenya region to BEML, for increasing export of Indian products including defence products. Accordingly, BEML is preparing to make Kenya as the gate way for developing export business in the vast, hugely potential Africa region.



In this direction, your Company has bagged major order valuing INR 150 Crores, from Ministry of Economy, Planning and Regional Development, Govt. of Cameroon for supply of construction equipment consisting of Bulldozers, Excavators, Wheel Loaders, Motor graders and Compactors, for development of Agricultural Land for Cassava Plantation, under Indian Lines of Credit. The supplies will be executed during current year.

BEML is approaching the market aggressively, with increased visibility by way expansion of business network. BEML is appointing representatives and distributors across the globe and actively interacting with overseas missions. BEML has been focusing on Middle East, Africa and SAARC as its customary regions. However, BEML is meticulously assessing and preparing itself to garner the opportunity created due to withdrawal of American Lobbied countries in Middle east and CIS regions. The estimated potential offered by the market under the present scenario is to the tune of USD 25 million over next 3 years.

BEML is focusing on Nepal and Bangladesh in SAARC, Kenya, Ghana, Nigeria and other West African countries in Africa for promoting its Defence products. Dubai, Saudi Arabia in Middle East and Ghana, Nigeria, D R Congo and other mining potent countries in Africa, Indonesia and Vietnam in South East Asia for promotion of M&C products. In Rail & Metro segment BEML is focusing on IOR, SAARC and Middle east Countries

For current FY, we are very enthusiastic and confident to achieve minimum 10% growth over last FY.

## Corporate Governance

Your Company constantly endeavors to attain highest standard of Corporate Governance practice and is complying with Government Guidelines on Corporate Governance framed by Department of Public Enterprises (DPE) for CPSEs in letter and spirit. A report on Corporate Governance compliances has been made part of the Board's report. Your Company has been getting "Excellent" rating from DPE for complying various norms of Corporate Governance.

Your Company has established systems and procedures to ensure that its Board of Directors is well informed about the policies of the Company to enable them to discharge their responsibilities and to enhance the overall value of all stakeholders.

## CSR & Sustainable Development:

Your Company's overarching commitment to create significant and sustainable societal value is manifest in its CSR initiatives through economic empowerment based on grassroots capacity building. BEML consistently spends more than 2% of average PAT of last 3 years exceeding the target as stipulated in guidelines. Your Company has always strived to grow its business while protecting the planet and doing good for the people.

Your Company's spirit of caring and sharing is rooted in its CSR & SD Policy which has been immensely contributing for the development of society through its various CSR initiatives such as Promoting Education, Skill Development, Health Care, Community Development, Rehabilitation of Specially Abled persons, Eradication of Hunger & Malnutrition, Afforestation, adoption of villages, Sanitation, Drinking Water facilities and also includes commitment to Swachh Bharat Mission.

The beneficiaries of CSR initiatives of the Company are predominantly the residents of under-developed villages around the local areas of the Company's Manufacturing Complexes located at Bengaluru, Kolar Gold Fields, Mysuru in Karnataka & Palakkad in Kerala.

In the preface of epidemic of COVID-19 and to support this critical phase of Social and Economic crisis, your Company has taken up the numerous relief activities viz. associated with other PSUs under the Ministry of Defence and contributed for establishing 500 bedded Covid Care Center at Lucknow, contributed to the Kerala Chief Minister's Pandemic Relief Fund and to Vidarbha Relief Committee, Nagpur for providing assistance during the Covid Pandemic.

It is heartening to mention that, your Company has set-up Oxygen Generating Unit at Civil General Hospital, KGF. The Oxygen Generating Unit has

capacity for supplying oxygen for 200 beds. This unit will cater to emergency needs of the communities living in and around KGF.

Keeping in view the sacrifice of the war heroes of the country, your Company has contributed towards the 'Vocational Training Grant of Widows'. The Company has expressed its solidarity for the welfare of the family of the War Heroes.

Your Company has recently established Mini-Science Center at its PU College at KGF. The Mini Science Centre is a platform where students can learn the 150+ concepts of science and mathematics through practical approach.

85 % of energy requirement of your Company was met through "Green Energy" projects viz. 23MW Windmill Projects and 250KWp Solar Power, resulting in mitigation of 23872 tons of carbon during the year 2021-22. With this, your Company is marching in the direction of becoming a "Green Company" and contribute towards our Hon'ble Prime Minister National Green Energy Mission of increasing Renewable Energy Capacity to 175 GW by 2022 to become World's clean energy capital.

### Customer Satisfaction:

Every part of our strategy is dedicated to ensure reliability of supplied equipment, lowering owning and operating costs and provide highest customer satisfaction.

### Awards:

Your Company has received many accolades and awards and significant of them are:

- 'Top Challengers' Award for the growth achieved in 2020-21 and 'Best Seller in Crawler Dozers' Award at the Construction World Annual Awards 2021.
- Two Gold Awards by Quality Circle Forum

of India for case study titled "Production optimization and minimization of welding distortions by design modifications in Mumbai Metro Car Body Roof" and "Optimization of Main Compressor installation process parameters in 3-phase MEMU coaches".

- Global CSR Excellent Leadership Award 'for making difference to the lives of others', in the category of CSR projects in PSUs.
- Four awards at 15<sup>th</sup> PRCI Global Communications Conclave.

### Acknowledgements:

I take this opportunity to place on record my sincere thanks and gratitude to the Government of India, Administrative Ministry, the Ministry of Defence and in particular, the Department of Defence Production, MoHUA, PMO, CIL, DPSUs, Indian Railways and other allied Administrative Departments of the Government of India, for its constant support and encouragement.

I also wish to take this opportunity to thank my fellow Board members for their invaluable support in running the operations of your Company.

I would like to extend my grateful appreciation to all Unions, Associations, Employees and Executives for their untiring efforts and contribution. I would like to thank our valuable customers, suppliers and other stakeholders for their trust and support. Your Company values your trust and confidence and shall continue to work tirelessly to take it forward. Alone, we can do so little, together we can do so much.

Before I keep my pen down, I want to quote words from celebrated entrepreneur "You become what you believe" by Oprah Winfrey. This compliments well with your Company's Tagline 'New Frontier New Dreams'.

I wish one and all a happy Amrut Kaal of India's glorious Independence.

Jai Hind.

Sd/-

**Amit Banerjee**  
Chairman & Managing Director  
Bengaluru

## Board of Directors



**Shri Amit Banerjee**  
CHAIRMAN & MANAGING DIRECTOR



**Shri Surendra Prasad Yadav**  
Government Nominee Director, Joint Secretary (Land System)  
Dept. of Defence Production, Ministry of Defence



**Shri MV Rajasekhar**  
Director (Mining and  
Construction Business)



**Shri Ajit Kumar Srivastav**  
Director (Defence Business)



**Shri Anil Jerath**  
Director (Finance)



**Smt Balmuri Vanitha**  
Independent Woman Director



**CA Arun Daga**  
Independent Director



**Shri Vikas Ramkrishna Kakatkar**  
Independent Director



**Shri Siva Makutam**  
Independent Director



## Profile of Board Directors



**Shri Amit Banerjee**  
CHAIRMAN & MANAGING DIRECTOR,  
Addl. Charge - Director (Rail & Metro Business) &  
Director (HR)

Shri Amit Banerjee (DIN:08783660) is Chairman & Managing Director of BEML Limited (formerly Bharat Earth Movers Limited), a Public Sector Undertaking under the Ministry of Defence. Also, holding additional charge of Director (Rail & Metro) business and Director (Human Resources). The Company operates under three major business verticals viz., Mining & Construction, Defence & Aerospace, Rail & Metro.

Joined BEML as Asst Engineer in the year 1984 from campus after completing B.Tech in Mechanical Engineering from IT(BHU). His professional career is spanning over three decades in BEML, worked in various capacities in R&D, Technology division and manufacturing functions.

Involved in design, development & productionising of various new products. The railway rolling stock products developed are Metro cars, EMUs (Electrical Multiple Units) and Maintenance vehicles. Metro trains were designed, developed and supplied to Delhi, Jaipur, Bengaluru, Kolkata and Mumbai. EMUs developed were 3 phase Mainline EMU, AC EMU, Diesel electric EMU and Austenitic Stainless steel body AC EMU. Maintenance vehicles developed include Catenary maintenance vehicle for both SG (Standard gauge) and BG (Broad gauge), Utility track vehicle, etc.

Products developed for Defence include Pontoon floating bridge system (PMS Bridge), Heavy duty trucks for carrying missiles, tank transportation trailer, special wagons and ground support equipment like Aircraft towing tractor & Weapon loader.

As Business Head has experience in production functions like planning, procurement, manufacturing, inspection & testing and also other functions like business development, Finance and HR areas.

Significant contributions include establishing the indigenous design, engineering and testing capability for metro rolling stock involving sub-systems like carbody, bogie, brake, outfitting, propulsion & controls, interfacing with signaling, telecom, track, power supply, etc. Developed indigenous vendor base for critical metro car aggregates. Successfully productionised and delivered various rail & metro products developed through in-house R&D. This has enabled the company to become a leading player in Metro cars & increase the turnover of its Rail & Metro business and achieve a leading market share in the country.

Among the awards received include Raksha Mantri award for Design Effort towards Design & Development of Austenitic Stainless Steel EMU & Intermediate Metro Cars for Delhi Metro, Global CSR Excellent Leadership Award 'for making difference to the lives of others', 'Top Challengers' award for growth achieved in 2020-21 and 'Best Seller in Crawler Dozers' Award at the Construction World Annual Awards, 2021.


**Shri Surendra Prasad Yadav**

Government Nominee Director, Joint  
Secretary (Land System)  
Dept. of Defence Production,  
Ministry of Defence

Shri Surendra Prasad Yadav (DIN: 02267582) has been appointed as Government Nominee Director on the Board of Company w.e.f. 08.11.2021. Shri Surendra Prasad Yadav is qualified B. Tech and M. Tech and a 1996 batch Indian Forest Service (IFoS) Officer of West Bengal cadre. He has previously worked in Department of Forest, Government of West Bengal, in different capacities i.e. Divisional Forest Officer and Chief Conservator of Forest. He also worked as Executive Director in West Bengal Industrial Development Corporation Limited for more than 7 years. Presently, he is working as Joint Secretary (Land System) in Department of Defence Production, Ministry of Defence, Govt. of India.


**Shri M V Rajasekhar**

Director (Mining and Construction Business)

Shri M V Rajasekhar (DIN: 08467141) is a Metallurgical Engineer from VNIT, Nagpur with a MTech in Welding Engineering from IIT Chennai and MS in Technology Management, Germany. Started his professional career in BEML Ltd as an R&D Engineer in the year 1988. With total professional experience of over 33 years, he has served the Company in all its three business verticals. During his journey, he has acquired knowledge and expertise across all major functions like R&D, Production, Planning, Outsourcing, Human Resource Management and Marketing.

He was holding additional charge of post of Chairman & Managing Director from 01.02.2021 to 26.08.2021, during which, he focused primarily on Order Execution, New Products Development, Indigenization, Cost Control and Manpower Optimization to gain competitive edge in the intensely competitive business environment across all its three Business Verticals. He is holding the post as Chief Information Security Officer of the Company for the past three years.


**Shri Ajit Kumar Srivastav**

Director (Defence Business)

Shri Ajit Kumar Srivastav (DIN: 08741858) is a graduate in Mechanical Engineering from IIT Kharagpur in 1987. He joined BEML as an Engineer Trainee and in his professional career spanning over three decades in BEML, he has worked in various critical functions in the Company. He has assumed charge as Director (Defence Business) of the Company on 01.06.2020. Prior to assuming the charge as Director, he served as Chief General Manager (Defence Marketing). He played a significant role in phased indigenization of key products and import substitution. He also created a vendor ecosystem incorporating MSMEs and set up the Regional Quality Assurance Wing covering entire Northern India. As a District/Regional Manager, he has set up the first ever dealer network for construction equipment which lead to considerable boost in sales. As Head of International Business Division, he effectively used buyer's credit opportunities to enhance exports, winning award for the highest exports in 2013-14. He was holding additional charge of post of Director (Finance) from 09.04.2021 to 22.03.2022.



**Shri Anil Jerath**  
Director (Finance)

Shri Anil Jerath (DIN: 09543904) has been appointed as Director (Finance) and Member on the Board of BEML Limited. He has assumed charge of the post on 22.03.2022. Shri Jerath is a Cost & Management Accountant from the Institute of Cost Accountants of India. Before joining BEML, he has worked as the Additional Director at Chhattisgarh State Electricity Board (CSEB), Raipur and has worked at Bharat Aluminum Company Limited (BALCO), Korba. He has rich & varied experience of 32 years in Government, Public & Private Sectors with wide exposure in all aspects of Accounting & Financial management, Accounts Finalisation and Audit, Tax Planning and Tax Management, analysing the financial viability of new ventures/new projects and forecast the amount of project finance/fund requirement, conceptualizing and implementing financial procedures including working capital management, internal financial controls and target costing.



**Smt Balmuri Vanitha**  
Independent Woman Director

Smt Balmuri Vanitha (DIN: 08679028) is B.A. and LLB from Kakatiya University. Smt Vanitha has assumed charge as Independent Woman Director on the Board of the Company w.e.f. 24.01.2020. Smt. Vanitha has started Advocate Practice in the year 1998 at Godavarikhani and has been practicing for the last 24 years.



**CA Arun Daga**  
Independent Director

CA Arun Daga (DIN-07054958) is a fellow member of the Institute of Chartered Accountants of India (ICAI). He is Master of Commerce and also holds DISA( ICAI) and DIRM (ICAI) diploma and also qualified certification course of Forensics audit, Valuation & Concurrent audit from ICAI. CA Arun Daga is a solution oriented Chartered Accountant with 28 plus years of strong experience and knowledge in Companies, Taxation, Financial Reporting and Accounting. He served in various capacities in Gwalior Branch of ICAI and elected as Chairman during 2003-2004. He is also serving as an Internal Auditor, Statutory Auditor, Management Auditor, Concurrent Auditor and Revenue Auditor of various Banks and Public Companies. He has participated as Speaker in various Seminars, Study Circle meetings organized by Gwalior & Jhansi branch of ICAI, Training programs of IT, GST departments and AG Office Gwalior. He also composed several articles, write up in Newsletter & Magazines issued by Gwalior Branch of ICAI. Presently he is the Director Nominated by M.P Government on the Board of NHDC Limited, Bhopal. Shri Arun Daga has assumed charge as Independent Director on the Board of the Company w.e.f. 24.12.2021.





**Shri Vikas Ramkrishna Kakatkar**  
Independent Director

Shri Vikas Ramkrishna Kakatkar (DIN-02372234) is Bachelor of Arts (Hons.), Bachelor of Law and MBA from University of Pune. Shri Vikas Kakatkar worked as Marketing Officer with Kirloskar Consultants Pvt. Ltd, Pune & Statfield Systems (Coating) Pvt. Ltd, Pune from 1979-1981. Since 1982, he is working in the business of construction for Residential and Commercial Buildings in Pune. He is associated as the Management Consultant with Perfect Machine Tools Limited and its group companies. He is also one of the Founder Directors of Jai Hospitals Private Limited, Nashik. He is associated with many Banking, Educational and Social Institutions for upliftment of the society. Since 2001, he is associated with Deccan Education Society and during this period he is instrumental in setting up of new institutions and colleges including setting up of new Campus and Institute in Andhra Pradesh and also entered into collaborations with various International Universities. In April 2008, he was elected as Managing Committee member with Maharashtra Cricket Association (MCA) and rose to the level of President from October 2019. From 2011, he is Management Committee member with Society of Friends of the Sassoon Hospitals, Pune (SOFOSH) which works for orphan children from all sections of the society and also helps and supports the relatives of the needy patients admitted in the hospital. Shri Vikas Ramkrishna Kakatkar has assumed charge as Independent Director on the Board of the Company w.e.f. 24.12.2021.



**Shri Siva Makutam**  
Independent Director

Shri Makutam Mrutyunjaya Siva Kumar Lingam alias Siva Makutam (DIN-09450599) has graduated from BITS, Pilani in Electrical & Electronics Engineering (2001). He is a top-notch professional in the area of Semiconductor Electronics & IT since last 20 years and has great experience in formulating Specifications to Silicon/Product and is currently serving as Sr. Director in a Chip Design MNC. He also worked as Principal Consultant to the Department of IT Electronics & Communications, Govt. of Andhra Pradesh during 2017-18. He is a Technocrat currently focused on "Make in India" & adoption of next generation technologies to enable the related eco-system. Shri Siva Makutam assumed charge as Independent Director on the Board of the Company w.e.f. 28.12.2021.

## VIP VISITS

Shri Ajay Bhatt, Hon'ble Raksha Rajya Mantri inspecting Driverless Metro car manufactured by BEML for Mumbai Metro at BEML, Bengaluru Complex



Meeting with Shri Rajnath Singh, Hon'ble Raksha Mantri, in the presence of Dr. Ajay Kumar, Secretary Defence at Bengaluru.

Smt. Darshana Jardosh, Hon'ble Minister of State for Railways, going around BEML pavilion along with Shri Suneet Sharma, Chairman and CEO Railway Board at International Railway Equipment Exhibition- 2021



Handing over of dividend to Shri Rajnath Singh, Hon'ble Raksha Mantri in the presence of Dr. Ajay Kumar, Secretary Defence

## VIP VISITS



Meeting with Parliamentary Standing Committee on Social Justice and Empowerment during their visit to Bengaluru.



BEML Team with Parliamentary Committee on Official Language during meeting at Bengaluru



Parliamentary Committee on Public Undertakings in a meeting with BEML team during their visit to Bengaluru



Shri S Somanath, Chairman, ISRO inspecting BEML AEROSPACE manufacturing facilities



Shri Pramod Agrawal, Chairman CIL, is being briefed on facilities available at BEML Bengaluru Complex

## MAJOR ORDERS

BEML bags order from Coal India for supply of 21 Cu m Electric Rope Shovel



Handing over the key of 1st equipment to Mr. Z Doufene, DG, MINEPAT, Govt. of Cameroon, in the presence of Ms. H Bangari, MD Exim Bank, Mr. Amit Banerjee, CMD, BEML & Sr. officials from Cameroon, Exim Bank and BEML at BEML KGF Complex.

## INDIGENIZATION/LAUNCHING OF PRODUCTS



CMD, CIL flagging off BEML's 100 T Dump Trucks and Water Sprinklers at NCL, Samleshwari open cast project designed and developed towards Aatmanirbharta.

Successfully completed the order for the supply of indigenously designed and developed BH205 E Dump Trucks to Coal India



Shri Rajnath Singh, Hon'ble Raksha Mantri launching AI products engineered on BEML equipment, developed in collaboration with Startup/MSMEs



## EXHIBITIONS

BEML team explaining the capabilities and products to respected Indian Ambassador to Egypt Mr. Ajit Gupte at Defence Expo (EDEX 2021) organized by Arab Republic of Egypt at Cairo



Exhibition for the public on "BEML Journey since 1964" coinciding with the Azadi Ka Amrit Mahotsav celebrations



BEML Pavilion at EXCON 2022

Dr. Anil Kumar Jain IAS, Secretary, Coal, GoI, inaugurating BEML stall at IME 2022,



AWARDS



Top Challengers Awards received by BEML in recognition of growth achieved in 2021 and fighting the pandemic situation successfully

Received the 'CSR Leadership Award' in recognizing the Leaders and the Company for the contributed value and using 'change as strategic tool for sustainable growth' by Asia Pacific HRM Congress.



Receiving Rajya Bhasha award 2020-21 in recognition of BEML's effort in implementing Hindi in all its activities



BEMLian Ms Rekha N Parmar receiving National Award for the 'Empowerment of Persons with Disabilities (DIVYANGJAN 2020)'







BEML received the Global CSR Excellent Leadership Award 'for making difference to the lives of others', in the category of CSR projects in PSUs.

## MoU's/ToT's etc.

Signing of MoU with RITES to explore and jointly bid for opportunities in the field of Metro Systems and export of Rolling Stock



Signing of MoU with IIT, Kharagpur for joint development of Critical Defence & Metro technology apart from creating State-of-the-art- Testing facilities

Receiving Transfer of Technology (ToT) from DRDO for creation of anti-tank minefield semi-automatic system on a high mobility multi terrain platform to lay the mines in the presence of Shri Rajnath Singh, Hon'ble Raksha Mantri and Shri Ajay Bhatt, Hon'ble Raksha Rajya Mantri



## CORPORATE SOCIAL RESPONSIBILITY



As part of CSR activities, BEML opened Mini- Science Centre at BEML KGF complex- CMD & Director(M&C) interacting with a student

Under Swachh Vidyalaya campaign, BEML handing over the keys of toilets



Blood donation camp to promote donating blood for the needy people

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## FINANCIAL HIGHLIGHTS

S. No	PARTICULARS	UNITS	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
<b>A</b>	<b>Our earnings</b>											
	Gross Revenue	₹ Lakhs	357823	309407	296731	346186	327728	280682	314769	264532	318115	309164
	Physical Export	₹ Lakhs	4875	2824	1450	1920	2814	2018	3466	10678	7678	18635
	Deemed Export	₹ Lakhs	51599	43490	4701	-	-	998	24057	37755	427	1178
	Other Operating Revenue*	₹ Lakhs	19452	4019	-	-	-	-	-	-	-	-
	Total Gross Revenue	₹ Lakhs	433749	359740	302882	348106	330542	283698	342292	312965	326220	328977
	Less: Value of Consortium supplies	₹ Lakhs	-	-	-	-	-	232	13859	13048	14203	29090
	<b>Revenue net of Consortium Supplies</b>	₹ Lakhs	<b>433749</b>	<b>359740</b>	<b>302882</b>	<b>348106</b>	<b>330542</b>	<b>283466</b>	<b>328433</b>	<b>299917</b>	<b>312017</b>	<b>299887</b>
	Less: Excise Duty	₹ Lakhs	-	-	-	-	5987	33585	30372	18998	20866	18996
	<b>Revenue from operations</b>	₹ Lakhs	<b>433749</b>	<b>359740</b>	<b>302882</b>	<b>348106</b>	<b>324555</b>	<b>249881</b>	<b>298061</b>	<b>280919</b>	<b>291151</b>	<b>280891</b>
	Change in WIP/SIT	₹ Lakhs	(15004)	(86)	29194	(1422)	(1866)	12509	(24371)	(20926)	(9706)	6992
	<b>Value of Production (with Revenue from Operations)</b>	₹ Lakhs	<b>399293</b>	<b>355635</b>	<b>332076</b>	<b>346684</b>	<b>322689</b>	<b>262390</b>	<b>273690</b>	<b>259993</b>	<b>281445</b>	<b>287883</b>
	<b>Value of Production (with Gross Revenue)</b>	₹ Lakhs	<b>418744</b>	<b>359654</b>	<b>332076</b>	<b>346684</b>	<b>328676</b>	<b>296207</b>	<b>317921</b>	<b>292039</b>	<b>316514</b>	<b>335969</b>
	Other Income*	₹ Lakhs	674	1997	4855	2311	2490	6245	4216	5950	6339	10359
<b>B</b>	<b>Our outgoings</b>											
	Cost of materials	₹ Lakhs	226957	203825	189051	197062	172544	134573	147724	137368	161734	172427
	Employee Remuneration & Benefits	₹ Lakhs	85764	84865	84387	80193	80850	78072	75453	76911	71676	73940
	Interest	₹ Lakhs	4933	3912	4050	5939	4809	4780	4903	7051	11046	14099
	Depreciation & amortisation exp	₹ Lakhs	6607	7068	7130	6958	6424	6198	5577	5214	5356	5025
	Other Expenses	₹ Lakhs	74584	52700	49907	45747	50160	68768	66829	57720	59520	64992
<b>C</b>	<b>Our savings</b>											
	PBDIT	₹ Lakhs	32114	20262	13586	25993	27612	20807	18272	12956	17310	6891
	PBIT	₹ Lakhs	25507	13193	6456	19035	21188	14609	12695	7742	11954	1866
	<b>PBT</b>	₹ Lakhs	<b>20574</b>	<b>9281</b>	<b>2406</b>	<b>13096</b>	<b>16379</b>	<b>9829</b>	<b>7792</b>	<b>691</b>	<b>908</b>	<b>(12233)</b>
	<b>PAT</b>	₹ Lakhs	<b>13459</b>	<b>7480</b>	<b>6838</b>	<b>6349</b>	<b>12945</b>	<b>8444</b>	<b>6366</b>	<b>676</b>	<b>468</b>	<b>(7987)</b>
	Other Comprehensive Income (net of tax)	₹ Lakhs	2649	7559	4358	1321	7066	1189	1,051	-	-	-
	<b>Total Comprehensive income</b>	₹ Lakhs	<b>10811</b>	<b>(79)</b>	<b>2480</b>	<b>5028</b>	<b>5879</b>	<b>7255</b>	<b>5315</b>	<b>676</b>	<b>468</b>	<b>(7,987)</b>
<b>D</b>	<b>Own capital</b>											
	Equity	₹ Lakhs	4177	4177	4177	4177	4177	4177	4177	4177	4177	4177
	Other Equity	₹ Lakhs	226502	218268	221538	214547	215846	213978	208728	203914	203807	203826
<b>E</b>	<b>Loan capital</b>											
	Loans from Banks	₹ Lakhs	82257	64334	3620	9751	13502	11285	19245	24553	54110	85181
	Other loans	₹ Lakhs	-	10000	30299	30445	31055	32286	37515	39498	41481	40959



## FINANCIAL HIGHLIGHTS

S. No	PARTICULARS	UNITS	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
<b>F</b>	<b>Financial Statistics</b>											
	Net worth	₹ Lakhs	230679	222445	225715	218724	220023	218155	212905	208091	207984	208003
	Property, Plant & Equipment and Intangible assets (at cost)	₹ Lakhs	97668	95869	90971	85900	75597	68294	59789	47230	120062	118377
	Accumulated depreciation & amortisation	₹ Lakhs	43361	37484	30752	23913	17312	11208	5344	-	70193	65303
	Net Block	₹ Lakhs	54307	58385	60218	61987	58285	57086	54445	47230	49869	53074
	Inventories	₹ Lakhs	207285	197065	200272	170227	179951	197446	169628	192117	215210	245620
	Trade Receivables	₹ Lakhs	186136	188451	150813	161305	164223	144137	124043	124182	115671	122452
	Working capital	₹ Lakhs	282187	277377	273011	216523	207781	212666	202534	202954	198422	206756
	Capital Employed	₹ Lakhs	336494	335762	333229	278510	266066	269752	256979	250184	248291	259830
	Value added	₹ Lakhs	172336	151810	143025	149622	150145	127817	125966	122625	119711	115456
	Final Dividend-Excl. Tax **	₹ Lakhs	500	1458	1041	3332	3332	1666	416	416	1041	2082
	Interim Dividend-Excl. Tax	₹ Lakhs	2082	1999	1041	1874	-	-	-	-	-	-
	R&D Expenditure	₹ Lakhs	10266	13266	10354	7072	10204	7808	6663	8292	8623	9436
	No. of Employees	Nos	5573	6053	6602	7185	7722	8221	8827	9599	10328	11005
<b>G</b>	<b>Financial Ratios</b>											
	Revenue from operations per Employee	₹ Lakhs	77.83	59.43	45.88	48.45	42.03	30.40	33.77	29.27	28.19	25.52
	Value Added per Employee	₹ Lakhs	30.92	25.08	21.66	20.82	19.44	15.55	14.27	12.77	11.59	10.49
	PBT to Revenue from operations	%	4.74	2.58	0.79	3.76	5.05	3.93	2.61	0.25	0.31	(4.36)
	PBIT to Capital employed	%	7.58	3.93	1.94	6.83	7.96	5.42	4.94	3.09	4.81	0.72
	PAT to Net worth	%	5.83	3.36	3.03	2.90	5.88	3.87	2.99	0.32	0.23	(3.84)
	Debt Equity ratio	Times	0.36	0.33	0.15	0.18	0.20	0.20	0.27	0.31	0.46	0.61
	EPS	₹	32.32	17.96	16.42	15.25	31.08	20.28	15.29	1.62	1.12	(19.18)
	Final Dividend **	%	12.00	35.00	25.00	80.00	80.00	40.00	10.00	10.00	25.00	50.00
	Interim Dividend	%	50.00	48.00	25.00	45.00	-	-	-	-	-	-
	Revenue from operations to Capital employed	%	128.90	107.14	90.89	124.99	121.98	92.63	115.99	112.28	117.26	108.11

\* Other operating income/Other income for FY2020-21 has been reclassified in line with FY 2021-22.

\*\* For F.Y 2021-22, Board has recommended a dividend of ₹5/- per equity share (i.e., 50%), this would result in a cash outflow of approximately ₹2082.23 Lakhs in F.Y 2022-23, subject to the approval of shareholders at the Annual General Meeting. Final Dividend-Excl. Tax for FY 2020-21 is ₹ 1.20 Per equity share paid in FY 2021-22.

## BOARD'S REPORT

Your Board of Directors has pleasure in presenting 58<sup>th</sup> Annual Report of the Company along with Audited Financial Statements for the year ended 31.03.2022 as under:

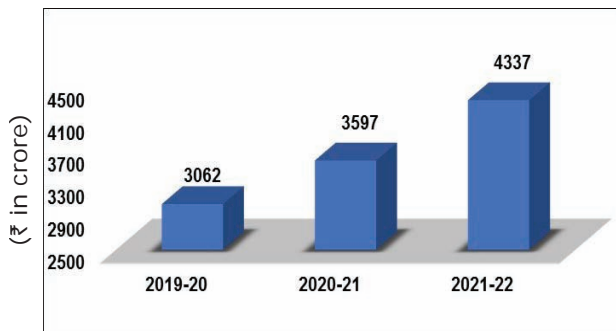
### Financial results: (₹ in crore)

Particulars	2021-22	2020-21
Revenue from Sale of Products & Services	4143	3557
Revenue from Operations	4337	3597
Value of Production	3993	3556
Profit before Depreciation, Interest and Tax	321	203
Finance costs	49	39
Depreciation and amortization expense	66	71
Profit Before Tax	206	93
Tax Expense	71	18
Profit After Tax	135	75
Other Comprehensive Income	(27)	(76)
Total Comprehensive Income	108	(1)
Profit available for appropriation	437	329
Net worth	2307	2224

### Revenue from Operations & Profitability:

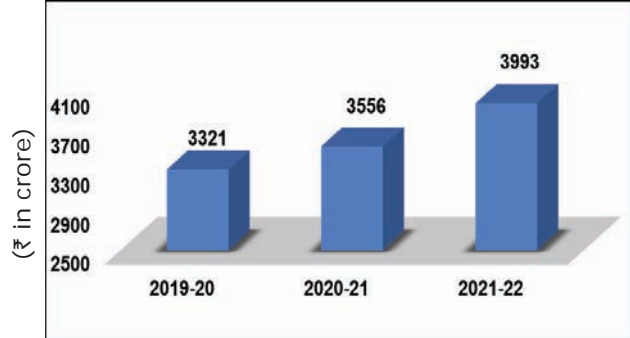
Your Company achieved all-time record Revenue from Operations of ₹4337 crore as against ₹3597 crore in the previous year, increased by 20.57%.

### Revenue from Operations



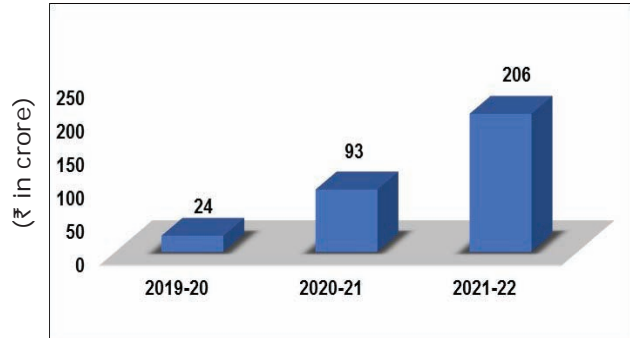
Achieved highest ever Value of Production of ₹3993 crore as against ₹3556 crore in the previous year, increased by 12.29 %.

### Value of Production



With increased business contribution and continued focus on cost control, Company has registered a growth of 121.51% in Profit before Tax over previous year i.e., ₹206 crore against ₹93 crore in the previous financial year.

### Profit Before Tax



Improvements/achievements in other financial/operational parameters are provided hereunder:

- Defence Business registered double digit growth of 60.54% over the previous year.
- Rail & Metro Business registered a growth of 9.78% over the previous year.
- Mining & Construction Business achieved highest ever Revenue and registered a growth of 7.91% over the previous year.
- Spare parts business has achieved highest ever Revenue of ₹932 crore registering a

growth of 1.75% over the previous year of ₹916 crore.

- Revenue from operations per employee increased by 32%.
- Value added per employee is ₹31 lakhs as against ₹25 lakhs in the previous year, a jump of 24%.
- Employee cost to revenue from operations, reduced by 3.82% from 23.60% to 19.78% in the previous financial year.

Despite the spread of second wave of COVID-19 Pandemic during the year, your Company has achieved improvement in all parameters as mentioned above with the unstinted efforts of employees and executives of the Company.

There was no change in the nature of business of the Company during the year. Further, there was no material change/commitment occurred affecting the financial position of the Company subsequent to the financial year ended 31.03.2022 till the date of this report.

#### Exports:

Your Company made exports aggregating ₹564.74 crore which includes physical exports of ₹48.75 crore, deemed exports of ₹515.99 crore and export incentive of ₹1.11 crore during FY 2021-22, as against ₹463.14 crore which includes physical exports of ₹28.24 crore, deemed exports of ₹434.90 crore and export incentive of ₹0.49 crore during the previous year.

#### Order Book Position:

The order book position of your Company as on 01.04.2022 is ₹9,192 crore as against ₹11,363 crore orders in the previous year. The Order book comprises of three business verticals, i.e., Mining & Construction, Defence & Aerospace and Rail & Metro.

#### Performance vis-à-vis MoU:

In terms of the Memorandum of Understanding (MoU) signed with the Department of Defence Production, Ministry of Defence (MoD), Government of India, performance of your Company was rated

as 'Good' for the financial year 2020-21 and the rating for the financial year 2021-22 is under self-evaluation.

#### Dividend:

Your Board of Directors approved an interim dividend of ₹5.00 per equity share i.e., 50% on equity shares of ₹10 each on 22.03.2022 which was distributed among the eligible shareholders. Further, the Board of Directors has recommended a final dividend of ₹5.00 per equity share i.e., 50% on equity share of ₹10 each, aggregating to a total dividend of ₹10.00 (i.e. 100% on equity share capital) for FY 2021-22 keeping in view the future prospects of the Company and at the same time meeting the aspirations of the shareholders.

Your Company formulated a 'Dividend Distribution Policy' which includes the parameters and circumstances in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said Policy is posted on Company's website <https://www.bemlindia.in/writereaddata/Downloads/201806251810Dividend%20Distribution%20Policy.pdf>.

#### Strategic Disinvestment:

Ministry of Defence (MoD) vide its letter dated 01.12.2016 communicated that Cabinet Committee on Economic Affairs (CCEA) had accorded "in-principle" approval for strategic disinvestment of 26% equity in the Company out of Government of India shareholding of 54.03% along with management control. Inter-Ministerial Group (IMG) was constituted by the competent authority. Department of Investment & Public Asset Management (DIPAM) has appointed M/s. SBI Capital Markets Limited as Transaction Advisor (TA) & M/s. Crawford Bayley as Legal Advisor (LA) and Ministry of Defence (MoD) has appointed M/s. RBSA Valuation Advisers LLP, Ahmedabad as Asset Valuer (AV). Further based on the advice of Inter-Ministerial Group (IMG), road shows were completed and Preliminary Information Memorandum (PIM) was published on 04.01.2021 for global invitation of Expression of Interest (EOI).

EOI from interested bidders have been received and evaluated by TA.

VDR (Virtual Data Room) has been set up by the Company and required data has been provided to TA for due diligence by qualified bidders.

Based on IMG advice, BEML had appointed M/s. Deloitte Haskins & Sells LLP, as consultants for advising, undertaking and implementing the Demerger of identified surplus/non-core assets of the Company which are not part of BEML strategic disinvestment. For demerger of identified surplus/non-core assets a separate Wholly Owned Subsidiary (WOS) of BEML by name "BEML Land Assets Limited" has been incorporated on 15.07.2021.

Based on approval of the Stock Exchanges, Scheme of arrangement has been filed with MCA for its approval. MCA vide order dated 28.07.2022 has sanctioned the scheme of arrangement for the de-merger of identified surplus/Non - Core assets, listing formalities are under process.

### Finance:

The working capital requirements were met from the internal accruals and credit facilities availed from banks. There was no overdue installment of principal and/or interest to the banks. During the current Financial Year, Board has approved ₹1,000 crores towards Unsecured Working Capital limit (fund based and non-fund based) in addition to the existing ₹4500 crores Secured Working Capital Limit (fund based and non-fund based). The overall ₹5500 crores limit (₹4500 crores Secured Working Capital limit and ₹1000 crore Unsecured Working Capital limit) is rated by M/s Brickworks Rating with fund-based facilities as BWR AA/Stable and non-fund based facilities as BWR A1+ and M/s Care Rating Agency has rated fund based facilities as A+/Stable and non-fund based facilities as A+/Stable, A1+.

Further, the Company had issued Non-convertible Debentures (NCDs) of ₹300 crores during 2012, out of which ₹100 crores was redeemed on 18.05.2021 being second tranche (first tranche of ₹100 crores was redeemed on 18.05.2020). The Company has paid the redemption amount along with interest to the debenture holders. Brickwork Rating has

affirmed the rating for NCDs with BWR AA/Stable. These ratings are considered to have a high degree of safety regarding timely servicing of financial obligations. Further, the last tranche of ₹100 Crores was redeemed on 18.05.2022 and the redemption amount along with interest has been paid to eligible debenture holders. With this all NCDs have been redeemed.

Your Company has raised funds through Commercial Paper (CP) within the sanctioned limits on five occasions i.e.,

- (i) 4000 units valuing ₹200 crores on 19.05.2021 and matured on 17.08.2021,
- (ii) 4000 units valuing ₹200 crores on 27.07.2021 and matured on 25.10.2021,
- (iii) 4000 units valuing ₹200 crores on 27.08.2021 and matured on 25.11.2021,
- (iv) 4000 units valuing ₹ 200 crores on 02.11.2021 and matured on 31.01.2022 and
- (v) 4000 units valuing ₹200 crores on 08.12.2021 and matured on 08.03.2022.

ISIN numbers have been generated through NSDL/CDSL and listed with BSE. M/s Brickworks Rating has rated [BWR] A1+ and M/s CARE Ratings has rated [CARE] A1+ for CP which is considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Any change in the credit ratings is being communicated to Stock Exchanges and the same are placed on Company's website [https://www.bemlindia.in/Credit\\_Rating.aspx](https://www.bemlindia.in/Credit_Rating.aspx).

Pursuant to SEBI notification and BSE Circular, BEML is identified as Large Corporate (LC) for the year 2021-22 as per the framework provided. As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended 31.03.2022 has been prepared in accordance with the Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014. The estimates and judgments relating to the Financial Statements are made on a prudent basis, so as to reflect in a true and fair manner, the form and substance of transactions and reasonably present



the Company's state of affairs, profits and cash flows for the year ended 31.03.2022.

The Company's contribution to Central and State Exchequers were in the order of ₹622.78 crores during the year by way of Customs Duty, GST, Dividend etc.

### Internal Financial Controls:

The Company has various manuals such as Accounts, Cost Accounting and Pricing, Stores, Purchase, Shop, Audit etc. For easy reference, the manuals are available in 'BEML Bulletin Board' portal, in intranet so that the same can be viewed and complied easily by employees and officers concerned. The manuals are in line with the delegation of powers and are being updated periodically after approval of the Board. The changes made, if any, to the manuals are circulated and also updated in the portal.

The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations. Further the Company has put in place adequate Internal Financial Controls (IFCs) with respect to Financial Statements.

The adequacy of IFCs over financial reporting is covered by the Statutory Auditors in their Audit Report. In addition, the details of the IFCs are included under the heading 'Internal control systems and their adequacy' in the Management Discussion & Analysis Report which forms part of this report.

### Fixed Deposits:

The Company has not accepted any fixed deposits during the year, and there was no outstanding Fixed Deposits at the beginning/end of the year. hence, there was no default in payment of deposits/interest thereon.

### Foreign Exchange Earnings and Outgo:

During the year, the Company's foreign exchange earnings stood at ₹193.65 crore and the total foreign exchange utilized was ₹778.26 crore.

A sum of ₹0.25 crore was incurred towards deputation of personnel abroad for business/export promotion, after-sales-service and training purposes.

### Particulars of Loans, Guarantees or Investments:

As per the provisions of Section 186 of the Companies Act, 2013, the details of Loans, Guarantees and Investments are given in the notes to the Financial Statement.

### Quality:

Your Company views quality improvement as a business strategy and hence remains proactive in the areas of product and service quality. At BEML, Corporate Quality Policy emphasizing Total Quality Management (TQM) ensures that products, services and processes meet stringent standards and requisite performance criteria. A separate Quality Department spearheads the thrust towards Total Quality Management.

All manufacturing divisions continue to be certified for Quality Management System (QMS) ISO 9001:2015 Standard and also for Environmental Management System (EMS) ISO 14001:2015 Standard. Further, Bengaluru Complex is certified for Occupational Health & Safety standard, as per ISO 45001:2018. BEML Aerospace manufacturing division (ASMD) at Mysuru complex is certified to AS9100D Aerospace standard.

Key initiatives/actions taken during the year for continuous improvement towards Quality Assurance are as under:

- To improve quality and life of transmission and axle aggregates, in-house products manufactured by HP division, KGF, facility is added by installing new Samputensili G500H machine & Gleason 600HC machines during the year.
- To improve engine quality and reliability, third party inspection agency services were hired for inspection and to bring process improvement, across various bought out items procured from vendors by the Engine division. This process has resulted in bringing down warranty cost and improve engines quality.
- Vendor development remains the "focus area" to improve quality of vendor supplies.

During the year, focus was given to develop major Tatra Defence Truck items (mainly Chassis Frame, Platform, etc.,) & TWMP Kits, by extending technical support and encouraging vendors to improve their quality control mechanism, which has resulted in improvement of major aggregate quality, and in turn has resulted in achieving timely production.

- Quality Assurance system is being continuously monitored across all the manufacturing divisions to ensure Quality improvements in Design, Processes, and Systems. Few initiatives taken through Cross Functional Team (CFT), towards Quality Improvement across the divisions are as under:
  - (i) 570 Kaizen projects were implemented across the divisions.
  - (ii) 170 Quality improvement projects were implemented to reduce rejection and overcome field issues.
  - (iii) 111 No of Jigs & Fixture were added and upgraded to improve manufacturing quality.
  - (iv) 223 Vendor visits and Vendor process audits were carried out to improve incoming material quality.
  - (v) Continuous training through Centre of Excellence established at all Complexes is being carried out for skill upgradation.
- To encourage quality improvement initiatives at divisions, Quality Circle activities are promoted in the organization. Quality Circle teams MARVEL, DALFON & METRO participated in international ICQCC competition held at Hyderabad, and bagged GOLD medal.

### **Make in India initiative and indigenization of products:**

BEML recognizes indigenization activity (Atmanirbhar Bharat) as one of the strategic tools to achieve cost benefits and also complement

the strengths of private sector to build a strong industrial base. BEML has achieved over 90% level of indigenization in the mainline M&C products, over 84% Rail coaches & EMUs, in High Mobility Vehicles (HMV) and over 65% in Metro cars. Further efforts are underway to reach higher levels.

BEML has nominated a nodal officer for Make in India drive and list of items for indigenization are hosted on Company's website: [www.bemlindia.in](http://www.bemlindia.in). Also a display center is set-up in Bengaluru Complex where prospective vendors can have access to samples, drawings and technical specifications and explore opportunities to partner with Company.

Srijan Defence Portal is being utilized for indigenization of items by uploading imported items. So far 1645 items have been uploaded in Srijan Portal for indigenization, out of which orders for 430 items have been released. 215 items have been indigenized with an import negated value of ₹256 Crores approx.

BEML has identified major aggregates for Armoured Recovery Vehicle (ARV) and High Mobility Vehicle (HMV) 12x12 for indigenisation. Further, during the year 2021-22, the Company had set a target of 216 items for indigenization under Atmanirbhar Bharat & 82 items have been indigenized.

Under this initiative, Company has designed and developed products in all three Business Verticals. Some of recently developed products are:

- Arjun Armoured Recovery & Repair Vehicle, Minefield Marking equipment MK-II, Medium Bullet Proof Vehicle MK II GAUR, Mobile Health Diagnostic System based in Defence segment.
- India's first indigenously developed Driverless Metro Car for Mumbai Metro, Stainless Steel EMU & Overhead Inspection Car in Rail & Metro segment.
- 190T & 150T Dump truck, 180T Electrical/Diesel Excavator, 850 hp Dozer and Heli portable dozer in Mining & Construction segment.

Also, to further improve indigenization levels in High Mobility Vehicles (HMVs), ToT has been

signed for manufacture of cabins which are under development.

Further, with the overarching objective of 'Make in India' and enhancing 'Atmanirbharta' in line with the vision of Hon'ble Prime Minister of India, growth strategy (Project Abhyudhay) exercise has been taken up by your Company to achieve the accelerated growth and sustainable financial performance over next 4-5 years. BEML is looking to significantly augment its business by strengthening and broadening its core businesses and exploring adjacent and new opportunities with adaptive strategies for enhancing resilience in today's uncertain business environment with a thrust on exports and globalization as the driving theme. M/s McKinsey & Company is appointed as the management consultant. The expected revenue contributions from Railways & Metro will be around 40%, Aerospace & Defence around 25%, Mining & Construction around 25% and Exports around 10% for which immediate-term initiatives like accelerating strategic partnership with global OEMs in the Aerospace & Defence and Rail & Metro segment and Industry 4.0 technology integration in Mining & Construction segment have been recommended. The study has been completed and report has been submitted by M/s. McKinsey during May 2021 for final approval. Further, the report has been submitted to MoD during June 2021. In view of the disinvestment process being underway, permission from MoD has been sought to proceed for finalizing partnerships including signing of NDAs.

### **Renewable Energy Development, Energy Conservation, Research & Development and Technology Absorption:**

#### **(i) Renewable Energy Development:**

Your Company has been utilizing Green Energy from Wind Mill Projects (23MW) and Solar Project (260KW) to an extent of over 85% of Grid Power Consumption by the Production Divisions. Achieved GHG emission reduction of about 23,871 Ton of Co2 equivalent by utilisation of Green Energy from Wind & Solar Projects.

#### **(ii) Energy Conservation:**

Your Company continues to give emphasis to conservation of energy. The efficiency of energy utilization is closely monitored to attain higher level of energy conservation across all units and offices of BEML. All the conventional lighting viz., Bulbs /Fluorescent Tubes/CFL have been switched over to LED Lighting system and reconditioning of furnaces to reduce heat loss and conserve energy.

#### **(iii) Research & Development and Technology Absorption:**

Your Company has its own world-class composite R&D establishment in KGF, Bengaluru and Mysuru and is engaged in Design & Development of products and continuous upgradation of existing products to meet customer requirements. The average R&D expenditure is around 2.48% of its Revenue from Sale of Products & Services. More than 88% of Company's Revenue from Sale of Products & Services is through in-house R&D developed products.

During the year 2021-22, R&D took many initiatives for in-house design and development of high technology products, aggregates and up-gradation of existing products, including up-gradation to meet emission compliance wherever applicable and engineering of safety features as recommended by regulating authorities in all the three business verticals viz. Mining & Construction, Defence & Aerospace and Rail & Metro including design and development of Mechanical Mine Field Marking Equipment (MMFME), 1500 HP Engine for Future Main Battle Tank, Sub-assemblies for Geo Synchronous Satellite Launch Vehicle (GSLV) Mk-III for ISRO, BMP Transportation Platform, 60 Ton Dump truck with wet brakes in both front & rear axles and independent wheel mounting, engineering of CEV Stage-IV compliant engine on Motor Grader, 3.5

Ton capacity Tyre Handler meeting DGMS safety features for usage in mines, special attachments like tree pusher with forestry cabin for 324 and 180 HP dozer, wood grasper for 5 Ton Loader and Driverless Metro car (Unattended Train Operation) for Mumbai Metropolitan Region Development Authority.

The Company is also working with industry partners to leverage technology for the benefit of customers such as introducing AI features in machines. Till date following AI based products were developed:

- Mobile Medical Health Diagnostic System.
  - Sleep/Fatigued operator alert system on Dump Trucks.
  - Predictive maintenance of Mining equipment thru big data analytics and Machine learning algorithms.
  - 360° Surrounding View Monitoring System.
  - Automation of water sprinkling system.
- Further, BEML has identified the following AI projects for development:
- Lighting Control system on HEMM – under progress
  - Driver alcohol detection system – under progress

Your Company has given special focus to spread awareness about innovation culture and intellectual property rights (IPRs) in the Company. To foster innovation and inculcate IPR culture, BEML has initiated several steps by engaging academia, start-ups & MSME. During the year, 42 IPRs which includes 07 patents, 8 designs, 19 copyrights and 08 trademarks were registered which was 105% of the MoU target (40). During the year, 31 IPRs which includes 01 patent, 06 designs, 19 copyrights and 05 trademarks were Granted/ Certificate received.

In terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the information on energy conservation and technology absorption including the products developed by the Company during the year is placed at **Annexure-I**.

### Vigilance:

Your Company has a Vigilance Department headed by an independent & full-time Chief Vigilance Officer. The Vigilance Activities were carried out in a holistic manner and covered prevention, detection and enforcement.

Vigilance is basically and admittedly a managerial function and therefore, it is an integral part of the duties of an executive. CVO advises management on all matters pertaining to Vigilance. As an extended arm of the Central Vigilance Commission in its exercise of superintendence over Vigilance Administration of the Company, CVO provides the link to the Administrative Ministry and the CBI.

Complaints received by the Vigilance Department were handled as per Complaint Handling Policy of the Company & CVC guidelines. Such complaints were registered after owning and investigated only after determining 'Vigilance Angle'. The registered complaints are disposed after detailed investigation. During the year 2021-22, one registered complaint was carried forward from 2020-21 and six fresh complaints were received, out of which six complaints were disposed during the year. After due verification/investigation, recommendations were made to the Management.

Surprise checks, periodic checks, scrutiny of purchase orders/contracts, Scrutiny of TA/DA & Medical reimbursement claims, scrutiny of Annual Property Returns, ten CTE type of in-house inspections and fifteen system studies were conducted during the Financial year 2021-22. Based on the outcome of these, Systemic Improvements were recommended to management & implemented, which mainly pertain to process improvements, management of procurement activities, contract, stores/inventory, Vendor assessment, weigh bridge operation, processing of OSP claims (union members), clearing of bills, quality of products/ aggregates etc.

From April 2021 to March 2022, 3967 vigilance clearances have been processed on-line (and some special cases off-line) for executives and employees of BEML on the 'SAMPARK' Portal.



Major IT initiatives in 2021-22:

- Visitor Management and Digital Register Management System (VMS & DRM)
- Smart Interactive Classroom Projector in HR Training Halls
- Implementation of shelf life and batch management for all medicines in medical centre
- Setting up Cyber Security Operations Centre (CSOC)
- New email system
- Digitalization of BEML Provident Fund

Vigilance Awareness Week-2021 (VAW-2021) with the theme "Independent India @ 75: Self Reliance with Integrity" was observed in the Company during 26<sup>th</sup> October 2021 to 2<sup>nd</sup> November 2021 in line with the directives by Central Vigilance Commission (CVC). Citizens Integrity pledge was also administered to the Staff of BEML Limited as well as students & staff at schools and colleges and in some Gram Sabhas where the company had organized events as part of observance of VAW – 2021. Also, considering the pandemic situation, many Guest Lectures by eminent personalities in relevant field with topics of current relevance were organized by Vigilance Dept through Video Conference.

A 'Vendor Meet' was organised at Corporate Office of BEML on 22<sup>nd</sup> October 2021 virtually & simultaneously across all divisions of BEML linked through Video Conferencing facility with corporate / divisional executives and vendors. There was active participation from vendors (around 60 vendors participated). CMD, CVO, all functional Directors and senior officers of BEML have addressed the queries/grievance raised by vendors online.

Sensitization (Training) programmes were conducted by in house faculties on the eve of VAW-21 across BEML Ltd through on-line/offline.

### Whistle Blower Policy

In terms of the provisions of Section 177 of the Companies Act, 2013, Regulation 22 of the Listing

Regulations and Chapter 4 of the DPE Guidelines, your Company has formulated "Vigil Mechanism/ Whistle Blower Policy" for directors and employees to report genuine concerns. The said policy provides for adequate safeguards against victimization of director/s or employee/s or any other person who avail the said mechanism and also provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Further, pursuant to Schedule II (A) (18) of Listing Regulations and as per Chapter 4 of DPE Guidelines, the Audit Committee reviews the functioning of the whistle blower mechanism periodically. As per the said policy, none of the employees have been denied access to Audit Committee and Competent Authority. In terms of Regulation 46 of the Listing Regulations, the said policy is placed on the Company's website [https://www.bemlindia.in/writereaddata/Downloads/202102251405\\_Whistle\\_Blower\\_Mechanism.pdf](https://www.bemlindia.in/writereaddata/Downloads/202102251405_Whistle_Blower_Mechanism.pdf).

### Integrity Pact

Your Company has adopted Integrity Pact with all Vendors/Suppliers/Contractors/service providers for all orders/contracts of value ₹1 crore and above, pursuant to the directives from Central Vigilance Commission and Ministry of Defence. The pact essentially envisages an agreement between the prospective vendors/bidders and the Company, committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/ stage of the contract. Only those vendors/bidders, who commit themselves to such a pact with the principal, would be considered competent to participate in the bidding process. Integrity pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the completion of contracts. Any violation of the same would entail disqualification of bidders and exclusion for future business dealings.

Two Independent External Monitors (IEMs) have been appointed to review the cases on bi-monthly or quarterly basis. During the year 2021-22, ₹1069.08 Crore of purchase orders were entered into Integrity Pact, out of total purchase orders value of ₹1893.03 Crore constituting over 56%.

### E-Procurement:

BEML Supplier Relationship Management (SRM) is aiming to establish web based seamless relationship and collaboration of procurement process with its Global business partners. BEML endeavors to procure materials and services through e-procurement platform on ERP system. BEML upgraded the e-procurement software i.e., SRM version from SRM-5 to SRM-7, which is having encryption facility for better security.

Online Vendor payment tracking option to check status of payments against supplier/services/ payment orders. Tender status updates are provided through automatic emails to bidders with reasons for rejections. After opening of the price bids, all technically qualified/pre-qualified bidders will be able to see the price details of other bids submitted against the tender.

During the year, about 89% of the total requirement was sourced through e-procurement.

### Procurement through GeM:

Government e-Marketplace (GeM) is implemented by the Government with the aim to transform the way in which procurement of goods and services is done by the Government Ministries and Departments, Public Sector Undertakings and other apex autonomous bodies of the Central Government. Procurement through GeM has been authorized by General Financial Rules by making necessary changes in government rules. GeM is a completely paperless, cashless and system driven e-market place that enables procurement of common use goods and services with minimal human interface. During the year 2021-22, materials worth ₹343.28 Crores had been procured through GeM constituting 19.88% of the target value out of 25% to be achieved as per MoU parameter and efforts are being made to improve the procurement through GeM. The same is being reviewed by the Audit Committee and Board Periodically.

### Micro and Small Enterprises:

Company is procuring materials required for production and for others through Micro & Small Enterprises (MSEs). 358 items which are reserved

are being procured exclusively from MSEs. Appropriate weightage has been given for MSEs in the MoU from the year 2015-16 onwards.

As per the directive of Government, minimum 25% (notified from 9<sup>th</sup> Nov' 2018) of procurements have to be procured from MSEs amended from 20% earlier. Provided a minimum 3% reservation for women owned MSEs and 4% for SC/ST Enterprises. Further, MSE procurement data is uploaded on "MSME SAMBANDH" portal on monthly basis.

During the year 2021-22, Company has procured ₹666.91 Crore out of ₹2109.27 Crore local procurement which constitutes 32% from MSEs.

### Vendor Development:

Vendor development is a continuous process to identify and develop new vendors to bring in competition among the vendors and to reduce costs. The methods generally followed to identify potential new vendors are; Publication of Expression of Interest (EoI) in BEML Website, development of critical items and Import substitute Items, participation in exhibitions and seminars (including Virtual) and organize Vendor meets including virtual. Accordingly, 42 vendors have been included in the Approved Vendor List (AVL).

BEML recognizes outsourcing as one of the strategic tools to achieve cost benefits and also complement the strengths of private sector to build a strong industrial base. BEML is well on its journey to become a system integrator by outsourcing a substantial part of manufacturing activities from Indian vendors. Policies, procedures and guidelines are put in place to facilitate outsourcing and the Company has established Vendor Development Cell as a single window helpdesk:

- New vendors are supported by way of imparting knowledge on manufacturing processes, specifications, quality plans, etc.
- BEML also extends its testing facilities to its vendors wherever required.
- To enhance transparency in all its procurement processes, BEML has well established e-Procurement Portal.

Further, BEML has framed an “Outsourcing and Vendor Development Policy” as duly approved by the Board as per the directives of Ministry of Defence. The objective of the policy is to enhance cost effectiveness and improve competitiveness of the Company in Global market. Other significant objective of this Outsourcing and Vendor Development Policy is to build a manufacturing eco system in the Country to attain self-reliance. Based on the policy so framed, a Road Map for Vendor Development has been prepared with yearly targets and monitored at the Board periodically. The procurements from single source are being reviewed bi-monthly by Audit Committee & Board.

### Rajbhasha:

Your Company has achieved various targets prescribed in the Annual Program 2021-22 issued by department of official Language, Ministry of Home Affairs & Government of India to transact official work in Hindi. Company is committed to adhere to the various guidelines issued on the Implementation Official Language (OL) Policy of the Government of India. The efforts made towards implementation of OL include:

- BEML Corporate office has conducted Hindi Crossword competition on 19.08.2021 and various PSUs took part in the competition.
- Hindi Fortnight Celebrations: Hindi Fortnight was observed across the Company from September 14, 2021 to September 28, 2021. During this period, officers and employees were motivated to do their maximum work in Hindi and competitions such as Hindi Crossword, Hindi Shabd Gyan, Administrative Terminology, Hindi written Quiz, Hindi Antakshari and Hindi Essay Competitions were organised. Pledge was taken on Hindi Day i.e. on September 14, 2021 across the Company in accordance with the guidelines issued by the Ministry of Defence and Department of Official Language, Ministry of Home Affairs.
- Hindi Training: A total of 242 Executives/ Employees were trained in various courses of Hindi under Hindi Teaching Scheme of

Government of India during the period under review.

- Hindi Online Workshop: A total of 8 Hindi Workshops have been convened virtually and a total of 380 Executives/Employees were trained in these workshops across BEML.
- “Hindi translation Workshop” held under the aegis of TOLIC(U), Chennai on 12-13<sup>th</sup> and 19<sup>th</sup> July, 2021 conducted by Food Corporation of India, Chennai and a total of 12 participants from BEML took part in the training.
- MoD inspection: Inspection at DO, Chennai on Official Language aspects was conducted on October 29, 2021 by the officials of Department of OL, DDP, Ministry of Defence, New Delhi
- Incentive scheme for original work in Hindi: Cash incentive scheme for doing original work in Hindi has been implemented across the Company

### Awards:

- BEML Corporate office, Bengaluru has been adjudged with First position in Big offices category and won TOLIC Rajbhasha award for the best implementation of Rajbhasha Policy for the year 2021-22 among all PSUs situated in Bengaluru.
- BEML Regional Office, Dhanbad has won Third prize of TOLIC Rajbhasha Award for the best implementation of Rajbhasha policy for the year 2021-22 among all PSUs situated in Dhanbad.
- Shri Sudipta Sen, Sr. Manager (Parts), District Office, at Bhilai has been honored with “Rajbhasha Vishisht Seva Samman-2021” for his significant services rendered in administrative works in field of Hindi.

### Manpower:

The number of employees of the Company as on 31.03.2022 stood at 5573 as against 6053 in the previous year resulting in over 7.93% reduction.

The category-wise number of SC/ST and Ex-Servicemen employees as on 01.01.2022 and

representation of SC/ST and Ex-servicemen as of the same date as compared to total strength are as under:

Category/ Group	Total Strength as on		No. of SC/ST and Ex-Servicemen					
			SC		ST		Ex-Servicemen	
	1.1.2022	1.1.2021	1.1.2022	1.1.2021	1.1.2022	1.1.2021	1.1.2022	1.1.2021
Group - A*	1890	1977	355	367	106	108	19	23
Group - B	35	61	7	10	2	2	0	0
Group - C	3739	4112	853	941	220	235	208	215
Group - D	7	8	5	5	0	1	0	0
<b>Total</b>	<b>5671</b>	<b>6158</b>	<b>1220</b>	<b>1323</b>	<b>328</b>	<b>346</b>	<b>227</b>	<b>238</b>

\* Excluding Board Level Executives

### Particulars of Employees

There were no employees across the Company who had received remuneration in excess of the limits prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

### Human Resource Development & Industrial Relations:

With an objective of achieving self-reliance (Atmanirbhar Bharat) in Defence and making India a global-hub for Defence manufacturing, BEML as a part of Indian Defence Industry ecosystem, has been upgrading its capabilities by inducting new product innovations, streamlining the processes & continuously upgrading knowledge & skills of its people. With the advent of new Technologies e.g., Artificial Intelligence (AI), Robotic Process Automation (RPA), Virtual/ Augmented Reality, Block Chain, 5-G etc., and being a part of the global system, it is of absolute necessity to ensure higher competency development amongst our people on application of these cutting-edge technologies through & across our products while meeting the ever-changing customer requirements.

During 2021-22, amidst second wave of COVID 19 & challenging situation, BEML continued to impart various Training programmes through classroom & on-line mode (Hybrid System). During the year, BEML systematically focused on "Result Oriented Training" by emphasizing on clear measurability on "Transfer of Knowledge & Skills" and Return on Training Investment. Due importance was given

on Pre-Training & Post-Training follow-ups and application for business benefits.

During 2021-22, 319 External and 124 Internal Training & Skill Development Programmes on various Technical, Functional, Behavioural areas were conducted covering 5787 Executives and 7078 Employees encompassing all manufacturing Complexes, Marketing Division & Corporate Office, equivalent to 15,709 Man-days, surpassing the Annual Training Target by 30% which is the highest training coverage achieved.

During the period, BEML focused on developing its internal faculty capability by certifying 41 internal trainers through 2 batches of 4 days each on "Training for Trainers" Programme by one of the leading global firm in the field M/s. Dale Carnegie, India. A three-pronged strategy-Train, engage & recognize has been adopted to develop BEML's own training capability to deliver the skill training to its Employees, Vendors, Customers (Indian Army, Coal India Limited, NLC etc.), contract workmen etc.

BEML introduced a series of training programmes covering new concepts like Design Thinking, Warehouse Design & Management (IIM-A), Managing Strategic Alliance (IIM-A), Quality Leader to Strategic Quality Leader (CII-Chennai), Leadership & Competency Building (Art of Living, Bengaluru), Contract Management & safeguards to be taken (ICWAI), IRFS in CPSEs (ICWAI), Best Practices for below-Board Level professionals (IICA), Mentoring programme for senior executives etc. BEML truly acknowledges the support of Department of Public Enterprises (DPE) for sponsoring BEML Executives to High-end Training Programmes at premier institutions during the Year.

BEML introduced a new initiative called "Window on World" facilitating interactions between the BEML Executives/Employees and external experts/eminent personalities on various contemporary subject like "Creativity, Accountability & Positivity", Industry 4.0, Emerging Technology & its Applications etc.

As a part Govt of India directives, under 'Mission Raksha Gyan Shakti (MRGS)', to promote creation of Intellectual Property (IP) in the Defence sector,



BEML imparted comprehensive IPR Training Programmes to 178 personnel against the target of 150 no of Ministry of Defence. Besides, IPR training was also extended to the Vendors covering 154 no across locations against the Target of 100 no. These programmes provide major impetus to the culture of innovation, source of competitive advantage & long-term revenue source.

BEML continue to reinforce development of Project Management skills among its people by nominating 20 key Officials for Executive Diploma in Project Management (EDPM). A detailed webinar on 'Safety in Defence Industry' by SODET was attended by 11 BEML Executives.

The transparent and continuous communication and feedback with all Employees in the shop floor is the driving mantra for smooth and peaceful Industrial Relations Scenario across the Company. The thrust given to participatory culture which was instrumental in maintaining a constructive & harmonious relationship between the Management and the Unions/Associations. Regular Meetings with the representatives of the recognized Unions/Officers Associations at the Divisional, Complex and Corporate Levels were held and resolved employee related issues amicably. The functioning of various bi-partite Committees at Complex level focused on improvement of overall performance of the Company and resolved issues in production related matters.

In view of the todays' business context, there is a need to optimize the utilization of the Company's resources (Manpower, Machineries, Common facilities) towards meeting the delivery targets (Quality & Date) and to leverage the talents (Knowledge & skills) by sharing the same within the complex/divisions for different business verticals/Functions. In this process, many key people require to have the dual reporting structure between Business Verticals and Functions or in combination thereof. With the above, from FY 2022-23, the 'Dual Reporting' System is introduced under PMS process for setting Goals & Targets in the beginning of the year, Mid-Term & Final Assessment. It will initially be on paper-based (for Goals and Target setting in April, 22), followed by IT-based systems in the

Sampark Portal. In this connection, SOP's have been formulated

### Skill Development Initiatives (SDI)

As an integral part of the Govt of India Policy, BEML is committed to Skill & Competency development of its Employees, Contract Workmen, Vendors, Customers, local Youth etc. The umbrella framework for Skill Development activities includes Centres of Excellence, Service Training Centres, Apprenticeship Training Centres and continuous Capability Building processes across the Company as detailed below:

#### A. Centre of Excellence (CoE)

##### Mysore Complex:

The CoE at Mysore Complex is known as School of Electrical & Electronics devices which is used for heavy equipments, viz Dumper, Motor Grader etc. Mysore Complex have taken following initiatives to develop required skill to meet production target and skilled Manpower.

##### KGF Complex:

The CoE of KGF Complex is known as School of Hydraulics & Welding, specialized in Hydraulic System and Structural Welding used in equipments like Dozers, Hydraulic Excavators, Hydraulic Cylinders & Pumps.

##### Bangalore Complex:

The CoE of Bangalore Complex is known as School of Stainless Steel Welding and Wire-Harnessing which is known to support the High-tech Metro Car manufacturing. It also provides Training on Mild Steel Welding & provides Welders' Certification Training, conduct Tests to meet the requirement as per EN15085 Standards.

- 112 No of Executives/Employees/Contract workers are provided training/Certification in welding in Mild Steel welding to meet the requirement at Bogie, Under frame, Machine shop, Car body -II Departments. In addition to this, Welder Certification Training was also conducted for Regular

employees/Contract Operators to meet the requirement as per EN15085 standard and certification done as per IS9606-1 standard.

- 18 nos of BEML Engineers are trained as per EN15085 standard.

#### **Palakkad Complex:**

The CoE of Palakkad Complex is known as Power-Train mechanism which includes Axle, Engine, Transmission, Differential Assembly & Electrical system of heavy vehicles like TATRA and other equipment used for Defence Applications. The CoE also provides systematic training for Defence Service personnel on various Skill Training.

### **B. Apprentices Training**

BEML has been ensuring the mandatory compliance of Trade Apprentice strength as minimum 2.5% of total manpower of the Company. As end of 31.03.2022, 7.38% of apprentices of the total work force including Contract Labour were engaged.

#### **Mysore Complex:**

- Implementing Apprentice training under Apprenticeship act 1961 in various trades like Fitter (63), Turner (2), Machinist (11), Welder (27), Electrician (39) and Electronics Mechanic (15) for ITI Trade apprentices through RDSDE Bangalore for a period of one Year.
- Providing Apprenticeship training as per Apprenticeship Act, 1973 by BOAT Chennai for Diploma (36) & Graduate (69) Trainees for a period of one Year.
- Trade Apprentices are facilitated with basic practical training classes and related Trade Theory classes arranged at Training Centre. All trainees are allotted to different shops as per their Trade & on-the- job training is being provided under the supervision of line supervisors and employees. At the end of the training period apprentices

have to undergo practical test and theory exams conducted by regional directorate board and Proficiency Certificate is issued for passed out candidates.

#### **KGF Complex:**

- Provided On-the-job Training for 167 Trade apprentices as per The Apprentices Act, 1961, in various Trades.
- Provided On-the-job Training for 32 Diploma and 30 BE Graduate Apprentices in the different departments, like Machine shop, assembly, Quality, Material Management, Planning and Administration departments.
- Engaged 8 Diploma students from JSS Polytechnic, Nanjanagudu, to provide Industrial Training to improve their skills in their own field for 6 months.
- Conducted Trade Theory and Practical classes on weekly basis and also Tests are conducted for Both Practical and Trade Theory on Quarterly basis for 167 Apprentice Trainees to Improve their practical skills and Theory Knowledge other than their on job Training.
- Providing Internship Training /Facilities for Project work to 130 students those who are studying Final Year BE/B.Tech/M Tech.
- Conducted Technical class from Training Centre Staff for KV Students of 6<sup>th</sup>, 7<sup>th</sup> & 8<sup>th</sup> Standard to bring knowledge and awareness of using Technical Tools and Engineering machines as requirement of MSDE Govt. of India.

#### **Bangalore Complex:**

- Provided training as per Apprentices Act, 1961, in various Trades: ITIs – 164 Nos.
- Providing training as per Apprentices (Amendment) Act, 1973, for

Engineering Graduates and Diplomas (Technicians) – 80 Nos.

**Palakkad Complex:**

Regular Training is provided to the Apprentices – ITI, Diploma & Graduates to sharpen their skills

**C. Service Training Centers:**

At BEML, Service Training Centers at KGF and Mysore Complexes provide systematic & customized training on new equipments, sub-systems, trouble shooting, efficient operations, etc. for BEML personnel, Defence officials & employees of major Customers.

**D. Commemoration of 75 Years of India's Independence:**

As a part of celebration of 75 years of India's Independence, a week-long activities per quarter were planned & implemented as directed/guided by MOD:

- a. Debate / Slogan / Extempore Competition on "Atmanirbhar Bharat" by various Trade Apprentices group.
- b. Launch of Brochure on "New BEML Products" , as a part of "Atmanirbhar Bharat".
- c. Lecture by External Faculty from RDAT & BOAT (SR) on "Atmanirbhar Bharat" theme Titled "Skill Requirements for Trade Apprentice (TA)s & How it will benefit them"
- d. Organise webinars for MSME Vendors on Indigenisation & Quality improvement in the Supply Chain.
- e. Lecture on Entrepreneurship opportunities for the new generation talent by Internal/External Experts.
- f. Skill competition with pre-defined problems and Tasks by Trade Apprentices Groups.

**E. Participation in Apprenticeship MELA:**

BEML Participation in Apprenticeship Mela held on 21.04.2022 organized by Ministry of

Skill Development & Entrepreneurship:

**KGF Complex:**

BEML (KGF Complex) actively participated in the Apprenticeship Mela on 21.04.2022 in Govt. ITI (Woman), Antharagange Road, Kolar which is organized by Joint Director, DIC, Kolar along with 34 establishments. A large No. of young students visited BEML stall to know details on various Trades, vacancies available, admission process. BEML officials guided these students with all the details and 104 applications were received from students of various trades.

**Bangalore Complex:**

BEML (Bangalore Complex) participated in the Apprenticeship Mela conducted by the Ministry of Skill Development & Entrepreneurship organised through Regional Directorate of Skill Development & Entrepreneurship (RDSDE), Bangalore and the Department of Employment & Training, Bangalore on 21.04.2022.

The mela has commenced with inauguration by Shri Dharmendra Pradhan, Hon'ble Minister of Skill Development & Entrepreneurship, GoI through video-conferencing, followed by Interaction by the Hon'ble Minister with the Regional Heads of RDSDE. The mela has then commenced with the Chief Guest Address by Shri Rao, Regional Director, RDSDE, Bengaluru at Main Auditorium at the premises of National Skill Training Institute (NSTI), Bengaluru.

Around 50 Companies including large PSUs like HAL, BHEL, BEL & Private Organisations like BOSCH, WIPRO etc have participated in the event. Various Govt. & Private ITIs have also participated.

Around 50 ITI passed out candidates in different trades have come to the mela, with resume & credentials to undergo Apprenticeship Training out of which 6 candidates approached BEML stall with the resume in the trade of COPA and Offer Letters were issued to all of them.

### Mysore Complex

- a. The Ministry of Skill Development and Entrepreneurship (MSDE) organized an Industry Drive and Apprenticeship Mela on "21<sup>st</sup> April 2022" in Mysuru. The Apprenticeship mela was organized by RDSDE jointly with State Apprenticeship Advisor for engagement of Apprentices under Apprenticeship Act 1961.
- b. Accordingly, Shri. Arunkumar T S, Asst. General Manger Training, and Shri. Jayachandra represented BEML Mysore Complex at Govt. ITI NR Mohalla Mysuru.
- c. The programme was inaugurated by Mrs. Manjula S, Joint Director Industrial Training and Employment, Shri. Jayendra (Nodal Officer) Vice Principal Govt. ITI Mysuru, Shri. Nagaraju, Asst. Director Apprenticeship Training Scheme Mysuru and Shri. Arunkumar T S, Asst. General Manager Training BEML Limited Mysuru.
- d. Mrs. Manjula S, Joint Director, addressed the representatives of various organisations and emphasised on engaging maximum number of Apprentices with the view of skill development in the nation.
- e. Students participated from different institutes in and around Mysuru, around 68 ITI Students of different trades have shown their interest and registered names with BEML Ltd. Mysore Complex to undergo one-year Apprenticeship Training.

### Palakkad Complex:

BEML Palakkad Complex (State of Kerala), participated in the Apprenticeship Mela held at Govt. ITI Malampuzha, Palakkad. Around 50 Organizations participated in the Mela. This Mela aimed at information & process sharing to facilitate the young candidates to know the process, benefits of the Apprenticeship

Training etc. 31 candidates from various trades eg: welder, fitter & plumber trades attended interview at BEML stall.

### Compliance under the Right to Information Act, 2005

Pursuant to Section 4(1)(b) of Right to Information Act, 2005 (RTI), the requisite information for citizens is provided on Company website, i.e., www.bemlindia.in. It contains general information of the Company, functions and duties, powers and duties of employees/officers, decision making process, relevant rules, regulations, manuals & records held by BEML, directory of the Company's officers, pay scales of officers/employees etc., and procedure for seeking information and inspection of Records. The Company has nominated a Central Public Information Officer, Appellate Authority, Transparency Officer and Six Central Assistant Public Information Officers representing for Complex/Divisions to attend to the Applications & Appeals. Further, during the year 2021-22 the Company received 154 Applications seeking information pertaining to human resources, recruitment, contracts, tenders, business related matters etc., and the same were disposed off.

### Compliance under Persons with Disabilities Act, 1995:

In terms of various provisions under The Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995 (PWD Act), your Company has ensured reservation of vacancies for the posts identified for each disability, carry forward of vacancies which could not be filled up due to non-availability of suitable persons with disability during the year.

### Grievance Redressal System for SCs/STs:

Your Company has constituted SC/ST Cell at all Complexes/Divisions in terms of Department of Personnel & Training guidelines, wherein the HR heads, being Liaison Officers of the respective Complex/Division are conducting periodical meetings with respective representatives of SC/ST Employees Welfare Associations to redress the grievances/issues appropriately. Further, the Chief Liaison Officer who is in the rank of Executive



Director/Chief General Manager meets all the Cell Officers, Liaison Officers and Office Bearers of SC/ST Welfare Associations periodically and monitor the status on redressal of grievances.

### **Public Grievance Redressal through CPGRAMS:**

The Department of Administrative Reforms and Public Grievances under the Ministry of Personnel, Public Grievances and Pensions has initiated Centralized Public Grievance Redress and Monitoring System (CPGRAMS), which is the platform based on web technology primarily aims to enable submission of grievances by the aggrieved citizens for scrutinizing and taking action for speedy redressal of these grievances. For this purpose, your Company has nominated General Manager (HR)-officiating., as the Nodal Officer to deal with various public grievances and to ensure prompt and proper feedback to the concerned persons.

### **Prohibition of Sexual Harassment of Women at Workplace:**

Internal Complaints Committee (ICC) has been constituted as per Section 4(1) of the Sexual Harassment of Women at a Work Place (Prevention, Prohibition & Redressal) Act 2013. The same is functional in all the Complex/Division for receiving complaints of Sexual Harassment if any, and it has been displayed in all the prominent locations across the Complex/Divisions for the information of all the women employees. One Complaint has been received under this Act, during the year 2021-22 and ICC has observed that there is no evidence to establish that the complaint is maintainable and not proceeded further. Also, the Sexual Harassment of Women at Work place is notified as Misconduct as per BEML CDA Rules, 2019 applicable to Officers and Certified Standing Orders applicable to Workmen.

### **Environment and Pollution Control**

Your Company in association with the State Forest Department had undertaken planting of saplings at its Manufacturing Complexes and Townships on a regular basis. During the period from April 2021 to March 2022, a total of 6630 Nos. of Tree Saplings have been planted at Corporate Office, KGF,

Bengaluru, Mysuru and Palakkad Complexes.

The Company's 5 MW Windmill at Gadag and 18 MW Windmill at Bagalkot Districts in Karnataka have contributed towards ensuring clean & green energy by mitigating 23871 Ton (approx) of Carbon for the year ending March, 2022.

In order to conserve energy, the Company has undertaken to replace all its office light fittings with LED Lighting in a phased manner. The Company in association with the Local Authorities and the Communities of the adopted villages has facilitated Desilting & Rejuvenation of Ajjappanahalli Village Lake, Kodi Kannur Village Pond, Bethmangala and Ramasagar Lake by providing BEML Dozers. These Lakes have sustained the adopted village with the required water facilities especially during Covid.

### **Swachh Bharat Abhiyan:**

The Company in continuing with its endeavor towards being a Socially Responsible entity had undertaken various initiatives under CSR & SD, Swachh Bharat Campaign & Swachh Vidyalaya Abhiyaan during the current year 2021-22. Important Swachh Bharat Initiatives at BEML Limited for 2021-22 are as under:

#### **(a) Swachh Bharat Initiatives:**

BEML has adopted all Swachh Bharat initiatives like Pledge taking, conducting public awareness programmes on cleanliness, Swachh Vidyalaya, Environment protection, public awareness on cleaning nearby areas, arranged for fixing of awareness boards, participation of employees/officers in 'Shramadaan' (100 Hrs in a year) to ensure cleanliness of the work area & surroundings, Training programme on waste management, importance of cleanliness, walkathon, organizing skit/street play to create awareness on cleaning and cleanliness, construction of toilets, vermi-compost bins, painting of buildings, extensive cleaning of hangars, clean my street, continuous House-keeping & renovation of toilets, fogging & eradication of mosquito menace, focus on creating plastic free zones etc.

**(b) Celebration of Eighth Anniversary of Swachh Bharat Campaign & Birth Anniversary of Mahatma Gandhi:**

BEML had organized "Celebration of Birth Anniversary of Mahatma Gandhi" on 2<sup>nd</sup> Oct, 2021. The Company paid its tribute to The Father of the Nation in all the Divisions/Complexes Bengaluru, KGF, Mysuru, Palakkad, Regional & District Offices. In addition, Swachhta Pledge was taken by all present and the need to strive towards Clean India, the dream of Mahatma Gandhi was emphasized among all the employees/officers of the Company.

**(c) Annual Action Plan for Swachh Bharat Activities:**

In addition, BEML has undertaken various activities as per the Annual Action Plan based on the recommendations of the Group of Secretaries on 'Swachh Bharat & Ganga Rejuvenation'(GoS) for the period from 2021-22. The main activities are: Conducting awareness programmes, Construction of Toilets, Tree plantation, Renovation of Toilets, Maintenance and Up-keeping of buildings etc. The Company has successfully completed the projects and has fully utilized the budget allocated for the year 2021-22.

**(d) Celebration of Swachh Bharat Pakhwada:**

BEML had organized 'Swachh Bharat Pakhwada' from 1<sup>st</sup> Dec, 2021 to 15<sup>th</sup> Dec, 2021. Various activities in line with the Action plan were held at Corporate Office, Manufacturing Complexes, Townships and Regional & District Offices. Various events/activities like Oath Taking ceremony and March Past, Display of posters and Banners, Cleanliness Drive in the public places & townships, Organising Plogging like activities and collection of plastic waste, Disposing off of scrap material in the factory premises and storage in organized manner, weeding out of old files and office equipment, Cleaning of Furniture and almirah of offices, Tree plantation in township area, residential

complexes and Factory premises etc., Painting and essay competitions, Organising seminar on cleanliness, Making plastic free Zone, Collection of plastic waste in Factory premises and residential complexes, Fumigation of insecticides in the township, Disposal of e-wastes in Administrative offices & Plastic Waste collected in Township, Cleanliness drive in drainage systems in Factory premises and residential complexes, Organising Mini-Marathon for employees and their families to spread the message of cleanliness, Branding and Publicity of Pakhwada activities in electronic and print media platforms at both field and central level, make use of social media such as myGov, Twitter and Facebook extensively for the purpose, Concluding ceremony with distribution of prizes and organizing press conference.

**(e) Outdoor Cleanliness Campaign during the period from 2<sup>nd</sup> October to 31<sup>st</sup> October, 2021.**

The Company has undertaken Outdoor cleanliness Campaign in the vicinity of our Complexes at Bengaluru, KGF, Mysuru, Palakkad and Regional Office at Bilaspur under Marketing Division. Various cleanliness activities in the vicinity and Townships of the Complexes/Divisions & Offices were undertaken. In addition, Special cleanliness drive to dispose off the pending issues were carried out by the Complexes/Divisions and offices.

**Welfare Activities:**

- The Company has been extending free medical facilities by conducting free Mobile Medical camps to the Ex-BGML Employees and their families after the closure of BGML Hospital. The Company is also extending Out-patient medical facilities by deputing Doctor and Para-medical staff to BGML areas such as Marikuppam, Champion Reef and Oorgaam. Medicines prescribed by the Doctors are being dispensed free of cost for general illness.

- On 22<sup>nd</sup> December 2021, Medical Camp was conducted at Koorghalli village in Mysuru District, Karnataka. BEML Doctors along with the para-medical staff conducted the one-day camp and distributed Chronic medicines to the aged, women and children of the village. Around 200 beneficiaries availed the benefit of the camp.
- Medical Centers for employees and dependent family members at all the three Manufacturing Units viz., Bengaluru, Mysuru and KGF are operational, Medical facilities are also extended to the villagers in Company adopted Dasarahosahalli, Ajjapalli village near KGF. Medical facilities are also being extended to all the Contract Labour, in the Company Medical Centre.
- The Company is also extending the Medical Insurance facilities for the benefit of retired Employees/Officers & their spouses for Medical treatment/Hospitalization.
- The Company has associated with other PSUs under the Ministry of Defence and contributed for establishing 500 bed Covid Care Center at Lucknow to meet the growing needs of the pandemic.
- Keeping in view critical needs of the pandemic situation in Kerala State, the Company has contributed to the Kerala Chief Minister's Pandemic Relief Fund to combat the Covid Situation.
- In addition to the above, the Company has also contributed to Vidarbha Relief Committee, Nagpur for providing assistance during the Covid Pandemic.
- The Company has set-up Oxygen Generating Unit at Civil General Hospital, KGF. The oxygen generating unit has the capacity for supplying oxygen for 200 beds. This unit will cater to emergency needs of the communities living in and around KGF.
- Keeping in view the sacrifice of the war heroes of the country, the Company has contributed towards the 'Vocational Training Grant of Widows'. The Company has expressed its solidarity for the welfare of the family of the War Heroes.
- BEML runs one Junior College and two Nursery Schools at KGF and one at Bengaluru. These Institutions, although meant primarily for the children of the employees but also cater to a large extent to the Local population. BEML also runs a Kendriya Vidyalaya at KGF, for the benefit of the employees' children and also for the local population. The Company also provided School building, Furniture, Attender for Mid-day Programme and Security Personnel for the Government English Model Higher Primary School. For the Academic Year 2021-22, the Company has provided education to 2924 students, out of which 1937 non-BEML Students have enrolled at BEML Schools for their education during the current academic year and have availed online education.
- The Company is in the process of establishing Mini-Science Center at BEML PU College at KGF. The Mini Science Centre is a platform where students can learn the 150+ concepts of science and mathematics through practical approach. The hands on exhibits enable students to learn through self-exploration and inquiry based approach "HANDS ON LEARNING IS ACTIVE LEARNING". The Mini-Science Center will be opened for the use of all students of the schools in the surrounding villages so as to facilitate a learning platform.
- The Company in association with the Akshaya Patra Foundation has provided support for the Mid-Day meals programme. The program increases school enrolment & attendance, addresses malnutrition and also empowers women through employment.
- In order to meet the objectives of Atmanirbhar Bharat, the company has associated with iDEX Partner incubators to help fructify BEML's efforts of setting up an incubation centre and other related projects.
- The Company has extended all help and support to the Labour Welfare Funds

functioning in the production units for the benefits of Employees, their dependents and local population. The LWF conducted training programmes in Tailoring, Driving, Computer, Typing/Shorthand course, diploma course in Laboratory Technology, Para-medical, Job Oriented courses, Music/Dance classes, spoken English Course, Summer camps for art/painting and sports and various entertainment activities.

### Digital Transformation Initiatives:

Digital Transformation, how it is orchestrated, deployed and used in an organization, is one of the critical success factors and are increasingly bringing DT strategy as part of corporate's business strategy.

At BEML, the extent of digitization has picked up in the last few years with support of visionary leadership that wishes to leverage DT to deliver top-class experience to stakeholders, adopt digitization, automation of internal business processes and use of technology as an enabler to improve effectiveness, efficiency and responsiveness across various business systems as well as support functions, extending DT to shop floor automation in the form of Industry 4.0 initiatives.

Digital transformation strategy framework includes:

- Deliver better user experience.
- Improved business processes and productivity.
- Workforce enablement and adoption.

### DT projects implemented and in use:

The following DT initiatives have been fully implemented and all these projects have positive impact on business both top-line and bottom-line while aligning people and processes:

#### A. Infrastructure:

1. VC User Experience: Improvements in VC users experience by achieving Crystal clear video quality for all virtual meetings.
2. WFH with Secure VPN: Laptops for senior executives to work anywhere securely with hard disk encryption, making laptop secure

over Internet using secure VPN.

3. Network De-bottlenecking: Improvements in Internet Leased Line & MPLS network performance.
4. AD & Patch Management: Implementation of Active Directory, Patch Automation & Asset management.
5. Thin Client PC: Deployment of low-cost thin client PCs for Airgap network for Internet browsing.
6. DR Enhancement: Disaster Recovery (DR) enhancement at Mysuru by adding Online Back-up Servers.
7. PC Refresh: Phased Refresh of XP/Win7 OS & old Desktop Hardware as per MoD Guidelines.
8. Smart Interactive Classroom Solution: Smart Projector in HR Training Halls at 4 locations.
9. eWaste Management: eWaste Disposal across all complexes & House-keeping of DT department at all locations.

#### B. Cyber Security:

1. Security Assurance Level: Achieved Cyber Security Assurance Level from 2 to 3+ in FY 2021-22. Future target is to achieve level 4+ by completely eliminating Win XP OS/non-compliant PCs by end of the Current financial year.
2. Firewalls: Implementation of Firewalls at 6 complexes, 27 ROs/DOs, 3 R&Ds and Internet Leased lines at all conference halls.
3. CSOC: Established Cyber Security Operations Center (CSOC).
4. CSG-MoD Guidelines: Implementing Guidelines of Cyber Security Group (CSG)-MoD, CIRA & Meity on a continuous basis.
5. VAPT Audit: 3<sup>rd</sup> party VAPT Audit completed by Cert-In empaneled auditor, C-DAC.
6. Secured Linux based Email: Implemented Linux based secured email system as per MoD Guidelines.
7. Airgap: Complete implementation of Airgap



- network as per MoD Guidelines.
8. Daily Cyber Tips: Cyber Security Awareness Tips are being sent by mail to all users on daily basis.
  9. Cyber Awareness Training: Awareness to users across all locations through continuous training. DT staff is being trained under deep dive courses.
  10. Internal Audit: Internal Audit of systems is being conducted every 06 months.
  11. Password Policy: Implemented complex password policy to improve security with advanced policy controls.
- C. Business Applications:**
1. QR Code Digitalization of CQA Requirements: New process has been developed to capture QA test results, RFR, and Traceability of each defense Equipment/Aggregators information with QR code automation. All defense equipment are being shipped with QR code for traceability built into.
  2. Online Vendor Registration: Development of new Online Vendor Registration Portal for Vendors.
  3. VMS-Security Gate Paperless Operation: Implementation of Visitor Management System (VMS) at all security gates.
  4. Direct Medical Billing Automation: Robotic Process Automation Solution for Medical direct bill processing.
  5. SRM Major Improvements: Major improvements in SRM (SAP) were carried out successfully. Vendors are very impressed and complex processes followed by procurement team are made much easier.
  6. SAP ERP Improvements: Significant improvements were made in ERP as per the business requirements.
  7. eWay Bill: Implementation of eWay Bill with integration to SAP.
  8. PF Portal: Implementation of PF Portal with Mobile access benefitting executives and employees through online.
  9. CMS: Successful implementation of Compliance Management Solution (CMS) portal.
  10. BEML eConnect: Significant improvements were made in BEML eConnect.
- D. Vigilance Systemic Improvements:**
- Implemented all Vigilance suggested systemic improvements.
- E. DT Road Map for Next 3 Years:**
1. Upgrade & Re-implement SAP ERP ECC6 to SAP S4HANA: As current ERP version reached end of life.
  2. PLM for R&D: Revival and phased implementation of PLM.
  3. Big Data and Analytics Platform: For business KPIs, Dashboard & interactive reports.
  4. Upgrade OS, PC & Switches: To comply with cyber security norms & MoD Guidelines.
  5. Industry 4.0: Implementation at all Manufacturing Complexes.
  6. Hyper Converged Virtual Server Infrastructure Set-up: High-end configuration clustered server with multiple VMs for hosting non-SAP applications.
  7. Customer Complaint Handling System: Implementation of Customer Complaint portal along with SAP integration and Mobile App.
  8. Improvements on FLM Module: To make it more user friendly with traceability, Dashboard, Integration, etc.
  9. Re-design of BEML Website: Redesign the existing BEML website to a modern dynamic website.
  10. Cyber Security Improvements: To achieve level 4+ by completely eliminating Win XP OS/non-compliant PCs.
  11. Capacity Building: Outsource/Recruit people with technical skills and upskilling existing staff on SAP, Hands-On Technical Subject Matter Expert, Industry 4.0, Cyber Security, etc.

### Related Party Transactions:

Pursuant to Regulation 23 of the Listing Regulations, your Company has formulated a “Policy on Related Party Transactions”, to regulate transactions entered into between the Company and its related parties. Further, in terms of Regulation 46(2)(g) of the Listing Regulations, the said policy is placed on the website of the Company at [https://www.bemlindia.in/writereaddata/Downloads/202003301756\\_Related\\_Party\\_Transactions\\_Policy.pdf](https://www.bemlindia.in/writereaddata/Downloads/202003301756_Related_Party_Transactions_Policy.pdf)

During the year 2021-22, all transactions that were entered into with the related parties were fair, transparent and at arm’s length basis and also in the ordinary course of business of the Company. The said related party transactions were also duly considered and noted by the Audit Committee. Information as required under section 188 in Form AOC-2, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is attached to this report as **Annexure-II**.

### Compliance of applicable Secretarial Standards:

Your Company has complied with the provisions of applicable secretarial standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India in terms of Section 118(10) of the Companies Act 2013. Further, as per Standard 9 of SS-1 stipulated, a statement on compliances of applicable Secretarial Standards is included in the Report of the Board of Directors.

### Corporate Governance Report:

In terms of Regulation 34 of the Listing Regulations and Chapter 8 of the DPE Guidelines, a report on Corporate Governance (CG) compliance is included in the Board’s Report. M/s Velichety & Co., Chartered Accountants have issued a Compliance Certificate on the same. In terms of Para 8.2.3 of the DPE Guidelines of CPSEs, the Company’s compliance level as per the grading report on Corporate Governance is rated at ‘Excellent’ with 97.44% (average for 4 quarters) for FY 2021-22 based on self-evaluation. The aforesaid report on Corporate

Governance along with Compliance Certificate is placed at **Annexure-III**.

### Management Discussion and Analysis Report:

In terms of Regulation 34 of Listing Regulations and Chapter 7 of the DPE Guidelines, report on Management Discussion and Analysis Report is placed at **Annexure-IV**.

### Business Responsibility Report:

A Business Responsibility Report (BRR) for FY 2021-22 in terms of Regulation 34 of Listing Regulations, describing the initiatives taken by the Company on environmental, social and governance perspective, in the format as specified by SEBI is placed at **Annexure-V**.

### Committees of the Board

The following mandatory Committees required under Companies Act, Listing Regulations, DPE guidelines/MoD Directives are constituted by the Board to function according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders’ Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility and Sustainability Committee.
- Procurement Committee
- Share Certificate Committee

The details of the Committees along with their composition, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

### Composition of Audit Committee

In terms of Section 177 of the Companies Act, 2013, Regulation 18 of the Listing Regulations and Chapter 4 of the DPE Guidelines, your Company has constituted the Audit Committee. The Committee comprises of Shri Arvind Kumar Arora, Independent Director as Chairman, Smt. Balmuri Vanitha, Independent Director, Shri Arun Daga, Independent

Director and Shri M V Rajasekhar, Director (Mining & Construction Business) as its members. All the recommendations made by the Audit Committee during the year were accepted by the Board.

### Enterprise Risk Management:

It terms of Section 134 of the Companies Act, 2013, Regulation 17 & 21 of the Listing Regulations and Chapter 7 of DPE Guidelines, your Company has constituted Risk Management Committee (RMC) and implemented Board approved "Risk Management Policy (RMP)" Further, the composition, reconstitution and the terms of reference in line with quorum, minimum number of meetings, gap between two meetings of RMC and Powers, roles and responsibilities of RMC as duly approved by the Board are incorporated/amended in the RMP as per the SEBI Listing Regulations. The members of the Committee are Business Group Directors, Director (Finance), Director (HR) and Independent Director and senior most Functional Director heads the Committee. During the year, two meetings of RMC were held on 14.09.2021 and 03.03.2022.

The Corporate Risk Committee prepared the key risks along with mitigation plans and reported to the Risk Management Committee constituted in terms of Regulation 21 of the Listing Regulations. The said key risks and mitigation plans were placed before the Audit Committee and it recommended 13 key risks having risk exposure rating of 12 and above along with mitigation plans and 1 concern for review and approval of the Board.

The Board reviewed the aforesaid key risks along with mitigation plans and 1 concern and approved for implementation. The RMP is placed on the Company's website [https://www.bemlindia.in/writereaddata/Downloads/202003302233Risk\\_Management\\_Policy.pdf](https://www.bemlindia.in/writereaddata/Downloads/202003302233Risk_Management_Policy.pdf).

### Corporate Social Responsibility & Sustainability Committee:

Your Company has constituted Corporate Social Responsibility & Sustainability (CSR) Committee and implemented Board approved "CSR Policy" pursuant to Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility policy) Rules, 2014 as amended from

time to time and DPE Guidelines on MoU. Further, the composition, reconstitution and enhanced terms of reference as duly approved by the Board are incorporated in the CSR Policy.

The Committee comprises of Smt. Balmuri Vanitha, Independent Director as Chairperson, Shri Siva Makutam, Independent Director, Shri MV Rajasekhar, Director (Mining & Construction Business) and Shri Ajit Kumar Srivastav, Director (Defence Business) as members. The CSR Committee met Four times during the year on 22.04.2021, 10.06.2021, 11.11.2021 and 09.02.2022. An amount of ₹5.66 crore was spent during FY 2021-22 towards CSR activities which was more than 2% of the average net profit of the Company made during the three immediately preceding financial years, which is ₹1.65 crore as stipulated under the Companies Act, 2013 and was in line with the Board's approved purposes and the same was certified by the Chief Financial Officer/Director (Finance). Further your Company has proposed to spend ₹5.28 crore towards long term and new projects in FY 2022-23. Annual Report on CSR activities undertaken during FY 2021-22 are placed at **Annexure-VI**.

### Report on the performance and financial position of subsidiaries and Joint Venture Company

#### Subsidiary Companies:

##### (i) M/s Vignyan Industries Limited (VIL):

VIL has achieved Revenue from Operations of ₹0.79 crore and Value of Production of ₹0.14 crore for the year ended 31.03.2022 as against ₹1.45 crore of Revenue from Operations and ₹1.43 crore of VoP during the corresponding period in the previous year. VIL incurred a loss of about ₹6.00 crore for the year ended 31.03.2022 as against loss of ₹6.12 crore in the corresponding period in previous year. However, the figures of FY 2021-22 are not comparable with the figures of 2020-21 since production was stopped with effect from 10.10.2020 as VIL is under closure.

MoD vide letter dated 10.09.2021 informed that the union cabinet has accorded approval

for closure of VIL. Accordingly, Members of the Company in their Extraordinary General Meeting held on 11.10.2021 accorded approval for Voluntary Liquidation and appointed Shri Venkataraman Jayagopal as the liquidator. Realization of Assets and settlement of liabilities by the liquidator is under process.

**(ii) M/s MAMC Industries Limited (MIL):**

Your Company entered into a Consortium Agreement with M/s. Coal India Limited (CIL) and M/s. Damodar Valley Corporation (DVC) on 08.06.2010 for acquiring specified assets of M/s. Mining and Allied Machinery Corporation Limited (under liquidation). The agreement, inter-alia, provided for formation of a Joint Venture company (JV) with a shareholding pattern of 48:26:26 among BEML, CIL and DVC respectively. The Company has paid the proportionate share of ₹48 crore towards the total bid consideration of ₹100 crore for the said acquisition, based on the order passed by the Hon'ble High Court of Calcutta. The said assets were taken possession by the MAMC Consortium. Further up to 2021-22, the Company has incurred a sum of ₹20.27 crore (Previous Year ₹16.87 crore), towards maintenance, security and other related expenditure. The total sum of ₹68.27 crore (Previous Year ₹64.87 crore) is disclosed as 'Advance to MAMC Consortium' due to delay in conversion of MIL into a JV.

In the meantime, a company in the name of 'MAMC Industries Limited' (MIL) was formed and incorporated by your Company as a wholly owned subsidiary for the intended purpose of JV formation. Shareholders' agreement, as duly approved by the Boards of all three members of the consortium, has been submitted to MoD for necessary approval. Further, MoD has directed to submit 'Business Plan' and 'Financial Viability Report' of the proposed JV. Preparation of the said report has not materialized due to exorbitant fee quoted by the consultant firms.

Further, it was proposed to register all properties in the name of MAMC and accordingly, M/s. Fox & Mondal Advocates & Solicitors have prepared the final draft sale deed of the MAMC properties at different locations for registration purpose. The same shall be submitted to the Official Liquidator for his concurrence. However, to start the operations CIL support on partnership basis or assured orders on nomination basis was requested. Since, GoI has taken up strategic disinvestment of BEML and it is in advance stage, BEML has requested CIL and DVC to take back the shares of BEML and settle the value of properties purchased by BEML during court auction. Reply awaited.

**(iii) M/s BEML Land Assets Limited (BLAL)**

Your Company has incorporated as a Wholly Owned Subsidiary (WOS) of BEML by name "BEML Land Assets Limited (BLAL)" on 15.07.2021 for the purpose of demerger of identified surplus/non-core assets between BEML and BLAL as part of strategic disinvestment process initiated by the Government of India. A scheme of arrangement has been prepared and submitted to stock exchanges/SEBI for approval. Based on approval of the Stock Exchanges, Scheme of Arrangement has been filed with MCA for its approval. Process of approval as per guidelines of MCA is in progress. MCA vide order dated 28.07.2022 sanctioned the Scheme of Arrangement for de-merger. Listing formalities for BLAL is under process.

**Joint Venture Company:**

**M/s BEML Midwest Limited (BMWL):**

BMWL was formed and registered with the Registrar of Companies at Hyderabad on 18.04.2007. BEML holds 45% share and M/s Midwest Granite Pvt. Ltd. (MGPL) and P T Sumber Mitra Jaya of Indonesia as partners holding the balance 55% share. The Company has been established to capitalize on the growing business opportunities in the



contract mining segment. However, due to certain unauthorized transactions and the oppression and mismanagement by the nominees of MGPL, your Company had filed an application before Hon'ble Company Law Board (CLB) seeking for suitable relief. As a counter measure, MGPL had also filed a petition on the matter. CLB vide its common order dated 01.06.2012 directed the Central Government to appoint an inspector to investigate the affairs of BMWL and take appropriate action. Based on the legal advice, your Company preferred two appeals before Hon'ble High Court of Andhra Pradesh at Hyderabad against the said common order of CLB. The Hon'ble High Court passed the order on 19.08.2013, thereby setting aside the said common order and directing CLB to proceed with a fresh enquiry, and decide the issue in accordance with law and merits also taking into consideration the report of investigation as directed by CLB and pass appropriate orders without getting influenced by the impugned common order of CLB. In the meanwhile, the Government has constituted National Company Law Tribunal (NCLT) by dissolving CLB and notified that the jurisdiction is shifted to Hyderabad from Chennai. The case files were transferred to NCLT. Regular hearings are taking place at NCLT. However, RD-MCA is yet to submit the investigation report before Hon'ble NCLT for deciding the matter.

There was no company which had ceased to be a subsidiary, joint venture or associate of the Company during the year under review. A separate section on report on the performance and financial position of each of the subsidiaries, Joint Venture Company are placed under Form AOC-1 provided in the consolidated financial statement of the Company, in terms of section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014.

### Consolidated Financial Statement:

Your Company has prepared the Consolidated Financial Statement of its subsidiaries in terms of Section 129(3) of the Companies Act, 2013, excepting consolidation with respect to JV Company, M/s BEML Midwest Limited due to complete

cessation of activities as the matter is subjudice, which is attached to this report.

### Statutory Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Bengaluru, were appointed as the Statutory Auditors for the financial year 2021-22 by the Comptroller & Auditor General of India.

Observations made in the Independent Auditors' Report on the financial statement including consolidated financial statement and the reply of the Board of Directors thereto are given by way of an addendum at page No. 252 to the annual report.

### Cost Auditors

M/s R M Bansal and Co, Cost Accountants, Bengaluru, were appointed as Cost Auditors for the year 2021-22 to conduct the audit of the cost records of the Company in terms of Section 148 of Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014. The Company maintains Cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, in respect of the Railway and Rolling Stocks (Bengaluru Complex), other Machinery (Truck, Engine, EM, H&P Divisions) and Power (EM Division).

Further, as required under the said Rules, the remuneration payable to the Cost Auditor for FY 2021-22 was ratified by the members in the 57th Annual General Meeting held on 24.09.2021.

### Secretarial Auditors

Your Company had appointed M/s V N Associates, Practicing Company Secretaries (PCS), Bengaluru, to undertake the Secretarial Audit of the Company for the year 2021-22 in terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report given by the PCS and the replies to the qualification made in the said Report are annexed to the Board's Report as **Annexure-VII**. In addition, an Annual Secretarial Compliance Report issued by the PCS has been filed with the Stock Exchanges within the due date from the end of financial year 2021-22.

## C&AG Audit

The Comments of the Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the financial statement including consolidated financial statement are appended at page No 172 & 253 to the annual report.

## Extract of Annual Return

An extract of the Annual Return in the prescribed form in terms of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is placed at [https://www.bemlindia.in/Annual\\_Report\\_Investors.aspx](https://www.bemlindia.in/Annual_Report_Investors.aspx).

## Directors & Key Managerial Personnel:

### (1) Appointment/re-appointment of Independent Directors

During the year 2021-22, three Independent Directors (ID) have been appointed on the Board of the Company. In terms of section 149 of the Companies Act, 2013, the provisions of section 152(6) and (7) in respect of retirement of directors by rotation shall not be applicable to IDs. Pursuant to Schedule IV of the Companies Act, 2013, the appointment/re-appointment of the Independent Directors has been formalized through a letter of appointment setting out the terms and conditions of their appointment, and the draft of the same is placed on the web-site of the Company at [www.bemlindia.in](http://www.bemlindia.in). In terms of Regulation 17(1C) of the Listing Regulations, the said appointments have been approved by the shareholders by way of special resolution through postal ballot from 18.05.2022 to 16.06.2022.

### (2) Statement on declaration by Independent Directors

Independent Directors had furnished necessary declarations, in terms of Section 149(7) of the Companies Act, 2013, stating that they had fulfilled the criteria of independence as provided under Section 149(6) of the said Act and Rule 6 of the Companies (Appointment and Qualification

of Directors) Rules, 2014 subject to the exemptions granted to the Government Companies. The Board reviewed the said declarations and noted the same.

### (3) Change of Directors/Key Managerial Personnel

In terms of Article 97 of the Articles of Association of the Company, the President of India is vested with the power to appoint the Directors of the Company from time to time and also shall determine the terms of office of such Directors. Accordingly, the following appointments on the Board of your Company were effected during 2021-22 as per the directives of President of India:

1. Shri Surendra Prasad Yadav (DIN: 02267582), Joint Secretary (Naval System), Department of Defence Production, Ministry of Defence, has been appointed as Government Nominee Director of the Company vide MoD letter No.8/2021-D(BEML) dated 08.11.2021 in place of Shri Puneet Agarwal. His appointment has taken effect from 08.11.2021.
2. Shri Arun Daga (DIN: 07054958), Shri Vikas Ramkrishna Kakatkar (DIN: 02372234) and Shri Siva Makutam (DIN: 09450599) have been appointed as Independent Directors of the Company vide MoD letter No. 8(6)2021-D(BEML) dated 24.12.2021. The Appointment of Shri Arun Daga and Shri Vikas Ramkrishna Kakatkar has taken effect from 24.12.2021, whereas appointment of Shri Siva Makutam has taken effect from 28.12.2021 after obtaining fresh DIN.
3. Shri Anil Jerath (DIN: 09543904), Chief General Manager (Finance) has been appointed as Director (Finance) of the Company vide MoD letter No. 8(1)/2020-D(BEML) dated 22.03.2022. He took charge of the post w.e.f. 22.03.2022.

Pursuant to the provision of the Companies Act, 2013, Regulation 17(1C) and Regulation 25(2A) of SEBI Listing regulations, the aforesaid appointments have been approved by the shareholders through postal ballot issued on 17.05.2022 by voting through electronic means from 18.05.2022 to 16.06.2022.

Shri Amit Banerjee (DIN-08783660) and Shri MV Rajasekhar (DIN-08467141) retires by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Dr. Gurmohinder Singh ceased to be Independent Director consequent upon completion of his tenure of 3 years on 09.08.2021. The Board placed on record its deep appreciation for invaluable services rendered by the aforesaid Director on the Board whose term of office ended during the year.

#### **(4) Remuneration of Directors/Key Managerial Personnel:**

Your Company being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Directors are decided by the Government of India. The Government communication appointing the Functional Directors indicate the detailed terms and conditions of their appointment including a provision for the applicability of the relevant rules of the Company.

Government Nominee Directors were neither paid any remuneration nor sitting fee for attending Board/Committee meetings.

Independent Directors are paid sitting fee of ₹20,000 per meeting of the Board/Committee of the Board attended by them. Further, if there are more than one such meeting on the same day, a sitting fee @ ₹20,000 is paid w.e.f 01.04.2022 for the Committee meeting/s.

Neither there was payment of commission to the Board of Directors nor any stock option scheme offered to them during the year. Further, none of the Directors had any

pecuniary relationship nor entered into any related party transactions with the Company during the year.

Pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration paid to the Directors during 2021-22 are provided under the 'Report on Corporate Governance' annexed to this report.

#### **(5) Number of meetings of Board:**

During the year, fourteen meetings of the Board were held on 08.04.2021, 23.04.2021, 11.06.2021, 24.06.2021, 23.07.2021, 06.08.2021, 18.08.2021, 13.09.2021, 15.09.2021, 12.10.2021, 13.11.2021, 21.01.2022, 10.02.2022 and 22.03.2022. Requirements on number and frequency of meetings, in terms of Section 173 of the Companies Act, 2013, Regulation 17 of Listing Regulations, and Chapter 3 of the DPE Guidelines, were complied with in full.

#### **(6) Directors' Responsibility Statement:**

Pursuant to section 134(3)(c) and 134(5) of the Companies Act, 2013, your Directors state that,

- (a) in the preparation of the annual accounts for the year ended 31.03.2022, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (b) the directors had 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 the financial year 2021-22 and of the profit of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in

accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**(7) Board Evaluation:**

The Board of Directors of the Company comprises Functional Directors, Government Nominee Directors and Independent Directors appointed by the Government of India from time to time pursuant to Article 97 of Articles of Association of the Company. Further, the Government communication also indicates the detailed terms and conditions of their appointment based on applicability of the relevant rules of the Company.

In view of the above, the performance of all Functional Directors and Government Nominee Directors is being evaluated by the Administrative Ministry every year based on own evaluation methodology. Further, considering the educational qualifications, age, rich and varied experience of the applicants, the Administrative Ministry/Department would appoint the IDs on the Board on the recommendation of Search Committee after obtaining approval of competent authority. In addition, the assessment/evaluation of

performance of Independent Directors who will be completing their tenure/seeking extension was undertaken by the Department of Public Enterprises through Administrative Ministry periodically.

**Acknowledgements**

Your Directors express their hearty thanks to the Company's valued customers, Government of India, Administrative Ministry, the Ministry of Defence and in particular, the Department of Defence Production, M/s Coal India Limited and its Subsidiaries, M/s Singareni Collieries Company Limited, M/s Steel Authority of India Limited, Railway Board, M/s Delhi Metro Rail Corporation Limited, M/s Bengaluru Metro Rail Corporation Limited, M/s Jaipur Metro Rail Corporation, M/s Kolkata Metro Rail Corporation, M/s Maha Metro Rail Corporation Limited, Integral Coach Factory-Chennai, M/s Bharat Electronics Limited, M/s Bharat Dynamics Limited, Ordnance Factory Board, Defence Research & Development Organization (DRDO), M/s Brahmos Aerospace Pvt. Ltd., Indian Space Research Organization, M/s Hindustan Aeronautics Limited, Aeronautical Development Agency for their patronage and confidence reposed on the Company. The Directors also acknowledge and thank all collaborators, vendors and other service providers for their valuable assistance and cooperation extended to the Company.

The Directors express their appreciation to the members of Company's Consortium of Banks and other Bankers and Financial Institutions for their continued support to the Company's operations. The Directors also thank all the shareholders/investors for reposing continued confidence in the Company.

The Directors wish to thank the Comptroller & Auditor General of India, the Principal Director of Commercial Audit & Ex-officio Member, Audit Board and Statutory Auditors for their valued co-operation.



The Directors also acknowledge the valuable support and assistance received from various Ministries of Government, in particular Ministry of Defence, Ministry of Coal, Ministry of Mines, Ministry of Steel, Ministry of Railways, Ministry of Housing and Urban Affairs, Ministry of External Affairs and Ministry of Home Affairs. The Directors are also grateful to the Government of Karnataka and Kerala for the support

and co-operation extended to the Company.

Your Directors take this opportunity to place on record their appreciation for the invaluable contribution made and excellent co-operation extended by the employees and executives at all levels for the continued progress and prosperity of the Company.

For and on behalf of the Board of Directors

Gangtok  
27.05.2022

*Sd/-*  
Amit Banerjee  
Chairman & Managing Director

## Annexure to Board's Report for the Financial Year 2021-22

### Annexure-I

#### Conservation of Energy and Technology Absorption

##### A. CONSERVATION OF ENERGY

##### (a) Steps taken or impact on conservation of Energy

- (i) Replacement of Conventional lighting system, HPMV Lights for Street/ Perimeter Lights, with latest Energy Efficient LED lighting at various locations across the Divisions/Units.
- (ii) Reconditioning of Wester works Furnace & PIT-3 Carburizing Furnace at HT shop to reduce heat loss and to improve thermal efficiency & achieve energy conservation.
- (iii) Introduction of 15 nos. of Energy efficient inverter type TIG welding machines.
- (iv) Palakkad Complex received "Commendation certificate" for EC award 2021 organized by M/s Energy Management Centre, Thiruvananthapuram for the efforts taken for energy conservation.
- (v) 659 CFM screw compressor procured, installed & commissioned from each energy conservation of 3000 units per annum.

##### (b) Steps taken by Company for utilizing alternative sources of Energy

- (i) Utilisation of Green Energy from Wind Mill Projects (23MW) and solar Project (260KW) to an extent of 85.12% of Grid Power Consumption by all the Production Division. Achieved GHG emission reduction of about 23871 Tons of Co2 equivalent by utilisation of Green Energy from Wind & Solar Projects.
- (ii) Optimum operation of 50 KWp grid

connected Solar Roof top Solar Power plant for utilization of Solar energy. In the year 2021-22, 63,880 units of energy is generated through Solar plant.

- (iii) 2 nos. of Solar water heaters are procured for replacement of electric water heaters in Guest house under CAPEX 2021-22 and commissioning is scheduled in May 2022.

##### (c) Capital investment made on Energy conservation equipment during 2021-22

During the year under review, your Company has invested ₹120.93 Lakhs for implementing various energy saving measures.

##### B. TECHNOLOGY ABSORPTION

##### Research & Development (R&D):

##### 1. Efforts made towards Technology Absorption:

R&D Centers at KGF, Mysuru & Bengaluru took initiatives for design and development of new products, aggregates and upgradation of existing products as per customer requirements during the year:

##### (a) New products Development

##### (i) Mining & Construction

- 1) Dump truck model BH60M with wet brakes in both front & rear axles, BEML ATGEMS Transmission & bolt on type wheel hub design with TIER III engine
- 2) Engineering of QSK19-T2 engine with 760 hp and M6 brakes on Dump Truck model: BH60M
- 3) Engineering and Road worthiness certification of CEV Stage-IV engine

- on Motor Grader model: BG 405A & BG605I
- 4) Development, supply & commissioning of Medical Oxygen Plants
  - 5) Development and successful Implementation of safety systems such as Proximity warning, Drivers fatigue monitoring, Rear view camera and Automatic head light Dimmer as recommended by DGMS on Dump Trucks and Motor Graders
  - 6) Design and development of alternate hydraulic system for Dozer model: BD155 with Ripper attachment
  - 7) Engineering of Acoustic cabin for Noise reduction in cabin, viscous mounts and operator seat with Pneumatic suspension in Dozer model: BD475-2
  - 8) Design and development of ROPS & FOPS cabin with improved visibility, Indigenization of propeller shafts and Gear Turn table for Tyre Handler model: BL14TH
  - 9) Design & development of Forestry Cabin with Canopy for Forestry application on Dozer model: BD155 & BD85, ripper structure with draw bar for land clearing application on Dozer model and Tree pusher attachment for forestry application on Dozer model: BD155 for meeting the Export requirements
  - 10) Development & Implementation diagnostic features like fault code & data logging, calibration of pressure & steering parameters and troubleshooting screen of Dozer model: BD155/BD355 'A/T' version
  - 11) Design and development of hydraulic winch for towing application for Dozer model: BD65-1
  - 12) Design and development of steering control system on Dozer model: BD85
  - 13) Engineering of indigenous axles on BL200-1 front end wheel loader
  - 14) Indigenization of Recoil Springs on dozer models: BD355, BD155, BD65-1, BD50 and Excavator models: BE220, BE300
- New Technology Developed**
- 1) Engineering of AI based 360Deg surrounding view system on Dump Truck model : BH60M
  - 2) Engineering of AI based water sprinkling system on Water Sprinkler model : WS28-2.
  - 3) Development of BS III compliant engine for BEML HMV 6x6
  - 4) New EATS (Exhaust After Treatment System) Technology developed for 140-series engine and CEV Stage-IV norms achieved thru mechanical FIP with Electronic governor for equipment model : BG825/BH35-2 /WS28-2
- (ii) Defence**
- 1) Design and development of armoured cabin for BEML HMV 8X8 Truck
  - 2) Design and development of Transport vehicle for BMP Tanks on BEML HMV 8X8 Truck
  - 3) Design and development of Mechanical Minefield Marking Equipment on BEML HMV 6X6 Platform
- (iii) Rail & Metro**
- 1) Mainline Electric Multiple Unit (MEMU) for Indian Railways
  - 2) Rail Grinding Machine(RGM 96) for Indian Railways
  - 3) Bengaluru Metro 3RS-DM 42 cars: Design and development 6 car trainset
  - 4) Mumbai Metro MRS1 contract (Line #2 & Line#7): Design and development 6 car trainset

**(b) Patents**

42 IPRs have been submitted for registration, out of which 7 patents, 8 Designs, 19 Copyrights and 8 Trademarks were registered which was 105 % of the MoU target (40).

**2. The benefits derived like product improvement, cost reduction, product development or import substitution:**

Major R&D initiatives like new product/ aggregates development, product up-gradation, indigenization etc. have ensured the good position of BEML in the industry and the existing Mining product range is enhanced with cutting edge technology features that will help in sustaining the existing market and also in exploring the new emerging markets. There has been a considerable foreign exchange savings on account of the indigenization plan.

Further, as a result of successful completion and commercialization of the projects, the turnover of the company increased. More than 88% of revenue from sale of products & services is achieved through inhouse R&D developed products. The skill sets, knowledge & expertise of R&D personnel has enhanced and induced confidence in taking up future challenges.

**3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

Nil

**4. Future plan of action:**

Keeping in view of emerging trends in technology and also in line with the unfolding business scenario, R&D has put in place, plan of action to take up a number of projects with enhanced allocation of resources. To achieve

this, R&D infrastructure and resources are being continuously strengthened/upgraded, to handle and cope up with the latest technologies effectively.

R&D has also planned to develop a series of products/aggregates covering all the three business segments as under:

**Mining & Construction:**

R&D M&C has taken up the design & development of 21 cu.m. Rope Shovel required for Mega Coal Projects, 8 Ton Tyre Handler. Further keeping in view of future technology trends with changing business scenario, R&D, M&C has taken up initiatives to launch new products and upgrade existing products in line with the latest emission norms as mandated by the government and safety features as per IS17055/ISO20474 & DGMS for Dump Trucks, Dozers, Excavators, Wheel Loaders and Underground Mining Equipment apart from upgradation of existing products with innovative and new features in line with major global competitors.

**Defence:**

Keeping in view of emerging trends in technology and also in line with the unfolding business scenario, R&D has put in place, plan of action to develop series of products/ aggregate such as Design & Development of HRV 8x8 Vehicle, Development of High Mobility Vehicle (8x8 Cross Country Vehicle), Prime mover for Towing 70T Trailer, Self-propelled mine burrier 8x8, Bar mine layer 8x8, Unmanned ground vehicle, Indigenous manufacture of cabins for BEML-Tatra 8x8 and 6x6 vehicles and Up-gradation/Overhauling of ARV WZT-3.

**Rail & Metro:**

R&D is working towards Development of Vande Bharat Trains and Bogies, Upcoming



Metro projects like Delhi Metro DMRC RS17 tender, BMRCL 6RS-DM tender and Gujarat Metro GMRC/RS3 tender and working with IIT, Kharagpur, for Bogie design under the Uchathar Aavishkar Yojana (UAY) project to develop medium/high speed bogies.

**5. The expenditure incurred on R&D**

The Company has spent ₹103 crore on R&D during 2021-22 which is about 2.48% of Revenue from Sale of Products & Services.

For and on behalf of the Board of Directors

Gangtok  
27.05.2022

*Sd/-*  
Amit Banerjee  
Chairman & Managing Director

**Annexure-II****FORM NO. AOC-2**

[Pursuant to clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

- |  |  |
|--|--|
| <p>1. Details of contracts or arrangements or transactions not at arm's length basis:</p> <p>(a) Name(s) of the related party and nature of relationship: Not applicable</p> <p>(b) Nature of contracts/arrangements/ transactions: Not applicable</p> <p>(c) Duration of contracts/arrangements/ transactions: Not applicable</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not applicable</p> <p>(e) Justification for entering into such contracts or arrangements or transactions: Not applicable</p> <p>(f) Date(s) of approval by the Board: Not applicable</p> <p>(g) Amount paid as advances, if any: Not applicable</p> <p>(h) Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not applicable</p> | <p>2. Details of material contracts or arrangements or transactions at arm's length basis:</p> <p>(a) Name(s) of the related party and nature of relationship: Not applicable</p> <p>(b) Nature of contracts/arrangements/ transactions: Not applicable</p> <p>(c) Duration of contracts/arrangements/ transactions: Not applicable</p> <p>(d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not applicable</p> <p>(e) Date(s) of approval by the Board: Not applicable</p> <p>(f) Amount paid as advances, if any: Not applicable</p> |
|--|--|

For and on behalf of the Board of Directors

Sd/-

Amit Banerjee

Chairman & Managing Director

Gangtok  
27.05.2022

**REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY**

Your Company firmly believes in the importance of ethics among the employees and strives for developing a work culture that fosters accountability, fairness, integrity and transparency in its dealings, while adhering to the fundamental principle of enhancing the trust and value of all stakeholders. Good corporate governance strengthens the investor's trust and ensures long term relationship with other stakeholders which help the Company to achieve its objectives.

Your Company complies with the requirements of the Corporate Governance standards as stipulated under SEBI (Listing obligations and disclosure requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and the Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises-2010 (hereinafter referred to as 'DPE Guidelines') from time to time.

**2. BOARD OF DIRECTORS****(i) Composition:**

As on 31.03.2022, the Board consisted of 4 Whole-time Directors including the Chairman & Managing Director, 1 Government Nominee Director and 5 Independent Directors. With this, the composition of Board is in compliance with the requirements mentioned under Regulation 17 of the Listing Regulations. There is no inter-se relationship among the directors.

**(ii) Meetings and Attendance:**

During the year, fourteen meetings of the Board were held on 08.04.2021, 23.04.2021, 11.06.2021, 24.06.2021, 23.07.2021, 06.08.2021, 18.08.2021, 13.09.2021, 15.09.2021, 12.10.2021, 13.11.2021, 21.01.2022, 10.02.2022 and 22.03.2022. Requirements on number and frequency of meetings, in terms of Section 173 of the Companies Act, 2013, Regulation 17 of Listing Regulations, and Chapter 3 of the DPE Guidelines, were complied with in full.

The details of attendance of the Directors at the Meetings of Board, Annual General Meeting (AGM) and their other directorships and Committee memberships held by them across all companies as on 31.03.2022 are given below:

Sl. No	Name of the Director (Director Identification No.)	Attendance at board meetings/ Total meetings after appointment as Director	Whether attended last AGM (Yes/No/NA)	No. of other director-ships held	Number of Committee Memberships across all companies	Listed entities where the person is a director and the category of directorship
<b>Functional Directors including CMD:</b>						
1	Shri Amit Banerjee <sup>1</sup> Chairman and Managing Director, Additional Charge - Director (Rail & Metro Business) & Director (HR) (DIN 08783660)	14/14	Yes	3	1	--
2	Shri MV Rajasekhar Director (Mining & Construction Business) (DIN 08467141)	14/14	Yes	3	3	--
3	Shri Ajit Kumar Srivastav Director (Defence Business) (DIN 08741858)	14/14	Yes	4	3	--
4	Shri Anil Jerath <sup>2</sup> Director (Finance) (DIN 09543904)	--	NA	--	1	--
5	Shri Suraj Prakash <sup>3</sup> Director (Finance) (DIN 08124871)	01/01	NA	--	--	--
<b>Government Nominee Director:</b>						
6	Shri Surendra Prasad Yadav <sup>4</sup> (DIN 02267582)	03/04	NA	3	--	Garden Reach Shipbuilders & Engineers Limited, Govt. Nominee Director
7	Shri Puneet Agarwal <sup>5</sup> (DIN 07192938)	10/10	Yes	--	--	--
<b>Independent Directors:</b>						
8	Shri Arvind Kumar Arora (DIN 07409509)	14/14	Yes	--	4	---
9	Smt Balmuri Vanitha (DIN 08679028)	14/14	Yes	--	3	--
10	CA Arun Daga <sup>6</sup> (DIN 07054958)	03/03	NA	1	1	--
11	Shri Vikas Ramakrishna Kakatkar <sup>6</sup> (DIN 02372234)	03/03	NA	--	1	--
12	Shri Siva Makutam <sup>7</sup> (DIN 09450599)	03/03	NA	--	1	--
13	Dr. Gurmohinder Singh <sup>8</sup> (DIN 08199586)	05/05	NA	--	--	--

1. Appointed as CMD w.e.f. 27.08.2021
2. Appointed w.e.f. 22.03.2022
3. Ceased to be Director w.e.f. 09.04.2021
4. Appointed w.e.f. 08.11.2021

5. Ceased to be Director on 07.11.2021
6. Appointed w.e.f. 24.12.2021
7. Appointed w.e.f. 28.12.2021
8. Ceased to be Director w.e.f. 10.08.2021



**(iii) LIST OF CORE SKILLS/EXPERTISE/COMPETENCIES IDENTIFIED BY THE BOARD IN THE CONTEXT OF THE BUSINESS OF THE COMPANY AND THE NAMES OF DIRECTORS WHO HAVE SUCH SKILLS/EXPERTISE/COMPETENCE:**

<i>S.No.</i>	<i>Skill Area</i>	<i>Description</i>	<i>Name of Directors having such skills/expertise/competence</i>
1	Strategy and planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of BEML relevant policies and priorities.	The above Directors of the Company are appointed by the Government of India considering the requisite skills/expertise/competencies in their respective area of operations and having reasonable knowledge in the other skill areas to safeguard the interest of the Company.  Further, the business/ commercial decisions taken at the meetings of Board and Committee of Functional Directors are being implemented towards the growth of the Company.
2	Governance, Risk and Compliance	Experience in the application of corporate governance principles in the Company. Ability to identify key risks to BEML in a wide range of areas including legal and regulatory compliance.	
3	Technical competence	Application of technical knowledge and skills for successful performance of specific job or group of jobs.	
4	Commercial Assessment	A broad range of commercial/business assessment in areas of accounting, finance, marketing, branding and business systems, practices and improvement.	
5	Legal	Overseeing compliance with numerous laws as well as understanding an individual director's legal duties and responsibilities.	
6	Human Resource Management	Specialized in human resource management with an understanding of employment law.	
7	Information Technology/ Digital Skills	Knowledge in IT and/or Digital issues with an ability to apply new IT technology in the Company.	
8	Integrity (ethics)	A commitment to <ul style="list-style-type: none"> <li>Understanding and fulfilling the duties and responsibilities of a Director, and maintaining knowledge in this regard through professional development;</li> <li>Putting BEML interests before any personal interests;</li> <li>Acting in a transparent manner and declaring any activities or conduct that might be a potential conflict;</li> <li>Maintaining Board confidentiality at all times.</li> </ul>	

**(iv) Directors' Shareholding**

None of the Directors are holding equity shares or debt securities in your Company as on 31.03.2022.

**(v) CEO/CFO Certification**

The Chairman & Managing Director and Director (Finance), have issued necessary

certificate to the Board of Directors with respect to the financial statement for the year 2021-22 in terms of Regulation 17 of the Listing Regulations. The said certificate was reviewed and recommended by the Audit Committee in terms of Chapter 4 of the DPE Guidelines and will be taken on record by the Board in its meeting held on 27.05.2022.

#### (vi) Review of Compliance of Laws

In terms of Regulation 17 of the Listing Regulations, Chapter 3 of the DPE Guidelines and applicable provisions of the Companies Act, 2013, the Board reviewed the compliance reports relating to various laws applicable to the Company for the year 2021-22, and noted that there was no instance of non-compliance. Further, there was no significant or material order passed during the year by any regulator or court or tribunal impacting the going concern status and Company's operations in future. Further, the Company has implemented Compliance Management Solution (CMS) during July 2021 and monitoring the applicable compliances across the Company periodically.

#### (vii) Familiarization/Training of Board Members

In terms of Regulation 25 of the Listing Regulations, Chapter 3 of the DPE Guidelines and applicable provisions of the Companies Act, 2013, a 'Policy on Familiarization/Training Programs to Board Members' was formulated and approved by the Board of Directors.

As per the terms of the said policy, the Board members including Independent Directors are provided with the familiarization programs on their roles, rights, responsibilities, nature of industry, Company's business model, procedures and practices and also provided with necessary documents, brochures and reports to keep the Directors abreast of the necessary information relating to the Company. Further, the Board members participate in various training programs on corporate governance and other Board related topics from time to time.

Further, the aforesaid policy along with familiarization and training programs imparted to the Independent Directors are placed on the Company's web-site [https://www.bemlindia.in/documents/Training\\_IDs.pdf](https://www.bemlindia.in/documents/Training_IDs.pdf), in terms of Regulation 46 of the Listing Regulations.

#### (viii) Code of Conduct

In terms of Regulation 17 of the Listing Regulations and Chapter 3 of the DPE Guidelines, the Board of Directors of your Company has laid down a 'BEML Code of Conduct and Business Ethics for Board Members and Senior Management' and the same is also placed on the Company's web-site, [https://www.bemlindia.in/writereaddata/Downloads/20170807074332BEML\\_CoC.pdf](https://www.bemlindia.in/writereaddata/Downloads/20170807074332BEML_CoC.pdf) as required under Regulation 46 of the said Regulations. Board Members and Senior Management, i.e., Directors, Key Managerial Personnel, Executive Directors and Chief General Managers have affirmed compliance with the said Code. A declaration to this effect signed by the Chairman and Managing Director is produced here under:

*To the Members of BEML Limited,*

*I, Amit Banerjee, Chairman & Managing Director of the Company, hereby declare that the Board of Directors and Senior Management personnel have affirmed their compliance with the Code of Conduct for the financial year ended 31.03.2022.*

*On behalf of the Board of Directors*

*Sd/-*

*Bengaluru  
11.05.2022*

*Amit Banerjee  
Chairman & Managing Director*

#### (ix) Code of Conduct and Fair Disclosure to Regulating, Monitoring and Report Trading by Insiders in BEML securities:

The Board of Directors of your Company had approved "Code of Conduct and Fair Disclosure for Regulating, Monitoring and Report trading by Insiders in BEML Securities" in the securities of the Company on the basis of unpublished price sensitive information, pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, and the same is placed on the Company's website [https://www.bemlindia.in/writereaddata/Downloads/202105111712BEML\\_PIT\\_CoC-](https://www.bemlindia.in/writereaddata/Downloads/202105111712BEML_PIT_CoC-)

23042021.pdf. The insiders as defined under the Code should obtain permission from the Competent Authority to deal in securities during the trading window/restriction period beyond the specified limits. Periodical disclosures are also made as provided under the Code through the Digital Database system designed internally, for keeping the track of the flow of Unpublished Price Sensitive Information (UPSI) and simultaneously maintaining the record of the nature of UPSI and name of the executives sharing the same to prevent the instance of insider trading.

Further, the Board of Directors and Senior Management personnel comply with the aforesaid code of internal procedures and conduct for prevention of Insider Trading in terms of DPE Guidelines.

#### (x) Whistle Blower Policy

In terms of the provisions of Section 177 of the Companies Act, 2013, Regulation 22 of the Listing Regulations and Chapter 4 of the DPE Guidelines, your Company has formulated "Vigil Mechanism/Whistle Blower Policy" for directors and employees to report genuine concerns. The said policy is placed on the Company's website [https://www.bemlindia.in/writereaddata/Downloads/202102251405Whistle\\_Blower\\_Mechanism.pdf](https://www.bemlindia.in/writereaddata/Downloads/202102251405Whistle_Blower_Mechanism.pdf) in terms of Regulation 46(2)(e) of the Listing Regulations. The policy provides for adequate safeguards against victimization of director/s or employee/s or any other person who avail the said mechanism and also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The Audit Committee reviews the functioning of the whistle blower mechanism periodically as per Schedule II (A)(18) of Listing Regulations and Chapter 4 of DPE Guidelines, As per the said policy, none of the employees have been denied access to Audit Committee.

### 3. BOARD COMMITTEES:

The constitution/reconstitution of various Board Committees together with their terms of reference by the Board of Directors are detailed hereunder. Further, the composition of the said Committees is also placed on the Company's web-site [https://www.bemlindia.in/Investors\\_Board\\_Committee.aspx](https://www.bemlindia.in/Investors_Board_Committee.aspx), in terms of Regulation 46 of the Listing Regulations:

#### (i) Audit Committee:

The constitution/reconstitution and the terms of reference of the Audit Committee are as per the applicable provisions under the Companies Act, 2013, Listing Regulations, DPE Guidelines as amended from time to time and except to the extent of exemptions granted to the Government Companies. Further, the terms of reference also comply with the directives of the Board of Directors, Department of Defence Production, Central Vigilance Commission, and such other competent authority.

The brief terms of reference of the Audit Committee are as follows:

- (a) *Oversight of financial reporting process and the disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible;*
- (b) *to review with the management, the quarterly financial statements before submission to the board for approval;*
- (c) *to discuss 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;*
- (d) *to review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to (a) matters required to be included in the*

- director's responsibility statement forming part of the board's report in terms of Section 134(5) of the Companies Act, 2013; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major accounting entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements; (f) disclosure of any related party transactions; and (g) modified opinion(s) in the draft audit report;
- (e) to recommend to the Board, fixation of remuneration to statutory auditors and to approve payment to statutory auditors for services rendered other than statutory audit as may be permitted under law;
- (f) to recommend to the Board the fixation of remuneration, re-imburement of out-of-pocket expenses and other allowances, if any, to cost auditors and transaction auditors;
- (g) to evaluate internal financial controls and risk management systems;
- (h) to review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (i) to review the adequacy of internal audit function of the Company, 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;
- (j) to discuss with internal auditors of any significant findings and follow up there on; and to review 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 make suitable recommendation to the board;
- (k) to review the functioning of the whistle blower mechanism;
- (l) to meet compulsorily at least once every two months and inter-alia look at all cases of procurements which are made from single source;
- (m) to review the follow up action on the audit observations of the C&AG audit;
- (n) to review inventory position periodically and also review and recommend the cost audit reports for the consideration and approval of the Board;
- (o) reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as on the date of coming into force of this provision.

Members of the Audit Committee and the details of their attendance in the meetings are given below:

Sl.No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Shri Arvind Kumar Arora	Independent Director	9/9
2	Dr. Gurmohinder Singh*	Independent Director	5/5
<i>Members:</i>			
3	Smt Balmuri Vanitha	Independent Director	4/4
4	Shri MV Rajasekhar	Director (Mining & Construction Business)	9/9
5	Shri Arun Daga	Independent Director	--

\* Part of the year



During the year, the Audit Committee met Nine times on 22.04.2021, 10.06.2021, 11.06.2021, 22.07.2021, 05.08.2021, 18.08.2021, 12.10.2021, 11.11.2021 and 09.02.2022. Accordingly, the Audit Committee complied with the requirements on number and frequency of meetings in terms of Regulation 18 of the Listing Regulations and Chapter 4 of the DPE Guidelines. Further, the Board accepted all the recommendations made by the Audit Committee during the year in terms of section 177 of the Companies Act, 2013.

The Company Secretary acts as Secretary of the Audit Committee. The Chairman of the Audit Committee had attended the AGM of the Company held on 24.09.2021 for answering the queries of securities holders.

## (ii) Nomination and Remuneration Committee :

Pursuant to the provisions under Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, a Committee by name and style "Nomination and Remuneration Committee" was constituted.

The terms of reference of Nomination and Remuneration Committee would include, recommending to the Board the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors of the Company, and also recommending special/exclusive allowances and provisions to the personnel serving in remote areas including Jammu Kashmir and North East Region, in addition to the terms of reference specified under the provisions of the Companies Act, 2013 and Listing Regulations, subject to the exemptions granted to the government companies from time to time.

Further, the appointment and other matters in respect of Key Managerial Personnel and Senior Management Personnel are governed by the BEML Recruitment Rules and Procedures and subject to the policies and directives that may be issued by the Board of Directors and/or CMD as the case may be from time to time. Fixation of Pay scales for the executives are governed by Presidential Directives issued by the Ministry of Defence. Performance evaluation of Independent Directors was undertaken by Department of Public Enterprises through Administrative Ministry periodically.

Members of the Nomination and Remuneration Committee and the details of their attendance in the meetings are given below:

Sl.No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Shri Arvind Kumar Arora	Independent Director	1/1
2	Dr. Gurmohinder Singh*	Independent Director	--
<i>Members:</i>			
3	Smt. Balmuri Vanitha	Independent Director	1/1
4	Shri Vikas Ramakrishna Kakatkar	Independent Director	--
5	Shri Surendra Prasad Yadav	Government Nominee Director	0/1
6	Shri Puneet Agarwal*	Government Nominee Director	--

\* Part of the year

The Nomination and Remuneration Committee met once during the year on 19.01.2022. Further, the Company complied with the requirements on number of meetings of the Committee in terms of Regulation 19 of the Listing Regulations.

## (iii) Stakeholders Relationship Committee :

In terms of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board of Directors has constituted the "Stakeholders Relationship Committee".

The terms of reference would include, resolving 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., review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, review of 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.

The Committee consists of following Directors/Compliance Officer:

Sl.No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Shri Arvind Kumar Arora	Independent Director	1/1
<i>Members:</i>			
2	Shri Amit Banerjee	Chairman & Managing Director	1/1
3	Shri Ajit Kumar Srivastav	Director (Defence Business)	1/1
4	Shri Suraj Prakash*	Director (Finance)	--
<i>Company Secretary:</i>			
5	Shri S V Ravisekhar Rao	Compliance Officer	1/1

\* Part of the year

During the year, the Stakeholders Relationship Committee met once on 03.03.2022. Further, the Committee complied with the requirements on number of meetings in terms of Regulation 20 of the Listing Regulations.

The Company has an exclusive platform on its website to enable investors for on-line registration of their complaints. The Company endeavour to reply to the complaints within a period of 3 working days. Other relevant details are placed on the Company's web-site <https://www.bemlindia.in/complain.aspx?type=investor>, in terms of Regulation 46 of the Listing Regulations.

Further pursuant to SEBI Circulars, M/s Kfin Technologies Limited (formerly M/s Kfin Technologies Private Limited), the Registrar & Share Transfer Agent of the Company (RTA), is authorized to monitor the on-line complaints placed by SEBI on SEBI Complaints Redress System (SCORES). From the inception of the said system on 18.07.2011, there were 36 complaints placed and there was no complaint pending as on 31.03.2022. Further, the redressal status of the said complaints is reviewed by the Board of Directors from time to time.

A quarterly statement on investor complaints received and redressal there of as submitted with BSE and NSE, in terms of Regulation 13 of the Listing Regulations, are placed before the Board for information. Accordingly, the status of total investor complaints and redressal thereon during the year are as under:

No. of complaints pending beginning of the year :	0
No. of complaints received during the year:	31
No. of complaints resolved during the year:	31
No. of complaints pending at the end of the year :	0

#### (iv) Risk Management Committee :

In terms of Regulation 21 of the Listing Regulations, the Board of Directors had constituted a Committee with the nomenclature as 'Risk Management Committee':

The terms of reference of the Risk Management Committee (RMC) are as follows:

- (1) To formulate a detailed risk management policy which shall inter alia include:
  - (a) A framework for identification of internal and external risks specifically faced by the Company, 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 RMC.
  - (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) The RMC shall 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.

The Committee consists of following category of Directors:

Sl.No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Shri MV Rajasekhar	Director (Mining & Construction Business)	2/2
2	Shri Suraj Prakash*	Director (Finance)	--
<i>Members:</i>			
3	Shri Ajit Kumar Srivastav	Director (Defence Business)	2/2
4	Shri Anil Jerath	Director (Finance)	--
5	Shri Arvind Kumar Arora	Independent Director	2/2

\* Part of the year

The Risk Management Committee met twice during the year on 14.09.2021 and 03.03.2022. Further, the Committee complied with the requirements on number of meetings in terms of Regulation 21 of the Listing Regulations.

In terms of Section 134 of the Companies Act, 2013, regulation 17 of the Listing Regulations, and Chapter 7 of DPE Guidelines, your Company has formulated "Risk Management Policy". The objective of the Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in identifying, evaluating, reporting and managing or mitigating risks associated with the business. In order to achieve the key business objectives, the policy establishes a structured and disciplined approach to risk management in order to mitigate the risk related issues. The CRC consolidates the key risks along with mitigation plans and report to the Risk Management Committee for review and apprising the Board. The Audit Committee also reviews and monitors the key risks along with mitigation plans and status of risk management and recommend to the Board for approval. The said policy is placed on the Company's website [https://www.bemlindia.in/writereaddata/Downloads/202003302233Risk\\_Management\\_Policy.pdf](https://www.bemlindia.in/writereaddata/Downloads/202003302233Risk_Management_Policy.pdf).

### (v) Share Certificate Committee :

In terms of Regulation 39 of the Listing Regulations, the Board of Directors has constituted a Committee with the nomenclature as "Share Certificate Committee".

The terms of reference of Share Certificate Committee would be considering the request for issue of (i) duplicate, (ii) remat share certificates and (iii) Transmission of shares and Deletion of name and approve the same as duly complying with the provisions of the Companies Act, 2013 and Listing Regulations.

The Committee consists of following Directors/Compliance Officer:

Sl.No.	Name	Category	Attendance
<i>Chairman:</i>			
1	Shri MV Rajasekhar	Director (Mining & Construction Business)	5/5
<i>Member:</i>			
2	Shri Ajit Kumar Srivastav	Director (Defence Business)	5/5
<i>Company Secretary:</i>			
3	Shri S V Ravisekhar Rao	Compliance Officer	5/5

\* Part of the year

The Share Certificate Committee met Five times on 14.06.2021, 03.08.2021, 15.12.2021, 29.12.2021 and 16.02.2022.

### (vi) Corporate Social Responsibility & Sustainability Committee :

In terms of Section 135 of the Companies Act, 2013 and DPE Guidelines on MoU, the Corporate Social Responsibility & Sustainability (CSR) Committee has been constituted.

The terms of reference of CSR Committee would include -

- to formulate and recommend to the Board CSR Policy of the Company which shall indicate the activities to be undertaken by the company in the areas or subject, specified in Schedule VII.
- to recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above.
- to monitor the CSR Policy of the Company from time to time.

The Committee consists of the following directors:

Sl.No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Smt Balmuri Vanitha	Independent Director	2/2
2	Dr. Gurmohinder Singh*	Independent Director	2/2
<i>Members:</i>			
3	Shri MV Rajasekhar	Director (Mining & Construction Business)	4/4
4	Shri Ajit Kumar Srivastav	Director (Defense Business)	4/4
5	Shri Siva Makutam	Independent Director	--

\* Part of the year

The Board of Directors of your Company has formulated "Corporate Social Responsibility Policy (CSR) and also Sustainable Development Policy (SD)" to ensure commitment at all levels in the organization, and to operate the Company's business in an economically, socially and environmentally responsible and sustainable manner, while recognizing the interests of all stakeholders. Further, the CSR & SD policies of the Company along with the activities undertaken are placed on the Company's web-site [https://www.bemlindia.in/CSR\\_BEML.aspx](https://www.bemlindia.in/CSR_BEML.aspx).



The CSR Committee met Four times during the year on 22.04.2021, 10.06.2021, 11.11.2021 and 09.02.2022. Annual report on CSR activities undertaken during the year 2021-22 is enclosed at **Annexure-VI**.

#### **(vii) Procurement Committee :**

The Board of Directors has constituted a Committee in the name and style as 'Procurement Committee' in terms of the guidelines issued by the Ministry of Defence, Government of India, for considering and approving all procurements exceeding ₹100 lakhs from single source and ₹1,000 lakhs through open/limited tenders.

The Committee consists of following directors:

Sl. No.	Composition
1	Chairman & Managing Director – Chairman
2	All other Functional Directors – Members

The Procurement Committee met 43 times on 16.04.2021, 21.04.2021, 03.05.2021, 04.05.2021, 05.05.2021, 11.05.2021, 13.05.2021, 20.05.2021, 21.05.2021, 24.05.2021, 31.05.2021 & 01.06.2021, 09.06.2021 & 10.06.2021, 29.06.2021, 06.07.2021, 16.07.2021, 29.07.2021, 10.08.2021, 24.08.2021, 31.08.2021, 09.09.2021, 15.09.2021, 23.09.2021, 04.10.2021, 21.10.2021, 29.10.2021, 03.11.2021, 10.11.2021, 30.11.2021, 07.12.2021, 20.12.2021, 31.12.2021, 05.01.2022, 18.01.2022, 27.01.2022, 07.02.2022, 17.02.2022, 24.02.2022, 09.03.2022, 11.03.2022, 17.03.2022, 25.03.2022, 29.03.2022 and 31.03.2022 during the year under review.

#### **(viii) Independent Directors Meeting :**

In terms of the provisions under the Companies Act, 2013 and Regulation 25 of the Listing Regulations, the Independent Directors met on 22.07.2021 and 04.03.2022 respectively. The meeting held on 22.07.2021 was for approval of scheme of arrangement for Demerger between BEML and BEML Land Assets Limited and recommended to the Board for its approval. All three Independent Directors have attended the meeting. Further, in the meeting held on 04.03.2022 the Independent Directors had reviewed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board to effectively and reasonably perform their duties. All five Independent Directors have attended the meeting.

Further, pursuant to Regulation 34 along with other requirements specified in Schedule V of the Listing Regulations, based on the declarations submitted by the Independent Directors the Board hereby confirms that the Independent Directors have fulfilled the conditions specified in the Listing Regulations and are independent of the management.

#### **(ix) Remuneration of Directors and Key Managerial Personnel (KMP):**

Your Company being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Directors are decided by the Government of India. The Government communication appointing the Functional Directors is followed by the detailed terms and conditions of their appointment including a provision for the applicability of the relevant rules of the Company.

Pursuant to Schedule IV of the Companies Act, 2013, the appointment of Independent Directors was formalized through a letter of appointment setting out the terms and conditions of their appointment, which inter-alia, includes remuneration and re-imbursement of expenses for participation in the meetings of Board and Committees of Board. Further, the said terms and conditions are placed on the web-site of the Company [https://www.bemlindia.in/documents/BEML\\_Ind\\_Director\\_TnC.pdf](https://www.bemlindia.in/documents/BEML_Ind_Director_TnC.pdf), in terms of Schedule IV and Regulation 46 of the Listing Regulations.

**(i) Details of Remuneration paid to Functional Directors including Chairman & Managing Director and KMP during the year 2021-22:**

(₹ in lakhs)

Name	Salary	Benefits	PF Contribution	Perquisites	Pension Contribution	2021-22	2020-21
						Total	Total
Shri Amit Banerjee Chairman and Managing Director	34.74	4.23	3.45	3.53	0.93	46.88	20.77
Shri MV Rajasekhar Director (Mining & Construction Business)	31.42	4.05	3.42	8.57	1.84	49.30	40.12
Shri Ajit Kumar Srivastav Director (Defence Business)	39.49	3.93	3.17	3.37	1.64	51.60	33.93
Shri Anil Jerath Director (Finance)*	0.89	0.10	0.09	0.08	-	1.16	-
Shri Suraj Prakash Director (Finance)*	4.87	-	0.08	0.08	2.09	7.12	42.82
Shri S.V.Ravi Sekhar Rao Company Secretary	23.51	2.64	2.23	2.04	1.18	31.60	26.95
<b>TOTAL</b>	<b>134.92</b>	<b>14.95</b>	<b>12.44</b>	<b>17.67</b>	<b>7.68</b>	<b>187.66</b>	<b>164.59</b>

\*Part of the year

**(ii) Government Nominee/Independent Directors compensation:**

- (a) Government Nominee Directors are not entitled for any remuneration including sitting fee for attending Board/Committee meetings. Further, none of the Government Nominee Directors had any pecuniary relationship or transactions with the Company during the year.
- (b) None of the Independent Directors had pecuniary relationship or transaction with the Company excepting receipt of sitting fee of ₹20,000/- per meeting of the Board/Committee of the Board attended by them. Further, if Committee meeting is held on the same day, a sitting fee @ ₹10,000/- is paid for the Committee meetings. Details of sitting fees paid to the Independent Directors during the year 2021-22 are given below:

(In ₹)

Name of the Director	Sitting fee for the meeting(s) of		Total
	Board	Committees	
Shri Arvind Kumar Arora	2,80,000	3,20,000	6,00,000
Smt Balmuri Vanitha	2,80,000	1,80,000	4,60,000
Shri Arun Daga	60,000	20,000	80,000
Shri Vikas Ramakrishna Kakatkar	60,000	20,000	80,000
Shri Siva Makutam	60,000	20,000	80,000
Dr Gurmohinder Singh*	1,20,000	1,50,000	2,70,000
<b>Total</b>	<b>8,60,000</b>	<b>7,10,000</b>	<b>15,70,000</b>

\*Part of the year

Neither there was payment of commission to the Board of Directors nor any stock option scheme offered to them during the year.

**(x) General Body Meetings :**

Details of last three Annual General Meetings are as follows:

Year	Location	Date & Time
2020-21	BEML Soudha' 23/1, 4th Main Road, Sampangi Rama Nagara, Bengaluru -560027 through VC	24.09.2021 at 11:30 hrs
2019-20	BEML Soudha' 23/1, 4th Main Road, Sampangi Rama Nagara, Bengaluru -560027 through VC	25.09.2020 at 11:30 hrs
2018-19	'Grand Ballroom', Taj West End, #25, Race Course Road, High Grounds, Bengaluru - 560001	26.09.2019 at 11:30 hrs

There was no special resolution passed in the previous three annual general meetings. However, a special resolution was passed in the Extra-Ordinary General Meeting held on 25.02.2022 through VC regarding approval of Scheme of Arrangement between BEML Limited (Demerged Company) and BEML Land Assets Limited (Resulting Company) for transfer of Identified Surplus/Non-core Assets, during the year under review.

**(xi) Subsidiary Companies :**

Your Company has formulated a "Policy for Determining Material Subsidiaries" and the same is placed on the Company's web-site [https://www.bemlindia.in/documents/Material\\_Subsiidiaries.pdf](https://www.bemlindia.in/documents/Material_Subsiidiaries.pdf), as required under Regulation 46 of the Listing Regulations. However, none of the subsidiaries of the Company would come under the purview of 'Material Subsidiary' in terms of Regulation 16 of the Listing Regulations and Chapter 6 of the DPE Guidelines.

In terms of Regulation 24 of the Listing Regulations, the Audit Committee periodically reviews the financial statements of the subsidiaries of the Company excepting the accounts of JV, M/s BEML Midwest Limited which are not consolidated due to complete cessation of activities as the matter is subjudice. Further, the minutes of the meetings of Board of subsidiary companies are also periodically placed before the Board of the Company along with significant transactions and arrangements entered into between the Company and its subsidiaries.

**(xii) Disclosures :**

The following disclosures are made in terms of Regulation 34 of the Listing Regulations and Chapter 7 of the DPE Guidelines:

- a) Your Company has formulated a "Policy on Related Party Transactions" to regulate transactions entered into between the Company and its related parties. In terms of Regulation 46 of the Listing Regulations, the said policy is placed on the web-site of the Company at [https://www.bemlindia.in/writereaddata/Downloads/202003301756Related\\_Party\\_Transactions\\_Policy.pdf](https://www.bemlindia.in/writereaddata/Downloads/202003301756Related_Party_Transactions_Policy.pdf). During the year 2021-22, all related party transactions that were entered into with the related parties were fair, transparent and at arm's length basis and also in the ordinary course of business of the Company. The said related party transactions were duly considered and noted by the Audit Committee. Further, details of related party transactions as required under Ind-AS 24 issued by the Institute of Chartered Accountants of India is given in Note No.39(C) of the Notes forming part of Accounts. It may be noted that no related party transaction was reported during the year involving the Directors, Key Managerial Personnel and other Designated Executives under Related Party Transactions Policy.

- b) The Company has prepared the financial statement, including consolidated financial statement based on the applicable Ind-AS issued by the Institute of Chartered Accountants of India from time to time excepting the accounts of JV, M/s BEML Midwest Limited, which are not consolidated due to complete cessation of activities as the matter is sub-judice.
- c) The Company has complied with Presidential Directives, if any, issued by the Central Government during the year and also in the last three years.
- d) There were no cases of non-compliance by the Company and no penalties, strictures were imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities, on any matter related to capital markets during last three years.
- e) A certificate was issued by the Company Secretary in practice that 'None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Company by SEBI or the Ministry of Corporate Affairs or any such statutory authority. However, disqualification of appointment of directors shall not apply to Government companies under the Companies Act, 2013.
- f) Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor of the Company and all entities in the network firm/network entity of which the statutory auditor is a part is ₹28.50 lakhs.
- g) The Company has not entered into any contract or arrangement in which the Directors are interested in terms of section 184 and 188 of the Companies Act, 2013.
- h) Senior management personnel have affirmed to the Board that their personal interest in all material financial and commercial transactions had no potential conflict with the interest of the Company at large.
- i) There were no transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company.
- j) The expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management were – NIL.
- k) There were no items of expenditure debited in books of accounts, which are not for the purposes of the business.
- l) Finance cost increased by 26.11% for the year 2021-22 as compared to previous year mainly due to increase in availment of cash credit and short-term loans leading to increase in interest cost.
- m) There were no items of income and expenditure arising out of transactions of exceptional nature.
- n) In terms of the provisions of the Sexual Harassment of Women at a Work Place (Prevention, Prohibition & Redressal) Act, 2013, an Internal Complaints Committee is functional in all Complexes/Divisions for receiving complaints of Sexual Harassment if any, and it has been displayed in all the prominent locations for the information of all women employees. One complaint was filed during the year and ICC has observed that there is no evidence to establish that the complaint is maintainable and not proceeded further and there was no complaint pending at the end of the year 2021-22.
- o) Company has implemented all Standard Operating Procedures/advisories issued by the Government of India and respective State Governments in respect of COVID-19 Pandemic.



**(xiii) Means of Communication :**

- a) The Quarterly, Half-yearly and Annual financial results of the Company are submitted to NSE and BSE through on-line platform immediately after the same are approved by the Board in terms of Regulation 33 of the Listing Regulations, Further, the said results are simultaneously posted on the Company's website [https://www.bemlindia.in/Quarterly\\_Results\\_Investors.aspx](https://www.bemlindia.in/Quarterly_Results_Investors.aspx).
- b) The financial results of the Company are published in English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily published in Kannada newspaper, being the regional language in terms of Regulation 47 of the Listing Regulations.
- c) BEML NEWS - a House Journal brought out periodically is posted on the Company's web-site [https://www.bemlindia.in/beml\\_journals.aspx](https://www.bemlindia.in/beml_journals.aspx).
- d) All material events and information including corporate announcements and press releases are promptly notified to NSE and BSE and the same are placed on the Company's web-site [https://www.bemlindia.in/beml\\_videos.aspx](https://www.bemlindia.in/beml_videos.aspx).
- e) The notice along with the audited financial statement form part of the Annual Report is sent to the members within the statutory period for the Annual General Meeting.
- f) The presentations made to Institutional Investors/Analysts giving an analysis of the performance and performance highlights of the Company are sent to NSE and BSE and also placed on the Company's website [https://www.bemlindia.in/Information\\_For\\_Investors\\_Analysts.aspx](https://www.bemlindia.in/Information_For_Investors_Analysts.aspx) for the information of the institutional investors, analysts and other shareholders.

g) Company's Website:

The website of the Company, [www.bemlindia.in](http://www.bemlindia.in), in English & Hindi languages gives comprehensive information including the details of business, facilities, vision, mission and values, management, research and development, indigenization, quality, sales and service network, human resources, corporate social responsibility and sustainability, purchases, vigilance, RTI, Investors and other updates and news. The section on 'Investors' informs the shareholders/investors, details about the financial results and annual reports, Company's codes and policies, various stock exchange disclosures, investor grievance redressal system, presentations made to investors/analysts, details of board committees, unpaid or unclaimed dividends, online investor complaints, complaints status, details of debenture trustee and other material events or information relating to the Company.

**(xiv) Reconciliation of Share Capital Audit:**

'Reconciliation of Share Capital Audit Report' was submitted on quarterly basis to BSE and NSE within 30 days of end of each quarter pursuant to Regulation 76 of SEBI (Depositories & Participants) Regulations, 2018, and also placed on the website of the Company at [https://www.bemlindia.in/Reconciliation\\_Financials.aspx](https://www.bemlindia.in/Reconciliation_Financials.aspx). The said report is issued by a Practicing Company Secretary, after reconciliation, confirming that the share capital issued in physical and de-mat form tally with the issued, paid-up, listed and admitted share capital of the Company and also the Register of Members is up-to-date and that the de-materialization requests, transfers, transmissions etc., are completed within the stipulated period. Further, in terms of SEBI Circular the aforesaid report is placed before the Board of Directors of the Company on quarterly basis for information. The said audit reports confirmed that no exceptional issues were reported during the year under review.

### (xv) Yearly Compliance Certificates:

1. A compliance certificate for the year 2021-22 was submitted to BSE & NSE within the stipulated time in terms of Reg.7(3) of Listing Regulations and also placed on the website of the Company [https://www.bemlindia.in/Compliance\\_Certificates.aspx](https://www.bemlindia.in/Compliance_Certificates.aspx). As per the said compliance certificate, your Company has ensured all activities in relation to transfer facilities maintained by M/s KFin Technologies Limited, a SEBI registered Category-I Registrar & Share Transfer Agent.
2. Your Company has ensured that the RTA has issued a yearly compliance certificate under Regulation 40(9&10) of the Listing Regulations within thirty days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange etc. Accordingly, the said certificate for the year 2021-22 was submitted to BSE & NSE within the stipulated time and also placed on the website of the Company [https://www.bemlindia.in/Compliance\\_Certificates.aspx](https://www.bemlindia.in/Compliance_Certificates.aspx).

### (xvi) General Shareholder Information

- (i) Corporate Identification Number (CIN) of your Company: LA35202KA1964GOI001530.
- (ii) The 58<sup>th</sup> Annual General Meeting for the year 2021-22 is scheduled on 23.09.2022 at 11.30 Hours at the Registered of the Company in Bengaluru through Video Conferencing.

MCA vide General Circular No.02/2022, dated 05.05.2022, has extended the requirements provided in paragraphs 3 and 4 of the General Circular No.20/2020 dated 05.05.2020 to conduct the AGM through VC. As per the said General Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements along with notice of the meeting shall be sent only by email to the members, and to all other persons so entitled. With this facility Companies are allowed to conduct their AGM through VC/OAVM.

Further, the Securities and Exchange Board of India ("SEBI") vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62, dated 13.05.2022 has extended the relaxations from dispatching of Physical Copies of Financial Statements for the year 2022 and appointment of proxies are dispensed with for listed entities who conduct their AGMs during the calendar year 2022 (i.e. till December 31, 2022) through VC/OAVM. However, in terms of Regulation 36 (1)(c) LODR Regulations, Company is required to send hard copy of full Annual Report to those shareholders who request for the same.

- (iii) Tentative calendar for declaration of results for 2022-23 is given as below:

<i>Quarter/Year ending</i>	<i>On or before</i>
30.06.2022	05.08.2022
30.09.2022	11.11.2022
31.12.2022	10.02.2023
31.03.2023	30.05.2023
59 <sup>th</sup> Annual General Meeting	30.09.2023

- (iv) The Register of Members and Share Transfer Books shall remain closed from 17.09.2022 to 23.09.2022 (both days inclusive).
- (v) Your Board of Directors had declared an interim dividend of ₹5 per share, i.e., 50% of the equity share capital on 22.03.2022, which was distributed among the eligible shareholders. Further, your Board of Directors has recommended final dividend of ₹5.00 per share, i.e., 50%

on the equity shares of ₹10 each (par value) for the year ended 31.03.2022 and the Dividend, if approved at the 58<sup>th</sup> Annual General Meeting, will be distributed among the shareholders as per requirement.

(vi) Company's equity shares are listed on the following stock exchanges:

The BSE Limited ('BSE')  
P.J. Towers, 26<sup>th</sup> Floor,  
Dalal Street, MUMBAI - 400 001

National Stock Exchange of India Limited ('NSE')  
Exchange Plaza, Bandra-Kurla Complex  
Bandra (East), MUMBAI - 400 051

Listing fee for the year 2021-22 was paid to BSE and NSE during May, 2021.

(vii) Stock Code:

BSE	500048
NSE	BEML

(viii) Custody/Issuer charges to Depositories:

Your Company has paid custody/issuer charges for the year 2021-22 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

(ix) Details for non-compliances:

The Board of Directors of the Company is duly constituted with requisite balance of Executive Directors, Government Nominee Director and Independent Directors. With the appointment of Independent Directors, the composition of the Board of Directors of the Company is in compliance with Regulation 17 of the SEBI Listing Regulations w.e.f. 24.12.2021. However, due to the above non-compliance from quarter ended 30.09.2018 upto 23.12.2021, a fine of ₹150.10 lakhs (₹5,000 per day plus 18% GST) is indicated by BSE and NSE. BSE had waived off the fine for ₹37.76 lakhs upto quarter ended March 2020, whereas NSE informed that waiver of fine should be considered only after ensuring compliance first and then file a fresh request for wavier. In this connection, the Company has submitted an application with BSE & NSE on 13.01.2022 seeking wavier of fine and reply is awaited.

(x) Compliance with discretionary requirements:

The status on the compliance with the discretionary requirements as specified in the Listing Regulations are as under:

- The Company has Chairman & Managing Director who is an Executive Chairman.
- Process of communicating with shareholders is very robust and the procedure has been explained under "Means of Communication".
- The consolidated financial statements are disclosed with modified opinion in the audit report.
- The Chief of Internal Audit is reporting directly to Chairman & Managing Director and is a permanent invitee to the meetings of Audit Committee.

(xi) Commodity price/Foreign exchange risk and hedging activities:

Relevant information in this regard is disclosed in Note No. 39L of the Financial Statements.

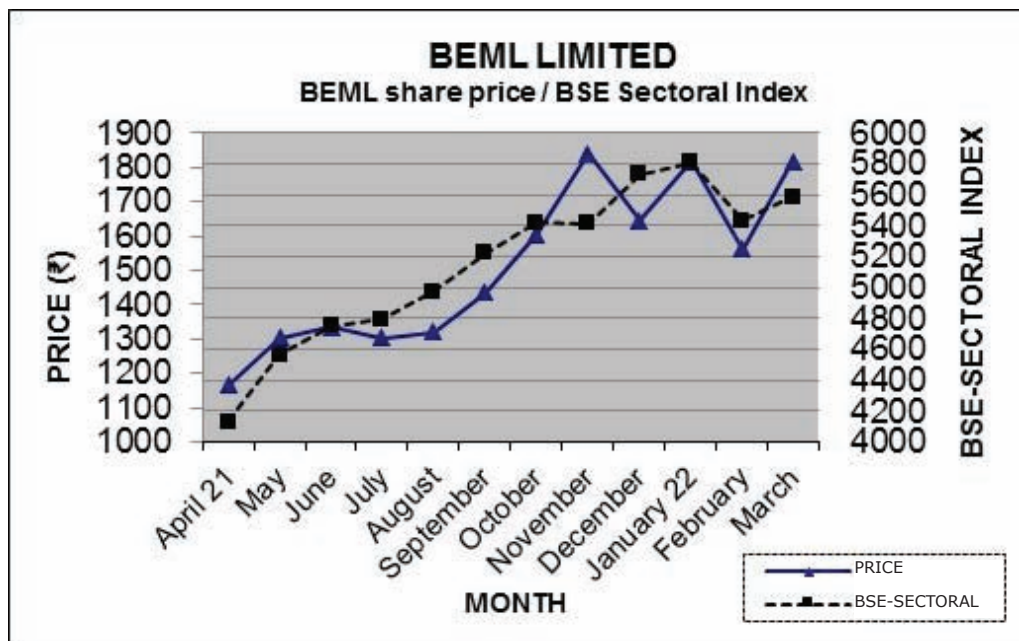
(xii) Market Price Data:

The details of monthly high and low market prices of the shares of the Company during the year on BSE and NSE are as under:

(a) BEML Share price on BSE vis-a-vis BSE Sectoral Index from April 2021 to March 2022:

Month	BSE Sectorial Index	BSE (₹ per share)		
	Close	High	Low	Close
April, 2021	4133	1332	1120	1166
May	4562	1374	1143	1303
June	4750	1425	1286	1336
July	4797	1381	1265	1302
August	4972	1372	1229	1320
September	5226	1494	1316	1434
October	5419	1694	1403	1605
November	5415	1925	1551	1840
December	5736	2084	1574	1644
January, 2022	5812	1950	1621	1818
February	5437	1924	1459	1563
March	5590	1830	1405	1817

Performance in comparison to broad-based BSE Index based on closing price of last trading day of each month is as under:

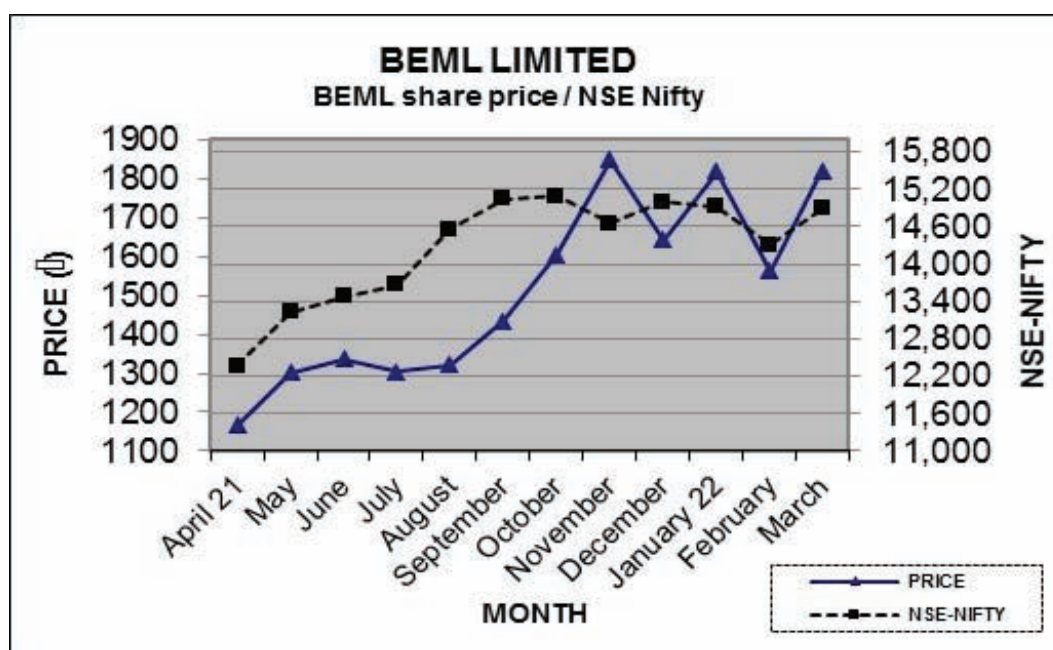




(b) BEML Share price on NSE vis-a-vis NSE NIFTY 500 from April 2021 to March 2022:

Month	NSE Nifty 500			
	Close	High	Low	Close
April, 2021	12364	1333	1119	1167
May	13226	1375	1141	1302
June	13474	1425	1284	1337
July	13664	1380	1264	1303
August	14556	1374	1264	1322
September	15053	1494	1315	1434
October	15087	1695	1402	1605
November	14648	1925	1550	1848
December	14996	2085	1570	1643
January, 2022	14921	1955	1621	1818
February	14308	1925	1460	1562
March	14895	1830	1406	1819

Performance in comparison to broad-based NIFTY Index based on closing price of last trading day of each month is as under:



(xiii) Registrar and Share Transfer Agent (RTA):

M/s KFin Technologies Limited (Formerly M/s. Kfin Technologies Private Limited), a SEBI registered Category-I RTA, is engaged as the Company's Share Transfer Agent of the Company. The contact details of the RTA are as under:

**M/s Kfin Technologies Limited**

Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad - 500 032.

Ph: 040 - 67161526, Fax: 040 - 23001153

E-mail: nageswara.raop@kfintech.com, einward.ris@kfintech.com

Website: www.kfintech.com

(xiv) Share Transfer System:

SEBI vide its circular dated 25.01.2022 has mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing service requests for issue of duplicate securities certificate, claim from Unclaimed Suspense Account, renewal /exchange of securities certificate, endorsement, sub-division/splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition purposes.

Members holding shares in physical mode are requested to get their holdings converted into dematerialized mode.

(xv) Shareholding pattern as on 31.03.2022:

Sl. No	Description	No. of Cases	Total Shares	% Equity
1	Government of India	1	2,25,00,000	54.03
2	Mutual Funds	32	71,48,566	17.17
3	Resident Individuals	85,097	63,81,731	15.32
4	Foreign Portfolio - CORP	64	25,62,097	6.15
5	Bodies Corporates	871	13,05,655	3.14
6	Qualified Institutional Buyer	25	7,88,818	1.89
7	Non-Resident Indians	1,256	3,38,020	0.81
8	H U F	1,838	2,19,513	0.53
9	Clearing Members	153	1,00,927	0.24
10	Non-Resident Indian Non Repatriable	738	1,20,064	0.29
11	Alternative Investment Fund	5	1,03,359	0.25
	<b>Total</b>	<b>90,099</b>	<b>4,16,44,500</b>	<b>100</b>

(xvi) Top 10 shareholders excluding Promoter (President of India) as on 31.03.2022 based on PAN :

Sl. No	Name of the shareholder	No. of Shares	% Holding
1	HDFC Trustee Company Limited-Hdfc Flexi Cap Fund	30,30,319	7.28
2	Kotak Equity Opportunities Fund	18,32,410	4.40
3	Sundaram Mutual Fund A/C Sundaram Equity Savings F	12,56,218	3.02
4	Aditya Birla Sun Life Trustee Private Limited A/C	4,63,309	1.11
5	Kuwait Investment Authority Fund F239	3,73,564	0.90
6	Ashoka India Opportunities Fund	3,67,122	0.88
7	National Insurance Company LTD	3,53,094	0.85
8	Abu Dhabi Investment Authority - Way	3,17,678	0.76
9	Mahindra Manulife Multi Cap Badhat Yojana	2,58,000	0.62
10	Government Pension Fund Global	2,18,784	0.53
	<b>Total</b>	<b>84,70,498</b>	<b>20.34</b>

## (xvii) Distribution of shareholding as on 31.03.2022:

Range of equity shares held	No. of Shareholders	% to total holders	No. of Shares	% to total equity
1-5000	88,332	98.04	35,78,083	8.6
5001- 10000	1,031	1.14	7,68,065	1.8
10001- 20000	355	0.39	5,30,792	1.3
20001- 30000	99	0.11	2,53,304	0.6
30001- 40000	56	0.06	2,03,289	0.5
40001- 50000	30	0.03	1,35,551	0.3
50001- 100000	68	0.08	5,02,416	1.2
100001 & Above	128	0.14	3,56,73,000	85.7
<b>Total</b>	<b>90,099</b>	<b>100.00</b>	<b>4,16,44,500</b>	<b>100.00</b>

## (xviii) Details of Shares held in Unclaimed Suspense Account:

Your Company made Follow-on Public Offer during 2007 and certain shares could not be delivered/ credited to investors due to reasons such as incomplete/ wrong/ invalid demat account details, incomplete address etc. In terms of Regulation 39 of the Listing Regulations, 245 unclaimed shares were kept in a separate Suspense Account and all 245 shares held by 17 shareholders were transferred to the IEPF during 2017-18 established by the Central Government pursuant to the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017. Any shareholder whose unclaimed shares are transferred to the IEPF may approach RTA/Company for claiming back such shares by following due procedure.

## (xix) Dematerialization of shares and liquidity:

The Company's shares are being traded under International Securities Identification Number (ISIN) - INE258A01016. Further, the Company's shares are admitted into both the depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). As on 31.03.2022, 4,15,55,107 equity shares of the Company constituting 99.78% are in electronic form leaving a balance of 89,393 shares constituting 0.22% in physical form.

The Equity Shares of the Company are traded on NSE and BSE only in dematerialized form. Considering the advantages of scrip-less trading, including enhanced marketability of the shares and security of the investments, shareholders holding shares in physical form have been requested to consider dematerializing their shareholding so as to avail the advantages of dematerialization of shares.

## (xx) Investor safeguards:

In pursuit of the Company's objective to mitigate/avoid risks while dealing with shares and related matters, the following are the Company's recommendations to its Members:

## (a) Open Demat Account and dematerialise your shares:

Members should convert their physical holdings into electronic holdings as per SEBI circular dated 25.01.2022, which is mandatory.

## (b) Consolidate your multiple folios:

Members are requested to consolidate their shareholdings held under multiple folios and open demat account. This facilitates one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor multiple folios.

- (c) Confidentiality of security details:  
Folio Nos./DP ID/Client ID should not be disclosed to any unknown persons. Signed blank transfer deeds or delivery instruction slips should not be given to any unknown persons.
- (d) Dealing with Registered Intermediaries:  
Members should transact through a registered intermediary, who is subject to the regulatory discipline of SEBI, as it will be responsible for its activities, and in case the intermediary does not act professionally, Members can take up the matter with SEBI.
- (e) Obtain documents relating to purchase and sale of securities:  
A valid Contract Note/Confirmation Memo should be obtained from the broker/sub-broker, within 24 hours of execution of the trade. It should be ensured that the Contract Note/Confirmation Memo contains order no., trade no., trade time, quantity, price and brokerage.
- (f) Update your address and email IDs:  
To receive all communications and corporate actions promptly including dividends, please update your address and email ID with the Company, RTA or DP, as the case may be.
- (g) Prevention of frauds:  
There is a possibility of fraudulent transactions relating to folios which lie dormant, where the Member is either deceased or has gone abroad. Hence, we urge you to exercise diligence and notify the Company of any change in address, email ID of stay abroad or demise of any Member, as and when required.
- (h) Monitor holdings regularly:  
Do not leave your demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.
- (i) Mode of Despatch:  
Share certificates and high value dividend warrants/cheques/demand drafts should not be sent by ordinary post. It is recommended that Members should send such instruments by registered post or courier.
- (xxi) There are no outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact thereon on equity shares.
- (xxii) Listing of Debt Securities:  
3000 Secured Redeemable Non-Convertible Debentures (NCDs) of face value of ₹10 lakhs each aggregating to ₹300 crores, as approved by the Board on 18.05.2012, allotted on private placement basis to M/s. Axis Bank Limited are listed on BSE Debt Segment with effect from 02.07.2012. Your Company is servicing the interest charges on half-yearly basis to the security holders. The NCDs issued in three tranches of ₹100 Crs each will be redeemed on 18<sup>th</sup> May, 2020, 2021 and 2022 respectively. Accordingly, the first tranche of ₹100 Crs was redeemed in 18<sup>th</sup> May, 2020 and the second tranche of ₹100 Crs was redeemed on 18<sup>th</sup> May, 2021 and the redemption amount along with interest was paid to NCD holders. The details of Debenture Trustee are as under:  
M/s SBICAP Trustee Company Limited,  
Debenture Trustee,  
Khetan Bhavan, 5<sup>th</sup> Floor, 198, J.T. Road,  
Churchgate, Mumbai - 400 020



## (xxiii) Listing of Commercial Paper:

Company has raised funds through Commercial Paper (CP) within the sanctioned limits on five occasions i.e., (i) 4000 units valuing ₹200 crore on 19.05.2021 and matured on 17.08.2021, (ii) 4000 units valuing ₹200 crore on 27.07.2021 and matured on 25.10.2021, (iii) 4000 units valuing ₹200 crore on 27.08.2021 and matured on 25.11.2021, (iv) 4000 units valuing ₹200 crore on 02.11.2021 and matured on 31.01.2022, and (v) 4000 units valuing ₹200 crore on 08.12.2021 and matured on 08.03.2022. ISIN numbers have been generated through NSDL/CDSL for all CPs and listed with BSE.

## (xxiv) Credit Rating on Working Capital facilities /Debt Securities:

- (a) M/s ICRA has affirmed the long-term rating of ICRA A+ (Negative) and the Short-term rating of ICRA A1+ towards fund based, CP and non-fund based limits.
- (b) M/s Brickworks has affirmed the long-term rating of BWR/AA (Stable) and the short-term rating of BWR A1+ for ₹5,500 Crores limit towards fund-based cash credit, CP and non-fund based limits including Bank Guarantee.
- (c) M/s Brickworks has affirmed the rating for NCDs with BWR AA/Stable. This rating is considered to have a high degree of safety regarding timely servicing of financial obligations.
- (d) M/s Care Ratings have assigned the long-term rating of CARE A+ (Stable) and the Short-term rating of CARE A1+ for ₹5500 Crores limit towards fund based cash credit, CP and non-fund based limits.

Any change in the credit ratings is being communicated to Stock Exchanges and the same are placed on [https://www.bemlindia.in/Credit\\_Rating.aspx](https://www.bemlindia.in/Credit_Rating.aspx).

## (xxv) Plant Locations:

1. Bengaluru Complex, New Thippasandra Post, Bengaluru - 560 075.
2. KGF Complex, BEML Nagar, Kolar Gold Fields - 563 115.
3. Mysuru Complex, Belavadi Post, Mysuru - 571 186.
4. Palakkad Complex, Kinfra Park, Kanjikode, Palakkad - 678 007

## (xxvi) Address for correspondence with the Company:

SV Ravisekhar Rao,  
Company Secretary & Compliance officer,  
M/s. BEML Limited,  
BEML Soudha, No. 23/1,  
4th Main, S.R. Nagar,  
Bengaluru - 560 027, Karnataka State, India.

## (xxvii) National Electronic Clearing Service/Mandates/Bank Details:

Shareholders may note that Bank Account details given by them to their Depository Participants (DP) would be used for payment of dividend under National Electronic Clearing Service and National Electronic Fund Transfer facilities. Shareholders are advised to ensure that their banking particulars are properly recorded in the DP account for timely crediting of dividend payments made by the Company.

(xxviii) Green Initiative

As part of the Green Initiative, the Ministry of Corporate Affairs (MCA) and SEBI have permitted companies to send official documents to their shareholders electronically. The Company has already embarked on this initiative.

In view of the above, the Company provides an opportunity to shareholders to register their email address and changes, if any, from time to time, with the RTA/ DP in terms of the provisions of the Companies Act, 2013 and Listing Regulations. This would enable the Company to send notices and documents to the shareholders through e-mail. Out of 89,979 shareholders, there are about 83,424 shareholders constituting about 93% have registered their e-mail IDs as on 31.03.2022 with the depositories for communication purpose to whom the notice, annual reports, dividend communication etc., can be sent in e-mode.

We are confident that the shareholders will appreciate the "Green Initiative" taken by MCA and more and more would give consent for this noble cause of conservation of mother earth with 'green cover'.

(xxix) Unclaimed Dividends

Any amount that remains unpaid/unclaimed in the Unpaid Dividend Account of the Company for a period of 7 years from the date of transfer to the said account, will be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government in terms of the provisions of the Companies Act, 2013.

Further, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred to IEPF pursuant to provisions of Section 124 of the Companies Act, 2013 and MCA Notifications and amendments thereon issued from time to time. Accordingly, all the unclaimed dividend amounts declared prior to 31.03.2014 along with shares are transferred to IEPF. Any shareholder whose shares are transferred to the IEPF may approach RTA/Company for claiming back the shares along with the unpaid dividend amount by following due procedure.

The unpaid dividends that are due for transfer to the IEPF pursuant to Section 124 of the Companies Act, 2013, are as follows:

<i>Dividend for the financial year</i>	<i>Date of Declaration</i>	<i>Unclaimed as on 31.03.2022 (₹ in lakhs)</i>	<i>Due for transfer on</i>
2014-15	15.09.2015	1.60	21.10.2022
2015-16	15.09.2016	6.11	21.10.2023
2016-17	21.09.2017	10.71	27.10.2024
2017-18	26.09.2018	11.69	01.11.2025
2018-19 (Interim)	21.03.2019	6.52	26.04.2026
2018-19 (Final)	26.09.2019	3.33	01.11.2026
2019-20 (Interim)	13.03.2020	5.01	18.04.2027
2019-20 (Final)	25.09.2020	8.05	31.10.2027
2020-21 (Interim)	10.02.2021	5.12	20.03.2028
2020-21 (Final)	24.09.2021	1.13	01.11.2028
Total		59.27	

(xxx) COMPLIANCE WITH CORPORATE GOVERNANCE

- (i) Your Company submitted quarterly compliance report on Corporate Governance as per prescribed format to the Ministry of Defence (MoD), BSE and NSE and also on half-yearly/ yearly basis to BSE and NSE, within the stipulated period from the close of each quarter.
- (ii) Further, your Company submitted quarterly grading reports on the compliance with the Corporate Governance with MoD. In addition, annual grading report for the FY 2021-22 (average of four quarters) is submitted to MoD with a copy to Department of Public Enterprises. As per the grading report for the year 2021-22, your Company was rated as 'Excellent' in adhering to the corporate governance standards with a score of about 97.44%, whereas the score for quarter ended 31.03.2022 was 100%.

For and on behalf of the Board of Directors

*Sd/-*

Amit Banerjee  
Chairman & Managing Director

Gangtok  
27.05.2022

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No. : L35202KA1964GOI001530

Nominal Capital : ₹100 Crores

### To the Members of M/s. BEML Limited

I have examined all the relevant records of M/s. BEML Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and DPE Guidelines on Corporate Governance for CPSEs-2010 for the year ended 31st March, 2022. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

This certificate 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.

On the basis of my examination of the records produced and the explanations and information furnished, I certify that the Company has complied with mandatory requirements of the Listing Regulations and DPE Guidelines on Corporate Governance for CPSEs-2010 *excepting Sl. No.2(i) – Composition of Board of Directors with regard to Independent Directors up to 23.12.2021 and Sl. No.7(b) - Consolidation of the accounts with respect to Joint Venture company, M/s BEML Midwest Ltd due to complete cessation of activities as the matter is sub-judice.*

For Velichety & Co.,  
Chartered Accountants

Sd/-

CA. V. VijayaRaghava Rao  
Partner

M.No.: 028453

FRN.: 004588SUDIN: 22028453AITPJM4804

Bengaluru  
11<sup>th</sup> May 2022

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### (i) Industry structure and developments:

The Company is Schedule-A Public Sector Enterprise under the administrative control of Department of Defence Production, Ministry of Defence, operating in three distinct business verticals namely Mining & Construction, Defence & Aerospace and Rail & Metro.

#### Organization

The three major Business verticals viz., Mining & Construction, Defence & Aerospace and Rail & Metro are headed each by a Business Group Director. The International Business Division exports equipment & spares and also provide services to all the three verticals. The Company's manpower strength stood at 5,573 as on 31.03.2022.

#### Production Units

The Company has four manufacturing complexes located at Bengaluru, Kolar Gold Fields (KGF), Mysuru and Palakkad.

**Bengaluru Complex:** Bengaluru Complex manufactures various types of railway products such as Rail Coaches, AC Electrical Multiple Units (ACEMUs), Diesel Electric Multiple Units (DEMUs), Main Line Electric Multiple Units (MEMUs), Stainless Steel Electrical Multiple Units (SSEMUs), Overhead Equipment Inspection Cars (OHE Cars)/ Diesel Electric Tower Cars (DETC), Treasury Vans, etc., for Indian Railways. The Company also manufactures Stainless Steel Metro Cars for the Delhi Metro, Bengaluru Metro, Jaipur Metro, Kolkata Metro and Mumbai Metro. Bengaluru Complex also manufactures defence products such as Military Rail Coaches and Military Wagons.

**KGF Complex:** KGF Complex encompasses Earth Movers Division, Hydraulics and Powerline Division, Rail Unit-II and Heavy

*Fabrication Unit. Earth Movers Division produces a wide range of equipment such as Bulldozers, Electrical & Hydraulic Excavators, Wheel Loaders and Dozers, Pipe Layers, Tyre Handlers, Engineering Mine Ploughs, Trailers, Hulls for Battle Tanks and Armoured Recovery Vehicles. Also, the Earth Movers Division has infrastructure to manufacture Electric Rope Shovels and Walking Draglines. Hydraulic & Powerline Division produces Transmissions, Axles, Hydraulic aggregates and allied assemblies required for the manufacturing units of BEML, Transmissions for Infantry Combat Vehicles and aggregates for battle tanks to other DPSUs. Rail Unit – II manufactures Rail Coaches, aggregates for Railway EMUs and structures for Aero-bridges. Heavy Fabrication Unit manufactures fabrication of structures, assembly of equipment and manufacture of components for Mining & Construction and Defence business verticals.*

**Mysuru Complex:** Mysuru Complex encompasses Truck Division, Engine Division and Aerospace Manufacturing Division. The Truck Division manufactures off-highway Rear Dump Trucks, Motor Graders and Water Sprinklers. The Engine Division manufactures a wide range of Diesel Engines powering BEML's product range and air-cooled engines for High Mobility Heavy Duty Trucks for Defence applications. The Aerospace Manufacturing Division produces Aircraft Towing Tractors, Ground Handling & Support Equipment, Weapon Loaders and aggregates for Missiles & Airborne structures.

**Palakkad Complex:** Palakkad Complex manufactures ground support equipment such as High Mobility Heavy Duty Trucks of various combinations 12X12, 10X10, 8x8 & 6x6 as transport equipment and as Platform for Bridge Systems, Missile Carriers, Missile



Launchers, Warhead Carriers, MAST System and Surveillance Radars. Also, the Company manufactures and supplies Mechanical & Pontoon Bridge Systems, Ejector & Air Cleaner assemblies and aggregates for Rail & Metro Products.

Marketing: BEML's products are sold and serviced through its wide marketing network comprising 12 Regional Offices, 14 District Offices, and 5 Service Centres across the Country. The Company also establishes temporary Activity Centres at customer locations to support and service equipment. Further, the Company has established full-fledged 'Service Training Centres' at KGF Complex and Mysuru Complex for offering variety of programs, scheduled round-the-year. All the three business segments are equipped with a dedicated marketing setup which undertakes business development, tender participation and oversees project management related activities under its ambit.

International Business Division: Company exports its products through its International Business Division. The major markets are Middle East countries, African countries and South East Asian countries. During the year 2021-22, Company has exported goods and services to new Country i.e., Madagascar in addition to 68 countries supplied over the years.

#### Developments & Performance during 2021-22:

As per Central Statistical Organization, the growth in GDP during 2021-22 is 8.7 percent as compared to a contraction of 6.6 percent in 2020-21.

The Company achieved important landmarks during the year and some of them are mentioned here under:

#### Mining & Construction

- Hon'ble Coal Minister Shri Prahlad Joshi, flagged off 190T BH205E Dumper at NCL, Nigahi.

- India's largest indigenous AtmaNirbhar 190 Ton Electric Drive Dump Truck was successfully commissioned and handed over to NCL, Singrauli.
- Company received 'Top Challengers' Award for the growth achieved in 2020-21 and 'Best Seller in Crawler Dozers' Award at the Construction World Annual Awards 2021.
- Patent for "A System for Induction Hardening of Concave Profile Components" was received.

#### Defence

- BEML entered into ToT agreement with Defence Bio-engineering and Electro Medical Laboratory (DEBEL), DRDO for manufacture and supply of 960 Liters per Minute (LPM) Oxygen Plants to meet the immediate requirement of oxygen in the country due to second wave of COVID-19. Total 81 nos. of Medical Oxygen Plants were supplied during 2021-22.
- First Proto of Minefield Marking Equipment Mk-II, an AtmaNirbhar product, was developed and rolled out through ToT from R&DE, DRDO.
- Company has designed and developed 25 Kgs Class Tactical Unmanned Aerial Vehicle (UAV) in association with IIT, Kanpur.

#### Rail & Metro

- Proto train set of Mumbai Metro (MRS1) was flagged off by Hon'ble CM of Maharashtra for Dynamic Trials.
- MoU signed with M/s. RITES Limited to explore and jointly bid for opportunities in the fields of Metro systems and export of rolling stock.
- Company received two Gold Awards by Quality Circle Forum of India for case study titled "Production optimization and minimization of welding distortions

by design modifications in Mumbai Metro Car Body Roof” and “Optimization of Main Compressor installation process parameters in 3-phase MEMU coaches”.

### **General**

- Hon’ble Raksha Mantri virtually launched Public Exhibitions at Bengaluru Complex, Mysuru Complex and KGF Complex as a part of celebration of India@75 Azadi Ka Amrit Mahotsav.
- BEML has been conferred the Global CSR Excellent Leadership Award ‘for making difference to the lives of others’, in the category of CSR projects in PSUs.
- Company received four awards at 15<sup>th</sup> PRCI Global Communications Conclave.

## **(ii) Strengths and Weakness:**

### **(a) Strengths**

- Established manufacturing infrastructure and knowledge base.
- Established R&D base with dedicated test facilities. More than 88% of revenue from sale of products & services is achieved through inhouse R&D developed products.
- Capability to design & manufacture of high-end Mining equipment.
- Expertise in Heavy Fabrication and Machining manufacturing Stainless Steel Coaches, Metro Cars, EMUs, etc.
- More than 71% of Sales is achieved on Competition mode.
- Extensive Sales and Service infrastructure – Established Regional, District Office & Activity centers across India.
- Major Market Share in High-Capacity Dozers and Metro Cars in India.

- Strong relationship with Services, Defence Labs and Government agencies.
- Green Company – Use of Renewable energy sources.
- Good Brand value, Large Customer base and Work Ethics Culture.

### **(b) Weakness**

- Depletion of Skilled Manpower & Ageing Workforce
- Uncertainty in orders.
- Low Exports
- Low Market Share in Construction Equipment

## **(iii) Opportunities and Threats:**

### **(a) Opportunities**

#### **Mining & Construction:**

- Increased thrust by Government in infrastructure development and reforms in coal sector driving the Mining & Construction equipment market.
- Introduction of Artificial Intelligence features on Mining equipment.

With the above infrastructure development plans and reforms; the demand for Mining & Construction equipment is expected to be robust in future.

#### **Rail & Metro:**

- Capex of ₹2,45,800 crore earmarked by Indian Railways during 2022-23 towards capacity augmentation and Maintenance, an increase of 14% over the revised estimates of 2021-22.
- Introduction of 400 semi-high speed, next generation Vande Bharat trains in the next three years.
- Extension of existing Metro networks in Tier-I, Tier-II cities and new metro projects are planned. Light Rail Metro

are also catching up as a revenue line which is expected to emerge from Tier-II & Tier-III cities.

**Defence:**

- To advance and strengthen the abilities of Indian Armed Forces, the capital outlay for the defence sector in the annual budget of 2022-23 was increased by 12.82% from the previous year. Also, to reduce import dependence and modernize Defence Forces with our home-grown technology, the Government has gradually increased the domestic industry's capital procurement budget,
- 'Make in India' policy of Government of India and 'promulgation of three positive list' would benefit Indian defence industry boosting Indigenous production.
- Growing opportunities in Maintenance, Repair, Overhaul and Upgrade programs.
- MoD is embarking on procurement of major weapon platforms/equipment for which BEML has requisite capability.
- Thrust on Exports thru LoC for Defence Products.
- Increased impetus on modernization of central paramilitary forces.

**New Areas:**

- Demand for high end Electric Drive Dump Trucks, Excavators and Bull-Dozers.
- AI and Robotics enabled systems
- New Opportunities in Aerospace Business and ISRO.
- Manufacture of Fixed wing aircraft and Helicopter Aggregates.
- Medium speed EMUs and High-speed trains.
- Emerging business opportunity for Light Rail.

- New opportunities in Maintenance equipment viz. Rail Grinding machines, Track Cleaning Machine, etc.

**(b) Threats**

- Technology leaders operating directly than parting technology to Indian counterparts.
- Mergers & Acquisitions in Mining and Construction equipment industry.
- Project delay, especially in Mining sector due to delay in resolving environmental and social issues.
- Increasing pressure on reducing Life Cycle costs.
- Increased FDI caps in Coal & Defence sector.
- Manifold increase in competition from Indian Private industry and foreign OEMs including their JVs in Defence sector
- Policy interventions favouring Private sector.

**(iv) Segment-wise or Product-wise performance:**

SEBI vide its letter dated 21.07.2003 granted exemption to the Company from publishing segment-wise information in quarterly/half yearly and annual audited financial results. Further, the Ministry of Corporate Affairs vide Notification dated 23.02.2018 granted exemption to the Companies engaged in defence production to the extent of application of relevant Accounting Standard on segment reporting. Hence, the Segment-wise or Product-wise performance is not appended to this report.

**(v) Outlook:**

**Mining & Construction:**

As per ICRA report, "the growth in construction, mining and manufacturing is estimated to be 6-8% for FY 2022-23".

Further, Coal India Limited plans to increase annual output to 1 billion tonnes by 2024, from 622.6 million tonnes currently. Also, India is looking to boost its coal output by 75-100 million tonnes per annum in the next two-to-three years by restarting closed mines and thus reduction in coal imports.

This augurs well for the Company and plans are afoot to grasp the business within its product portfolio.

#### Defence & Aerospace:

The call for Atmanirbhar Bharat has provided further impetus to realize the goal of self-reliance. The initiatives taken by government regarding various policy actions to boost indigenous design, development and manufacture of defence equipment in the country and make a sustainable defence industrial eco system would undoubtedly open various opportunities for the domestic sector.

BEML Limited has entered into MoUs with various Global OEMs/entities for emerging Defence procurement opportunities. Also new areas of Business viz., overhauling of Recovery/ High Mobility Vehicles will also add numbers in top-line.

Further, BEML is making all efforts to pick up business in the areas related to its product portfolio and in overhauling business.

#### Rail & Metro:

With increased Capex earmarked by Indian Railways and upcoming requirements of maintenance equipment, BEML is addressing the requirement.

Further, Metro Rail is extending to Tier-II cities in the Country. Light Rail Metro/Metro Neo are also catching up as a revenue line which is expected to emerge from tier-II & tier-III cities. BEML is optimistic about getting orders for upcoming Metro Car projects.

#### Exports:

For improving the geo-strategic reach and

increasing exports, BEML is working on various business opportunities in Defence, Mining & Construction and Rail & Metro segments in SAARC and Africa.

On Defence export front, BEML team visited Bangladesh for having discussions with Bangladesh Army for supply of BEML Defence equipment (Air craft Towing Tractor and Heavy Recovery Vehicle) under Defence Line of Credit to Bangladesh.

BEML has submitted the offer to MoD of India for various Excavators and All Terrain Trucks against Nigerian Armed Forces requirement of Defence equipment.

BEML has registered its branch office at Kenya during Jan 2021. Now planning to establish Branch office at Kenya for export promotion and marketing of entire spectrum of exportable platforms/ subsystems/ components manufactured by Indian Defence Industry both from public and private sector. BEML is in process of appointing representative in Kenya.

BEML has floated open ended Global EoI for appointment of authorized representatives and service provider for marketing BEML products. BEML is in the process of appointing representative for Defence products in Bangladesh.

BEML has registered with Defence Portals of Foreign Countries like Philippines and Singapore.

With above strategy, in addition to export of Mining & Construction equipment, High Mobility Vehicles, Aircraft Towing Tractor in the area of Defence and Rail coaches, Metro Cars, Maintenance vehicles in the area of Rail & Metro business, will also be explored.

#### **(vi) Challenges, Risks and Concerns:**

The major challenges to the Company are:

- Enhancing exports
- Competitive Environment
- Retention of Talent

- 25% Procurement through GeM
- Bridging the technology gap and meeting the emerging demand for higher capacity equipment in line with global market trend.
- Sustaining the market share in view of entry of more MNCs.
- Support in terms of Orders from Indian Railways.
- Long process in release of Defence sale orders & clearances
- Defence business opening up to private sector.

**(vii) Internal control systems and their adequacy:**

The Company has an internal control system designed to provide high degree of assurance regarding optimization and safeguarding of resources, quality and reliability of financial and operational information, compliance with applicable statutes and corporate policies. It is the Company's endeavour to align all its processes and controls with global best practices.

The internal audit process is designed to

review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations. The internal audit department performs risk-based audits, based on an internal audit plan which is reviewed every year in consultation with statutory auditors and the Audit Committee. The Audit Committee reviews audit reports submitted by internal auditors and follow up on the implementation of corrective actions periodically.

The Statutory Auditors submit a report on internal financial controls over financial reporting along with their Audit Report on the financial statement every year. BEML being a Government Company, it is subject to audit by Comptroller and Audit General of India also.

A comprehensive Delegation of Powers exists for smooth decision making which is being periodically reviewed to align it with changing business environment and for speedier decision making. The Company has implemented an enterprise-wide ERP. The Company has end to end SAP platform to provide a robust foundation to address several emerging business needs.

**(viii) Discussion on financial performance with respect to operational performance:**

(₹ in crore)

Particulars	2021-22	2020-21
a. Revenue from Sale of Products & Services	4143	3557
b. Revenue from Operations (incl. other operating income)	4337	3597
c. Value of Production	3993	3556
d. Profit before Depreciation, Interest and Tax	321	203
e. Finance costs	49	39
f. Depreciation and amortization expense	66	71
g. Profit Before Tax	206	93
h. Tax Expense	71	18
i. Profit after Tax	135	75
j. Other Comprehensive Income	(27)	(76)
k. Total Comprehensive Income	108	(1)



Particulars	2021-22	2020-21
I. Networth	2307	2224
m. Inventory	2073	1971
n. Trade Receivables (Net)	1861	1885
Total Inventory in no. of days of VoP (m/c)	189	202
Trade Receivables/ Revenue of products & services in days (n/a)	142	164
Profit before Tax to Revenue from Operations (g/b) (%)	4.75%	2.58%
Profit after Tax to Net-worth (i/l) (%)	5.85%	3.37%

Note 1) GST on Revenue from Operations in FY 2021-22 is ₹653 crore as against ₹591 crore in FY 2020-21.

2) Revenue from Operations includes Revenue from Sale of products and Services ₹4142.97 crore (PY ₹3557.2 crore) and Other operating Income of ₹ 194.52 crore (PY ₹ 40.19 crore). For computation of Trades receivables in No. of days, Revenue from Sale of Products and Services have been considered.

Your Company achieved highest ever Revenue from Operations of ₹4337 crore as against ₹3597 crore in the previous year, increased by 20.57%. Further, achieved highest ever Value of Production of ₹3993 crore as against ₹3556 crore in the previous year, increased by 12.29%. With increased business and continued focus on cost control, your Company registered a Profit before Tax of ₹206 crore as against Profit before Tax of ₹93 crore in the previous financial year, increased by 121.51%.

Despite the spread of second wave of COVID-19 Pandemic during the year, Your Company had achieved improvement in all parameters with the unstinted efforts of employees and executives of the Company.

There was no change in the nature of business of the Company during the year. Further, there was no material change/commitment occurred affecting the financial position of the Company subsequent to the financial year ended 31.03.2022 till the date of this report.

**(ix) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor, including:**

Key Financial ratio		2021-22	2020-21	% Change	Explanation
(i)	Debtors Turnover	<b>2.56 times</b>	2.45 times	4.49	---
(ii)	Inventory Turnover	<b>2.05 times</b>	1.79 times	14.53	--
(iii)	Interest Coverage Ratio	<b>5.17 times</b>	3.37 times	53.41	Increase in turnover with consequential Increase in profits.
(iv)	Current Ratio	<b>2.39 times</b>	2.33 times	2.58	--
(v)	Debt Equity Ratio	<b>0.36 times</b>	0.33 times	9.09	--
(vi)	Operating Profit Margin (%)	<b>5.73</b>	3.11	84.24	Increase in revenue from operations with consequential increase in operating profit
(vii)	Net Profit Margin (%)	<b>3.10</b>	2.08	49.04	Increase in revenue from operations with consequential increase in net profit

**(x) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof.**

Key Financial ratio	2021-22	2020-21	% Change	Explanation
Return on net worth	5.85%	3.37%	73.51	Increase in profit due to higher revenue from operations and cost control.

**(xi) Material developments in Human Resources, Industrial Relations front, including number of people employed:**

Relevant information in this regard is disclosed in the Board's Report.

**(xii) Environmental Protection and Conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation:**

Relevant information in this regard is disclosed in the Board's Report.

**(xiii) Corporate Social Responsibility and Sustainability (CSR):**

Relevant information in this regard is disclosed in Annexure-VI of the Board's Report.

**Cautionary Statement** - *Certain statements made in the Management Discussion and Analysis Report related to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations, projections and so on whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic conditions and economic conditions affecting demand and supply, government regulations and taxation, natural calamities and so on over which the Company does not have any direct control.*

For and on behalf of the Board of Directors

Sd/-

Amit Banerjee

Chairman & Managing Director

Gangtok  
27.05.2022

**BUSINESS RESPONSIBILITY REPORT****Section A: General Information about the Company**

1. Corporate Identity Number (CIN) of the Company: L35202KA1964GOI001530
2. Name of the Company: BEML Limited
3. Registered address: BEML Soudha, No.23/1, 4th Main, S.R. Nagar, Bengaluru - 560 027
4. Website: www.bemlindia.in
5. E-mail id: cs@beml.co.in
6. Financial Year reported: 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code - wise):
  - (a) 28243 – Mining & Construction
  - (b) 30400 - Defence
  - (c) 30203 – Rail & Metro
8. List three key products/services that the Company manufactures/provides (as in balance sheet):
  - (i) Mining Equipment- Dozers, Dumpers, Excavators, Loaders, Shovels, etc.
  - (ii) Defence Products- Heavy Duty Trucks, Bridge Systems, Recovery Vehicles, Mine Plough, Tyre Handler, etc.
  - (iii) Rail & Metro Products - Metro Cars, Electric Multiple Units, Maintenance Vehicles, Rail Grinding Machine, etc.
9. Total number of locations where business activity is undertaken by the Company
  - (a) Number of International Locations (Provide details of major five):  
KENYA region has been allocated to BEML by MoD. Accordingly, BEML has registered its branch office at Kenya during January 2021.
  - (b) Number of National Locations:  
Manufacturing Units at: Bengaluru (Karnataka), Mysuru (Karnataka), Kolar Gold

Fields (Karnataka) and Palakkad (Kerala).

Regional Offices at: Bengaluru, Bilaspur, Dhanbad, Hyderabad, Kolkata, Mumbai, Nagpur, New Delhi, Neyveli, Ranchi, Sambalpur and Singrauli.

District Offices at: Ahmedabad, Asansol, Bachel, Bhilai, Bhubaneswar, Chandrapur, Chennai, Guwahati, Hospet, Jammu, Kothagudem, Leh, Ramagundem and Udaipur.

Service Centres at: Bilaspur, Hyderabad, Kolkata, New Delhi and Singrauli.

Activity Centres at: Bhopal, Itanagar, Kochi, Madurai, Maihar, Panjim, Silapathar and Visakhapatnam

Spare Parts Warehouse for Defence at: Pune and Maihar.

10. Markets served by the Company - Local/ State/National/International:  
National and International

**Section B: Financial Details of the Company**

1. Paid up Capital (₹): 41.64 crore
2. (a) Total Revenue from Sale of Products & Services (₹): 4143 crore  
(b) Total Revenue from Operations (₹): 4337 crore
3. Total Comprehensive Income (₹) :108.11 crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 4.2%  
During the financial year 2021-22, Company has incurred an expenditure of ₹5.66 crore as against CSR obligation of ₹1.65 crore, constituting 6.85% of average net profit of ₹82.61 crore of the Company.
5. List of activities in which expenditure in 4 above has been incurred:

- (a) Education
- (b) Mid-day meal programs.
- (c) Medical Facilities including setting up of Oxygen Medical Plant, Covid Care centre & relief activities
- (d) Contribution to IDEX partner incubators.

### Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

Yes, the Company has the following three Subsidiary Companies:

- (a) M/s. Vignyan Industries Limited (VIL)  
: CIN-U51101KA1963PLC001510  
(Under Liquidation)
- (b) M/s. MAMC Industries Limited (MIL)  
: CIN-U29253WB2010GOI152567
- (c) M/s. BEML Land Assets Limited (BLAL):  
CIN- U70109KA2021GOI149486.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

No.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Outsourcing and vendor development strategy helps in identifying the blemish free vendors. Periodical vendor evaluation is carried out and added to the Approved Vendor List (AVL). Further, the Company has introduced e-procurement, e-payment to vendors, Integrity Pact, etc., to further ensure transparency and fair business practices. Through vendor rating mechanism, feedback is provided to suppliers with regard to quality, delivery and performance. To summarize, more than 60% of the vendors available in the AVL conform to key principles of business responsibility.

### Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

Details of the BR Heads/Directors responsible for implementation of the BR policy/policies.

S.No.	Particulars	BR Heads		
1	DIN (if applicable)	08783660	08467141	08741858
2	Name	Amit Banerjee	M V Rajasekhar	Ajit Kumar Srivastav
3	Designation	Chairman & Managing Director and Director (Rail & Metro Business) (I/c)	Director (Mining & Construction Business)	Director (Defence Business)
4	Telephone No.	080-22963111	080-22963216	080-22963114
5	e-mail id	coord@beml.co.in	dmhq@beml.co.in	office.dd@beml.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

- (a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Does the policy conform to any national/international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the Company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to Sl. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options):

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles	Not applicable as the Company has formulated policies based on all the nine principles.								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									



### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year:

The Committee of Functional Directors will review the BR issues periodically.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has formulated Sustainable Development (SD) Policy and placed on the website of the Company at <https://www.bemlindia.in/writereaddata/Downloads/20170806183240Sustainable.pdf>. CSR and SD Committee will monitor and review the SD projects at different frequencies depending upon the nature of the performance indicators. Evaluation of the SD projects will be done on a yearly basis by the Committee. Further, the Company will publish BRR as part of its Annual Report posted on the website of the Company [www.bemlindia.in](http://www.bemlindia.in).

### Section E: Principle-wise performance

#### Principle 1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?

Yes. In addition, the Company has adopted Integrity Pact with all vendors/suppliers/contractors/service providers for all orders/contracts of value ₹1 crore and above. The pact essentially envisages an agreement between the prospective vendors/bidders and the Company, committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the

contract. Only those vendors/bidders, who commit themselves to such a pact with the principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the completion of contract. Any violation of the same would entail disqualification of the bidders and exclusion for future business dealings. Two Independent External Monitors (IEMs) have been appointed to review the cases on monthly basis. During the year, ₹1069.08 crore worth of purchase orders were entered into Integrity pact.

Also, the Vigilance Department of the Company guides and facilitates for impartial, fair and transparent decision making and gives priority to preventive vigilance, with proactive attitude. Further, whistle blower policy is implemented by the Company which provides for adequate safeguards against victimization of director/s or employee/s or any other person who avail the said mechanism and also provides for direct access to the chairperson of the Audit Committee.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

In BEML, there is constant effort to enhance stakeholders' satisfaction level. Accordingly, many initiatives have been taken to redress the complaints effectively. During the year, the Company has received about 31 complaints from shareholders and all of them were successfully resolved.

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- (a) Metro Cars and Electrical Multiple Units
  - (b) Heavy Duty Trucks
  - (c) High End Dump Trucks and Excavators
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain? (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

BEML continues to give emphasis on conservation of energy, water, fuel, raw material etc. It sets specific targets for their consumption. The energy audits conducted also help to identify and prioritize energy efficient technological measure and savings opportunities. The efficiency of energy utilization is closely monitored to attain higher level of energy conservation.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

Yes.

- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has set up stringent selection mechanism for vendors with an objective of sustainable sourcing and mutual long-term benefit. The Company gives feedback to vendors by regularly monitoring their performances on various parameters including quality, cost and delivery. The Company conducts Vendors meet to address concerns, if any, to ensure sustainable sourcing. The Company's image, ethical & transparent business practices, good relationship with vendors, etc ensure that majority of the items are sourced for sustainability.

Necessary steps have been taken to protect the environment which addresses

conservation of natural resources. Substantial efforts have been made in sourcing energy efficient equipment, also in identifying and replacing energy in-efficient equipment to enhance energy conservation. More and more renewable energy systems are being implemented. During the year 2021-22, 85% of energy requirement was met thru Green Energy.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes.

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company provides ample opportunities for the small and local vendors to get qualified as the company's approved vendor by improving their capacity and capability to be in tune with the company's requirements. All the Units/Divisions facilitate the procurement of items from the respective local vendors.

To facilitate the vendors to scale up their capacity and capability, the vendors are evaluated through vendor rating mechanism including quality and delivery rating. Besides, the company adopts stringent criterion on various parameters including capacity and capability for evaluation. The various issues arising due to the above factors are addressed during the annual vendor meet of the company for mutual benefit.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Company has well established mechanism to channelize for disposal of waste generated during the manufacture of product/equipment through authorized recyclers/handlers to respective pollution control

approved agencies. In addition, left out food waste used for generation of Biogas using in the Biogas plant is in turn used for light cooking application. Further, the Company has coolant recycle plant used for subsiding the heat generated during the manufacturing process. Sewage treatment plants are also established for recycling the water which is being used for production purposes. All these facilities would contribute to about 5-10% of recycling of products and waste.

**Principle 3: Businesses should promote the wellbeing of all employees**

1. Please indicate the Total number of employees:5573
2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis:4775 (IR/KPR)
3. Please indicate the Number of permanent women employees:241
4. Please indicate the Number of permanent employees with disabilities:123
5. Do you have an employee association that is recognized by management: Yes
6. What percentage of your permanent employees is members of this recognized employee association: The total strength of employees and executives as on 31.03.2022 is 5,573 of which 3,644 are employees which is 65.39% of total strength who are members of this registered employee association.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour /involuntary labour	Nil	Nil
2	Sexual harassment	01	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of under mentioned employees was given safety & skill up-gradation training in the last year?

Sl. No	Category	Total Employees	% of persons trained on Safety Aspects	% of persons trained for Skill Upgradation
1	Permanent Employees	5573	44	100
2	Permanent Women Employees	241	45	69
3	Casual/ Temporary/ Contractual Employees	4775	25	11
4	Employees with Disabilities	123	27	35

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders? Yes/No  
Yes, the Company has mapped its internal and external stakeholders which includes
  - (i) Government & Regulatory authorities.
  - (ii) Customers
  - (iii) Investors
  - (iv) Employees
  - (v) Local Community and other stakeholders
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.  
Yes, the Company has identified the aforesaid stakeholders as part of its CSR policy objectives and Swachh Bharat Abhiyan initiatives.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Special allowances are given to SC/ST employees. Further, with a view to encourage and provide financial assistance to meritorious children of SC/ST employees, rebates are given in the educational institutions and employment opportunities are provided.

BEML extends special allowance and facilities for persons with disabilities which include free transport, conveyance allowance for physically handicapped employees who do not use company transport, special ramps within the factory for movement of disabled persons, special toilets have been provided wherever required, grace time to record attendance and permission granted to take vehicles upto the place of work. Appliances such as calipers, hearing aids, aluminum folding sticks etc., for orthopedically handicapped, hearing and visually handicapped are also provided.

### **Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Human Rights have been built into all the policies, systems and processes used in BEML. Thus, Human Rights are a fundamental precept of all the Company policies, interactions and business ventures with suppliers/ contractors/ NGOs and others. The regard for Human Rights is thus an inalienable facet of all business processes in BEML and covers the entire spectrum of BEML's business activities.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

NIL

### **Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Covers the Company only. In addition, Company promotes customer awareness in environmental management to minimize impact on environment during usage of the Company's Products. The Company also persuades and encourages its business partners/vendors/contractors to move towards environmental friendly processes, right from design to disposal.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Company addresses the issues such as climate change, global warming through energy conservation measures, like energy efficient chillers, lighting management system, building management systems. There is a thrust to use renewable energy resources such as wind and solar for energy generation and captive consumption. During the year 2021-22, 85% of energy requirement was met through Green Energy.

3. Does the company identify and assess potential environmental risks? Y/N

Yes. This is well established as part of environment management system based on ISO14000 standards.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Please refer para (i) of the 'Renewable Energy Development, Energy Conservation, Research & Development and Technology Absorption' of Board's Report.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Please refer para (i) of the 'Renewable Energy Development, Energy Conservation, Research & Development and Technology Absorption' of Board's Report.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. This is being closely monitored and reported.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Federation of Indian Export Organisation (FIEO)
- (b) Engineering Export Promotion Council (EEPC)
- (c) National Institute of Personnel Management (NIPM)
- (d) Confederation of Indian Industry (CII)
- (e) Federation of Indian Chambers of Commerce and Industry (FICCI)
- (f) Federation of Karnataka Chamber of Commerce & Industries (FKCCI)
- (g) Society of Indian Defence Manufacturers (SIDM)
- (h) Standing Conference of Public Enterprises (SCOPE)
- (i) Indian Construction Equipment

Manufacturers' Association (ICEMA)

- (j) Society of Defence Technologists (SODET)

- (k) Institute of Directors (IOD)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Whenever policy guidelines are issued, suggestions are being provided. In addition, seminars/workshops are also attended for facilitating our view on the policies.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company had established the CSR & SD Policy, in line with the Companies Act, 2013. The Company is pursuing its cherished value of endeavoring to fulfill its Corporate Social Responsibilities.

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

All the CSR initiatives in the company are taken up through in-house team. The CSR initiatives being pursued by the company are broadly in the following areas:

- (a) Education
- (b) Mid-day meal programs.
- (c) Medical Facilities including setting up of Oxygen Medical Plant, Covid Care centre & relief activities
- (d) Contribution to IDEX partner incubators.



3. Have you done any impact assessment of your initiative?

The CSR Policy is formulated to commit for enhanced value-creation for the Society, shareholders, other stakeholders and the communities by taking-up activities and initiatives for sustainable growth for the Society, with environmental concern.

The programmes/projects are generally chosen in the local areas of the Company's manufacturing units. These programmes/projects are implemented by the teams of the Company. However, no impact assessment has been carried out by the Company so far considering the nature of the projects undertaken.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year 2021-22, an amount of ₹5.66 crore was spent by the Company on various CSR programmes/projects. Some of the key programmes undertaken during the year are given in Sl. No.2 above and also in the Annexure VI: Annual Report on CSR activities.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Consequent to the implementation of our new initiatives on CSR programmes in Karnataka State, various community development programmes in the areas of education, health care, environment protection and rural development have already been implemented

in association with the District Administration and local communities. These programmes have an impact on the lives of the rural people and accelerated development of the District.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

Resolving after-sales-service requests by the customer is a continuous process and BEML has dedicated service team to attend the same and to make sure that the down time is minimal. There are no complaints pending as on the end of financial year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ N.A./ Remarks (additional information)

Yes.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes. Customer satisfaction survey is conducted periodically and the outcome of the survey is used in improving the satisfaction level.

For and on behalf of the Board of Directors

Sd/-

Amit Banerjee

Chairman & Managing Director

Gangtok  
27.05.2022

## Annexure-VI

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

[Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

#### (1) Brief outline on CSR Policy of the Company:

The CSR Policy is formulated to commit for enhanced value-creation for the Society, shareholders, other stakeholders and the communities by taking-up activities and initiatives for sustainable growth for the Society, with environmental concern. To pursue this vision, the Company has set the objectives as under:

- To ensure an increased commitment at all levels in the organization, operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To directly or indirectly take up programs that benefit the communities in & around its Units /Zonal offices /Regional /District offices/Work Centers and results, over a period of time, in enhancing the quality of life & economic well-being of the local population.'
- To generate through its CSR initiatives, a community goodwill for BEML and help reinforce a positive & socially responsible image of BEML as a corporate entity.

Further, the CSR Policy and details of the projects/programmes may be accessed on Company's website at [www.bemlindia.in](http://www.bemlindia.in).

#### (2) The Composition of the CSR Committee:

Sl. No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Dr. Gurmohinder Singh*	Independent Director	2/2
2	Smt Balmuri Vanitha	Independent Director	2/2
<i>Members:</i>			
2	Shri M.V. Rajasekhar	Director (Mining & Construction Business)	4/4
3	Shri Ajit Kumar Srivastav	Director (Defence Business)	4/4
4	Shri Siva Makutam	Independent Director	1/1

\*Part of the year

- (3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on [www.bemlindia.in](http://www.bemlindia.in)

- (4) Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable.

NA

- (5) Details of the amount available for set off in pursuance of sub-rule(3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl.No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2022-23	Nil	Nil
<b>TOTAL</b>		Nil	Nil

**(6) Average net profit of the company as per section 135(5): ₹8261 Lakhs**

- (7) (a) Two percent of average net profit of the company as per section 135(5): ₹165 Lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year(7a+7b-7c): ₹165 Lakhs
- (8) (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ Lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135 (6).		Amount transferred to any fund specified under Schedule VII as per second provisoto section 135 (5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
565.80	Nil	NA	NA	Nil	NA

**(b) Details of CSR amount spent against ongoing projects for the financial year: NA**

1	2	3	4	5		6	7	8	9	10	11	
Sl.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹).	Amount spent in the current financial Year (in ₹).	Amount transferred to Un-spent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implem-entation -	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
NA												

**(c) Details of CSR amount spent against other than ongoing projects for the financial year:**

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project		Amount spent for the project (in ₹ Lakhs).	Mode of implem-entation Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Providing of Education to local population at KGF	Item(ii) of Schedule VII	Yes	Karnataka	Kolar	414.51	Yes	Direct	NA
2	Mobile medical camp at KGF & Mysuru	Item(i) of Schedule VII	Yes	Karnataka	Kolar	0.86	Yes	Direct	NA

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project		Amount spent for the project (in ₹ Lakhs).	Mode of implementation Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
3	Contribution to Armed Forces Flag Day Fund	Item(vi) of Schedule VII	Yes	New Delhi	New Delhi	0.20	No	Kendriya Sainik Board	NA
4	Setting-up of Oxygen Generating Unit at Government General Hospital, Kolar	Item(i) of Schedule VII	Yes	Karnataka	Kolar	44.77	Yes	Direct	NA
5	Contribution to Establishing 500 bedded Covid Care Hospital in Lucknow	Item(i) of Schedule VII	No	Uttar Pradesh	Lucknow	50.00	No	MoD	NA
6	Contribution to Chief Minister of Kerala's - Pandemic Relief Fund	Item(i) of Schedule VII	Yes	Kerala	Palakkad	10.00	No	Government of Kerala	NA
7	Support for Mid-Day meal	Item(i) of Schedule VII	Yes	Karnataka	Bengaluru	10.00	No	Akshaya Patra Foundation	CSR00 000286
8	Establishing of Mini-Science Center at BEML PU College at KGF	Item(ii) of Schedule VII	Yes	Karnataka	Kolar	4.96	Yes	Direct	NA
9	Contribution of CSR fund towards Partner incubators of iDEX	Item(ix) of Schedule VII	No	Karnataka/ Maharashtra/ Uttar Pradesh	Bengaluru, Pune & Kanpur	30.00	No	I dex	NA
10	Contribution to Covid Relief	Item(i) of Schedule VII	Yes	Maharashtra	Nagpur	0.50	No	Vidarbha Relief Committee, Nagpur	NA
<b>TOTAL</b>						<b>565.80</b>			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year(8b+8c+8d+8e): ₹565.80 Lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹ Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	165.00
(ii)	Total amount spent for the Financial Year	565.80
(iii)	Excess amount spent for the financial year [(ii)-(i)]	400.80
(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

(9) (a) Details of Unspent CSR amount for the preceding three financial years: (₹ in Lakhs)

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount	Date of transfer.	
1	2020-21	Nil	403.58	NA	Nil	NA	Nil
2	2019-20	Nil	432.18	NA	Nil	NA	Nil
3	2018-19	Nil	310.18	NA	Nil	NA	Nil
	<b>TOTAL</b>		<b>1145.94</b>				

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NA

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was Commenced.	Project duration.	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year.	Status of the project - Completed / Ongoing.
1.	--	--	--	--	--	--	--	--
	Total							

(10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

**(Asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s). : **NA**
- (b) Amount of CSR spent for creation or acquisition of capital asset. : **Nil**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : **NA**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). : **NA**

(11) Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : **NA**

Sd/- Director (Finance)	Sd/- Chairman & Managing Director	Sd/- Chairman - CSR Committee
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For and on behalf of the Board of Directors

Sd/-

Gangtok  
27.05.2022Amit Banerjee  
Chairman & Managing Director



## Annexure-VII

### SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

#### To the Members of BEML Limited

1. We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BEML Limited (hereinafter called 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.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, and subject to our separate letter attached hereto as the Annexure, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March 2022, 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.
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March 2022 according to the provisions of:
  - (a) The Companies Act, 2013 (the Act) and the Rules made there under;
  - (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
    - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 [Not applicable];
    - v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with client.

- [Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the Financial Year];
- vi. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (f) The Electricity Act, 2003 and the Rules made there under.
  - (g) Indian Copyright Act, 1957
  - (h) The Patents Act, 1970
  - (i) The Trade Marks Act, 1999
  - (j) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India – as relates to composition and appointment of Directors.
  - (k) Guidelines issued by the Department of Investment and Public Asset Management, Ministry of Finance – as applicable to Central Public Sector Enterprises.
4. We have also examined compliance with the Listing Agreements entered into by the Company and compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  5. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
  6. We further report that, there were no events/actions in pursuance of :
    - a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
    - b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and
    - c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018. requiring compliance thereof by the Company during the Audit period.
  7. We have not examined compliance by the Company with 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.
  8. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the qualifications mentioned in paragraph 10 below.
  9. Subject to the qualifications mentioned in paragraph 10, we further report as below:
    - 9.1 that, -
      - (a) adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, the Company adopts a system to enable Directors to seek and obtain required information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
      - (b) the Company followed proper Board processes in convening and conduct of Meetings of Members and Directors; the Company has maintained proper Books to record Proceedings of General

Meetings of Members, Minutes of Meetings of Board and Committee of Directors; resolutions passed by e-voting, if any, are recorded in the Minutes Book of General Meetings.

9.2 that, 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;

9.3 during the year –

- a) the Company redeemed Secured Non-convertible Debentures worth Rs.100 crores.
- b) Vignyan Industries Limited (VIL), the Company's subsidiary is under Voluntary Liquidation and Official Liquidator has been appointed.
- c) the Company incorporated a wholly owned subsidiary "BEML Land Assets Limited" as per the concurrence given by the Ministry of Defence, Department of Investment & Public Asset Management and NITI Aayog for demerger of surplus land and assets of the Company as part of Strategic Disinvestment of BEML along with management control.

Except those mentioned above three sub-paragraphs, there were no instances of:

- (i) Public, Preferential Issue of Shares or Debentures or Sweat Equity.
- (ii) redemption or buy-back of securities;
- (iii) major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013;
- (iv) merger, amalgamation, reconstruction etc.;
- (v) foreign technical collaborations.

## 10. Qualification:

**10.1 For a portion of the financial year namely from 9<sup>th</sup> April, 2021 to 31<sup>st</sup> March, 2022 the Company did not have a person appointed as Chief Financial Officer in pursuance of the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.**

## 11. Observations:

**11.1 During the Financial Year till 23rd December 2021, the Company could not comply with Section 149 (4) of the Companies Act, 2013 read with Regulation 17(1)(a) and 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 inasmuch as (i) the strength of Independent Directors as well as (ii) the number of non-executive directors was less than 50% of the total strength of the Board of Directors of the Company. Effective from 24th December 2021 upon appointment of three Independent Directors by the Government of India the Company complied with the above statutory requirement.**

**11.2 For the Financial Year 2021-22 the Company did not prepare financial statements consolidating its accounts with its joint venture company BEML Midwest Limited, as required under Section 129(3) of the Companies Act, 2013. As per information gathered from the Company and the published records, there has been complete cessation of activities in BEML Midwest Limited since September, 2008 and the matters relating to the joint venture company are subjudice. Since 2009 the books**

of accounts of the joint venture company were frozen by the Registrar of Companies, Hyderabad. In view of the above, BEML Midwest Limited has not been preparing its accounts and consequently BEML Limited could not consolidate its accounts vis-à-vis the joint venture company.

Bengaluru  
19<sup>th</sup> May, 2022  
UDIN No. F003000C000348004

for VN & Associates  
Company Secretaries

*Sd/-*

K N Nagesha Rao  
FCS 3000 CP 12861  
Partner

*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.*

## The Annexure to the Secretarial Audit Report for the Financial Year 2021-22

### To the Members of BEML Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records and compliance based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness 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 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 obtained the management representation on the compliances of laws, rules and regulations as well on happening of events.
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 procedure on test basis.
6. The Secretarial Audit report is not an assurance of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Bengaluru  
19th May, 2022  
UDIN No. F003000C000348004

for VN & Associates  
Company Secretaries

Sd/-

K N Nagesha Rao  
FCS 3000 CP 12861  
Partner



**Company's reply to the qualification by Secretarial Auditors:**

<i>Sl No.</i>	<i>Observation</i>	<i>Company's Reply</i>
10.1	For a portion of the financial year namely from 9th April, 2021 to 31st March, 2022 the Company did not have a person appointed as Chief Financial Officer in pursuance of the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.	Govt. of India has given additional charge of the post of Director (Finance) to Director (Defence Business) w.e.f. 09.04.2021 till the regular Director (Finance) is appointed on 22.03.2022. Hence, the additional charge of the post of Director (Finance) has signed the CEO/CFO certificates along with Chairman & Managing Director, during the year under review.

For and on behalf of the Board of Directors

Gangtok  
27.05.2022

*Sd/-*  
Amit Banerjee  
Chairman & Managing Director

**BEML LIMITED**

BEML SOUDHA, 23/1, 4TH MAIN ROAD, S.R. NAGAR, BENGALURU-560027

**SIGNIFICANT ACCOUNTING POLICIES - STANDALONE**

**Note no. 1: Corporate Information:**

The accompanying financial statements comprise of the financial statements of BEML Limited (the Company) for the year ended 31 March 2022. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Bengaluru, Karnataka, India. The Company is a Schedule-A public sector enterprise and is under the administrative control of the Department of Defence Production, Ministry of Defence. BEML manufactures and supplies defence ground support equipment such as Tatra based high mobility trucks, aircraft towing tractors etc. Under Mining and Construction business, the company manufactures and supplies equipment like bull dozers, excavators, dumpers, shovels, loaders and motor graders to various user segments and under Rail and Metro business, manufactures and supplies rail coaches, metro cars, ACEMUs, OHE cars, steel and aluminium wagons to the rail and metro sector. Information on other related party and nature of relationships of the Company is provided in Note 39C. These financial statements were authorised for issue in accordance with a resolution of the directors on **27.05.2022**.

**Note no. 2: Significant accounting policies**

**2.1. Basis of preparation and Statement of Compliance**

- a. The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These financial statements for the year ended 31 March 2022 with

comparatives of year ended 31 March 2021 are prepared in accordance with Ind AS.

- b. The financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:
- Derivative financial instruments,
  - Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
  - Defined benefit and other long-term employee benefits obligations.
- c. The financial statements are presented in Indian Rupee (INR) which is the functional and the presentation currency of the Company and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.
- d. Preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates.
- e. Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in

the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company's operating cycle is considered as twelve months for the purpose of current/non-current classification of assets and liabilities.

- f. The Company revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively. A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors result in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

## 2.2 Summary of significant accounting policies

### A. Revenue Recognition:

Sales is exclusive of GST.

#### Revenue from contracts with customers:

Revenue is recognised, on the transfer of promised goods or services, by way of allocating transaction price, being amount of consideration which an entity expects/entitled in exchange for transferring promised goods or services to a customer, to the extent of performance obligation satisfied in a contract.

- i. **Satisfaction of performance obligation over time**
- a. Revenue is recognised overtime where

the transfer of control of goods or services takes place over time by measuring the progress towards complete satisfaction of that performance obligation, if one of the following criteria is met:

- the company's performance entitles the customer to receive and consume the benefits simultaneously as the company performs
- the company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- the company's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

- b. Progress made towards satisfying a performance obligation is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract. If the outcome of the performance obligation cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

- c. For measurement of satisfaction of performance obligation over time, input cost method is adopted.

ii **Satisfaction of performance obligation at a point in time**

- a. In respect of cases where the transfer of control does not take place over time, the company recognises the revenue at a point in time when it satisfies the performance obligations.

- b. The performance obligation is satisfied when the customer obtains control of the asset. The indicators for transfer of control include the following:

- the company has transferred physical possession of the asset

- the customer has legal title to the asset
  - the customer has accepted the asset
  - when the company has a present right to payment for the asset
  - the customer has the significant risks and rewards of ownership of the asset. The transfer of significant risks and rewards ownership is assessed based on the Inco- terms of the contracts.
- c. Bill and hold Sales :
- Bill and hold sales is recognised when all the following criteria are met:
- the reason for the bill and hold sales is substantive
  - the product is identified separately as belonging to the customer
  - the product is currently ready for physical transfer to the customer
  - the company does not have the ability to use the product or to direct it to another customer

#### **Escalation:**

Escalation in prices are recognized as revenue as per the escalation formula provided in the contract. In the absence of such a clause in the contract, any claim for the same is recognized on acceptance by the customer.

#### **Duty Drawback:**

Duty drawback claims on exports are accounted on preferring the claims.

#### **Revenue from wind energy:**

Revenue from generation of electricity from wind mill is recognized when the electricity is supplied to industrial electricity distribution license holder as per the terms of agreement.

#### **Other Income**

##### **(i) Interest income:**

Interest Income is recognized using the effective interest rate (EIR) on a time

proportion basis and as per the terms of the relevant instrument.

##### **(ii) Dividends:**

Dividend income is recognized when the Company's right to receive the payment is established.

##### **(iii) Rental income:**

Rental income arising from operating leases is accounted for on a straight-line basis over the non-cancellable lease term unless increases in rentals are in line with expected inflation.

#### **B. Investments in associates and joint venture**

The Company accounts for its interests in associates and joint ventures in the separate financial statements at cost.

#### **C. Foreign Currencies:**

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognized in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### **D. Fair value measurement:**

The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are

categorized within the fair value hierarchy.

#### **E. Discontinued operation:**

Classification of an operation as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit and loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

#### **F. Government Grants:**

Government Grants are recognized as follows when there is reasonable assurance that the grant will be received and all attached terms and conditions will be complied with.

- (i) Grant towards meeting expenditure is recognized as income as and when the expenditure for which the grant is sanctioned is incurred.
- (ii) Grant towards procurement of an asset is recognized as income in equal amounts over the expected useful life of the related asset.
- (iii) Grant towards non-monetary assets are recognized at fair value and released to Statement of Profit and Loss over the expected useful life.
- (iv) The subsidized portion of interest rate provided by the Government on loans or similar financial assistance is recognized as grant.

#### **G. Income Taxes:**

##### **Current income tax:**

Current tax assets and liabilities are measured at the amount to be recovered from or paid to the taxation authorities as per the applicable tax laws at the reporting date in Statement of profit and loss.

##### **Deferred tax:**

Deferred tax is provided using the liability method on temporary differences between

the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

For the items directly recognized in Equity, the current and deferred tax pertaining to such item is recognized through Equity.

#### **H. Property, Plant & Equipment:**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Cost includes expenditure on acquisition of asset, present value of expected cost for the decommissioning of an asset, cost of replacing part of Plant and Equipment and borrowing costs.

Depreciation is calculated on a straight line basis over estimated useful lives as prescribed in schedule II of the companies Act 2013. In respect of the following assets, useful lives are different than the useful lives indicated in Schedule II of Companies Act 2013, based on technical assessment and management estimates depending on the nature and usage of the respective assets.

- (a) Special tools up to the unit value of ₹5,000 are charged off in the year of incurrence and Special tools to the unit value above ₹5,000 are amortised over a period of 3 years.
- (b) Jigs and fixtures up to the unit value of ₹5 Lakhs are charged off in the year of incurrence and Jigs and fixtures of unit value above ₹5 Lakhs are amortised over a period of 3 years.

When parts of an item of property, plant and equipment have different useful lives, they are treated as separate components and depreciated over their estimated useful lives.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Any gain or loss arising out of derecognizing



of an asset is included in statement of Profit and Loss of the relevant period.

Products given under No Cost No Commitment are capitalised appropriately under the relevant asset category and amortised over the useful life of that asset. They are also tested for impairment periodically.

Expenditure incurred on Developmental Projects for participating in trials, based on Request from customers, are carried forward till conclusion of the trials and will be amortised over the orders to be received. In case customer order does not forthcoming or on discontinuation of project, the balance amount will be either capitalised if further economic benefit is expected from its use or will be charged off.

**I. Investment Property:**

Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss if any. The fair value of the Investment property is disclosed in the notes.

**J. Intangible Assets:**

- (i) Intangible assets acquired are stated at acquisition cost, less accumulated amortization and accumulated impairment losses, if any
- (ii) Research costs are expensed as incurred
- (iii) Development expenditure is recognized as Intangible assets and tested for impairment annually during the period of development
- (iv) Expenditure on development of products intended for sale is included in inventory.
- (v) Intangible Assets referred above includes the cost of materials, direct labour, overhead costs, borrowing costs that are directly attributable to the respective asset for its intended use.

**Amortization**

Intangible assets are amortized over useful economic life and assessed for impairment if any. Where it is not possible to assess the useful economic life of an intangible asset, the same is not amortized and reviewed annually for impairment if any.

**K. Borrowing Cost:**

Borrowing costs directly attributable to creation of an asset are capitalized as part of the cost of the asset. General borrowing costs are capitalized by apportioning the same to qualifying assets.

**L. Lease:**

Contracts with third party, which give the company the right of use in respect of an identified Asset, are accounted in line with the provisions of Ind AS 116 – Leases, if the recognition criteria as specified in the Accounting standard are met.

A lease is classified at the inception date as a finance lease or an operating lease by lessor whereas lessee will follow the Single lease accounting (i.e. same as finance lease)..

**Company as a lessee:**

Lessee will recognize right-of-use asset and lease liability, for all leases, except short term lease and leases for which underlying asset is of low value.

Short term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a purchase option.

**An underlying asset can be of low value only if:**

- (a) The lessee can benefit from use of the underlying asset on its own or together with other resources that are readily available to the lessee; and
- (b) The underlying asset is not highly dependent on, or highly interrelated with, other assets.

The initial value of lease liability shall be determined at the present value of the lease payments due. The interest rate implicit in the lease or lessee's incremental borrowing may be used to arrive at the present value of the lease payments due. The lease liability is subsequently measured by **increasing** the carrying amount to reflect interest on the lease liability and **reducing** the carrying amount to reflect the lease payments made.

Leases will be recognised where the value of new individual asset is more than ₹2 Lakhs.

At the commencement date, the company as lessee measures the right of use asset at cost. The cost of "right of use" asset is determined at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of Plant, property and equipment schedule in the Balance Sheet.

Lessee would recognize depreciation expense on the right of use asset using the straight line method from the commencement date to the end of lease term or useful life of the asset, whichever is earlier.

#### **Company as a lessor:**

In case of an operating lease, initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the leased asset. In case of finance leases, amounts due from lessees are recorded as receivables.

#### **M. Inventory:**

Inventories are valued at the lower of cost and net realizable value. Cost for the purpose of the above is accounted as under:

- (i) Raw materials, Components, Stores and Spare parts: weighted average cost
- (ii) Finished goods and Work in Progress: Cost of materials, labour and production overheads

Scrap is valued at estimated realizable value.

Based on ageing assessment, on a periodic basis an allowance is recognized for obsolete, non-moving inventory.

#### **N. Impairment of non-financial assets:**

The company assesses at each reporting date for impairment of asset or cash generating units (CGU). If on assessment, the asset or CGU is considered impaired they are written down to the recoverable amount.

#### **O. Employee Benefits:**

##### **Short-term employee benefits:**

Short-term employee benefits are expensed as the related service is rendered.

##### **Defined benefit plans:**

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by actuarial valuation conducted annually by a qualified actuary using the projected unit credit method.

Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is recognized in the statement of profit and loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss.

##### **Other long-term employee benefits:**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

**Defined contribution plan:**

For defined contribution plans, the Company contributes to independently administered funds as per relevant scheme. These contributions are recorded in the statement of profit and loss. The Company's liability is limited to the extent of contributions made to these funds.

**P. Provisions:**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted. Contingent liabilities and contingent assets are not recognized in the financial statements but are disclosed in the notes.

**Warranty provisions:**

Provision for warranty related costs are recognized on sale of product or service rendered based on historical experience and technical assessment and reviewed annually.

**Onerous contracts:**

A provision for onerous contracts other than construction contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

**Q. Financial Assets:**

**Recognition and measurement:**

All financial assets are recognized initially at fair value. Subsequently, financial assets are measured at fair value or amortized cost

based on their classification.

**Embedded derivative:**

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. If the hybrid contains a host that is not an asset within the scope of Ind AS 109, the embedded derivative is separated and accounted at fair value.

**Derecognition:**

A financial asset or part of a financial asset is derecognized when the rights to receive cash flows from the asset have expired.

**Trade and other receivables:**

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

**Cash and cash equivalents:**

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

**Impairment of financial assets:**

In accordance with Ind-AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

**R. Financial Liabilities:**

**Recognition and measurement:**

Financial liabilities are classified, at initial recognition, at fair value through statement of profit and loss as loans, borrowings, payables, or derivatives, as appropriate.

Financial liabilities are measured based on their classification at fair value through statement of profit and loss, amortized cost or fair value through other comprehensive income.

**Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**Trade and other payables:**

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

**S. Financial Assets and Liabilities Reclassification:**

**Reclassification of financial Assets and Liabilities:**

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For other financial assets, a reclassification is made prospectively only if there is a change in the business model for managing those assets.

**Offsetting of financial Assets and Liabilities:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

**T. Earnings per share:**

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

**U. Cash dividend and non-cash distribution to equity shareholders:**

The Company recognizes a liability to make cash or non-cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company.

**V. Events after the reporting period:**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

As per our report of even date attached

For and on behalf of the Board of Directors

**For SUNDARAM & SRINIVASAN,**  
Chartered Accountants  
Firm Registration Number: 004207S

Sd/-  
**CA. P MENAKSHI SUNDARAM**  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)

Sd/-  
**ANIL JERATH**  
Director (Finance)  
(DIN 09543904)

Sd/-  
**AMIT BANERJEE**  
Chairman & Managing Director  
(DIN 08783660)

Sd/-  
**S V RAVI SEKHAR RAO**  
Company Secretary

Date: 27-05-2022

# STANDALONE FINANCIAL STATEMENTS 2021-22



## BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>I. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	51,522.14	54,934.40
(b) Right of Use Asset	3A	831.22	762.18
(c) Capital work-in-progress	4	591.50	879.98
(d) Intangible assets	5	2,784.93	3,450.38
(e) Intangible assets under development	6	789.80	503.46
(f) Financial assets			
(i) Investments	7	258.64	257.64
(ii) Loans	8	12.11	10.99
(iii) Other financial assets	9	62.54	45.64
(g) Deferred tax assets (net)	10	16,362.78	19,723.80
(h) Other non-current assets	11	7,816.93	7,501.37
<b>Total non-current assets</b>		<b>81,032.59</b>	<b>88,069.84</b>
<b>(2) Current assets</b>			
(a) Inventories	12	2,07,284.77	1,97,064.75
(b) Financial Assets			
(i) Investments	13	-	-
(ii) Trade receivables	14	1,86,136.11	1,88,450.91
(iii) Contract Assets	14a	59,217.26	63,430.72
(iv) Cash and cash equivalents	15	1,644.46	438.86
(v) Bank Balance Other than (iv) above	15a	1,193.94	87.52
(vi) Loans	16	1,679.77	1,184.14
(vii) Other financial assets	17	522.82	544.97
(viii) Current tax assets (Net)	17a	3,565.99	2,804.27
(c) Non-Current Assets held for demerger	3B	350.17	-
(d) Other current assets	18	23,227.69	31,879.02
<b>Total current assets</b>		<b>4,84,823.00</b>	<b>4,85,885.17</b>
<b>Total Assets</b>		<b>5,65,855.59</b>	<b>5,73,955.01</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	19	4,177.22	4,177.22
(b) Other Equity		2,26,501.55	2,18,267.70
<b>Total Equity</b>		<b>2,30,678.77</b>	<b>2,22,444.92</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	-	10,000.00
i (a) Lease Liability		880.64	754.48
(ii) Other financial liabilities	21	125.37	41.60
(b) Provisions	22	24,432.64	20,770.62
(c) Other non-current liabilities	23	1,07,102.41	1,11,434.98
<b>Total non-current liabilities</b>		<b>1,32,541.06</b>	<b>1,43,001.69</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Short term Borrowings	24	82,257.40	64,334.35
i (a) Lease Liability		41.70	81.83
(ii) Trade payables	25		
(A) Micro & Small Enterprises		8,235.92	3,884.02
(B) Other than Micro & Small Enterprises		47,821.38	70,177.87
(iii) Other financial liabilities	26	2,411.11	2,124.18
(b) Other current liabilities	27	33,456.92	41,924.99
(c) Provisions	28	24,894.14	25,826.60
(d) Current tax liabilities (Net)	29	3,517.19	154.56
Divisional Control Account	29A	-	-
<b>Total current liabilities</b>		<b>2,02,635.76</b>	<b>2,08,508.40</b>
<b>Total Equity and Liabilities</b>		<b>5,65,855.59</b>	<b>5,73,955.01</b>

Note nos. 1 to 39 includes Significant Accounting Policies and Other Notes to Accounts annexed herewith form part of the financial statement.

As per our report of even date attached

For and on behalf of the Board of Directors

For **SUNDARAM & SRINIVASAN**,  
Chartered Accountants

Firm Registration Number: 004207S

Sd/-

**CA. P MENAKSHI SUNDARAM**

Partner

Membership No.: 217914

Place: Mangaluru (Through VC)

Sd/-

**ANIL JERATH**

Director (Finance)

(DIN 09543904)

Sd/-

**AMIT BANERJEE**

Chairman & Managing Director

(DIN 08783660)

Sd/-

**S V RAVI SEKHAR RAO**

Company Secretary

Date: 27-05-2022

## Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Note No	For the year ended 31 March 2022	For the year ended 31 March 2021
I Revenue from operations	30	4,33,748.77	3,59,739.96
II Other income	31	674.16	1,997.25
<b>III Total Income (I + II)</b>		<b>4,34,422.93</b>	<b>3,61,737.22</b>
<b>IV Expenses:</b>			
Cost of materials consumed	32	2,26,956.80	2,03,824.78
Purchase of stock-in-trade	33	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	15,004.35	86.30
Employee benefits expense	35	85,763.73	84,864.65
Finance costs	36	4,933.43	3,912.08
Depreciation and amortization expense	3,5	6,606.64	7,068.27
Other expenses	37	74,583.93	52,699.72
<b>Total Expenses (IV)</b>		<b>4,13,848.88</b>	<b>3,52,455.80</b>
V Profit/(Loss) before exceptional items and tax (III-IV)		20,574.05	9,281.42
VI Add/ (Less) : Exceptional items	38	-	-
<b>VII Profit/(Loss) before tax (V-VI)</b>		<b>20,574.05</b>	<b>9,281.42</b>
<b>VIII Tax expense:</b>			
(1) Current tax	10 a	4,484.52	3,263.01
(2) MAT credit entitlement	10 a	(967.33)	-
(3) Deferred tax	10 a	3,597.65	(1,461.59)
<b>IX Profit/(Loss) for the year from continuing operations (VII-VIII)</b>		<b>13,459.21</b>	<b>7,480.00</b>
X Profit/(Loss) from discontinuing operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
<b>XIII Profit/(Loss) for the year (IX+XII)</b>		<b>13,459.21</b>	<b>7,480.00</b>
<b>XIV Other Comprehensive Income</b>			
A(i) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit (liability)/asset		(2,885.25)	(8,129.59)
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 b	236.62	570.97
B(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV Total Comprehensive Income for the year (XIII + XIV)</b>		<b>10,810.58</b>	<b>(78.62)</b>
<b>XVI Earnings per equity share: (₹10/- each) in ₹</b>			
Basic and diluted	39(A)	32.32	17.96

Note nos. 1 to 39 includes Significant Accounting Policies and Other Notes to Accounts annexed herewith form part of the financial statement.

As per our report of even date attached

For and on behalf of the Board of Directors

For **SUNDARAM & SRINIVASAN**,  
Chartered Accountants

Firm Registration Number: 004207S

Sd/-

**CA. P MENAKSHI SUNDARAM**

Partner

Membership No.: 217914

Place: Mangaluru (Through VC)

Sd/-

**ANIL JERATH**

Director (Finance)

(DIN 09543904)

Sd/-

**AMIT BANERJEE**

Chairman & Managing Director

(DIN 08783660)

Sd/-

**S V RAVI SEKHAR RAO**

Company Secretary

Date: 27-05-2022

## Statement of Cash Flows

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Sub items	Main items	Sub items	Main items
<b>A. Cash flow from operating activities</b>				
Net profit before tax and extraordinary items		<b>20,574.05</b>		9,281.43
<i>Adjustments for</i>				
Depreciation and amortization expense	<b>6,606.64</b>		7,068.27	
(Gain)/loss on disposal of property, plant and equipment	<b>(54.44)</b>		(22.69)	
Foreign exchange loss/(gain)	<b>453.44</b>		(165.48)	
Financing Cost	<b>4,933.43</b>		3,912.08	
Interest income	<b>(208.77)</b>		(760.10)	
Allowance for bad and doubtful Trade receivables	<b>5,354.92</b>		(6,370.16)	
Allowance for bad and doubtful Advances	<b>375.41</b>		1,205.84	
Movement in Provision	<b>2,729.55</b>		6,899.82	
Movement in Allowance for Inventory	<b>(517.93)</b>		1,522.41	
Actuarial gain/(loss) on Gratuity & PRMS	<b>(2,885.25)</b>	<b>16,787.00</b>	(8,129.59)	5,160.41
<b>Operating Profit/(Loss) before changes in working capital</b>		<b>37,361.05</b>		14,441.83
<i>Adjustment for</i>				
Inventories	<b>(9,702.10)</b>		2,09,663.26	
Trade receivables	<b>(3,040.12)</b>		(31,268.03)	
Other current assets	<b>10,559.65</b>		(4,469.36)	
Trade payables	<b>(18,458.02)</b>		8,323.05	
Other payables - Finance cost	<b>339.22</b>		339.22	
Other payables	<b>(12,343.92)</b>		15,147.89	
Contract Assets	<b>4,213.46</b>		(33,045.87)	
Loans	<b>(496.75)</b>		(1,185.17)	
Other financial assets	<b>5.25</b>		70.94	
Income tax & Deferred tax adjustment	<b>(3,515.59)</b>	<b>(32,438.90)</b>	(1,075.89)	1,62,500.03
<b>Net cash flow from/(used in) operating activities</b>		<b>4,922.14</b>		1,76,941.86
<b>B. Cash flow from investing activities</b>				
Purchase of property, plant and equipment	<b>(3,489.76)</b>		(4,595.77)	
Purchase of intangible assets	<b>(404.18)</b>		(622.05)	
Sale of property, plant and equipment	<b>1,298.09</b>		240.56	
(Gain)/loss on disposal of property, plant and equipment	<b>54.44</b>		22.69	
Investments in subsidiaries	<b>(1.00)</b>		-	
Interest Received	<b>208.77</b>		760.10	
Asset held for De-merger	<b>(350.17)</b>		-	
FDRs maturity beyond 3 months	<b>-</b>		-	
<b>Net cash flow from/(used in) investing activities</b>		<b>(2,683.80)</b>		(4,194.48)
<b>C. Cash flow from financing activities</b>				
Proceeds/(Repayments) from/of Non-Convertible Debentures	<b>(10,000.00)</b>		(10,000.00)	
Proceeds/(Repayments) of Soft loan	<b>(149.48)</b>		(149.48)	
Proceeds/(Repayments) of export credit	<b>17,933.00</b>		-	
Financing Cost	<b>(5,272.65)</b>		(4,251.31)	
Adjustment in retained earnings	<b>5.22</b>		264.88	
Dividend & Tax paid for equity shares	<b>(2,494.42)</b>		(3,493.44)	
<b>Net cash flow from/(used in) financing activities</b>		<b>21.67</b>		(17,629.35)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,260.02</b>		1,55,118.04
<b>Cash and Cash Equivalents, Beginning of the year</b>		<b>(53,746.01)</b>		(885.50)
<b>Cash and Cash Equivalents, Ending of the year (Refer Note 15d)</b>		<b>(52,679.94)</b>		(53,746.01)

For and on behalf of the Board of Directors

For SUNDARAM & SRINIVASAN,  
Chartered Accountants  
Firm Registration Number: 004207SSd/-  
CA. P MENAKSHI SUNDARAM  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)Sd/-  
ANIL JERATH  
Director (Finance)  
(DIN 09543904)Sd/-  
AMIT BANERJEE  
Chairman & Managing Director  
(DIN 08783660)Sd/-  
S V RAVI SEKHAR RAO  
Company Secretary

Date: 27-05-2022

Statement of Changes in Equity for the year ended 31.03.2022

**A. Equity share capital**

Particulars	No. of shares	Amount (₹ in Lakhs)
Balance as on 01.04.2021	4,16,44,500	4,164.45
Changes in equity share capital during the year	-	-
<b>Balance as on 31.03.2022</b>	<b>4,16,44,500</b>	<b>4,164.45</b>

**B. Other equity**

(₹ in Lakhs)

Particulars	Reserves and Surplus				Items of OCI	Nonimara Excellence Award Reserve	Debenture Redemption Reserve	Total Equity
	Capital Reserve	Share Premium	General Reserve	Retained Earnings	Other items of OCI			
<b>Balance as on 01.04.2021</b>	105.66	61,204.07	1,19,033.62	55,466.71	(22,543.80)	1.44	5,000.00	<b>2,18,267.70</b>
Reinstatement Adjustment on account of prior period items	-	-	-	5.22	-	-	-	5.22
<b>Reinstated Balance as on 01.04.2021</b>	105.66	61,204.07	1,19,033.62	55,471.93	(22,543.80)	1.44	5,000.00	<b>2,18,272.92</b>
Reversal of PPA adj	-	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	13,459.21	-	-	-	13,459.21
Other Comprehensive Income for the year	-	-	-	-	(2,648.63)	-	-	(2,648.63)
<b>Total comprehensive income for the year</b>	-	-	-	<b>13,459.21</b>	<b>(2,648.63)</b>	-	-	<b>10,810.58</b>
Transfer to								
- General Reserve/ Retained Earnings	-	-	-	2,500.00	-	-	(2,500.00)	-
Transaction with owners								
- Dividend	-	-	-	(2,581.94)	-	-	-	(2,581.94)
- Tax on Dividend	-	-	-	-	-	-	-	-
<b>Balance as on 31.03.2022</b>	105.66	61,204.07	1,19,033.62	68,849.20	(25,192.44)	1.44	2,500.00	<b>2,26,501.55</b>

As per our report of even date attached

For and on behalf of the Board of Directors

**For SUNDARAM & SRINIVASAN,**  
Chartered Accountants  
Firm Registration Number: 004207S

Sd/-

**CA. P MENAKSHI SUNDARAM**  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)

Sd/-

**ANIL JERATH**  
Director (Finance)  
(DIN 09543904)

Sd/-

**AMIT BANERJEE**  
Chairman & Managing Director  
(DIN 08783660)

Sd/-

**S V RAVI SEKHAR RAO**  
Company Secretary

Date: 27-05-2022

## Notes forming part of Financial Statements

## Note 3 : Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment					Net Carrying value		
	As at 01.04.2021	Additions during the year	Deduction/ Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2022	As at 01.04.2021	For the Year	Deduction/ Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land												
Free Hold	1,633.62	72.69	(76.33)	-	1,629.98	0.01	(0.01)	-	-	-	1,629.98	1,633.61
Lease Hold	8,039.15	-	(632.14)	-	7,407.01	194.42	32.33	(92.67)	-	134.08	7,272.93	7,844.73
Buildings	15,781.03	245.49	(57.60)	-	15,968.92	3,909.49	568.80	(11.68)	-	4,466.61	11,502.32	11,871.54
Plant and Equipment	44,595.85	1,299.68	(91.12)	-	45,804.41	17,095.96	3,397.66	(90.84)	-	20,402.78	25,401.63	27,499.89
Furniture and Fixtures	776.83	24.76	0.83	-	802.42	460.29	58.48	(1.88)	-	516.90	285.53	316.54
Vehicles												
Given on Lease	439.95	429.76	(74.59)	-	795.12	153.44	90.15	(53.38)	-	190.21	604.91	286.51
Own Use	1,826.01	213.77	(716.36)	-	1,323.42	649.04	165.08	(322.72)	-	491.40	832.02	1,176.97
Office Equipment	588.66	51.77	8.62	-	649.05	338.83	83.40	(1.48)	-	420.75	228.30	249.83
Roads and Drains	1,832.97	27.68	0.15	-	1,860.80	1,586.35	60.34	-	-	1,646.69	214.12	246.62
Water Supply Installations	376.85	-	-	-	376.85	119.54	21.88	-	-	141.42	235.43	257.31
Railway sidings	886.40	125.00	-	-	1,011.40	537.02	68.59	-	-	605.61	405.79	349.38
Electrical Installation	2,481.66	26.83	(5.31)	-	2,503.19	1,412.61	248.55	(1.14)	-	1,660.03	843.16	1,069.05
Jigs and Fixtures	2,751.97	147.22	(131.60)	-	2,767.59	2,413.46	160.38	(10.43)	-	2,563.41	204.18	338.51
Special Tools	2,331.74	361.36	(6.45)	-	2,686.65	1,858.27	284.61	-	-	2,142.88	543.78	473.47
Computers and Data processing units	2,799.74	482.87	(45.38)	-	3,237.23	1,479.30	470.23	(30.37)	-	1,919.16	1,318.08	1,320.44
<b>Total</b>	<b>87,142.43</b>	<b>3,508.89</b>	<b>(1,827.27)</b>	<b>-</b>	<b>88,824.05</b>	<b>32,208.03</b>	<b>5,710.46</b>	<b>(616.58)</b>	<b>-</b>	<b>37,301.91</b>	<b>51,522.14</b>	<b>54,934.40</b>
Previous Year	82,362.83	5,244.09	(464.49)	-	87,142.43	26,425.51	6,006.31	(223.79)	-	32,208.03	54,934.40	55,937.31

## Note 3A: Right of use Assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment					Net Carrying value		
	As at 01.04.2021	Additions during the year	Deduction/ Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2022	As at 01.04.2021	For the Year	Deduction/ Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
ROU Assets												
Buildings	984.39	269.35	(159.06)	-	1,094.68	222.21	112.89	(71.65)	-	263.46	831.22	762.18
<b>Total Right of use Assets</b>	<b>984.39</b>	<b>269.35</b>	<b>(159.06)</b>	<b>-</b>	<b>1,094.68</b>	<b>222.21</b>	<b>112.89</b>	<b>(71.65)</b>	<b>-</b>	<b>263.46</b>	<b>831.22</b>	<b>762.18</b>
Previous Year	984.39	-	-	-	984.39	109.80	112.41	-	-	222.21	762.18	874.59

A. Carrying value of vehicles (own use) includes equipment offered to customers for trials on No Cost No Commitment (NCNC) basis ₹510.76 Lakhs (Previous Year - ₹1046.80 Lakhs).

**B. Property, Plant and Equipment**

- i) Buildings include carrying value of building at Ranchi pending registration/khatha transfer at ₹10.87 Lakhs (Previous Year ₹11.25 lakhs)
- ii) The Company has taken land measuring 1109 acres and two workshops on lease for a period of 10 years vide Lease Agreement dated

5<sup>th</sup> May 2004, w.e.f. 28.04.2004 from M/s Bharat Gold Mines Limited (BGML) (A Company under orders of winding up by BIFR), and a sum of ₹100 Lakhs was paid as non-refundable deposit, (included under Other non-current assets (Note no.11)). As per the terms of the Lease agreement, this deposit shall be adjusted against the outright sale/transfer of ownership that may be fixed for the property and lessee shall be free to construct new building/alter the existing building/lay roads/fence the land in the interest of furthering its business to suit its use and on expiry of the lease the



said building shall vest with the lessor on payment of consideration based on value prevailing on the date of handing over of the property. The Company had incurred on the above land a sum of ₹1452.95 lakhs (with carrying value - ₹814.27 Lakhs) on Buildings (Previous Year - ₹859.05 lakhs) included in Property, Plant and Equipment as at year end. Vide order dated 09.07.2013, the Hon'ble Supreme Court of India upheld the decision of the Union Government to float a global tender of BGML assets with an observation about the existence of sub-lease of a portion of the land to BEML Ltd expiring on 28.04.2014 to be included in the tender documents. The Company filed an Interlocutory application before the Hon'ble Supreme Court of India, praying for exclusion of land leased to BEML from the purview of global tender, which was dismissed. Since the lease agreement provides for the continuation of the lease even after the expiry of lease period on 28.04.2014 till the final decision of the Company/Government in this regard, the operations of the company on the above land is continued. Appropriate accounting action will be considered based on the outcome of the tender process.

Meanwhile, BEML has proposed to surrender 1080.65 Acres out of 1109 Acres of land to BGML and to enter into a fresh lease agreement for the balance operational area of 28.35 Acres. However, BGML has offered BEML to outrightly purchase the land of 28.35 acres at mutually agreed price. The matter is under discussion between BGML and BEML.

- iii) Lease-hold Land includes land allotted by Kerala Industrial Infrastructure Development Corporation (KIIDC) measuring 374.59 acres for a lease premium of ₹2547.21 Lakhs (Previous Year - ₹2547.21 Lakhs) for 99 years lease period with effect from 01.07.2009. The actual land handed over by KIIDC was measuring 374.16 acres and the revised lease premium payable is ₹2544.29 Lakhs only, excluding Service tax of ₹273.56 lakhs.

During the year FY 2021-22, out of 374.16 acres, land measuring 226.21 acres has been mutually agreed to be surrendered by BEML to KIIDC and to enter into fresh lease agreement for the balance portion of 147.95 acres. The matter is under active consideration. Service tax of ₹273.56 lakhs has been waived off by KIIDC, hence the capitalized value of the land has been reduced accordingly.

- iv) Lease-hold Land includes land measuring 101175.92 Sq. Mtrs taken on perpetual lease from KIADB (Bengaluru Aerospace, SEZ Park) at a cost of ₹5126.00 Lakhs (Previous Year - ₹5126.00 Lakhs).
- v) Lease-hold land of 4706 Sqm at Hyderabad allotted by TSIIC in July 2006 at ₹129.41 lakhs for the development of showroom, has been surrendered back to TSIIC vide Deed of Cancellation dated 21st March 2022. TSIIC has refunded the cost of ₹129.41 lakhs to BEML in March 2022 and accordingly the said land has been decapitalized. No penalty has been imposed by TSIIC. Further, 7092 Sqm of operational land with a value of ₹212.53 lakhs which was incorrectly classified as Leasehold Land has been re-classified as Freehold land.
- vi) No Provision considered necessary for impairment of assets as the realizable value of assets technically assessed is more than the carrying cost of these assets.
- vii) Free Hold Land includes additional compensation amount paid to KIADB amounting to ₹183 Lakhs for which title deeds have to be obtained from KIADB and Registration is under process. As per the Karnataka High Court Vide Order dated 11.02.2021, BEML has made total payment of ₹667.56 Lakhs on 28.05.2021, which includes interest amount of ₹484.56 Lakhs.
- viii) Free Hold Land measuring 3.647 acres of land, surrendered to BBMP against TDR (at cost) is ₹4.58 Lakhs. Free Hold Land measuring 1.937 acres of land surrendered to BBMP for which TDR yet to be received (at cost) is ₹2.43 Lakhs.

- Above TDR will be utilised for further construction.
- ix) Company has completed the process of obtaining documents in respect of Flat at Roshan Camp, Chennai and Office building at Nagpur. Company has taken action to obtain title documents in respect of flat at Ashadeep, New Delhi - ₹2.80 Lakhs.
- x) The company has initiated legal action to obtain possession of 1.88 acres of Land out of 5 acres at Tatisilwai, Arra village, Ranchi.
- xi) For details of property, plant and equipment hypothecated by way of a first charge against borrowings and other facilities availed, refer Note no. 20 and 24
- xii) For information on estimated capital contracts pertaining to the acquisition of property, plant and equipment, refer Note no. 39 D II a.
- xiii) Free hold at KGF does not include 114 Acres which is under reconciliation with DC, Kolar.
- xiv) In EM division- KGF, Freehold land measuring 9 Acres valuing ₹70.86 Lakhs have been capitalized during the year for Wind Mill project at Dammur Village, Karnataka.
- C. Amount of borrowing cost capitalised on addition of assets during the year is as under:**
- Plant & Machinery ₹NIL Lakhs
- D.** Since there is no investment property in the Company as on 31.03.2022, fair value of investment property is Nil (Previous Year - Nil)
- E. Non current assets held for demerger not included in PPE:**
- 1) Land carrying value 304.39 Lakhs
- 2) Building carrying value 45.78 Lakhs
- Total 350.17 Lakhs**

#### F. Title deeds of Immovable Properties not held in name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in Lakhs)	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
Property, Plant & Equipment	<b>Building</b>					
	Flat at Sarovar Enclave, Ranchi	10.87	Ranchi Planners Cooperative Housing Society	No	23.12.1987	Under dispute with state authorities.
	Flat at Ashadeep, Delhi	2.80		No	01.05.1977	Obtaining Title deeds in the name of the company is under progress.
	<b>Land</b>					
	Land at Mysore	183.00		No	01.03.1985	Possession certificate is in the name of BEML, execution of sale deed is under process.
	Land at Tatisilwai, Arra village, Ranchi	16.07		No	01.03.1988	Under dispute with state authorities.

There has been no revaluation of Property, Plant and Equipment .

**Note 4: Capital work-in-progress**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Building	<b>87.28</b>	134.26
Machinery	<b>358.83</b>	576.92
Others	<b>145.38</b>	168.80
<b>Total</b>	<b>591.50</b>	879.98

**Capital work in progress (CWIP) - As at 31 March 2022**
**a) Ageing Schedule for Capital-work-in progress:**

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Projects in progress	324.00	38.78	-	39.66	<b>402.44</b>
Projects temporarily suspended	-	-	-	189.06	<b>189.06</b>
<b>Total</b>	<b>324.00</b>	<b>38.78</b>	-	<b>228.72</b>	<b>591.50</b>

**b) Capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:**

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Panel Painting Hangar/Shed (L-2)	-	-	-	39.66	<b>39.66</b>
<b>Total</b>	-	-	-	<b>39.66</b>	<b>39.66</b>

**c) Capital-work-in progress completion schedule:**

(₹ in Lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Panel Painting Hangar/Shed (L-2)	39.66	-	-	-	<b>39.66</b>
<b>Total</b>	<b>39.66</b>	-	-	-	<b>39.66</b>

**Capital work in progress (CWIP) - As at 31 March 2021**
**a) Ageing Schedule for Capital-work-in progress:**

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Projects in progress	478.20	35.54	3.42	2.20	<b>519.36</b>
Projects temporarily suspended	-	-	-	360.62	<b>360.62</b>
<b>Total</b>	<b>478.20</b>	<b>35.54</b>	<b>3.42</b>	<b>362.82</b>	<b>879.98</b>

**b) Capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:**

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Panel Painting Hangar/Shed (L-2)	-	-	-	90.77	<b>90.77</b>
<b>Total</b>	-	-	-	<b>90.77</b>	<b>90.77</b>

**Note 5: Intangible asset**

(₹ in Lakhs)

Particulars	Gross carrying value					Accumulated depreciation and impairment					Net Carrying value		
	As at 01.04.2021	Additions during the year	Deduction/ Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2022	As at 01.04.2021	For the Year	Deduction/ Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021	
Computer software	2,947.99	117.84	0.09	-	3,065.92	2,007.33	317.91	0.08	-	2,325.32	740.61	940.67	
Technical Know how	5,771.17	-	-	-	5,771.17	3,268.47	465.38	-	-	3,733.85	2,037.32	2,502.70	
TDR against Land	7.01	-	-	-	7.01	-	-	-	-	-	7.01	7.01	
<b>Total</b>	<b>8,726.17</b>	<b>117.84</b>	<b>0.09</b>	<b>-</b>	<b>8,844.10</b>	<b>5,275.80</b>	<b>783.29</b>	<b>0.08</b>	<b>-</b>	<b>6,059.17</b>	<b>2,784.93</b>	<b>3,450.38</b>	
Previous Year	8,607.58	118.59	-	-	8,726.17	4,326.38	949.55	(0.14)	-	5,275.79	3,450.38	4,281.20	

**Note 6: Intangible assets under development (internally generated)**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Transfer of Technology for CABIN	<b>789.80</b>	503.46
<b>Total</b>	<b>789.80</b>	503.46

**Intangible assets under development - As at 31 March 2022****a) Ageing Schedule for intangibles under development:**

(₹ in Lakhs)

Intangibles under development	Amount of Intangible asset under development for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Projects in progress		789.80			<b>789.80</b>
Projects temporarily suspended					-
<b>Total</b>	-	<b>789.80</b>	-	-	<b>789.80</b>

**Intangible assets under development - As at 31 March 2021****a) Ageing Schedule for intangibles under development:**

(₹ in Lakhs)

Intangibles under development	Amount of Intangible asset under development for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Transfer of Technology for CABIN & Email System	503.46				<b>503.46</b>
Projects temporarily suspended					-
<b>Total</b>	<b>503.46</b>	-	-	-	<b>503.46</b>

**Note 7: Non-current Investments**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Investments in equity instruments - unquoted at cost In Equity Shares of Subsidiary Companies:</b>		
In Vignyan Industries Limited, 2,69,376 fully paid up Equity Shares of ₹100 each	252.60	252.60
In MAMC Industries Limited, Kolkata, 50,000 fully paid up Equity Shares of ₹10 each [refer Note no. 11(a)]	5.00	5.00
In BEML Land Assets Limited	1.00	-
	<b>258.60</b>	257.60
<b>In Equity Shares of Joint Venture Company:</b>		
In BEML Midwest Ltd., 54,22,500 fully paid up Equity shares of ₹10 each	542.25	542.25
Less: Allowance for impairment of investment	(542.25)	(542.25)
	-	-
<b>Investment in Ordinary Shares of Co-operative Societies - unquoted at cost</b>		
In BEML Consumer Co-operative Society Ltd, KGF, 250 fully paid up shares of ₹10 each	0.03	0.03
In Gulmohar Mansion Apartments Co-operative Housing Society Limited, Bengaluru, 10 fully paid up shares of ₹100 each.	0.01	0.01
In Twin Star Co-operative Housing Society Ltd, Bombay, 5 fully paid up shares of ₹50 each.	-	-
	<b>0.04</b>	0.04
	<b>258.64</b>	257.64

**Ind AS 28 (Investments in Associates and Joint Ventures)**

Names of Joint Ventures	Nature	% holding	Country of Incorporation
BEML Midwest Limited	Jointly Controlled Entity	45.00	India

- BEML along with Midwest Granite Private Limited formed a joint venture company in 2007 to conduct excavation and extraction of mineral resources. The agreement was signed in September 2005 whereby BEML has a 45% share in the operations of the joint venture and the remaining 55% is held by Midwest Granite Private Limited.
- The Joint Venture Company BEML Midwest Ltd has not prepared its financial statements as at 31st March, 2022 due to litigation pending before National Company Law Tribunal. Hence, disclosure requirements under Ind AS-28 (Investments in Associates and Joint Ventures) could not be complied with. In the absence of financial statements of the JV, the same has not been consolidated with BEML financial statements.
- For demerger of surplus assets of BEML, a wholly owned subsidiary- BEML Land Assets Limited (BLAL), was incorporated on 15-07-2021. Scheme of arrangement for demerger of surplus/non-core assets from BEML to BLAL has been cleared by Stock Exchanges viz., BSE & NSE. The Scheme of arrangement of demerger has also been approved by Shareholders and Creditors (both Secured and Un-secured) of BEML. The approval of Scheme of Arrangement of demerger is under process in line with the guidelines of Ministry of Corporate Affairs, Govt. of India.
- As per CCEA approval dtd 8th September 2021, M/s Vignyan Industries Ltd, a subsidiary of BEML is under Voluntary Liquidation and Official Liquidator has been appointed on 11.10.2021. Movable assets have been disposed off and disposal of immovable assets is in progress. Dues of employees of VIL have been settled. As on 31.03.2022 there are no employees on the rolls of VIL.



In respect of BEML Brazil Industrial Ltda., (an associate) the company has written to RBI through authorized dealer SBI, Overseas Branch, Bengaluru for closure of its Unique Identification Number (UIN).

### The movement in the allowance for impairment of investment is as follows:

(₹ in Lakhs)

Particulars	2021-22	2020-21
Balance at the beginning of the year	542.25	542.25
Impairment losses recognised	-	-
Written off during the year	-	-
Credited to profit or loss	-	-
Transfers	-	-
Balance at the end of the year	542.25	542.25

### Note 8: Non-Current - Loans

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Unsecured, considered good</b>		
Lease Deposits	12.11	10.99
Inter Corporate Loan	-	-
<b>Total</b>	<b>12.11</b>	<b>10.99</b>

Lease deposits represent deposits paid as security for office space and flats taken on rent.

### Note 9: Non-current - Other financial assets

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposit with Customers	-	-
Deposit with service providers	62.54	45.64
<b>Total</b>	<b>62.54</b>	<b>45.64</b>

### Note 10: Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Deferred Tax Liabilities (DTL)</b>		
Property, plant and equipment	4,973.39	4,469.64
<b>Total DTL (A)</b>	<b>4,973.39</b>	<b>4,469.64</b>
<b>Deferred Tax Assets (DTA)</b>		
Timing differences under the Income Tax Act, 1961	21,336.17	24,193.44
<b>Total DTA (B)</b>	<b>21,336.17</b>	<b>24,193.44</b>
<b>Net Total (B-A)</b>	<b>16,362.78</b>	<b>19,723.80</b>

### Note 10: Income taxes

The substantively enacted tax rate as on 31 March 2022 is 34.94% and as on 31 March 2021 was 34.94% for deferred tax purposes.

#### a) Amount recognised in profit or loss

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current tax expense:</b>		
Current tax	<b>4,484.52</b>	3,263.01
MAT credit entitlement	<b>(967.33)</b>	-
Adjustment of tax related to earlier years	-	-
	<b>3,517.19</b>	3,263.01
<b>Deferred tax (income)/expense:</b>		
Origination and reversal of temporary differences	<b>3,597.65</b>	(1,461.59)
<b>Total deferred tax (income)/expense</b>	<b>3,597.65</b>	(1,461.59)
<b>Tax expense</b>	<b>7,114.84</b>	1,801.42

#### b) Amount recognised in OCI

(₹ in Lakhs)

Particulars	31 March 2022			31 March 2021		
	Before Tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Re-measurement (losses)/gains on post employment defined benefit plans	<b>(2,885.25)</b>	236.62	<b>(2,648.63)</b>	(8,129.59)	570.97	(7,558.62)
<b>Total</b>	<b>(2,885.25)</b>	236.62	<b>(2,648.63)</b>	(8,129.59)	570.97	(7,558.62)

#### c) Reconciliation of effective income tax rate

Particulars	31 March 2022		31 March 2021	
	Rate	Amount (₹ in Lakhs)	Rate	Amount (₹ in Lakhs)
Profit before tax from continuing operation		<b>20,574.05</b>		9,281.42
Tax using the company's domestic tax rate (Income tax)	<b>34.94%</b>	<b>7,189.40</b>	34.94%	3,243.30
<b>Tax effect of:</b>				
Carry Forward Loss	<b>0.00%</b>	-	-7.90%	(733.07)
Weighted Deduction for R and D Expenditure	<b>-0.47%</b>	<b>(96.48)</b>	-1.71%	(158.79)
Non deductible expenses	<b>-15.74%</b>	<b>(3,237.70)</b>	8.16%	757.00
Minimum Alternate Tax	<b>-1.64%</b>	<b>(338.02)</b>	1.67%	154.57
Tax incentive	<b>0.00%</b>	-		-
Deferred tax	<b>17.49%</b>	<b>3,597.65</b>	-15.75%	(1,461.59)
<b>Total income tax expense for the year</b>	<b>34.58%</b>	<b>7,114.84</b>	19.41%	1,801.42

## d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As on 1st April 2020	Recognised in profit or loss during 2020-21	As at 31 March 2021	Recognised in profit or loss during 2021-22	As at 31 March 2022
Property, plant and equipment	(4,030.31)	(439.33)	(4,469.64)	(503.75)	(4,973.39)
Allowance for doubtful trade receivables	11,261.68	2,647.36	13,909.04	(1,739.88)	12,169.16
Allowance for impairment of Investments	-	189.48	189.48	-	189.48
Provision for Property Tax	124.93	-	124.93	-	124.93
Provision for Gratuity	-	-	-	-	-
Provision for Leave Salary	5,363.15	(133.82)	5,229.33	164.19	5,393.52
Provision for Performance Related Pay	-	-	-	-	-
Provision for Contributory medical Scheme	1,967.06	(107.69)	1,859.37	(529.82)	1,329.55
Provision for Pension	-	-	-	-	-
Provision for wage revision	-	-	-	-	-
Provision for pending legal cases	4.12	741.42	745.54	(709.06)	36.48
Provision for Onerous Contract	-	1.87	1.87	5.42	7.29
Provision for Unpaid Expenditure	253.63	(201.75)	51.88	260.36	312.24
DTA related to Carry forward Loss FY 2019-20	1,235.95	(1,235.95)	-	-	-
MAT Credit related to prior period	4,075.77	(3,108.44)	967.33	(545.11)	422.22
DTA related to Provision for Gratuity & Contributory Medical Scheme (OCI)	543.70	570.98	1,114.68	236.62	1,351.30
<b>Net deferred tax assets/(liabilities)</b>	<b>20,799.68</b>	<b>(1,075.87)</b>	<b>19,723.80</b>	<b>(3,361.03)</b>	<b>16,362.78</b>

## e) Unrecognised deferred tax assets

Deferred tax asset has not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the deductible temporary difference can be utilised.

(₹ in Lakhs)

Particulars	31 March 2022		31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences not expected to be utilised	-	-	-	-
Tax losses	-	-	-	-
	-	-	-	-

### f) Tax losses carried forward

Unrecognised tax losses carried forward expire as follows:

(₹ in Lakhs)

Particulars	31 March 2022	Expiry date	31 March 2021	Expiry date
<b>Expire</b>				
Carry forward business loss	-		-	
Carry forward business loss	-		-	
<b>Never expire</b>				
Unabsorbed depreciation	-		-	
	-		-	

### A) Adoption of Income Tax Rates

The Ministry of Law & Justice, Govt. of India vide Gazette notification dated 20.09.2019 introduced section 115BAA with an option to choose revised Tax structure applicable w.e.f 01.04.2019 to Domestic Companies without claiming specific deductions u/s 35(2AB), deduction under Chapter-VIA, MAT Credit benefits, Carry Forward Business Losses, Additional Depreciation u/s 32(1)(ia) and other deductions as specified in the said section.

Based on the internal assessment, the Company has decided not to adopt the option u/s 115BAA. However, the same will be reviewed before filing the Annual Tax Return for FY 2021-22.

### Note 11: Other non-current assets

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances	121.55	158.09
Less: Allowance for doubtful Capital Advances	(21.55)	(21.55)
Advances to Related Parties - MAMC [refer Note no.39 (C)(ii)]	603.66	603.36
Advance MAMC consortium [see note (a) below]	6,827.18	6,487.40
Employee Advance	207.01	191.66
Prepayments	68.97	72.29
Gold coins on Hand	10.11	10.11
<b>Total</b>	<b>7,816.93</b>	7,501.37
<b>Due by officers of the company</b>	<b>0.67</b>	6.83

a. The Company has entered into a Consortium Agreement (MAMC Consortium) with M/s Coal India Limited (CIL) and M/s Damodar Valley Corporation (DVC) on 08.06.2010 for acquiring specified assets of M/s Mining and Allied Machinery Corporation Limited (under liquidation). The agreement,

inter-alia, provided for formation of a Joint Venture company with a shareholding pattern of 48:26:26 among BEML, CIL and DVC respectively. The Company has paid the proportionate share of ₹4800.00 Lakhs towards the total bid consideration of ₹10000.00 Lakhs towards the said acquisition,

based on the order passed by the Hon'ble High Court of Calcutta. The said assets are taken possession by the MAMC Consortium. Further, the Company has incurred a sum of ₹2027.18 Lakhs (Previous Year - ₹1687.40 Lakhs) towards maintenance, security and other related expenditure. The expenditure incurred by CIL and DVC on account of this proposal is not ascertained. The total sum of ₹6827.18 Lakhs (Previous Year - ₹6487.40 Lakhs) is disclosed as 'Advance to MAMC consortium', pending allotment of equity shares in the capital of the JV company. Since the company intends to treat this as a long term investment, no independent valuation of the assets taken over has been done and the diminution in value of investments, if any, can be ascertained only

after the formulation of business plan and approval of shareholders' agreement from MOD which is being pursued.

Further, a company in the name of 'MAMC Industries Limited' (MIL) was formed and incorporated as a wholly-owned subsidiary company for the intended purpose of JV formation. Shareholders' agreement, as duly approved by the Boards of all the three members of the consortium, has been submitted to Ministry of Defence for necessary approval. After obtaining the said approval, MIL, would be converted into a JV Company. The Company has advanced a sum of ₹603.66 Lakhs (Previous Year - ₹603.35 Lakhs) on account of MIL, which is included under the head 'Advances to related parties'

#### Note 12: Inventories (Lower of Cost and Net realisable value)

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials & Components	<b>77,991.83</b>	49,825.23
Less: Allowance for obsolescence - Raw Material	<b>(2,410.07)</b>	(2,026.18)
Raw materials & Components in Transit	<b>1,067.38</b>	2,843.71
Stores and Spares	<b>1,994.88</b>	1,923.90
Work-in-Progress	<b>78,398.87</b>	86,764.91
Less: Allowance for obsolescence - WIP	<b>(1,383.89)</b>	(1,372.75)
Finished Goods	<b>20,857.62</b>	28,869.71
Less: Allowance for obsolescence - Finished Goods	<b>(1,909.46)</b>	(1,822.54)
Finished Goods in Transit	<b>1,929.40</b>	353.43
Less: Allowance for obsolescence - Finished Goods in transit	-	-
Stock of Spares	<b>31,845.17</b>	33,757.08
Less: Allowance for obsolescence - Stock of Spares	<b>(4,653.62)</b>	(4,679.55)
Less: Allowance for shortages - Stock of Spares	<b>(38.83)</b>	(1,012.78)
Stock of Spares in Transit	<b>70.88</b>	116.85
Hand tools	<b>2,213.87</b>	2,108.86
Scrap	<b>1,310.75</b>	1,414.87
<b>Total</b>	<b>2,07,284.77</b>	1,97,064.75



- a. Raw materials & Components include materials lying with sub contractors ₹2783.11 Lakhs (Previous Year - ₹2547.25 Lakhs). Of these, confirmation from the parties is awaited for ₹214.86 Lakhs (Previous Year - ₹454.82 Lakhs).
- b. The closing stock of work-in-progress and finished goods are stated at lower of standard cost, which approximates to actuals, and net realisable value. The difference between the actual cost of production and the standard cost is not material.
- c. Variances arising on account of difference between standard cost and the actual cost, on account of change in the nature of inputs from bought-out to internally manufactured or vice versa, timing difference between standard cost and actual occurrence during the financial period and fluctuations in the material prices, is adjusted in the cost of production in order not to carry forward the period variances to subsequent financial period.
- d. Allowance towards obsolescence is made as per the Board approved provisioning norms and is based on ageing of inventory.
- e. Board has approved new norms for obsolescence provision for R&D and Collaborator model Equipment from FY 2021-22 which are in Inventory for 5 years or more. The impact of providing obsolescence provision as per new norms in FY 2021-22 is ₹15.71 lakhs.

### Note 13: Current Investments

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
In Quotas of Foreign Subsidiary - unquoted at cost		
Investments in Quotas in BEML Brazil Industrial Ltda., 99.98% of the quotas held by BEML and balance held by the nominees of BEML.	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

In respect of BEML Brazil Industrial Ltda, an associate, the company has written to RBI through authorized dealer SBI, Overseas Branch, Bengaluru for closure of its Unique Identification Number (UIN).

### Note 14: Trade receivables

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Unsecured</b>		
Outstanding for period exceeding six months *	<b>37,728.18</b>	55,134.65
Others	<b>1,71,932.42</b>	1,62,195.66
<b>Sub-Total</b>	<b>2,09,660.59</b>	2,17,330.31
Allowance for Expected Credit Loss	<b>(23,524.48)</b>	(28,879.40)
<b>Total</b>	<b>1,86,136.11</b>	1,88,450.91

## Trade Receivable ageing schedule - As at 31 March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	87644.32	84288.09	10241.53	6544.60	4750.72	13150.61	206619.87
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	3040.72	3040.72
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
<b>Sub - total</b>	<b>87644.32</b>	<b>84288.09</b>	<b>10241.53</b>	<b>6544.60</b>	<b>4750.72</b>	<b>16191.33</b>	<b>209660.59</b>
(vii) Provisions	634.27	2614.51	1550.65	2764.12	2937.05	13023.88	23524.48
<b>Net Trade Receivables</b>	<b>87010.06</b>	<b>81673.58</b>	<b>8690.88</b>	<b>3780.48</b>	<b>1813.67</b>	<b>3167.45</b>	<b>186136.11</b>

## Trade Receivable ageing schedule - As at 31 March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	67669.80	94525.86	8675.15	6468.91	5103.56	31845.77	214289.05
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	3041.26	3041.26
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
<b>Sub - total</b>	<b>67669.80</b>	<b>94525.86</b>	<b>8675.15</b>	<b>6468.91</b>	<b>5103.56</b>	<b>34887.03</b>	<b>217330.31</b>
(vii) Provisions							28879.40
<b>Net Trade Receivables</b>							<b>188450.91</b>

For recognition of impairment provision, Expected Credit Loss has been created during the year on the Trade Receivables using simplified approach as per Ind AS 109.

**The movement in the allowance for bad and doubtful trade receivables/Expected credit loss is as follows:** (₹ in Lakhs)

Particulars	2021-22	2020-21
Balance at the beginning of the year	<b>28,879.40</b>	22,509.24
Expected Credit loss recognised	<b>9,632.27</b>	9,008.97
Written off during the year	<b>(14,247.20)</b>	(2,638.81)
Credited to profit or loss	<b>(285.59)</b>	-
Transfers to allowance for doubtful claims (note 18)	<b>(454.40)</b>	-
<b>Balance at the end of the year</b>	<b>23,524.48</b>	28,879.40

**Note 14a: Contract Assets** (₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Rail & Metro	<b>58,326.53</b>	62,662.45
Mining & Construction	-	-
Defence	<b>890.74</b>	768.27
<b>Total</b>	<b>59,217.26</b>	63,430.72

**Note 15: Cash and cash equivalents** (₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks	<b>1,644.46</b>	438.86
<b>Total</b>	<b>1,644.46</b>	438.86

**Note 15a: Bank Balance Other than (Note 15) above** (₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks - Unclaimed/Unpaid Dividend	<b>1,016.49</b>	87.52
FDR maturity beyond 3 months	<b>177.45</b>	-
Cash on hand	-	-
<b>Total</b>	<b>1,193.94</b>	87.52

- The Company earns no interest on balances with banks in current accounts.
- Balances with banks include the following on which there were restrictions placed on use and/or held on behalf of third parties:
  - ESCROW account balance to be distributed among consortium members ₹341.74 Lakhs (Previous Year - ₹329.22 Lakhs)
- Out of the Cash Credit Limit of ₹120000 Lakhs sanctioned to the company by Consortium Bankers, the amount drawn by the company as on 31<sup>st</sup> March 2022 is ₹54324.40 Lakhs (Previous Year ₹54184.87 Lakhs)

- d. Unpaid Dividend Balance includes TDS of ₹54.78 lakhs
- e. The Board of Directors had approved an Interim Dividend of ₹5.00 per equity share i.e., 50% on equity shares of ₹10 each on 22.03.2022 which has been paid to Government of India on 31.03.2022 and other eligible shareholders were paid during April 2022.
- f. FDR includes ₹129.41 Lakhs being proceeds from surrender of 4706 Sqm of Lease hold land at Hyderabad to TSIIC and ₹48.04 Lakhs against vendor dues forming part of Short Term Deposit.
- g. For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks	<b>1,644.46</b>	438.86
Balances with Banks - Unclaimed/Unpaid Dividend	-	87.52
FDR maturity beyond 3 months	-	-
Cash on hand	-	-
Less: Bank overdraft/Cash credit facility	<b>(54,324.40)</b>	(54,184.87)
<b>Total</b>	<b>(52,679.94)</b>	(53,658.49)

For an understanding of the Company's cash management policies, refer Note no.39 L (ii) on liquidity risk.

**Note 16: Current Loans**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Unsecured, considered good</b>		
Lease Deposits	-	-
Inter Corporate Loan	-	-
<b>Secured Loans</b>		
Loan to subsidiary - VIL	<b>1,580.23</b>	1,178.63
Interest Accrued on loan to subsidiary (secured against first charge on VIL Land (Factory, Helipad and Office Quarters))	<b>99.54</b>	5.51
<b>Total</b>	<b>1,679.77</b>	1,184.14

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Related Parties - Subsidiary	1,580.23	100%

**Note 17: Current - Other financial assets**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposit with Customers	<b>103.39</b>	107.39
Earnest Money Deposit	<b>47.33</b>	58.33
Deposit with service providers	<b>372.09</b>	379.25
Interest accrued on bank deposits	<b>0.01</b>	-
<b>Total</b>	<b>522.82</b>	544.97

For an understanding of the Company's derivative transactions, refer Note no. 39N on derivatives.

**Note 17a: Current tax assets (Net)**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance Income Tax	<b>1,000.00</b>	-
Income Tax Refund	<b>2,056.00</b>	2,533.40
Tax Deducted at Source	<b>509.99</b>	270.87
<b>Total</b>	<b>3,565.99</b>	2,804.27

**Note 18: Other Current Assets**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances to Related Parties	<b>135.51</b>	135.51
Less: Allowance for doubtful advances to Vendors	<b>(135.51)</b>	(135.51)
Advances to Related Parties - BLAL	<b>0.69</b>	-
Balances with Public Utility concerns	<b>628.88</b>	656.77
Less: Allowance for doubtful Balances with Public Utility concerns	<b>(165.91)</b>	(165.39)
Balances with Govt. departments for Customs Duty, Excise Duty, GST etc.,	<b>112.43</b>	94.84
Advance to Vendors	<b>14,907.33</b>	20,753.58
Less: Allowance for doubtful advances to Vendors	<b>(3,546.42)</b>	(3,673.78)
Employee Advance	<b>270.44</b>	261.22
Duties and Taxes	<b>2,288.85</b>	3,176.56
Indirect Taxes - Pre GST	-	-
Less: Allowance for doubtful Indirect Taxes-GST	-	-
Indirect Taxes -GST	<b>2,231.38</b>	1,953.22
Prepayments	<b>1,774.27</b>	1,680.85
Claims receivable	<b>10,944.85</b>	13,402.54
Less: Allowance for doubtful claims	<b>(7,451.95)</b>	(6,949.71)
GST on stock transfers	<b>1,232.87</b>	688.32
<b>Total</b>	<b>23,227.69</b>	31,879.02
<b>Due by Officers of the Company</b>	<b>26.57</b>	25.42

**Note 19: Equity share capital**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
<b>Authorised :</b>				
Equity Shares of ₹10 each	100000000	10,000.00	100000000	10,000.00
<b>Issued :</b>				
Equity Shares of ₹10 each	41900000	4,190.00	41900000	4,190.00
<b>Subscribed :</b>				
Equity Shares of ₹10 each	41644500	4,164.45	41644500	4,164.45
<b>Paid-up :</b>				
Equity Shares of ₹10 each, fully paid-up	41644500	4,164.45	41644500	4,164.45
<b>Forfeited Shares (amount originally paid) :</b>				
Equity Shares of Paid-up value ₹5 each	255500	12.77	255500	12.77
<b>Total</b>		<b>4,177.22</b>		<b>4,177.22</b>

**Rights and restrictions attached to equity shares**

The company has only one class of share, i.e., equity shares having the face value of ₹10 per share. Each holder of equity share is entitled to one vote per share. Dividend is paid in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, equity shareholders will be entitled to receive remaining assets of the Company after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

**Reconciliation of shares outstanding at the beginning and at the end of the period :**

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Outstanding as at Opening Date	4,16,44,500	4,164.45	4,16,44,500	4,164.45
Add: Issued during the period	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	4,16,44,500	4,164.45	4,16,44,500	4,164.45

Equity Shares held by shareholders having 5% or more	As at 31 March 2022		As at 31 March 2021	
	Name of the shareholder	No. of Shares	% held	No. of Shares
President of India	2,25,00,000	54.03	2,25,00,000	54.03
HDFC Trustee Company Limited	30,30,319	7.28	36,73,834	8.82



No shares of the Company is held by its subsidiaries. The Company does not have any holding company.

No shares of the Company is reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

The Board of Directors had approved an Interim Dividend of ₹5.00 per equity share i.e., 50% on equity shares of ₹10 each on 22.03.2022 which is paid to Government of India on 31.03.2022 and other eligible shareholders was paid during April 2022.

Shares held by promoters at the end of the year		As at 31 <sup>st</sup> March 2022		% Change during the year
Sl. No.	Promoters Name	No. of Shares	% of total shares	NIL
1	President of India	2,25,00,000	54.03	

### Note 20: Non-current Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-Current	Current	Non-Current	Current
<b>Debentures</b>				
Secured Redeemable Non-convertible Debentures, secured by exclusive first charge on the property bearing No. 23/1, Municipal No. 23, PID No.77-01-23/1, formed in Survey No. 47, 48/1 & 48/2, situated at Sampangirama Nagar, Bengaluru measuring 1,00,370 sq. ft. together with all the buildings & structure, fixtures & fittings etc. (BEML Soudha, Corporate Office) Rate of Interest 9.24%	-	10,000.00	10,000.00	10,000.00
<b>Term Loans</b>				
<b>(a) Secured from Banks</b>	-	-	-	-
<b>(b) Unsecured from other parties</b>				
i. Soft Loan - Interest Free Loan from Govt of Kerala	-	-	-	149.48
<b>Total</b>	-	10,000.00	10,000.00	10,149.48
i (a) Lease Liability	880.64		754.48	

### Maturity Pattern of Secured Redeemable Non-convertible Debentures :

(₹ in Lakhs)

Coupon Rate	2022-23
9.24% p.a Payable semi-annually on 18 <sup>th</sup> May & 18 <sup>th</sup> November every year	10000.00

During May'21 ₹10000 lakhs of Non-Convertible Debentures were redeemed by the Company. Proportionately Debenture Redemption Reserve (DRR) of ₹2500 lakhs have been transferred to Reserves & Surplus from DRR.

The company has utilised the borrowings from banks and financial institutions for the purpose for which it was been taken.

**Note 21: Non-current - Other financial liabilities**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deposit from vendors	125.37	41.60
<b>Total</b>	<b>125.37</b>	<b>41.60</b>

**Note 22: Provisions**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefits</b>		
for Leave Salary	12,276.18	11,132.50
for Post retirement medical scheme	6,143.58	5,339.10
<b>Provision-others</b>		
for warranty	115.00	196.00
for unexpired obligations	5,897.88	4,103.02
<b>Total</b>	<b>24,432.64</b>	<b>20,770.62</b>

- For movement in the provisions during the year refer Note no. 28
- The provision for employee benefits represents annual leave and vested long service entitlements accrued.
- Warranty provisions are recognised on a contract-by-contract basis for goods sold over the warranty period. The provision is based on estimates of probable likelihood of product failure and returns based on current sales level and past experience.
- Provision for unexpired obligations is towards supply of Backup Spares against guaranteed availability contracts.

**Note 23: Other non-current liabilities**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers	1,07,069.32	1,11,403.34
Staff related	33.09	31.64
Statutory Dues	-	-
<b>Total</b>	<b>1,07,102.41</b>	<b>1,11,434.98</b>

**Note 24: Current Borrowings**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Repayable on demand from banks</b>		
<b>Secured</b>		
Cash Credit & Short Term Loans (secured by first charge by way of hypothecation of Inventories, Bills receivable, Book Debts and all other movables both present and future)	<b>54,324.40</b>	54,184.87
<b>Borrowings</b>		
Secured Redeemable Non-convertible Debentures, secured by exclusive first charge on the property bearing No. 23/1, Municipal No. 23, PID No.77-01-23/1, formed in Survey No. 47, 48/1 & 48/2, situated at Sampangirama Nagar, Bengaluru measuring 1,00,370 sq. ft. together with all the buildings & structure, fixtures & fittings etc. (BEML Soudha, Corporate Office) Rate of Interest 9.24%	<b>10,000.00</b>	10,149.48
<b>Unsecured borrowings</b>	-	-
Commercial Paper	-	-
Export Packing Credit & Unsecured Short Term Loans	<b>17,933.00</b>	-
Lease Liability	<b>41.70</b>	81.83
<b>Total</b>	<b>82,299.10</b>	64,416.18

The company has utilised the borrowings from banks and financial institutions for the purpose for which it was taken.

Quarterly statements/Results of assets filed by the Company with banks or financial institutions are in agreement with the books of accounts and hence the need for reconciliation of differences if any does not arise.

**Note 25: Trade Payables**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro & small enterprises	<b>8,235.92</b>	3,884.02
Total outstanding dues of creditors other than micro & small enterprises	<b>47,821.38</b>	70,177.87
<b>Total</b>	<b>56,057.31</b>	74,061.89

## Trade payables due for payment - As at 31 March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	7980.30	-	-	-	-	<b>7980.30</b>
(ii) Others	16608.28	17054.31	436.30	895.12	9837.41	<b>44831.40</b>
(iii) Disputed dues - MSME	-	252.79	0.51	1.38	0.94	<b>255.62</b>
(iv) Disputed dues - Others	-	81.25	95.19	322.92	2490.62	<b>2989.98</b>
<b>Grand Total</b>	<b>24588.58</b>	<b>17388.35</b>	<b>532.00</b>	<b>1219.42</b>	<b>12328.97</b>	<b>56057.31</b>

## Trade payables due for payment - As at 31 March 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	3878.00	-	-	-	-	<b>3878.00</b>
(ii) Others	22835.19	29898.01	1666.40	4510.92	8177.93	<b>67088.46</b>
(iii) Disputed dues - MSME	2.27	2.86	2.30	(1.41)	-	<b>6.02</b>
(iv) Disputed dues - Others	-	89.19	295.27	62.67	2642.29	<b>3089.42</b>
<b>Grand Total</b>	<b>26715.46</b>	<b>29990.06</b>	<b>1963.97</b>	<b>4572.18</b>	<b>10820.22</b>	<b>74061.89</b>

## Micro and Small Enterprises (MSE)

The information under MSMED Act, 2006 has been disclosed to the extent such vendors have been identified by the company. The details of amounts outstanding to them based on available information with the Company is as under :

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Amount due and Payable at the year end		
- Principal	-	-
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	-	-
- Interest	-	-
Interest due and payable for principals already paid	-	-
Total Interest accrued and remained unpaid at year end	-	-
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 enterprise, for the purpose of disallowance as deductible expenditure under section 23 of MSMED Act, 2006.	-	-

**Note 26: Current - Other financial liabilities**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deposit from vendors	800.08	1,007.30
Earnest Money Deposit from vendors	310.09	380.82
Interest accrued but not due on borrowings	339.22	678.44
Unclaimed dividend	59.27	57.62
Dividend payable	902.44	-
<b>Total</b>	<b>2,411.11</b>	<b>2,124.18</b>

**Note 27: Other current liabilities**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Other payables		
a. Staff related dues	3,062.42	1,877.59
b. Statutory dues	12,764.68	11,453.05
c. Advances from customers	11,640.00	19,535.23
d. Service vendors	3,049.53	5,723.31
e. Civil contractors and Capital payments	2,940.29	3,296.50
f. Deferred government grant (refer note 23 a)	-	39.32
<b>Total</b>	<b>33,456.92</b>	<b>41,924.99</b>

**Note 28: Provisions**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefits</b>		
for Gratuity	5,173.78	6,715.66
for Leave Salary	3,158.58	3,832.40
for Performance Related Pay	1,548.30	623.87
for Post retirement medical scheme	2,246.24	3,171.79
for Officers Pension	1,676.67	1,648.72
for Wage revision	-	-
<b>Provision-others</b>		
for pending legal cases	104.40	2,133.52
for warranty	8,167.19	7,089.60
for unexpired obligations	589.56	605.69
for onerous contract	20.85	5.36
for Unpaid Exp	2,208.57	-
<b>Total</b>	<b>24,894.14</b>	<b>25,826.60</b>

## Movement in Provisions

(₹ in Lakhs)

Particulars	As at 01.04.2021			Additions	Utilization	Reversal	As at 31 March 2022		
	Non-current	Current	Total				Non-current	Current	Total
Gratuity	-	6,715.66	6,715.66	5,173.78	6,715.65	-	-	5,173.78	<b>5,173.78</b>
Leave Salary	11,132.50	3,832.40	14,964.90	5,907.99	5,438.13	-	12,276.18	3,158.58	<b>15,434.75</b>
Post retirement medical scheme	5,339.10	3,171.79	8,510.89	1,089.19	1,210.26	-	6,143.58	2,246.24	<b>8,389.82</b>
Performance Related Pay	-	623.87	623.87	1,015.00	90.57	-	-	1,548.30	<b>1,548.30</b>
Officers Pension	-	1,648.72	1,648.72	1,676.66	1,648.71	-	-	1,676.67	<b>1,676.67</b>
Wage revision	-	-	-	-	-	-	-	-	-
Pending legal cases	-	2,133.52	2,133.52	1,002.15	3,031.26	-	-	104.40	<b>104.40</b>
Warranty	196.00	7,089.60	7,285.60	4,840.82	3,694.24	150.00	114.99	8,167.19	<b>8,282.18</b>
Unexpired Obligation	4,103.02	605.69	4,708.71	3,615.73	470.00	916.99	5,897.88	589.56	<b>6,487.44</b>
onerous contract	-	5.36	5.36	20.85	5.36	-	-	20.85	<b>20.85</b>
tax on interim dividend	-	-	-	-	-	-	-	-	-
Prov - Unpaid Expenses	-	-	-	2,208.57	-	-	-	2,208.57	<b>2,208.57</b>
<b>Total</b>	<b>20,770.62</b>	<b>25,826.60</b>	<b>46,597.22</b>	<b>26,550.73</b>	<b>22,304.18</b>	<b>1,066.99</b>	<b>24,432.64</b>	<b>24,894.14</b>	<b>49,326.77</b>

## Note 29: Current tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Income tax	<b>4,484.52</b>	3,263.01
Less: MAT credit entitlement	<b>(967.33)</b>	(3,108.45)
<b>Total</b>	<b>3,517.19</b>	154.56



**Note 30: Revenue from Operations**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Sale of products:		
Earth Moving Equipment	<b>1,09,627.79</b>	97,915.07
Rail & Metro Products	<b>1,39,935.48</b>	1,28,890.53
Defence Products	<b>66,202.31</b>	34,065.87
Traded Goods	-	-
Spare Parts	<b>78,439.82</b>	76,239.35
Wind Energy	<b>1,628.42</b>	1,800.31
Sale of Scrap	<b>2,890.57</b>	1,445.92
<b>Sub-total - sale of products</b>	<b>3,98,724.38</b>	3,40,357.06
(b) Sale of services:		
Equipment Servicing	<b>15,572.70</b>	15,363.71
<b>Sub-total - sale of services</b>	<b>15,572.70</b>	15,363.71
<b>Sub-total - sale of products &amp; services</b>	<b>4,14,297.08</b>	3,55,720.78
(c) other operating revenues:		
Provisions written back :		
- Doubtful trade receivables & advances	<b>14,614.41</b>	2,661.14
- Onerous contract	<b>5.36</b>	120.18
- Inventory	<b>1,015.35</b>	24.33
- Warranty and unexpired obligation	<b>666.99</b>	-
- others	<b>1,818.36</b>	7.33
Export incentives	<b>111.18</b>	48.75
Liabilities written back	<b>113.91</b>	245.65
Insurance claims	<b>66.73</b>	90.01
Recovery from Suppliers	<b>1,039.39</b>	821.80
Others	-	-
<b>Sub-total</b>	<b>19,451.69</b>	4,019.19
(d) Inter Segment Sales	-	-
<b>Revenue from operations</b>	<b>4,33,748.77</b>	3,59,739.96

A. Provision written back against Receivables, Advances and Income from other operational activities like insurance claims settlement, Recoveries from suppliers, warranty and unexpired obligation, provision withdrawals, Export incentives etc, have been classified as Operating Revenue since these items are part of business operations. Previous year figures have been regrouped accordingly.

- B.
1. Revenue from operations does not include GST on sale of products and services up to March 2022 is ₹65326.05 Lakhs (Previous Year ₹59068.60 Lakhs).
  2. Revenue from sale of products includes ₹ 1014.00 Lakhs (Previous Year: ₹3718.45) on account of Sale of 7 No. of equipment on "Bill and hold sales" basis recognised in accordance with Ind AS-115. This does not bear any custodian charges.
  3. Revenue from sale of products and services includes ₹56474.04 lakhs (Previous Year ₹46313.53 Lakhs) towards export sales (including deemed exports).

- C. 1. Revenue is recognized "over the period of time" on the contracts for metro cars supply and service contracts wherever transfer of control on goods/services and performance obligation satisfied over time. All other revenue is recognized at a point in time when control transfers.
2. Revenue from sale of products and services include ₹91651.13 Lakhs and ₹122.47 Lakhs (Previous Year - ₹79179.14 Lakhs and ₹768.27 Lakhs) recognized "over the period of time" in respect of Contracts entered with Metro Corporations for design, manufacture, supply, testing & commissioning of Metro Cars and in respect of ARV Overhauling Contracts in Defence business, respectively due to adoption of Ind AS 115 effective from 01-04-2018.
3. In case of metro supply contracts and Equipment Rehabilitation, Mining Aggregates Repairs Contracts and overhauling contract, for determination of transaction price for the purpose of recognizing revenue over the period of time, Input Method has been considered .
4. Following are the closing and opening balances of Receivables, Contract Assets and Contract liabilities (which are measured under Input Method);

(₹ in Lakhs)

Details	Balance as on 31.03.2022	Balance as on 01.04.2021
Receivables	<b>66,348.27</b>	12,786.85
Contract Assets	<b>59,217.26</b>	63,430.72

5. Payments under the Metro Supply Contracts are released by customers upon completion of milestones of Cost centers identified in the contracts.
6. Payments are released by customers under Equipment Rehabilitation and Aggregates Repairs Contracts upon completion of Repair/Rehabilitation, delivery and acceptance of the items at Customer site as indicated in the Contract.
7. Warranties: In respect of Metro Contracts, Defect Liability periods are applicable till taking over of Train sets by the Customer. Comprehensive warranty is provided for a period of 24 months from the date of acceptance for Defence Equipment.
8. Standard Warranty is provided for a period of 12 months or 4000 hours of satisfactory performance of Equipment (Mining & Construction) after delivery and commissioning. However, warranty for Electrical items is for 12 months/3000 hrs from the date of commissioning whichever is earlier.
9. ₹204734.69 Lakhs and ₹43.19 Lakhs (Previous Year - ₹301621.64 Lakhs for Metro Contracts and ₹165.65 Lakhs for Defence Equipment), is the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied as of end of the reporting period and Company expects to recognize this revenue in subsequent years.
10. Following is the reconciliation of amount of revenue recognized in the statement of P&L on recognition of Contract Assets;

(₹ in Lakhs)

Particulars	2021-22	2020-21
Opening Balance of Contract Asset	<b>63430.72</b>	30384.85
Add: Recognised During the Year	<b>91773.60</b>	79947.41
<b>Total</b>	<b>155204.32</b>	110332.26
Contract Assets Billed During the year	<b>(95,987.06)</b>	(46,901.54)
<b>Contract Assets as on reporting date</b>	<b>59217.26</b>	63430.72

**Note 31: Other income**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Other Income</b>		
Interest Income		
- From Deposits	-	-
- From Inter Corporate Loans	-	-
- From Loans to Subsidiary	<b>104.48</b>	5.96
- From Income tax refund	<b>48.33</b>	709.23
- Finance income on lease deposits	<b>14.16</b>	1.03
- Others	<b>41.80</b>	43.88
Government grant income	<b>50.00</b>	42.73
Dividend Income		
- Dividend Received from Subsidiary	-	-
- Other Dividends	-	-
Net gain on sale of property, plant and equipment	<b>55.95</b>	25.89
Foreign exchange gain	-	-
Other non-operating income	<b>359.43</b>	1,168.54
<b>Total</b>	<b>674.16</b>	1,997.25

i. The company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year under the Income tax act, 1961.

**ii. Details of Crypto currency or virtual currency :**

The Company has not traded in Crypto currency or virtual currency in the current financial year 2021-22.

**a. Tax Deducted at Source on Income**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Interest on Loans to Subsidiary	<b>2.45</b>	0.45
b) Inter Corporate Loans	-	-
c) Others	-	-

**Note 32: Cost of materials consumed**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cost of materials consumed</b>	<b>2,26,956.80</b>	2,03,824.78

**Note 33: Purchase of stock-in-trade**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of stock-in-trade	-	-

**Note 34: Changes in inventories of finished goods, stock-in-trade and work-in-progress**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Opening Stock</b>		
Finished goods	27,400.61	26,610.21
Work-in-progress	85,392.16	86,500.09
Scrap	1,414.88	1,183.62
	<b>1,14,207.64</b>	<b>1,14,293.92</b>
<b>Closing Stock</b>		
Finished goods	20,877.56	27,400.60
Work-in-progress	77,014.97	85,392.15
Scrap	1,310.75	1,414.87
	<b>99,203.29</b>	<b>1,14,207.63</b>
<b>(Increase)/Decrease</b>		
Finished goods	6,523.04	(790.39)
Work-in-progress	8,377.19	1,107.94
Scrap	104.12	(231.25)
<b>Total</b>	<b>15,004.35</b>	<b>86.30</b>

**Note 35: Employee benefits expense**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, Wages & Bonus	60,850.22	63,559.05
Leave Salary	5,907.99	5,117.86
Contribution to:		
- Gratuity Fund	3,155.97	1,775.96
- Provident Fund and Other Funds	7,604.55	7,742.34
Post retirement medical scheme	1,407.41	1,143.02
Staff welfare expenses	7,523.10	6,148.49
- Less receipts	685.51	622.06
Net staff welfare expenses	6,837.60	5,526.43
<b>Total</b>	<b>85,763.73</b>	<b>84,864.65</b>

**A. Ind AS 19 (Employee Benefits)****a. Leave Salary**

This is an unfunded employee benefit plan categorized under other long term employee benefits in terms of Ind AS 19. The obligation for compensated absence has been actuarially valued and liability provided accordingly.

Actuarial Assumptions	Current Year	Previous Year
	(Unfunded)	(Unfunded)
Mortality Table	<b>2006-08 (IALM)</b>	2006-08 (IALM)
	(Ultimate)	(Ultimate)
Discount rate	<b>7.47%</b>	7.18%
Rate of escalation in salary	<b>5.00%</b>	4.00%

## b. Post Retirement Medical Scheme

### 1. Employees

- (i) The company has a post retirement defined benefit medical scheme where an insurance policy is taken by the company for providing mediclaim benefits to the superannuated employees who opt for the scheme. The Company pays 90% insurance premium and the balance 10% is paid by the superannuated employees.
- (ii) The results of the actuarial study for the obligation of the medical benefit as computed by the actuary are shown below:

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
<b>Principal actuarial assumptions</b>		
Discount rate	<b>7.47%</b>	7.18%
Range of compensation increase	<b>5.00%</b>	4.00%
Attrition rate:	<b>0.53%</b>	0.42%
<b>Components of income statement charge</b>		
Current Service Cost	<b>109.72</b>	108.26
Interest Cost	<b>579.12</b>	328.16
<b>Total income statement charge</b>	<b>688.84</b>	436.42
<b>Movements in net defined benefit liability</b>		
Net obligation at the beginning of the year	<b>7,752.63</b>	4,570.55
Employer contributions	<b>(452.01)</b>	(444.23)
Total expense recognised in profit or loss	<b>688.84</b>	436.42
Total amount recognised in OCI	<b>(318.21)</b>	3,189.89
<b>Net obligation at the end of the year</b>	<b>7,671.25</b>	7,752.63

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
<b>Reconciliation of benefit obligations</b>		
Obligation at start of the year	7,752.63	4,570.55
Current service cost	109.72	108.26
Interest cost	579.12	328.16
Benefits paid directly by the company	(452.01)	(444.23)
Extra payments or expenses/(income)	-	-
Obligation of past service cost	-	-
Actuarial loss/(gain) on obligations	(318.21)	3,189.89
<b>DBO at the end of the year</b>	<b>7,671.25</b>	<b>7,752.63</b>
<b>Re-measurements</b>		
Actuarial gain/(loss) due to changes in financial assumptions	-	-
Actuarial gain/(loss) on account of experience adjustments	(318.21)	3,189.89
<b>Total actuarial gain/(loss) recognised in OCI</b>	<b>(318.21)</b>	<b>3,189.89</b>

## (iii) Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

(₹ in Lakhs)

	Current Year	Previous Year
<b>Discount rate</b>		
+ 1.00% discount rate	(329.54)	(1,773.45)
- 1.00% discount rate	370.98	2,421.21
<b>Premium cost</b>		
+ 1.00% premium growth	388.44	2,453.26
- 1.00% premium growth	(350.80)	(1,816.63)

## (iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	7,671.25	7,752.63
Experience adjustment on plan liabilities	(678.47)	(1,800.68)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.



## 2. Officers

For officers, from the year 2015-16 a new Post-Retirement Medical Scheme was introduced where a percentage of Basic salary and DA of officers will be contributed to a separate fund and the fund arrange to provide medical insurance to retired officers. Company has contributed 3% of the Basic and DA of officers amounting to ₹718.57 Lakhs during 2021-22 for the scheme. Company has no further liability other than the contribution to the fund. Hence the scheme is a defined contribution plan and no actuarial valuation is required.

### c. Interest Rate Guarantee on Provident Fund

- (i) Provident Fund Trust of the Company has to declare interest on Provident Fund at a rate not less than that declared by the Employees' Provident Fund Organisation. In case the Trust is not able to meet the interest liability, Company has to make good the shortfall. This is a defined benefit plan and the Company has got the same actuarially valued and there is no additional liability that needs to be provided for the year.

Actuarial Assumptions	Current Year (Funded)	Previous Year (Funded)
Discount rate	7.47%	7.18%
Rate of escalation in salary	5.00%	4.00%
Interest Rate Guarantee on Provident Fund	8.10%	8.50%

### d. Officers Pension Scheme

Based on the guidelines of Ministry of Defence, Company has implemented "BEML Executive Superannuation (Pension) Scheme" for Officers of the Company. The Scheme is a defined contribution plan and the contribution made is being charged off in the year of contribution. Being a defined contribution plan no actuarial valuation is done.

### e. Gratuity

- (i) The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.
- (ii) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

Actuarial study analysis	Current Year (Funded)	Previous Year (Funded)
<b>Principal actuarial assumptions</b>		
Discount rate	7.47%	7.18%
Range of compensation increase	5.00%	4.00%
Attrition rate	0.53%	0.42%
Expected rate of return on plan assets	7.47%	7.18%
<b>Components of income statement charge</b>		
Current Service Cost	1,722.48	1,618.77
Interest Cost	247.84	157.18
Recognition of past service cost	-	-
Settlement/curtailment/termination loss	-	-
<b>Total income statement charge</b>	<b>1,970.32</b>	<b>1,775.95</b>
<b>Movements in net liability/(asset)</b>		
Net liability/(asset) at the beginning of the year	6,715.65	4,418.45
Employer contributions	(6,715.65)	(4,418.45)
Total expense recognised in profit or loss	1,970.32	1,775.95
Total amount recognised in OCI	3,203.46	4,939.70
<b>Net liability/(asset) at the end of the year</b>	<b>5,173.78</b>	<b>6,715.65</b>
<b>Reconciliation of benefit obligations</b>		
Obligation at start of the year	42,432.27	41,879.03
Current service cost	1,722.48	1,618.77
Interest cost	2,875.09	2,694.36
Benefits paid directly by the company	(7,807.43)	(8,728.26)
Actuarial loss/(gain) on obligations	3,210.78	4,968.37
<b>DBO at the end of the year</b>	<b>42,433.19</b>	<b>42,432.27</b>
<b>Re-measurements</b>		
Actuarial gain/(loss) due to changes in financial assumptions	7.32	28.67
Actuarial gain/(loss) on account of experience adjustments	(3,210.78)	(4,968.37)
<b>Total actuarial gain/(loss) recognised in OCI</b>	<b>(3,203.46)</b>	<b>(4,939.70)</b>
<b>Change in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	35,716.62	37,460.58
Adjustment to opening fair value of plan assets	-	-
Interest on plan assets	2,627.25	2,537.18
Contributions made	6,715.65	4,418.45
Benefits paid	(7,807.43)	(8,728.26)
Actuarial gain/(loss) on plan assets	7.32	28.67
<b>Fair value of plan assets at the end of the year</b>	<b>37,259.41</b>	<b>35,716.62</b>

**(iii) Sensitivity analysis of significant assumptions**

The following table presents a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	Current Year	Previous Year
<b>Discount rate</b>		
Discount rate (CY +100 basis pts; PY +100 basis pts)	<b>(1,960.98)</b>	(1,822.29)
Discount rate (CY -100 basis pts; PY -100 basis pts)	<b>2,212.50</b>	2,035.13
<b>Salary increase</b>		
Salary growth (CY +100 basis pts; PY +100 basis pts)	<b>1,402.84</b>	1,730.96
Salary growth (CY -100 basis pts; PY -100 basis pts)	<b>(1,488.17)</b>	(1,645.33)

**(iv) Experience adjustments**

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	<b>42,433.19</b>	42,432.27
Fair value of plan assets	<b>37,259.41</b>	35,716.62
(Surplus)/deficit in plan assets	<b>5,173.78</b>	6,715.65
Experience adjustment on plan liabilities	<b>2,379.67</b>	5,599.71
Actual return on plan assets less interest on plan assets	<b>7.32</b>	(2.41)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

**(v) Investment details**

The plan assets under the fund are deposited under approved securities as follows:

	Current Year	Previous Year
Investment with LIC %	100	100
Others %	0	0

**Note 36: Finance costs**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense		
On Cash Credit & Short term loans	<b>2,816.26</b>	1,240.51
On Long Term Loans	-	-
On Commercial paper	<b>933.60</b>	359.97
On Non-convertible Debentures	<b>1,042.98</b>	1,968.25
On Inter Corporate Loans	-	-
On MSE vendors	-	-
Unwinding of discount on Interest free loan	<b>50.00</b>	42.73
Interest on RoU asset	<b>76.91</b>	76.09
Others	<b>13.68</b>	224.53
<b>Total</b>	<b>4,933.43</b>	3,912.08

**Ind AS 23 (Borrowing Costs)**

The amount of interest capitalized during the Year is ₹NIL (Previous Year - ₹Nil).

**Note 37: Other expenses**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spare parts	<b>799.38</b>	512.45
Consumable Tools	<b>596.49</b>	607.50
Power and fuel	<b>3,705.66</b>	3,467.16
Rent	<b>159.59</b>	159.53
Hire Charges	<b>787.30</b>	909.03
Repairs & Maintenance		
Machinery & Equipment	<b>415.28</b>	393.36
Buildings	<b>572.06</b>	586.50
Others	<b>1,131.14</b>	1,099.84
Stationery	<b>96.95</b>	85.23
Insurance	<b>803.50</b>	730.18
Rates & Taxes	<b>1,089.87</b>	207.46
Bank guarantee fee and other charges	<b>878.31</b>	859.45
Communication expenses	<b>332.08</b>	298.65
Commission on sales	<b>432.62</b>	67.43
Remuneration to Auditors (refer note 'a' below)	<b>28.50</b>	24.42
Legal & Professional Charges	<b>104.49</b>	247.09
Interest on Gratuity Payment	<b>1,542.16</b>	
Travelling Expenses	<b>819.67</b>	581.26
Publicity & Public Relations	<b>309.18</b>	446.17
Loss on sale of property, plant and equipment	<b>1.51</b>	3.20
Bad Debts written off	<b>-</b>	-
Defects & Spoilages	<b>40.50</b>	25.61
Works Contract Expenses	<b>8,123.85</b>	7,342.47
Expenses on Maintenance Contract	<b>2,459.30</b>	2,724.51
Sundry Direct Charges	<b>7,357.44</b>	2,907.31
Freight charges	<b>4,710.86</b>	3,710.49
Expenditure on CSR Activities	<b>565.80</b>	403.58
Provision for Obsolescence	<b>955.39</b>	1,208.08
Provision for Onerous contract	<b>20.85</b>	5.36
Provision for doubtful trade receivables & advances	<b>9,632.27</b>	10,216.49
Provision for Pending Legal cases	<b>92.17</b>	2,121.73
Warranty & Unexpired Obligations	<b>1,931.44</b>	1,660.17
Liquidated damages & Penalty w/off	<b>14,463.48</b>	2,649.41
Foreign exchange loss/(gain)	<b>465.72</b>	326.34
Miscellaneous expenses	<b>9,159.12</b>	6,112.27
<b>Total</b>	<b>74,583.93</b>	52,699.72

**a. Break up of Remuneration to Auditors :**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) As Auditor	<b>16.09</b>	14.63
(b) for taxation matter	<b>3.27</b>	2.97
(c) Other Services - Certification Fees	<b>8.64</b>	6.82
(d) Reimbursement of Expenses	<b>0.50</b>	0.00
<b>Total</b>	<b>28.50</b>	24.42

**Note 38: Exceptional Items**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Income	-	-
Expenditure	-	-
Net Income/(Expenditure)	-	-

**Note 39: Other Disclosures**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net Profit/(Loss) after Tax (₹ in Lakhs)	<b>13,459.21</b>	7,480.00
Average Number of Shares	<b>4,16,44,500</b>	4,16,44,500
Earnings Per Share (Basic and Diluted) -	<b>32.32</b>	17.96
Face Value ₹10/- Per Share (Amount in ₹)		

- B.** In terms of Notification No. S.O.802(E) dated 23-02-2018 of the Ministry of Corporate Affairs, the Board at its meeting held on 27.05.2016 has given consent with regard to non-disclosure of information as required under paragraphs 5(ii) (a) (1), 5(ii) (a) (2), 5(iii) and Para 5(viii) (a), (b), (c) and (e) of Part II to Schedule III of the Companies Act, 2013, in the Annual accounts for the Financial Year 2015-16 onwards.

**C. Ind AS 24 - Related Parties**

In accordance with the requirements of Ind AS 24, following are details of the transactions during the year with related parties.

Name of the related party	Nature of relationship
Vignyan Industries Limited	Subsidiary
MAMC Industries Limited	Subsidiary
BEML Land Assets Limited	Subsidiary
BEML Midwest Limited	Joint venture
BEML PF Trust	Employee benefit and administration trust fund
BEML Gratuity Trust	Employee benefit and administration trust fund
BEML Death-cum-Retirement Benefit Fund Trust	Employee benefit and administration trust fund
BEML Executive Superannuation (Pension) Fund Trust	Employee benefit and administration trust fund
BEML Executive Superannuation (Benefit) Trust Fund	Employee benefit and administration trust fund
Shri Amit Banerjee - CMD	Key managerial personnel
Shri M. V. Raja Sekhar Director (Mining & Construction)	Key managerial personnel
Shri Ajit Kumar Srivastav - Director (Defence)	Key managerial personnel
Shri Suraj Prakash - Director (Finance)	Key managerial personnel
Shri Anil Jerath - Director (Finance)	Key managerial personnel
Shri S.V. Ravi Sekhar Rao - Company Secretary	Key managerial personnel

**Transactions with related parties**

1. The details of related party transactions entered into by the Company are as follows:

**i. Name of the Subsidiary Company M/s Vignyan Industries Limited (VIL), Tarikere****Details of Transactions**

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
<b>Transactions during the year ended</b>		
Sales	-	56.64
Purchases	<b>79.28</b>	180.60
Salaries charged to VIL for BEML personnel deputed	<b>66.72</b>	62.29
<b>Equity Investment held as on 31<sup>st</sup> March (at cost)</b>	<b>252.60</b>	252.60
<b>Outstanding balances</b>		
Amount payable towards supplies as on		-
Amount recoverable as on	-	-

All Recoverable amounts from M/s VIL Ltd. has been converted into secured loan (see note 16) except investment.

**ii. Name of the Subsidiary - M/s MAMC Industries Limited [Refer Note 11 (a)]****Details of Transactions**

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Equity Investment held as on 31 March (at cost)	<b>5.00</b>	5.00
Advances recoverable as on 31 March	<b>603.66</b>	603.36

**iii. Name of the Subsidiary - M/s BEML Land Assets Limited [Refer Note 11 (a)]****Details of Transactions**

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Equity Investment held as on 31 March (at cost)	<b>1.00</b>	-
Advances recoverable as on 31 March	<b>0.69</b>	-

**iv. Name of the Joint Venture Company – M/s BEML Midwest Limited, Hyderabad. Shareholding 45%.****Details of Transactions**

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
<b>Transactions during the year ended</b>		
Sales	-	-
Purchases	-	-
Equity Investment held as on 31 March (at cost)	<b>542.25</b>	542.25
<b>Outstanding balances</b>		
Advances recoverable as on	<b>135.51</b>	135.51
Amount payable towards supplies as on	<b>230.00</b>	230.00
Corporate Guarantee given to Bankers [refer Note 7 (b)]	-	-



## 2. Remuneration to Key managerial personnel

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Shri Amit Banerjee - Chairman and Managing Director*	<b>46.88</b>	20.77
Shri Deepak Kumar Hota - Chairman and Managing Director*	-	44.51
Shri M. V. Raja Sekhar Director (Mining & Construction)	<b>49.30</b>	40.12
Shri R H Muralidhara - Director (Defence) *	-	6.85
Shri Suraj Prakash - Director (Finance)	<b>7.12</b>	42.82
Shri Suresh S Vastrad - Director (Rail & Metro) *	-	9.85
Shri Ajit Kumar Srivastav - Director (Defence)*	<b>51.60</b>	33.93
Shri Anil Jerath - Director (Finance) *	<b>1.16</b>	-
Shri Panneer Selvam R - Director (HR)*	-	21.12
Shri S.V.Ravi Sekhar Rao - Company Secretary	<b>31.60</b>	26.95

(\*part of the year.)

## 3. Details of remuneration of key managerial personnel comprises the following:

(₹ in Lakhs)

Shri Amit Banerjee - Chairman and Managing Director*	31 March 2022	31 March 2021
Short-term benefits	<b>41.82</b>	19.04
Post-employment benefits	<b>2.47</b>	0.63
Other long-term benefits	<b>2.59</b>	1.10
Termination benefits	-	-
Shri Deepak Kumar Hota - Chairman and Managing Director*	31 March 2022	31 March 2021
Short-term benefits	-	40.49
Post-employment benefits	-	1.47
Other long-term benefits	-	2.55
Termination benefits	-	-
Shri M. V. Raja Sekhar Director (Mining & Construction)	31 March 2022	31 March 2021
Short-term benefits	<b>43.56</b>	36.65
Post-employment benefits	<b>3.27</b>	1.27
Other long-term benefits	<b>2.47</b>	2.20
Termination benefits	-	-
Shri R H Muralidhara - Director (Defence) *	31 March 2022	31 March 2021
Short-term benefits	-	6.43
Post-employment benefits	-	-
Other long-term benefits	-	0.42
Termination benefits	-	-
Shri Suraj Prakash - Director (Finance)	31 March 2022	31 March 2021
Short-term benefits	<b>5.03</b>	38.88
Post-employment benefits	<b>2.09</b>	1.44
Other long-term benefits	-	2.50
Termination benefits	-	-

<b>Shri Suresh S Vastrad - Director (Rail) *</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	-	9.30
Post-employment benefits	-	-
Other long-term benefits	-	0.55
Termination benefits	-	-
<b>Shri Ajit Kumar Srivastav - Director (Defence) *</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>46.03</b>	31.13
Post-employment benefits	<b>3.17</b>	1.03
Other long-term benefits	<b>2.40</b>	1.77
Termination benefits	-	-
<b>Shri Anil Jerath - Director (Finance) *</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>1.06</b>	-
Post-employment benefits	<b>0.04</b>	-
Other long-term benefits	<b>0.06</b>	-
Termination benefits	-	-
<b>Shri Panneer Selvam R - Director (HR) *</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	-	19.12
Post-employment benefits	-	0.73
Other long-term benefits	-	1.27
Termination benefits	-	-
<b>Shri S.V.Ravi Sekhar Rao - Company Secretary</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>27.84</b>	24.73
Post-employment benefits	<b>2.12</b>	0.81
Other long-term benefits	<b>1.64</b>	1.41
Termination benefits	-	-
<b>Total</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>165.34</b>	225.77
Post-employment benefits	<b>13.16</b>	7.38
Other long-term benefits	<b>9.16</b>	13.77
Termination benefits	-	-

\* For part of the year.

4. Considering the wide scope of the definition of Related Party under section 2(76), Relative under section 2(77) and Key Managerial Personnel under section 2(51) of Companies Act, 2013 and the requirement under Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the disclosure with respect to Related Party transactions has been restricted to Subsidiary/ Joint Venture/Associate companies and to any other Related Party as declared by Directors and Key Managerial Personnel. Accordingly, the compliance with Related Party Transactions under section 188, Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been made to the extent data is available with the Company.

## D. Contingent liabilities & Commitments

### I. Contingent liabilities

- a. Claims against the Company not acknowledged as debts
  - i Disputed statutory demands (Customs Duty, Central Excise, Service Tax, Sales Tax/VAT etc.) ₹63048.13 lakhs (Previous Year ₹46692.80 Lakhs)
  - ii Other claims- legal cases etc. ₹14196.86 Lakhs (Previous Year ₹12305.47 Lakhs)
- b. Other money for which the company is contingently liable - ₹Nil (Previous Year - ₹Nil).

### II. Commitments

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹625.95 Lakhs (Previous Year - ₹560.60 Lakhs)
- b. Uncalled liability on shares and other investments partly paid - ₹Nil (Previous Year - ₹Nil ).
- c. Other commitments (specify nature) - ₹Nil (Previous Year - ₹Nil ).

#### NOTES

1. The company does not expect any cash outflow in respect of above contingent Liabilities.
2. It is not practicable to estimate the timing of cash flows, if any, in respect of matters referred in I.(a) above pending resolutions of the arbitration/apellate proceedings.

## E. Aggregate amount of Research & Development Expenses:

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Revenue Expenditure	<b>10,049.86</b>	12,811.68
Capital Expenditure	<b>216.47</b>	454.40

The aggregate amount of Research & Development expenditure recognised as expenses during the period is as below:

### a. Research & Development Revenue Expenditure:

(₹ in Lakhs)

Expenditure in R&D included in	For the year ended 31 March 2022	For the year ended 31 March 2021
Material Cost	<b>562.84</b>	142.26
Employee Remuneration	<b>5,700.85</b>	5,520.30
Depreciation	<b>987.08</b>	1,136.83
Power and Fuel	<b>144.83</b>	136.41
Repairs and Maintenance	<b>56.63</b>	47.55
Consumable Tools	<b>2.38</b>	3.23
Travelling	<b>58.01</b>	28.58
Other Expenses	<b>3,330.52</b>	2,324.64
Payment to Technology Providers	<b>193.80</b>	-
Prototype held in WIP	-	-
Prototype held in FGI	-	-
Cost of Sales of Prototype sold	-	4,608.71
<b>Total R&amp;D Revenue Expenditure</b>	<b>11,036.94</b>	13,948.51
Less: Depreciation	<b>987.08</b>	1,136.83
<b>Net R &amp; D Expenditure</b>	<b>10,049.86</b>	12,811.68

Sale value of prototype sold - included in net Sales\*

3,722.20

\* Sale value of prototype sold excludes Design and Testing & Commissioning charges.

The aggregate amount of R&D expenditure recognised as capital expenditure till 31<sup>st</sup> march 2022 is as below

## b. Research & Development Capital Expenditure

(₹ in Lakhs)

Particulars	Gross carrying value			Accumulated depreciation, amortisation and impairment				Net Carrying value		
	As at 01.04.2021	Additions during the year	Deduction / Reclassification & Adjustments during the year	As at 31.03.2022	As at 01.04.2021	For the Year	Deduction/Re-classification & Adjustments during the year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
<b>Property, Plant and Equipment</b>										
Land										
Free Hold	3.29	-	-	3.29	-	-	-	-	3.29	3.29
Lease Hold	-	-	-	-	-	-	-	-	-	-
Buildings	109.33	106.69	-	216.02	66.76	3.14	-	69.90	146.12	42.57
Plant and Equipment	1,597.59	32.39	3.32	1,633.30	634.35	152.51	(14.12)	772.74	860.56	963.24
Furniture & Fixtures	122.50	1.12	(0.38)	123.24	78.78	12.01	(0.38)	90.41	32.83	43.72
Vehicles										
Given on Lease	351.79	41.62	-	393.41	84.08	45.88	(1.43)	128.53	264.88	267.71
Own Use	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Roads & Drains	1.64	-	-	1.64	1.64	-	-	1.64	-	-
Water Supply Installations	0.12	-	-	0.12	0.03	0.01	-	0.04	0.08	0.08
Electrical Installation	140.81	-	-	140.81	60.39	14.26	-	74.65	66.16	80.42
Computers and Data processing units	959.12	19.75	61.28	1,040.15	707.85	95.49	1.83	805.17	234.98	251.27
<b>Intangible Assets</b>										
Software	2,351.63	14.90	-	2,366.53	1,742.06	198.23	-	1,940.29	426.24	609.57
Technical Knowhow	5,758.27	-	-	5,758.27	3,255.56	465.38	-	3,720.94	2,037.33	2,502.71
<b>Total</b>	<b>11,396.09</b>	<b>216.47</b>	<b>64.22</b>	<b>11,676.78</b>	<b>6,631.50</b>	<b>986.91</b>	<b>(14.10)</b>	<b>7,604.31</b>	<b>4,072.47</b>	<b>4,764.58</b>
Previous Year	10,937.72	454.40	3.97	11,396.09	5,511.54	1,136.83	(16.86)	6,631.51	4,764.58	5,426.18

## F. Ind AS 108 (Operating Segments)

Vide Notification No. S.O.802(E) dated 23-02-2018 issued by Ministry of Corporate Affairs, exempted companies engaged in Defence Production from segmental disclosure as required under Ind AS 108 (Operating Segments), accordingly the disclosure requirements under Ind AS 108 has not been made.

- G.** Advances, Balances with government departments, Trade Payables and receivables, Other loans and advances and deposits classified under non current and current are subject to confirmation. There are certain old balances pending review/adjustment. The management does not expect any significant impact upon such reconciliation.
- H.** Figures of previous year have been regrouped/ reclassified/ recast wherever necessary to conform to current year's presentation.
- I. Disclosures as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In compliance of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements), the required information is given as under:

Particulars	Amount as on		Maximum amount outstanding during the year ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>i. Loans and Advances in the nature of loans:</b>				
A. To Subsidiary Companies*	<b>1,679.77</b>	1,184.14	<b>1,679.77</b>	1,184.14
B. To Associates/Joint Venture	-	-	-	-
C. To Firms/Companies in which directors are interested	-	-	-	-
D. Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act, 2013	-	-	-	-
ii. Investment by the loanee (as detailed above) in the shares of BEML and its subsidiaries	-	-	-	-

\*All Recoverable amounts from M/s VIL has been converted into secured loan (see note 16) except investment.

## J. Ind AS 116 - Leases

### a) The Company as a lessee

The Company's significant leasing arrangements are in respect of operating leases and leased office premises. These lease arrangements, run for a period of 3 Years to 10 Years and are generally renewable by mutual consent.

Future minimum lease payments under non-cancellable operating leases are summarised below:

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Not later than one year	<b>0.28</b>	0.28
Later than one year but not later than five years	<b>1.12</b>	1.12
Later than five years	-	-
<b>Total operating lease commitments</b>	<b>1.40</b>	1.40

### b) The Company as a lessor

The Company provides cars to employees who are eligible and enroll into such a scheme after completion of a specific period of service. Such leases are non-cancellable in nature and have been classified as operating leases.

Below are the details of carrying amounts of such vehicles recorded as property, plant and equipment:

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Carrying value of assets	<b>795.12</b>	439.95
Accumulated depreciation	<b>190.21</b>	153.44
Depreciation expense during the year	<b>90.15</b>	67.91

Future minimum lease receipts under non-cancellable operating leases in respect of leased cars are summarised below:

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Not later than one year	<b>64.61</b>	40.86
Later than one year but not later than five years	<b>283.27</b>	173.21
Later than five years	<b>249.41</b>	89.59
<b>Total operating lease commitments</b>	<b>597.29</b>	303.66

### c) Lease income and expenditure

The gross amounts of operating lease income and expenditure recognised in profit or loss is as below.

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Lease income	<b>104.45</b>	74.32
Lease expenses	<b>159.59</b>	159.53

### d) Impact of IND AS116 RoU Assets

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Depreciation on RoU Assets during the year	<b>112.89</b>	222.21
Finance Cost of Lease Liability	<b>76.91</b>	76.09
Gross value of RoU Assets	<b>1,094.68</b>	984.39
Net Book Value of RoU Assets	<b>831.22</b>	762.18
Lease Liability as of 31 <sup>st</sup> March	<b>922.34</b>	915.47
Impact on Profitability in the current year	<b>(29.22)</b>	(41.27)



## K. Fair values and measurement principles

a) The carrying value and fair value of financial instruments by category are as follows: (₹ in Lakhs)

Particulars	31 March 2022		31 March 2021	
	Carrying amounts		Carrying amounts	
	Fair value through profit or loss	Other Financial Assets - Amortised Cost	Fair value through profit or loss	Other Financial Assets - Amortised Cost
<b>Financial assets measured at fair value:</b>				
Forward exchange contracts	-	-	-	-
Total	-	-	-	-
<b>Financial assets not measured at fair value:</b>				
Loans	-	<b>1,691.88</b>	-	1,195.13
Trade receivables	-	<b>1,86,136.11</b>	-	1,88,450.91
Cash and cash equivalents	-	<b>1,644.46</b>	-	438.86
Other financial assets	-	<b>585.36</b>	-	590.61
Total	-	<b>1,90,057.82</b>	-	1,90,675.52
<b>Financial liabilities measured at fair value:</b>				
Forward exchange contracts	-	-	-	-
Total	-	-	-	-
<b>Financial liabilities not measured at fair value:</b>				
Borrowings	-	<b>82,257.40</b>	-	74,334.35
Trade payables	-	<b>56,057.31</b>	-	74,061.89
Other financial liabilities	-	<b>3,458.82</b>	-	3,002.09
Total	-	<b>1,41,773.53</b>	-	1,51,398.33

The Company has not disclosed the fair values for financial instruments, because their carrying amounts are a reasonable approximation of fair value.

b) The following table shows the fair values of assets and liabilities including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company's use of quoted market prices (Level 1), valuation model using observable market information as inputs (Level 2) and valuation models without observable market information as inputs (Level 3) in the valuation of securities and contracts by type of issuer was as follows:

(₹ in Lakhs)

Particulars	31 March 2022			31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>						
Forward exchange contracts	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Financial liabilities measured at fair value:</b>						
Forward exchange contracts	-	-	-	-	-	-
	-	-	-	-	-	-

**c) Measurement of fair values**

Valuation techniques and significant unobservable inputs:

Particulars	Valuation technique	Significant unobservable inputs
Forward exchange contracts	The fair values is determined using unquoted forward exchange rates at the reporting date.	Not applicable

**d) Transfers between the fair value hierarchy**

There were no transfers in either direction in the fair value hierarchy during the year 2021-22.

**L. Financial risk management**

The Company is broadly exposed to credit risk, liquidity risk and market risk as a result of financial instruments.

The Company's Board of Directors has the overall responsibility for the establishment, monitoring and supervision of the Company's risk management framework. Treasury Management Team in the company takes appropriate steps to mitigate financial risks within the framework set by the top management. Derivative transactions are undertaken by a specialist team with appropriate skills and experience. Company do not trade in derivatives for speculation.

**(i) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposures from customers, cash and cash equivalents held with banks and current and non-current debt investments.

The Company regularly follow up the receivable to minimise losses arising from credit exposure from credit customers. Credit control assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Deposits and cash balances are placed with reputable scheduled banks.

The carrying amount of financial assets represents the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

**Trade receivables**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base. Major Customers of the company are from Government Sector and Public Sector Companies, where credit risk is relatively low.

The management has established a system under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables based on factual information as on the Balance sheet date.

The maximum exposure to credit risk for trade receivables by geographic region was as follows.

Particulars	31 March 2022	31 March 2021
India	<b>1,83,986.56</b>	1,85,517.04
Other regions	<b>2,149.55</b>	2,933.87
<b>Total trade receivables</b>	<b>1,86,136.11</b>	1,88,450.91

At 31 March 2022, the Company's most significant customer, accounted for ₹30682.00 lakhs of the trade receivables carrying amount (31 March 2021: ₹11100.95 Lakhs).

The movement in the loss allowance for impairment of trade receivables are disclosed in Note No. 14

Any past due from Government Customers and those fully covered by guarantees or collaterals received are not tested for impairment.

The credit quality of the financial assets is satisfactory, taking into account the allowance for doubtful trade receivables.

The Company has not received any collaterals for receivables as at reporting date.

The impairment loss allowance at 31 March 2022 related to several customers that have indication that they may not pay their outstanding balances. The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on the fact that major customers are Government department, PSUs and historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

## (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or the risk that the Company will face difficulty in raising financial resources required to fulfill its commitments. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity risk is maintained at low levels through effective cash flow management, low borrowings and availability of adequate cash. Cash flow forecasting is performed internally by forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs, to fund scheduled investments and to comply with loan covenants.

To ensure continuity of funding, the Company primarily uses short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements needs. The Company has also availed various non-current facilities in the form of secured redeemable debentures, secured term loans, inter-corporate loans against the Company's guarantee and soft loans from the Government for expansion projects and construction and development of capital assets.

### Exposure to liquidity risk

The table below details the Company's remaining contractual maturity for its financial liabilities and derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities and derivative financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Contractual cash flows			Adjustments	Carrying amount
	1 year or less	1 year to 5 years	5 years or more		
<b>31 March 2022</b>					
<b>Non-derivative financial liabilities</b>					
Non-current Borrowings	-	-	-	-	-
Current Borrowings	82,299.10	-	-	-	82,299.10
Trade payables	56,057.31	-	-	-	56,057.31
Other financial liabilities	3,458.82	-	-	-	3,458.82
<b>Derivative financial instruments</b>					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	<b>1,41,815.23</b>	-	-	-	<b>1,41,815.23</b>
<b>31 March 2021</b>					
<b>Non-derivative financial liabilities</b>					
Non-current Borrowings	-	10,000.00	-	-	10,000.00
Current Borrowings	64,416.18	-	-	-	64,416.18
Trade payables	74,061.89	-	-	-	74,061.89
Other financial liabilities	3,002.09	-	-	-	3,002.09
<b>Derivative financial instruments</b>					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	<b>1,41,480.16</b>	<b>10,000.00</b>	-	-	<b>1,51,480.16</b>

**(iii) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity/commodity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk). The Company enters into forward derivative contracts to manage risks of loss arising due to foreign exchange exposure. During the year ended 31 March 2022, there was no change to the manner in which the Company managed or measured market risk.

**(iv) Currency risk**

Foreign currency risk is the risk arising from exposure to foreign currency movement that will impact the Company's future cash flows and profitability in the ordinary course of business. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities from procuring or selling in foreign currencies and obtaining finance in foreign currencies.

The Company is exposed to currency risk on account of its borrowings and other payables in foreign

currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, mostly with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes. Following is the information on derivative financial instruments to hedge the foreign exchange rate risk as on dates are as below:

**31 March 2022**

(₹ in Lakhs)

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized (liabilities)/assets	Forward contract	NIL	NIL	NIL	NIL
Hedges of highly probable forecast transactions		NIL	NIL	NIL	NIL

**31 March 2021**

(₹ in Lakhs)

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized (liabilities)/assets	Forward contract	NIL	NIL	NIL	NIL
Hedges of highly probable forecast transactions		NIL	NIL	NIL	NIL

**Exposure to currency risk**

The currency profile of financial assets and financial liabilities as on dates are as below: (₹ in Lakhs)

Particulars	INR	USD	EURO	JPY	CNY	SEK	GBP	SGD	CHF	ZAR
<b>31 March 2022</b>										
<b>Financial assets (A)</b>										
Cash and cash equivalents	1,588.40	-	233.47	0.04	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-	-	-
Trade receivables	1,83,986.56	1,292.02	857.53	-	-	-	-	-	-	-
<b>Financial liabilities (B)</b>										
Trade payables	46,999.79	2,844.13	2,374.60	2,335.02	1,150.51	5.19	294.00	9.99	28.02	16.06
Other current financial liabilities	2,452.81	-	-	-	-	-	-	-	-	-
Current maturities of long term debt	10,000.00	-	-	-	-	-	-	-	-	-
<b>Net exposure to currency risk (A-B)</b>	<b>1,36,122.37</b>	<b>(1,552.11)</b>	<b>(1,283.60)</b>	<b>(2,334.98)</b>	<b>(1,150.51)</b>	<b>(5.19)</b>	<b>(294.00)</b>	<b>(9.99)</b>	<b>(28.02)</b>	<b>(16.06)</b>
<b>31 March 2021</b>										
<b>Financial assets (A)</b>										
Cash and cash equivalents	216.33	-	222.50	0.03	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-	-	-
Trade receivables	1,85,517.04	2,715.99	217.88	-	-	-	-	-	-	-
<b>Financial liabilities (B)</b>										
Trade payables	59,918.79	3,993.25	6,086.22	3,634.88	243.55	-	137.2	1.67	28.02	18.3
Other current financial liabilities	2,206.01	-	-	-	-	-	-	-	-	-
Current maturities of long term debt	10,149.48	-	-	-	-	-	-	-	-	-
<b>Net exposure to currency risk (A-B)</b>	<b>1,13,459.09</b>	<b>(1,277.26)</b>	<b>(5,645.84)</b>	<b>(3,634.85)</b>	<b>(243.55)</b>	<b>-</b>	<b>(137.20)</b>	<b>(1.67)</b>	<b>(28.02)</b>	<b>(18.30)</b>

The following significant exchange rates have been applied during the year.

Particulars	Average rate		Year-end spot rate	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
USD	-	-	76.3300	73.8500
EUR	-	-	85.7600	87.3300
JPY	-	-	0.6280	0.6726
GBP	-	-	100.6400	102.3200

**Sensitivity analysis**

A reasonably possible strengthening/(weakening) of the Indian Rupee against US dollars, Euro, Japanese Yen, the Pound and other currencies at 31 March 2022 and 31 March 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit



or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakhs)

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2022</b>				
1% movement				
USD	15.52	(15.52)	10.10	(10.10)
EUR	12.84	(12.84)	8.35	(8.35)
JPY	23.35	(23.35)	15.19	(15.19)
CNY	11.51	(11.51)	7.49	(7.49)
SEK	0.05	(0.05)	0.03	(0.03)
GBP	2.94	(2.94)	1.91	(1.91)
SGD	0.10	(0.10)	0.06	(0.06)
CHF	0.28	(0.28)	0.18	(0.18)
ZAR	0.16	(0.16)	0.10	(0.10)
<b>31 March 2021</b>				
1% movement				
USD	12.77	(12.77)	8.31	(8.31)
EUR	56.46	(56.46)	36.73	(36.73)
JPY	36.35	(36.35)	23.65	(23.65)
CNY	2.44	(2.44)	1.58	(1.58)
SEK	-	-	-	-
GBP	1.37	(1.37)	0.89	(0.89)
SGD	0.02	(0.02)	0.01	(0.01)
CHF	0.28	(0.28)	0.18	(0.18)
ZAR	0.18	(0.18)	0.12	(0.12)

#### (v) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.

#### Exposure to interest rate risk

The Company's interest rate risk arises from borrowings and loans made. Borrowings availed at fixed rates expose the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in Lakhs)

Particulars	Carrying amount	
	31 March 2022	31 March 2021
<b>Fixed-rate instruments</b>		
Financial assets	-	-
Financial liabilities	(10,000.00)	(20,000.00)
	(10,000.00)	(20,000.00)
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-

**Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 March 2022</b>				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
<b>Total Variable-rate instruments</b>	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
<b>31 March 2021</b>				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
<b>Total Variable rate instruments</b>	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-

**(vi) Equity and commodity price risk**

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Company has no exposure to changes in the quoted equity securities price risk as it has investments in unquoted equity instruments only. The Company does not invest in commodities and is not exposed to commodity price risk.

**M. Capital Management**

The Company strives to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The board of directors seeks to maintain a balance between the higher returns and levels of borrowings and the advantages and security afforded by a sound capital position.

**The Company's adjusted net debt to equity ratio is as follows.**

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Total borrowings <sup>1</sup>	<b>92,257.40</b>	84,483.83
Less: Cash and bank balances <sup>2</sup>	<b>(1,302.72)</b>	(109.64)
Adjusted net debt	<b>90,954.68</b>	84,374.19
Total equity	<b>2,30,678.77</b>	2,22,444.92
Less: Other components of equity	<b>(2,501.44)</b>	(5,001.44)
Adjusted equity	<b>2,28,177.33</b>	2,17,443.48
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.40</b>	0.39

<sup>1</sup>Total borrowings comprises of long-term borrowings, short-term borrowing and bank overdraft facilities.

<sup>2</sup>Cash and bank balances comprises of cash in hand, cash at bank and term deposits with banks excluding consortium member balances in ESCROW account, as disclosed under Note 15 (b) and balances with bank as unclaimed dividend.

## N. Derivatives

### Derivatives not designated as hedging instruments

The Company uses foreign currency forward contracts to manage its exposure to foreign currency fluctuations. These forward contracts are used to hedge foreign currency payables and other future transactions. However, these foreign exchange forward contracts are not designated as qualifying hedge instruments and are entered into for periods consistent with foreign currency exposure of the underlying transactions, and are generally for a term of 3 months to 12 months.

The Company has following outstanding forward contracts as on

31 March 2022: JPY Nil (INR Nil) [Previous Year - JPY Nil (INR Nil)]

31 March 2022: EUR Nil (INR Nil) [Previous Year - EUR Nil (INR Nil)]

31 March 2022: USD Nil (INR Nil) [Previous Year: USD NIL (INR Nil)]

### The fair value of foreign currency forward derivative is as below:

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Derivative assets		
Foreign exchange forward contracts (JPY)	-	-
Foreign exchange forward contracts (EUR)	-	-
Foreign exchange forward contracts (USD)	-	-
Total	-	-
Derivative liabilities		
Foreign exchange forward contracts (JPY)	-	-
Foreign exchange forward contracts (EUR)	-	-
<b>Foreign exchange forward contracts (USD)</b>	-	-
<b>Total</b>	-	-

The Company has unhedged foreign currency exposure of ₹18807.94 Lakhs (31 March 2021: ₹18807.94 Lakhs) for payables as at reporting date.

The Company has applied the principles of Ind AS 109 for the measurement of derivative financial instruments and has classified such derivative contracts as at fair value through profit or loss.

## Disclosures for Ratios :

Description of the ratio	Explanation of the items included in numerator and denominator	"Period/Year ended"	Numerator (₹ in Lakhs)	Denominator (₹ in Lakhs)	Ratio	% Variance	Explanation for variance
(a) Current ratio	Current assets/ Current liabilities	Mar-22	4,84,823.00	2,02,635.76	2.39	3%	-
		Mar-21	4,85,885.17	2,08,508.40	2.33		
(b) Debt-equity ratio	Total debt/ Shareholder's equity	Mar-22	82,257.40	2,30,678.77	0.36	9%	-
		Mar-21	74,334.35	2,22,444.92	0.33		
(c) Debt service coverage ratio	Earnings available for debt service/Debt service	Mar-22	32,114.12	4,933.43	6.51	26%	Due to Increase in Revenue from operations by 20%, EBITDA has improved significantly over previous year. Also long term debts have reduced due to redemption of NCDs by Rs 100 crs . Hence there is significant improvement in DSCR over PY.
		Mar-21	20,261.77	3,912.08	5.18		
(d) Return on equity ratio ('ROE')	Net profits after taxes / Average shareholder's equity	Mar-22	13,459.21	2,26,561.85	0.06	100%	Due to Increase in Revenue from operation by 20% over PY, Net Profits after taxes have improved significantly. Hence there is significant improvement in ROE over PY.
		Mar-21	7,480.00	2,24,080.03	0.03		
(e) Inventory turnover ratio	Cost of goods sold/ Average inventory	Mar-22	4,14,297.08	2,02,174.76	2.05	15%	-
		Mar-21	3,55,720.78	1,98,668.37	1.79		
(f) Trade receivables turnover ratio	Net credit sales/ Average accounts receivable	Mar-22	4,79,623.13	1,87,293.51	2.56	4%	-
		Mar-21	4,14,789.38	1,69,631.96	2.45		
(g) Trade payables turnover ratio	Net credit purchases/ Average trade payables	Mar-22	2,53,282.47	65,059.60	3.89	36%	-
		Mar-21	2,00,457.45	69,983.10	2.86		
(h) Net capital turnover ratio	Net sales/Average working capital	Mar-22	4,14,297.08	2,79,782.00	1.48	15%	-
		Mar-21	3,55,720.78	2,75,193.69	1.29		
(i) Net profit ratio	Net profit/Net sales	Mar-22	13,459.21	4,14,297.08	0.03	50%	Revenue from operation have increased by 20% over PY whereas Material consumption % has remained at 57% of Value of Production similar to PY, resulting in higher Net Profits after tax . Hence there is significant improvement in Net Profit Ratio over PY.
		Mar-21	7,480.00	3,55,720.78	0.02		
(j) Return on capital employed ('ROCE')	Earning before interest and taxes/ Capital employed	Mar-22	25,507.48	3,37,325.53	0.08	100%	Due to Increase in Revenue from operations by 20%, EBIT has improved significantly over previous year. Hence there is significant improvement in ROCE.
		Mar-21	13,193.50	3,36,523.72	0.04		
(k) Return on investment ('ROI')	Net Profit/Share capital	Mar-22	13,459.21	2,30,678.77	0.06	100%	The Total Comprehensive Income (TCI) has increased by Rs 10889.19 lakhs and after interim dividend of Rs 2581.94 lakhs Reserves & surplus has increased by Rs 8307.25 lakhs Hence ROI has improved significantly over PY.
		Mar-21	7,480.00	2,22,444.92	0.03		
(l) Asset turnover ratio	Total Income	Mar-22	4,34,422.93	5,65,855.59	0.77	22%	-
	Total Assets	Mar-21	3,61,737.22	5,73,955.01	0.63		
(m) EBITDA as a % of Revenue	EBITDA	Mar-22	32,114.12	4,34,422.93	0.07	17%	-
	Revenue	Mar-21	20,261.77	3,61,737.22	0.06		
(n) Trade receivables as number of days of revenue from Operation	(Trade receivables/ Revenue from Operation) * 365	Mar-22	1,86,136.11	4,79,623.13	142	-13%	-
		Mar-21	1,88,450.91	4,14,789.38	164		
(o) Exports as a percentage of Revenue from Operation	(Exports/Revenue from Operation)	Mar-22	56,474.04	4,14,297.08	14%	8%	-
		Mar-21	46,313.53	3,55,720.78	13%		
(p) Imports as a percentage of Revenue from Operation	(Imports/Revenue from Operation)	Mar-22	62,406.51	4,14,297.08	15%	-12%	-
		Mar-21	60,023.47	3,55,720.78	17%		

Revenue from Operation includes Revenue from Sale of products and Services ₹414297 Lakhs (PY ₹355721 Lakhs) and Other operating Income of ₹19452 Lakhs (PY ₹4019 Lakhs). For the purpose of calculating above ratios, wherever Turnover/Revenue from Operation are mentioned, value of Sale of products and Services has been considered.

### Additional Disclosures :

- i. The company does not hold any benami property held under the Benami Transaction (prohibition) Act, 1988 (clause 45), hence the reporting clause on benami property is not applicable.
- ii. The company does not fall under the willful defaulter category, hence the reporting clause on willful defaulter is not applicable.
- iii. The company has not transacted with struck off companies in MCA during the year.
- iv. The Company has complied with creation of charge and satisfaction of charge within the due dates and hence there are no non-compliances to report.

### v. Disclosures to CSR Activities

(₹ in Lakhs)

Particulars	Amount
(a) amount required to be spent during the year	165.22
(b) amount of expenditure incurred	565.80
(c) shortfall at the end of the year	-
(d) total of previous years shortfall	-
(e) reason for shortfall	-

#### (f) Nature of CSR activities :

1. Contribution to Covid hospital Lucknow
2. Mid-day meals to Akshaya Patra Foundation
3. Donation to Foundation for Innovation Entrepreneurship Development Centre
4. Donation to Foundation for Innovation and research in Science & Technology
5. Contribution to Kerala CM Distress Relief Fund
6. Providing Education to Local Population
7. Free Mobile Medical Service
8. Establishing Mini Science centre
9. Setting up Medical Oxygen plant at Govt Hospital KGF
10. Mobile Medical Camp In near Villages

(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-

- vi. There are no charges or satisfaction pending to be registered with ROC beyond statutory period.
- vii. Company has complied with the number of layers as prescribed under section 2(87) of Companies Act read with the companies (Restriction on number of layers).
- viii. During the current year as well as previous year, 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 persons or entities, 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. During the current year as well as previous year, no funds have been received by the Company from any persons or entities, 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.

As per our report of even date attached

For and on behalf of the Board of Directors

**For SUNDARAM & SRINIVASAN,**  
Chartered Accountants  
Firm Registration Number: 004207S

*Sd/-*

**CA. P MENAKSHI SUNDARAM**  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)

*Sd/-*

**ANIL JERATH**  
Director (Finance)  
(DIN 09543904)

*Sd/-*

**AMIT BANERJEE**  
Chairman & Managing Director  
(DIN 08783660)

*Sd/-*

**S V RAVI SEKHAR RAO**  
Company Secretary

Date: 27-05-2022



## INDEPENDENT AUDITOR'S REPORT

To the members of **BEML LIMITED**

### Report on the Audit of Standalone Indian Accounting Standards (Ind AS) Financial Statements

#### Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **BEML LIMITED** ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2022, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Cash Flow Statement, the standalone Statement of Changes in Equity for the year then ended, and notes to the Standalone Indian Accounting Standards ("Ind AS") Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "**Standalone Ind AS Financial Statements**").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 Ind AS prescribed under section 133 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 31 March, 2022 and its Profit and total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Ind AS 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 (ICAI) together with the ethical requirements that are

relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Ind AS financial statements.

#### Emphasis of Matter

We draw attention to;

- a) Statement of Changes in Equity (SOCE) as on March 31, 2022 relating to Debenture Redemption Reserve (DRR) amounting to ₹2,500.00 Lakhs (PY ₹ 5,000.00 Lakhs). As per Companies (Share Capital and Debentures) Rules, 2014 (as amended in 2019, effective from 16 August, 2019) listed companies are not required to create Debenture Redemption Reserve (DRR). However, the company has not created any Debenture Redemption Reserve (DRR) during the current year but has transferred to Retained Earnings based on redemption of debenture during the current year.
- b) Accounting policy 2.1.E – Current/Non-current classification, the company has different operating cycles for 3 Business Verticals viz Mining & Construction, Defence & Aerospace and Rail & Metro. For the purpose of current/non-current classification of assets and liabilities, the Company has evaluated and considering the operating cycle as twelve months in accordance with IND AS 1 - Presentation of Financial Statements.
- c) Note No. 12 – Inventories includes a provision for shortage of stock of Spares amounting to ₹38.83 Lakhs, which is pending to be adjustment in the books of accounts and under reconciliation.
- d) We draw attention to Note no. 14 – Trade Receivables amounting to ₹1,86,136.11 Lakhs, Note no. 14a – Contract Assets

- amounting to ₹59,217.26 Lakhs, Note no. 18 – Claims Receivable (net) (Other current Assets) amounting to ₹3,492.90 Lakhs of the notes forming part of the Financial statement which includes various onerous contract and regular contracts which are in various stages of completion, pending to be renewed, expired contracts or contracts pending to be executed for which finality and outcome to be arrived at in the future.
- e) Note No. 18 with respect to Claims Receivable from railway board amounting to ₹3,839.12 Lakhs an Inter- Ministerial Committee has been formed by MOD to resolve the issues. Pending final recommendations of the Committee, based on the deliberations in the committee and based on Company's assessment, provisions have been made wherever required excluding a sum of ₹177.22 lakhs which is covered in payable to Sub-Contractors on back to back terms.
- f) Note No. 39(F) regarding Ind AS 108 (Operating Segments) - Vide Notification No. S.O.802(E) dated 23-02-2018 issued by Ministry of Corporate Affairs, exempted companies engaged in Defence Production from segmental disclosure as required under Ind AS 108, accordingly the disclosure requirements under Ind AS 108 has not been made.
- g) Note No. 39(G) regarding pending confirmation, reconciliation, review/
- adjustment of balances in respect of advances, balances with government departments, trade payable, trade receivable, other loans and advances and deposits
- h) We draw attention to Note No.7 – Non-current Investments amounting to ₹252.60 Lakhs and Note No. 16 - Current Loans amounting to ₹1,679.77 Lakhs relating to Investment in Subsidiary M/s Vignyan Industries Limited (VIL).
- Based on the explanation and information as furnished to us, we were given to understand that As per the approval of the CCEA dtd 8<sup>th</sup> September 2021, Vignyan Industries limited (VIL), a subsidiary of BEML Ltd, is under Voluntary Liquidation and official Liquidator has been appointed on 12.10.2021 based on EGM dtd 11.10.2021. Movable assets of VIL has been disposed off and disposal of immovable assets (land) is under process.
  - The assets, viz., Furniture, Plant & equipment, office equipment, Vehicles, Capital WIP and Inventory have been grouped under one group "Movable assets" and have been revalued as under based on market value. The same has been disposed in November, 2021.

(₹ in Lakhs)

Movable Asset items	Book value	Revalued amount	Gain/(loss) on revaluation
Furniture and fixtures	2.31	740.20	
Plant & equipment	383.41		
Office equipment	1.50		
Vehicles:			
Vehicles: Own use	3.39		
<b>Movable Fixed Assets (A)</b>	390.61		
Capital Work -in - progress (B)	3.87		
Inventory (C)	420.40		
<b>Total Movable Assets (A+B+C)</b>	<b>814.88</b>	<b>740.20</b>	<b>(74.68)</b>

- Buildings and water supply installations with a net book value of ₹56.91 lakhs have been demolished and disposed off as scrap and difference between book value and realisable value adjusted in retained earnings.
  - Land (factory, helipad, guest house) have been revalued at ₹6,552.44 lakhs at net realisable value.
  - All the employees of VIL have been either retrenched or granted or absorbed in BEML. There are no employees under the rolls of VIL. Hence, no actuarial valuation under IND AS 19 (employee benefits) has been done.
- i) We draw attention to note no 11 (a) – Other Non-current Assets forming part of Financial statements relating to Advance to MAMC Consortium amounting to ₹6,827.18 Lakhs (Previous Year - ₹6,487.40 Lakhs)

Our Opinion is not qualified in respect of these matters.

### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. **In addition to the matters described in the Emphasis of Matter sections**, we have determined the matters described below to be the key audit matters to be communicated in our report:

**I. Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers”:**

Refer Note 30 to the Standalone Ind AS Financial Statements

### Key Audit Matters

The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period, and disclosures including presentations of balances in the financial statements. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

### Auditor’s Response to Key Audit Matters

We understood and evaluated the Company’s process, procedure and designed our audit approach consisted testing of the design and operating effectiveness of the internal controls and procedures as follows:

- Evaluated the effectiveness of control over the preparation of information that are designed to ensure the completeness and accuracy.
- Selected a sample of continuing 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. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- 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.

- Selected a sample of continuing and new contracts and performed the following procedures:
  - Read, analysed and identified the distinct performance obligations in these contracts.
  - Compared these performance obligations with that identified and recorded by the Company.
  - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
  - In respect of samples relating to metro contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual cost incurred up to that stage with estimation. We also tested the access and change management controls relating to these systems.
  - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
  - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
  - We reviewed the collation of information from the budgeted information of the management used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

## II. Inventory

Refer Note 12 to the Standalone Ind AS Financial Statements

### Key Audit Matters

Inventories with reference to Note No. 12 includes Raw Material, Work-In-Progress and Finished Goods which have been physically verified by the management based on physical verification instructions.

### Auditor's Response to Key Audit Matters

We have carried out following procedures with respect to the existence of Inventory as at the year-end

- Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods.
- Management had carried out the physical verification of inventory at the year end. We have performed the following alternate procedures to audit the existence of inventory:
  - The physical verification of inventory conducted by the management and we performed roll back procedures.
  - As explained in Note No. 12(a) in case of Inventory held at third party locations, obtained direct confirmation of the inventory held by third party locations subsequent to the year end and performed roll back procedures.
  - Obtained physical verification reports of the Management of the company based on inventory verification process. We verified the instructions provided by the management and examined the basis of valuation on a test check basis.

### III. Disputes and potential litigations:

Refer to Note 39.D.I.a.i. in the standalone financial statements

### Key Audit Matters

The Company is subject to a number of legal, regulatory and tax cases for which final outcome

cannot be easily predicted and which could potentially result in significant liabilities.

The assessment of the risks associated with the litigations is based on complex assumptions. This requires use of judgment to establish the level of provisioning, increases the risk that provisions and contingent liabilities may not be appropriately provided against or adequately disclosed. Management judgement is involved in assessing the accounting for demands, and in particular in considering the probability of a demand being successful. The risk related to the claims is mainly associated with the completeness of the disclosure, and the completeness of the provisions in the financial statements.

Accordingly, this matter is considered to be a key audit matter.

### **Auditor's Response to Key Audit Matters**

In order to get a sufficient understanding of litigations and contingent liabilities, we have discussed the process of identification implemented by the Management for such provisions through various discussions with Company's legal and finance departments.

We read the summary of litigation matters provided by the Company's/ Unit's Legal and Finance Team. We read, where applicable, external legal or regulatory advice sought by the Company.

We discussed with the Company's/ Unit's Legal and Finance Team certain material cases noted in the report to determine the Company's assessment of the likelihood, magnitude and accounting of any liability that may arise.

In light of the above, we reviewed the amount of provisions recorded and exercised our professional judgment to assess the adequacy of disclosures in the Standalone Ind AS financial statements.

### **Information Other than the Standalone Ind AS 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 the Board's Report including Annexures

to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended). 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 Ind AS 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 Ind AS financial statements the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosure, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or 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 Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 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 Ind AS 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 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 control 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 internal financial controls with reference to 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 standalone Ind AS 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 Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Ind AS 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 Companies Act, 2013, 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, 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 accounts as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement dealt with by this

Report are in agreement with the books of account.

- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.
- e) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 164(2) of the Companies Act, 2013 relating to disqualification of directors are not applicable to the Company, being a Government Company.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended, we are informed that the provisions of Section 197 read with Schedule V of the Act relating to managerial remuneration are not applicable to the Company, being a Government Company in terms of notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India.
- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 Ind AS financial statements. [Refer Note No. 39(D)(I)(a)(ii)]
  - ii. The Company did not have any derivative contracts but have provided a sum of ₹20.85 lakhs for Onerous contract (PY ₹5.36 Lakhs) (Refer Note 37).
  - iii. There were no amounts which required

- to be transferred by the Company to the Investor Education and Protection Fund.
- iv.
- a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, 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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, 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 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 the Ind AS financial statements
- (a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Company have 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, as applicable.
3. As required by Section 143(5) of the Act, we have given in "**Annexure-C**", a statement on the matters specified in the directions and additional directions issued by the Comptroller and Auditor General of India for the company.

Place : Mangaluru (Through VC)

Date : 27<sup>th</sup> May 2022  
 UDIN : 22217914AJSEWR3817

**For Sundaram & Srinivasan**  
 Chartered Accountants  
 Firm Regn No: 004207S

Sd/-  
**P Menakshi Sundaram**  
 Partner  
 Membership No. 217914

## Annexure - A to the Independent Auditors' Report

### (Referred to in Paragraph 1 of our Report on Other Legal and Regulatory Requirements relevant to paragraph 3&4 of "the order")

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Indian Accounting Standards (Ind AS) financial statements for the year ended 31 March 2022, we report that,

i) (a)

- A. According to the information given to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of property, Plant and Equipment;
- B. The company is maintaining proper records showing full particulars of intangible assets;

(b) The Property, Plant and Equipment of the Company have been physically verified by the management at reasonable intervals in a phased manner so as to generally cover all the Property, Plant and Equipment once in three years. As informed, no material discrepancies were noticed on such verification. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its Property, Plant and Equipment.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in the following cases:

We draw attention to Note No. 3 (B&E) to the Standalone Ind AS Financial Statements:

- i. As explained to us, Building costing ₹23.16 lakhs (carrying value ₹10.87 lakhs) situated at Ranchi are pending for registration/khatha transfer.
- ii. Lease hold land of 4706 Sqm at Hyderabad allotted by TSIIC in July 2006 at ₹129.41 lakhs for the

development of showroom, has been surrendered back to TSIIC vide Deed of Cancellation dated 21<sup>st</sup> March 2022. TSIIC has refunded the cost of ₹129.41 lakhs to BEML in March 2022 and accordingly the said land has been decapitalized. No penalty has been imposed by TSIIC. Further, 7092 Sqm of operational land with a value of ₹ 212.53 lakhs which was incorrectly classified as Leasehold Land has been re-classified as Freehold land.

iii. As explained to us, Free Hold Land includes additional compensation amount paid to KIADB amounting to ₹183 Lakhs for which title deeds have to be obtained from KIADB and Registration is under process. As per the Karnataka High Court Vide Order dated 11.02.2021, BEML has made total payment of ₹667.56 Lakhs on 28.05.2021, which includes interest amount of ₹484.56 Lakhs.

iv. Kerala Industrial Infrastructure Development Corporation (KIIDC) has allotted Leased land measuring 374.59 acres for a lease premium of ₹2547.21 lakhs (PY ₹2547.21 lakhs) for 99 years lease period w.e.f 01.07.2009. The actual land handed over by KIIDC was measuring 374.16 acres and the revised lease premium payable is ₹2544.29 lakhs only, excluding service tax of ₹273.56 lakhs. During FY 2021-22, out of 374.16 acres, land measuring 226.21 acres had been mutually agreed to be surrendered back to KIIDC and to enter into fresh lease agreement for the balance portion of 147.95 acres. The matter is under active consideration. Service tax of ₹273.56 lakhs had been waived by

KIIDC and accordingly the capitalized value of the land had been reduced.

- v. Based on explanation and information furnished to us, the Company had taken land measuring 1109 acres and two workshops on lease for a period of 10 years vide Lease Agreement dated 5th May 2004, w.e.f. 28.04.2004 from M/s. Bharat Gold Mines Limited (BGML) (A company under orders of winding up by BIFR), and a sum of Rs. 100 Lakhs was paid as non-refundable deposit, (included under other non-current assets (Note no.11)). As per the terms of the Lease agreement, this deposit shall be adjusted against the outright sale/transfer of ownership that may be fixed for the property and lessee shall be free to construct new building/alter the existing building/lay roads/fence the land in the interest of furthering its business to suit its use and on expiry of the lease the said building shall vest with the lessor on payment of consideration based on value prevailing on the date of handing over the property. The Company had incurred on the above land a sum of ₹1452.95 lakhs (with carrying value - ₹814.27 Lakhs) on Buildings (Previous Year - ₹859.05 lakhs) included in Property, Plant and Equipment as at year end.

Vide order dated 09.07.2013, the Hon'ble Supreme Court of India upheld the decision of the Union Government to float a global tender of BGML assets with an observation about the existence of sub-lease of a portion of the land to BEML Ltd expiring on 28.04.2014 to be included in the tender documents. The Company filed an Interlocutory application before the Hon'ble Supreme Court of India, praying for exclusion of land leased to BEML from the purview of global tender, which was dismissed. Since the lease agreement provides

for the continuation of the lease even after the expiring of lease period on 28.04.2014 till the final decision of the Company/Government in this regard, the operations of the company on the above land is continued. Appropriate accounting action will be considered based on the outcome of the tender process.

Meanwhile, BEML has proposed to surrender 1080.65 Acres out of 1109 Acres of land to BGML and to enter into a fresh lease agreement for the balance operational area of 28.35 Acres. However, BGML has offered BEML to outrightly purchase the land of 28.35 acres at mutually agreed price. The matter is under discussion between BGML and BEML.

- vi. Company has completed the process of obtaining documents in respect of flat at Roshan camp, Chennai and office building at Nagpur. Company has taken action to obtain title documents in respect of flat at Ashadeep, New Delhi - ₹2.80 lakhs.
- vii. The Company has initiated legal action to obtain possession of 1.88 acres of land out of 5 acres at Tatisilwai, Arra Village, Ranchi.
- viii. Based on explanation and information furnished to us, Free hold at KGF does not include 114 Acres which is under reconciliation with DC, Kolar.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

ii)

- (a) According to the information and explanations given to us, physical verification of inventory excluding materials lying with third parties and work in progress has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed. According to the information and explanation given to us and in our opinion the frequency of physical verification is reasonable.

In our opinion and according to the information and explanations given to us, discrepancies noticed on physical verification of inventories, which were not material, have been properly dealt with in the books of account **Except for the effects of the matter described in the Emphasis of Matter (c) section in our Independent Auditors Report.**

- (b) During the year, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from bank on the basis of security of current assets. Quarterly returns or statements filed by the company with bank are in agreement with books of account of the company.

iii)

- (a) According to the information and explanations given to us, during the year the company had made investment of ₹1.00 lakh to one of its subsidiary companies. (Refer Note: 7) and had granted secured loans to one of its subsidiary companies under liquidation.

During the year, a sum of ₹401.60 lakhs had been provided as loan and interest amounting ₹94.03 lakhs had been accounted. Balance outstanding as at the end of March 2022 was ₹1,679.77 lakhs including interest of ₹99.54 lakhs. Refer Note: 16

- (b) The Investment made & the terms & conditions of the grant of the loan to the subsidiary companies are not prejudicial to the company's interest.

In respect of loan provided to the subsidiary company, Clause (c) to Clause (e) of Paragraph 3 are not applicable since there is no agreement or repayment schedule between the companies.

- (c) The company has granted loan without specifying any terms or period of repayment to its subsidiary company amounting to ₹1,679.77 lakhs including interest receivable of ₹99.54 lakhs ( Total value of loan provided is ₹1,580.23 lakhs – Refer Note : 16) (100%).
- iv) In respect of loan and investments, provisions of sections of 185 and 186 of the companies Act are not applicable to the company. Accordingly provisions of paragraph 3(iv) of the order is not applicable to the Company.
- v) The Company has not accepted any deposits from public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under during the year and also the directions issued by the Reserve Bank of India. Accordingly provisions of paragraph 3(v) of the order is not applicable to the Company.
- vi) Pursuant to the rules made by the central government of India, the Company is required to maintain Cost Records as specified u/s 148(1) of the Act in respect of its products and services.

We have broadly reviewed the same and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether these are accurate and complete. Cost Audit Report is yet to be obtained for the current year.

- vii) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues including Goods & Service tax, Provident Fund, Employees' State Insurance, Income- tax, Sales



tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed statutory dues were outstanding for a period of more than six months from the date they became payable, as per the books of account as at March 31, 2022.

(b) According to the information and explanations given to us, there are disputed statutory dues, which are outstanding on account of dispute as on March 31, 2022 as given here in below:

Name Of The Statute	Nature Of Disputed Tax	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty incl. Interest and Penalty	21,020.92	April 2006 to Feb 2013	CEST
	National Calamity Contingency Duty	11,342.41	April 2006 to Jun 2017	CESTAT
	<b>Total Excise Duty</b>	<b>32,363.33</b>		
Service Tax Act, 1994	Service Tax including penalty	3,378.35	April 2009 to Jun 2017	Commissioner & CESTAT
	<b>Total Service Tax</b>	<b>3,378.35</b>		
The Customs Act, 1962	Customs Duty	2,706.65	2008-09 to 2016-17	Commissioner & CESTAT
	<b>Total custom Duty</b>	<b>2,706.65</b>		
The Karnataka Municipal Corporation Act, 1976	Municipality Taxes KGF	7,433.37	2002-03 to 2021-22	City Municipality council – KGF
	Property Tax	109.11	1995-96 to 2005-06	City Civil Judge, Bengaluru
	<b>Total Property tax</b>	<b>7,542.48</b>		
Sales Tax Act of Various States	Sales Tax /VAT	345.19	2007-08 to 2017-18	Maharashtra Commercial Tax
	Sales Tax /VAT	5,925.47	2010-11 to 2017-18	Karnataka Commercial Tax
	Sales Tax /VAT	647.53	2008-09 & 2009-10	West Bengal Commercial Tax
	Sales Tax /VAT	1,634.70	2006-07 to 2016-17	Jharkhand Commercial Tax
	Sales Tax/VAT	34.54	2010-11 to 2017-18	Kerala Commercial Tax
	Sales Tax /VAT	53.26	2005-06 & 2006-07	Odisha Commercial Tax
	Sales Tax /VAT	117.28	2013-14 to 2017-18	Madhya Pradesh Commercial Tax
<b>Total Sales Tax/ VAT</b>	<b>8,757.97</b>			
Income Tax Act, 1961	Income Tax	8,299.35	2017-18	Commissioner Appeals - NeAC
	<b>Total Tax Income</b>	<b>8,299.35</b>		
	<b>Grand Total</b>	<b>63,048.13</b>		
Amount Deposited under Protest	Central Excise/ Customs	208.19		
Amount Deposited under Protest	Sales Tax/VAT	2,326.54		
	<b>Total</b>	<b>2,534.73</b>		



- viii) In our opinion and according to the information and explanations given to us, there are no transactions not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix)
- (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The company is not declared a wilful defaulter by any bank.
- (c) Terms loans were applied for the purpose for which the loans were obtained.
- (d) The funds raised on short terms basis have not been utilised for long term purposes.
- (e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries.
- x)
- a. According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- b. According to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi)
- a. According to the information and explanations given to us by the management and based on audit procedures performed, no fraud by the company or fraud on the company has been noticed or reported during the year.
- b. In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c. According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed under Note 39C in the Standalone Ind AS Financial Statements as required under Ind AS 24 'Related Party Disclosures' specified under Section 133 of the Act read with relevant rules.
- xiv)
- a. In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered the internal audit reports of the company issued till date, for the period under audit.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Hence, the provisions of clause 3(xvi) of the Order are not applicable.
- xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year Hence, the provisions of clause 3(xviii) of the Order are not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, along with details provided in Notes to the Ind AS Financial statements which describe the maturity analysis of assets & liabilities other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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. According to the information and explanations given to us and based on our examination of the records of the Company, In respect of other than ongoing projects, It is not required to transfer any unspent amount as at the end of the financial year 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.
- b. According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing Corporate Social Responsibility (CSR) project.
- xxi) There is a qualification in the Auditor's Report on the consolidated financial statements.

Place : Mangaluru (Through VC)

Date : 27<sup>th</sup> May 2022

UDIN : 22217914AJSEWR3817

**For Sundaram & Srinivasan**  
 Chartered Accountants  
 Firm Regn No: 004207S

Sd/-  
**P Menakshi Sundaram**  
 Partner  
 Membership No. 217914

## Annexure - B to the Independent Auditors' Report

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

#### Opinion

We have audited the internal financial controls over financial reporting of **BEML LIMITED** (hereinafter referred as "**the Company**") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

In our opinion, the Company has, in all material respects, an internal financial controls with reference to financial statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2022, 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 (the "Guidance Note").

#### 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 (the Guidance Note) 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 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 over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Place : Mangaluru (Through VC)

Date : 27<sup>th</sup> May 2022  
UDIN : 22217914AJSEWR3817

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn No: 004207S

*Sd/-*  
**P Menakshi Sundaram**  
Partner  
Membership No. 217914

**Annexure - C to the Independent Auditors' Report**

**Revised Directions under Section 143(5) of the Companies Act, 2013 ("the Act")**

On the directions issued by the Comptroller and Auditor General of India under sub section 5 of section 143 of the Companies Act, 2013, based on the verification of records of the Company and information and explanations given to us, we report that:

A	<b>Revised Directions under Section 143(5) of Companies Act, 2013</b>	
	<b>DIRECTIONS</b>	<b>AUDITOR'S COMMENTS</b>
1	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated	The Company uses SAP software for processing accounting transactions at Manufacturing Divisions/Units, Central Marketing Office, Branches and Head Office.  As per information and explanations given to us, and based on our audit on test basis, there are no accounting transactions processed outside the IT system, no instances of lack of integrity of accounts and no financial implications has been noted/ reported.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanations given to us, there was no restructuring of an existing loan or cases of waiver/ write off of debts/loans/interest etc., made by a lender to the company due to the company's inability to repay the loan.
3	Whether funds (grants/subsidary etc.) received/receivable for specific schemes from Central/State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	As per information and explanations given to us, the Company, during the year of audit, has not received/receivable of funds for specific schemes from Central/State agencies.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn No: 004207S

Place : Mangaluru (Through VC)

Date : 27<sup>th</sup> May 2022  
UDIN : 22217914AJSEWR3817

Sd/-  
**P Menakshi Sundaram**  
Partner  
Membership No. 217914



लोकाहितार्थं सत्यनिष्ठा  
Dedicated to Truth in Public Interest

By Speed Post  
Confidential

सं./No. Insp./BEMLAccs 2021-22/ 2022-23/ 1534

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य  
लेखापरीक्षा बोर्ड का कार्यालय, बेंगलूर - 560 001.  
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL  
AUDIT and ex-Officio MEMBER, AUDIT BOARD,  
BENGALURU - 560 001.

दिनांक/ DATE. 28<sup>th</sup> July 2022

To  
Shri Amit Banerjee,  
Chairman and Managing Director,  
BEML Limited,  
BEML Soudha, S.R. Nagar,  
Bangalore - 560 027.

Sir,

- Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Standalone and Consolidated financial statements of **BEML Limited, Bengaluru** for the year ended 31 March 2022.

I forward "Nil Comments" Certificates 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 Standalone and Consolidated Financial Statements of **BEML Limited, Bengaluru** for the year ended 31 March 2022.

It may please be ensured that the comments are:

- Printed in toto without any editing;
- Placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index; and
- Placed before the AGM as required under Section 143(6) (b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,

(Arun Kumar V.M.)  
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग  
INDIAN AUDIT & ACCOUNTS DEPARTMENT  
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूर - 560 001.  
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

द.भा./Phone : 2226 7646 / 2226 1168  
Email : mabbangalore@cag.gov.in

फैक्स /Fax : 080-2226 2491



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF BEML LIMITED, BENGALURU FOR THE YEAR  
ENDED 31 MARCH 2022**

The preparation of financial statements of **BEML Limited, Bengaluru** for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is 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 27 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **BEML Limited, Bengaluru** for the year ended 31 March 2022 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 auditor and is limited primarily to inquiries of the statutory auditor 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

  
(Santosh Kumar)

Principal Director of Commercial Audit

Place: Bengaluru  
Date: 28<sup>th</sup> July 2022

## BEML LIMITED

BEML SOUDHA, 23/1, 4TH MAIN ROAD, S.R. NAGAR, BENGALURU-560027

## SIGNIFICANT ACCOUNTING POLICIES - CONSOLIDATED

**Note no. 1: Corporate Information:**

The accompanying consolidated financial statements comprise of the financial statements of BEML Limited (the Company), its subsidiaries viz., Vignyan Industries Ltd, BEML Land Assets Ltd, and MAMC Industries Ltd (referred collectively as the 'Group') and the Groups interest in associates and Joint ventures for the year ended 31 March 2022. The Group manufactures and supplies defence ground support equipment such as Tatra based high mobility trucks, aircraft towing tractors etc. Under Mining and Construction business, the Group manufactures and supplies equipment like bull dozers, excavators, dumpers, shovels, loaders and motor graders to various user segments and under Rail and Metro business, manufactures and supplies rail coaches, metro cars, ACEMUs, OHE cars, steel and aluminium wagons to the rail and metro sector. Information on other related party and nature of relationships of the Group is provided in Note 39C. These financial statements were authorised for issue in accordance with a resolution of the directors on **27.05.2022**.

**Note2: Consolidated Significant accounting policies****2.1. Basis of preparation and Statement of Compliance**

a. The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These financial statements for the year ended 31 March 2022 with comparatives of year ended 31 March 2021 are prepared in accordance with Ind AS.

b. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
  - Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
  - Defined benefit and other long-term employee benefits obligations.
- c. The financial statements are presented in Indian Rupee (INR) which is the functional and the presentation currency of the Group and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.
- d. Preparation of the financial statements, in conformity with Ind AS, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates.
- e. Assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group's operating cycle is considered as twelve months for the purpose of current/non-current classification of assets and liabilities.
- f. The Group revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively. A change in an accounting estimate that results

in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors result in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

**g. Basis of Consolidation:**

(i) Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Equity accounted investees: The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint

ventures are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

(iv) Transactions eliminated on consolidation: Intra group balances and transactions and any unrealized income and expenses arising from intra group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

**2.2 Summary of consolidated significant accounting policies**

**A. Revenue Recognition:**

Sales is exclusive of GST.

**Revenue from contracts with customers:**

Revenue is recognised, on the transfer of promised goods or services, by way of allocating transaction price, being amount of consideration which an entity expects/entitles in exchange for transferring promised goods or services to a customer, to the extent of performance obligation satisfied in a contract.

**i. Satisfaction of performance obligation over time**

a. Revenue is recognised overtime where the transfer of control of goods or services takes place over time by measuring the progress towards complete satisfaction of that performance obligation, if one of the

following criteria is met:

- the Group's performance entitles the customer to receive and consume the benefits simultaneously as the company performs
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- the Group's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

b. Progress made towards satisfying a performance obligation is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract. If the outcome of the performance obligation cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

c. For measurement of satisfaction of performance obligation over time, input cost method is adopted.

## ii Satisfaction of performance obligation at a point in time

a. In respect of cases where the transfer of control does not take place over time, the Group recognises the revenue at a point in time when it satisfies the performance obligations.

b. The performance obligation is satisfied when the customer obtains control of the asset. The indicators for transfer of control include the following:

- the Group has transferred physical possession of the asset

- the customer has legal title to the asset
- the customer has accepted the asset
- when the Group has a present right to payment for the asset
- the Group has the significant risks and rewards of ownership of the asset. The transfer of significant risks and rewards ownership is assessed based on the Inco- terms of the contracts.

## c. Bill and hold Sales

Bill and hold sales is recognised when all the following criteria are met:

- the reason for the bill and hold sales is substantive
- the product is identified separately as belonging to the customer
- the product is currently ready for physical transfer to the customer
- the Group does not have the ability to use the product or to direct it to another customer

## Escalation:

Escalation in prices are recognized as revenue as per the escalation formula provided in the contract. In the absence of such a clause in the contract, any claim for the same is recognized on acceptance by the customer.

## Duty Drawback:

Duty drawback claims on exports are accounted on preferring the claims.

## Revenue from wind energy:

Revenue from generation of electricity from wind mill is recognized when the electricity is supplied to industrial electricity distribution license holder as per the terms of agreement.

## Other Income

### (i) Interest income:

Interest Income is recognized using the effective interest rate (EIR) on a time proportion basis and as per the terms of the relevant instrument.

### (ii) Dividends:

Dividend income is recognized when the Group's right to receive the payment is established.

### (iii) Rental income:

Rental income arising from operating leases is accounted for on a straight-line basis over the non-cancellable lease term unless increases in rentals are in line with expected inflation.

## B. Investments in associates and joint venture

The Group accounts for its interests in associates and joint ventures in the separate financial statements at cost.

## C. Foreign Currencies:

Transactions in foreign currencies are initially recorded by the Group at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognized in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

## D. Fair value measurement:

The Group measures certain financial

instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

## E. Discontinued operation:

Classification of an operation as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit and loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

## F. Government Grants:

Government Grants are recognized as follows when there is reasonable assurance that the grant will be received and all attached terms and conditions will be complied with.

- (i) Grant towards meeting expenditure is recognized as income as and when the expenditure for which the grant is sanctioned is incurred.
- (ii) Grant towards procurement of an asset is recognized as income in equal amounts over the expected useful life of the related asset.
- (iii) Grant towards non-monetary assets are recognized at fair value and released to Statement of profit and loss over the expected useful life.
- (iv) The subsidized portion of interest rate provided by the Government on loans or similar financial assistance is recognized as grant.

## G. Income Taxes:

### Current income tax:

Current tax assets and liabilities are measured at the amount to be recovered from or paid to the taxation authorities as per the applicable



tax laws at the reporting date in Statement of profit and loss.

**Deferred tax:**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

For the items directly recognized in Equity, the current and deferred tax pertaining to such item is recognized through Equity.

**H. Property, Plant & Equipment:**

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Cost includes expenditure on acquisition of asset, present value of expected cost for the decommissioning of an asset, cost of replacing part of Plant and Equipment and borrowing costs.

Depreciation is calculated on a straight line basis over estimated useful lives as prescribed in schedule II of the companies Act 2013. In respect of the following assets, useful lives are different than the useful lives indicated in Schedule II of Companies Act 2013, based on technical assessment and management estimates depending on the nature and usage of the respective assets.

- (a) Special tools up to the unit value of ₹5,000 are charged off in the year of incurrance and Special tools to the unit value above ₹5,000 are amortised over a period of 3 years.
- (b) Jigs and fixtures up to the unit value of ₹5 Lakhs are charged off in the year of incurrance and Jigs and fixtures of unit value above ₹5 Lakhs are amortised over a period of 3 years.

When parts of an item of property, plant and equipment have different useful lives, they

are treated as separate components and depreciated over their estimated useful lives.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Any gain or loss arising out of derecognizing of an asset is included in statement of Profit and Loss of the relevant period.

Products given under No Cost No Commitment are capitalised appropriately under the relevant asset category and amortised over the useful life of that asset. They are also tested for impairment periodically.

Expenditure incurred on Developmental Projects for participating in trials, based on Request from customers, are carried forward till conclusion of the trials and will be amortised over the orders to be received. In case customer order does not forthcoming or on discontinuation of project, the balance amount will be either capitalised if further economic benefit is expected from its use or will be charged off.

**I. Investment Property:**

Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss if any. The fair value of the Investment property is disclosed in the notes.

**J. Intangible Assets:**

- (i) Intangible assets acquired are stated at acquisition cost, less accumulated amortization and accumulated impairment losses if any
- (ii) Research costs are expensed as incurred
- (iii) Development expenditure is recognized as Intangible assets and tested for impairment annually during the period of development
- (iv) Expenditure on development of products intended for sale is included in inventory.
- (v) Intangible Assets referred above includes the cost of materials, direct



labour, overhead costs, borrowing costs that are directly attributable to the respective asset for its intended use.

### **Amortization**

Intangible assets are amortized over useful economic life and assessed for impairment if any. Where it is not possible to assess the useful economic life of an intangible asset, the same is not amortized and reviewed annually for impairment if any.

### **K. Borrowing Cost:**

Borrowing costs directly attributable to creation of an asset are capitalized as part of the cost of the asset. General borrowing costs are capitalized by apportioning the same to qualifying assets.

### **L. Lease:**

Contracts with third party, which give the Group the right of use in respect of an identified Asset, are accounted in line with the provisions of Ind AS 116 – Leases, if the recognition criteria as specified in the Accounting standard are met.

A lease is classified at the inception date as a finance lease or an operating lease by lessor whereas lessee will follow the Single lease accounting (i.e. same as finance lease).

#### **Group as a lessee:**

Lessee will recognize right-of-use asset and lease liability, for all leases, except short term lease and leases for which underlying asset is of low value.

Short term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a purchase option.

An underlying asset can be of low value only if:

- (a) the lessee can benefit from use of the underlying asset on its own or together with other resources that are readily

available to the lessee; and

- (b) The underlying asset is not highly dependent on, or highly interrelated with, other assets.

The initial value of lease liability shall be determined at the present value of the lease payments due. The interest rate implicit in the lease or lessee's incremental borrowing may be used to arrive at the present value of the lease payments due. The lease liability is subsequently measured by **increasing** the carrying amount to reflect interest on the lease liability and **reducing** the carrying amount to reflect the lease payments made.

Leases will be recognised where the value of new individual asset is more than Rs.2 Lakhs.

At the commencement date, the Group as lessee measures the right of use asset at cost. The cost of "right of use" asset is determined at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of Plant, Property and Equipment schedule in the Balance Sheet.

Lessee would recognize depreciation expense on the right of use asset using the straight line method from the commencement date to the end of lease term or useful life of the asset, whichever is earlier.

#### **Group as a lessor:**

In case of an operating lease, initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the leased asset. In case of finance leases, amounts due from lessees are recorded as receivables.

### **M. Inventory:**

Inventories are valued at the lower of cost and net realizable value. Cost for the purpose of the above is accounted as under:

- (i) Raw materials, Components, Stores and Spare parts: weighted average

cost

- (ii) Finished goods and Work in Progress:  
Cost of materials, labour and production overheads

Scrap is valued at estimated realizable value.

Based on ageing assessment on a periodic basis, an allowance is recognized for obsolete/non-moving inventory.

**N. Impairment of non-financial assets:**

The Group assesses at each reporting date for impairment of asset or cash generating units (CGU). If on assessment, the asset or CGU is considered impaired they are written down to the recoverable amount.

**O. Employee Benefits:**

**Short-term employee benefits:**

Short-term employee benefits are expensed as the related service is rendered.

**Defined benefit plans:**

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by actuarial valuation conducted annually by a qualified actuary using the projected unit credit method.

Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is recognized in the statement of profit and loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss.

**Other long-term employee benefits:**

The Group's net obligation in respect of long-term employee benefits is the amount

of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

**Defined contribution plan:**

For defined contribution plans, the Group contributes to independently administered funds as per relevant scheme. These contributions are recorded in the statement of profit and loss. The Group's liability is limited to the extent of contributions made to these funds.

**P. Provisions:**

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted. Contingent liabilities and contingent assets are not recognized in the financial statements but are disclosed in the notes.

**Warranty provisions:**

Provision for warranty related costs are recognized on sale of product or service rendered based on historical experience and technical assessment and reviewed annually.

**Onerous contracts:**

A provision for onerous contracts other than construction contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

**Q. Financial Assets:**

**Recognition and measurement:**

All financial assets are recognized initially at fair value. Subsequently, financial assets are measured at fair value or amortized cost based on their classification.

**Embedded derivative:**

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. If the hybrid contains a host that is not an asset within the scope of Ind AS 109, the embedded derivative is separated and accounted at fair value.

**Derecognition:**

A financial asset or part of a financial asset is derecognized when the rights to receive cash flows from the asset have expired.

**Trade and other receivables:**

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

**Cash and cash equivalents:**

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

**Impairment of financial assets:**

In accordance with Ind-AS 109, the Group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

**R. Financial Liabilities:**

**Recognition and measurement:**

Financial liabilities are classified, at initial recognition, at fair value through statement of profit and loss as loans, borrowings, payables, or derivatives, as appropriate.

Financial liabilities are measured based on their classification at fair value through statement of profit and loss, amortized cost or fair value through other comprehensive income.

**Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**Trade and other payables:**

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

**S. Financial Assets and Liabilities Reclassification:**

**Reclassification of financial Assets and Liabilities:**

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For other financial assets, a reclassification is made prospectively only if there is a change in the business model for managing those assets.

**Offsetting of financial Assets and Liabilities:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

**T. Earnings per share:**

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

**U. Cash dividend and non-cash distribution to equity shareholders:**

The Group recognizes a liability to make cash or non-cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group.

**V. Events after the reporting period:**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

As per our report of even date attached

For and on behalf of the Board of Directors

**For SUNDARAM & SRINIVASAN,**  
Chartered Accountants  
Firm Registration Number: 004207S

*Sd/-*

**CA. P MENAKSHI SUNDARAM**  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)

*Sd/-*

**ANIL JERATH**  
Director (Finance)  
(DIN 09543904)

*Sd/-*

**AMIT BANERJEE**  
Chairman & Managing Director  
(DIN 08783660)

*Sd/-*

**S V RAVI SEKHAR RAO**  
Company Secretary

Date: 27-05-2022

## Consolidated Balance Sheet

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>I. Assets</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	58,514.52	55,860.65
(b) Right of Use Asset	3A	831.22	762.18
(c) Capital work-in-progress	4	591.50	890.25
(d) Intangible assets	5	2,784.93	3,450.38
(e) Intangible assets under development	6	789.80	503.46
(f) Financial assets			
(i) Investments	7	0.04	0.04
(ii) Loans	8	12.11	10.99
(iii) Other financial assets	9	62.54	45.64
(g) Deferred tax assets (net)	10	16,362.78	19,723.80
(h) Other non-current assets	11	7,213.27	6,898.01
<b>Total non-current assets</b>		<b>87,162.71</b>	<b>88,145.40</b>
<b>(2) Current assets</b>			
(a) Inventories	12	2,07,277.26	1,97,534.62
(b) Financial Assets			
(i) Investments	13	-	-
(ii) Trade receivables	14	1,86,136.11	1,88,450.91
(iii) Contract Assets	14a	59,217.26	63,430.72
(iv) Cash and cash equivalents	15	2,200.16	447.68
(v) Bank Balance Other than (iv) above	15a	1,194.31	87.87
(vi) Loans	16	-	-
(vii) Other financial assets	17	522.82	550.41
(viii) Current tax assets (Net)	17a	3,575.95	2,804.81
(c) Non-Current Assets held for de-merger	3B	350.17	-
(d) Other current assets	18	23,266.53	31,930.83
<b>Total current assets</b>		<b>4,83,740.57</b>	<b>4,85,237.86</b>
<b>Total Assets</b>		<b>5,70,903.28</b>	<b>5,73,383.26</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	19	4,177.22	4,177.22
(b) Other Equity		2,31,491.83	2,17,263.66
<b>Equity attributable to equity holders of the parent</b>		<b>2,35,669.05</b>	<b>2,21,440.88</b>
Non-controlling interests		(37.13)	(16.51)
<b>Total Equity</b>		<b>2,35,631.92</b>	<b>2,21,424.38</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	-	10,000.00
i (a) Lease Liability		880.64	754.48
(ii) Other financial liabilities	21	125.37	41.60
(b) Provisions	22	24,432.64	20,772.37
(c) Other non-current liabilities	23	1,07,102.41	1,11,434.98
<b>Total non-current liabilities</b>		<b>1,32,541.05</b>	<b>1,43,003.44</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Short term Borrowings	24	82,257.40	64,334.35
i(a) Lease Liability		43.85	83.79
(ii) Trade payables	25		
(A) Micro & Small Enterprises		8,235.92	3,885.49
(B) Other than Micro & Small Enterprises		47,880.28	70,289.96
(iii) Other financial liabilities	26	2,423.73	2,140.78
(b) Other current liabilities	27	33,477.79	41,956.39
(c) Provisions	28	24,894.14	26,110.12
(d) Current tax liabilities (Net)	29	3,517.20	154.56
<b>Total current liabilities</b>		<b>2,02,730.31</b>	<b>2,08,955.44</b>
<b>Total Equity and Liabilities</b>		<b>5,70,903.28</b>	<b>5,73,383.26</b>

Note nos. 1 to 39 includes Significant Accounting Policies and Other Notes to Accounts annexed herewith form part of the financial statement.

As per our report of even date attached

For and on behalf of the Board of Directors

For **SUNDARAM & SRINIVASAN**,  
Chartered Accountants

Firm Registration Number: 004207S

Sd/-  
**CA. P MENAKSHI SUNDARAM**  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)

Sd/-  
**ANIL JERATH**  
Director (Finance)  
(DIN 09543904)

Sd/-  
**AMIT BANERJEE**  
Chairman & Managing Director  
(DIN 08783660)

Sd/-  
**S V RAVI SEKHAR RAO**  
Company Secretary

Date: 27-05-2022

## Consolidated Statement of Profit and Loss

(₹ in Lakhs)

Particulars	Note No	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>I</b> Revenue from operations	<b>30</b>	<b>4,33,748.77</b>	3,59,683.32
<b>II</b> Other income	<b>31</b>	<b>569.79</b>	1,997.27
<b>III Total Income (I + II)</b>		<b>4,34,318.55</b>	3,61,680.60
<b>IV Expenses:</b>			
Cost of materials consumed	32	2,26,868.06	2,03,727.47
Purchase of stock-in-trade	33	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	15,069.99	87.62
Employee benefits expense	35	86,146.87	85,194.61
Finance costs	36	4,933.43	3,940.35
Depreciation and amortization expense	3,5	6,645.43	7,137.78
Other expenses	37	74,681.09	52,881.32
<b>Total Expenses (IV)</b>		<b>4,14,344.87</b>	3,52,969.15
<b>V</b> Profit/(Loss) before exceptional items and tax (III-IV)		<b>19,973.68</b>	8,711.45
<b>VI</b> Add/ (Less) : Exceptional items	<b>38</b>	-	-
<b>VII Profit/(Loss) before tax (V-VI)</b>		<b>19,973.68</b>	8,711.45
<b>VIII Tax expense:</b>			
(1) Current tax	10 a	4,484.52	3,263.01
(2) MAT credit entitlement	10 a	(967.33)	-
(3) Deferred tax	10 a	3,597.65	(1,421.59)
<b>IX</b> Profit/(Loss) for the year from continuing operations (VII-VIII)		<b>12,858.84</b>	6,870.03
<b>X</b> Profit/(Loss) from discontinuing operations		-	-
<b>XI</b> Tax expense of discontinued operations		-	-
<b>XII</b> Profit/(Loss) from discontinued operations (after tax) (X-XI)		-	-
<b>XIII Profit/(Loss) for the year (IX+XII)</b>		<b>12,858.84</b>	6,870.03
<b>XIV Other Comprehensive Income</b>			
A(i) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit (liability)/asset		(2,885.25)	(8,106.06)
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 b	236.62	570.97
B(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the year</b>		<b>(2,648.63)</b>	(7,535.09)
<b>XV Total Comprehensive Income for the year (XIII+XIV)</b>		<b>10,210.21</b>	(665.06)
Profit for the year		<b>12,858.84</b>	6,870.03
<i>Attributable to:</i>			
Equity holders of the Group		<b>12,879.46</b>	6,890.29
Non-controlling interests		(20.62)	(20.26)
<b>Total Comprehensive Income for the year</b>		<b>10,210.21</b>	(665.06)
<i>Attributable to:</i>			
Equity holders of the Group		<b>10,230.83</b>	(644.80)
Non-controlling interests		(20.62)	(20.26)
<b>XVI Earnings per equity share: (₹10/- each) in ₹</b>			
Basic and diluted	<b>39(A)</b>	<b>30.88</b>	16.50

Note nos. 1 to 39 includes Significant Accounting Policies and Other Notes to Accounts annexed herewith form part of the financial statement.

As per our report of even date attached

For and on behalf of the Board of Directors

For **SUNDARAM & SRINIVASAN**,  
Chartered Accountants

Firm Registration Number: 004207S

Sd/-  
**CA. P MENAKSHI SUNDARAM**  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)Sd/-  
**ANIL JERATH**  
Director (Finance)  
(DIN 09543904)Sd/-  
**AMIT BANERJEE**  
Chairman & Managing Director  
(DIN 08783660)Sd/-  
**S V RAVI SEK HAR RAO**  
Company Secretary

Date: 27-05-2022



## Statement of Cash Flows

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
	Sub items	Main items	Sub items	Main items
<b>A. Cash flow from operating activities</b>				
Net profit before tax and extraordinary items		<b>19,973.68</b>		8,711.45
<i>Adjustments for</i>				
Depreciation and amortization expense	<b>6,645.43</b>		7,137.78	
(Gain)/loss on disposal of property, plant and equipment	<b>(54.44)</b>		(22.69)	
Foreign exchange loss/(gain)	<b>453.44</b>		(165.48)	
Financing Cost	<b>4,933.43</b>		3,940.35	
Interest income	<b>(55.96)</b>		(50.87)	
Allowance for bad and doubtful Trade receivables	<b>5,354.92</b>		(6,370.16)	
Allowance for bad and doubtful Advances	<b>369.59</b>		1206.54	
Movement in Provision	<b>2,444.28</b>		6,845.60	
Movement in Allowance for Inventory	<b>(517.93)</b>		1,522.41	
Actuarial gain/(loss) on Gratuity & PRMS	<b>(2,885.25)</b>	<b>16,687.51</b>	(8,106.06)	5,937.42
<b>Operating Profit/(Loss) before changes in working capital</b>		<b>36,661.19</b>		14,648.87
<i>Adjustment for</i>				
Inventories	<b>(9,224.70)</b>		1,715.14	
Trade receivables	<b>(3,040.12)</b>		(31,268.01)	
Other current assets	<b>10,569.33</b>		(4,669.60)	
Trade payables	<b>(18,512.69)</b>		8,088.10	
Other payables - Finance cost	<b>339.22</b>		339.23	
Other payables	<b>(12,358.23)</b>		15,138.83	
Contract Assets	<b>4,213.46</b>		(33,045.87)	
Loans	<b>(1.10)</b>		(1.03)	
Other financial assets	<b>10.69</b>		67.24	
Income tax & Deferred tax adjustment	<b>(3,515.58)</b>	<b>(31,519.73)</b>	(1,115.94)	(44,751.91)
<b>Net cash flow from/(used in) operating activities</b>		<b>5,141.45</b>		(30,103.04)
<b>B. Cash flow from investing activities</b>				
Purchase of property, plant and equipment	<b>(3,457.34)</b>		(4,591.90)	
Purchase of intangible assets	<b>(404.18)</b>		(622.05)	
Sale of property, plant and equipment	<b>1,745.06</b>		240.56	
(Gain)/loss on disposal of property, plant and equipment	<b>54.44</b>		22.69	
Investments in subsidiaries	-		-	
Interest Received	<b>55.96</b>		50.87	
Asset held for De-merger	<b>(350.17)</b>		-	
FDRs maturity beyond 3 months	<b>(177.45)</b>		-	
<b>Net cash flow from/(used in) investing activities</b>		<b>(2,533.67)</b>		(4,899.83)
<b>C. Cash flow from financing activities</b>				
Proceeds/(Repayments) from/of Non-Convertible Debentures	<b>(10,000.00)</b>		(10,000.00)	
Proceeds/(Repayments) of Soft loan	<b>(149.48)</b>		(149.48)	
Proceeds/(Repayments) of export credit	<b>17,933.00</b>		-	
Financing Cost	<b>(5,272.65)</b>		(4,279.57)	
Adjustment in retained earnings	<b>5.22</b>		264.88	
Dividend & Tax paid for equity shares	<b>(3,510.93)</b>		(3,493.42)	
<b>Net cash flow from/(used in) financing activities</b>		<b>(994.83)</b>		(17,657.59)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,612.95</b>		(52,660.46)
<b>Cash and Cash Equivalents, Beginning of the year</b>		<b>(53,737.19)</b>		(1,076.72)
<b>Cash and Cash Equivalents, Ending of the year (Refer Note 15 d)</b>		<b>(52,124.24)</b>		(53,737.19)

For and on behalf of the Board of Directors

For SUNDARAM & SRINIVASAN,  
Chartered Accountants  
Firm Registration Number: 004207S

Sd/-  
CA. P MENAKSHI SUNDARAM  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)

Sd/-  
ANIL JERATH  
Director (Finance)  
(DIN 09543904)

Sd/-  
AMIT BANERJEE  
Chairman & Managing Director  
(DIN 08783660)

Sd/-  
S V RAVI SEKHAR RAO  
Company Secretary

Date: 27-05-2022

## Consolidated Statement of Changes in Equity for the year ended 31.03.2022

## A. Equity share capital

Particulars	No. of shares	Amount (₹ in Lakhs)
Balance as on 01.04.2021	4,16,44,500	4,164.45
Changes in equity share capital during the year	-	-
<b>Balance as on 31.03.2022</b>	<b>4,16,44,500</b>	<b>4,164.45</b>

## B. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Items of OCI			Nonimara Excellence Award Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	Total attributable to Equity holders of the Group	Non-controlling interests	Total Equity
	Capital Reserve	Capital Reserve on Consolidation	Share Premium	General Reserve	Revaluation Reserve	Retained Earnings	Other items of OCI	Foreign Currency Translation Account						
Balance as on 01.04.2021	105.82	26.60	61,204.09	1,18,997.02	-	54,496.31	(22,577.61)	-	1.44	10.00	5,000.00	2,17,263.66	(16.51)	2,17,247.15
Reinstatement Adjustment on account of prior period items	-	-	-	-	-	5.22	-	-	-	-	-	5.22	-	5.22
Reinstated Balance as on 01.04.2021	105.82	26.60	61,204.09	1,18,997.02	-	54,501.53	(22,577.61)	-	1.44	10.00	5,000.00	2,17,268.88	(16.51)	2,17,252.37
Revaluation adjustment of assets and liabilities	-	-	-	-	-	6,574.05	-	-	-	-	-	6,574.05	-	6,574.05
Profit/(Loss) for the year	-	-	-	-	-	12,879.46	-	-	-	-	-	12,879.46	(20.62)	12,858.84
Other Comprehensive Income for the year	-	-	-	-	-	-	(2,648.63)	-	-	-	-	(2,648.63)	-	(2,648.63)
Total comprehensive income for the year	-	-	-	-	-	12,879.46	(2,648.63)	-	-	-	-	10,230.83	(20.62)	10,210.21
Transfer to														
- General Reserve/Retained Earnings	(0.16)	-	(0.02)	-	-	2,476.37	33.81	-	-	(10.00)	(2,500.00)	-	-	-
Transaction with owners														
- Dividend	-	-	-	-	-	(2,581.94)	-	-	-	-	-	(2,581.94)	-	(2,581.94)
- Tax on Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31.03.2022	105.66	26.60	61,204.07	1,18,997.02	-	73,849.47	(25,192.44)	-	1.44	-	2,500.00	2,31,491.82	(37.13)	2,31,454.69

As per our report of even date attached

For and on behalf of the Board of Directors

For SUNDARAM & SRINIVASAN,  
Chartered Accountants  
Firm Registration Number: 004207S

Sd/-  
CA. P MENAKSHI SUNDARAM  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)

Sd/-  
ANIL JERATH  
Director (Finance)  
(DIN 09543904)

Sd/-  
AMIT BANERJEE  
Chairman & Managing Director  
(DIN 08783660)

Date: 27-05-2022

Sd/-  
S V RAVI SEKSHAR RAO  
Company Secretary

Notes forming part of Financial statements

Notes 3 : Consolidated property, Plant & equipment

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment				Net Carrying value	
	As at 01.04.2021	Additions during the year	Deduction/ Re-classification & Adjustments during the year	As at 31.03.2022	As at 01.04.2021	For the Year	Deduction/ Re-classification & Adjustments during the year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Land										
Free Hold	1,634.18	72.69	(76.33)	1,630.54	0.01	(0.01)	-	-	1,630.54	1,634.17
Lease Hold	8,542.16	-	(632.14)	7,910.02	248.48	41.34	(92.67)	197.15	7,712.87	8,293.68
Buildings	15,888.76	245.49	(165.33)	15,968.92	3,961.76	568.99	(64.14)	4,466.61	11,502.31	11,927.00
Plant and Equipment	45,431.64	1,299.68	(926.91)	45,804.41	17,520.42	3,425.57	(543.21)	20,402.78	25,401.63	27,913.17
Furniture and Fixtures	780.08	24.76	(2.42)	802.42	461.14	58.57	(2.82)	516.90	285.53	318.94
Vehicles										
Given on Lease	439.95	429.76	(74.59)	795.12	153.44	90.15	(53.38)	190.21	604.91	286.51
Own Use	1,845.49	213.77	(735.84)	1,323.42	664.02	166.20	(338.82)	491.40	832.02	1,181.47
Office Equipment	594.92	51.77	2.36	649.05	343.12	83.86	(6.23)	420.75	228.30	249.83
Roads and Drains	1,846.44	27.68	(13.32)	1,860.80	1,599.82	60.34	(13.47)	1,646.69	214.12	246.62
Water Supply Installations	378.80	-	(1.95)	376.85	120.41	21.88	(0.87)	141.42	235.43	258.39
Railway sidings	886.40	125.00	-	1,011.40	537.02	68.59	-	605.61	405.79	349.38
Electrical Installation	2,481.66	26.83	(5.31)	2,503.19	1,412.61	248.55	(1.14)	1,660.03	843.16	1,069.05
Jigs and Fixtures	2,751.97	147.22	(131.60)	2,767.59	2,413.46	160.38	(10.43)	2,563.41	204.18	338.51
Special Tools	2,331.74	361.36	(6.45)	2,686.65	1,858.27	284.61	-	2,142.88	543.78	473.47
Computers and Data processing units	2,799.74	482.87	(45.38)	3,237.23	1,479.30	470.23	(30.37)	1,919.16	1,318.08	1,320.44
<b>Total</b>	<b>88,633.93</b>	<b>3,508.89</b>	<b>(2,815.20)</b>	<b>89,327.62</b>	<b>32,773.28</b>	<b>5,749.25</b>	<b>(1,157.54)</b>	<b>37,364.99</b>	<b>51,962.63</b>	<b>55,860.65</b>
Non currents assets held for sale (VIL)									6,551.89	
<b>Total Tangible Assets</b>	<b>88,633.93</b>	<b>3,508.89</b>	<b>(2,815.20)</b>	<b>89,327.62</b>	<b>32,773.28</b>	<b>5,749.25</b>	<b>(1,157.54)</b>	<b>37,364.99</b>	<b>58,514.52</b>	<b>55,860.65</b>
Previous Year	83,854.33	5,244.09	(464.49)	88,633.93	26,921.25	6,075.82	(223.79)	32,773.28	55,860.65	56,395.27

Note 3A: Consolidated Right of use Assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment				Net Carrying value	
	As at 01.04.2021	Additions during the year	Deduction/Re-classification & Adjustments during the year	As at 31.03.2022	As at 01.04.2021	For the Year	Deduction/Re-classification & Adjustments during the year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
RoU Assets										
Buildings	984.39	269.35	(159.06)	1,094.68	222.21	112.89	(71.65)	263.46	831.22	762.18
<b>Total Right of use Assets</b>	<b>984.39</b>	<b>269.35</b>	<b>(159.06)</b>	<b>1,094.68</b>	<b>222.21</b>	<b>112.89</b>	<b>(71.65)</b>	<b>263.46</b>	<b>831.22</b>	<b>762.18</b>
Previous Year	984.39	-	-	984.39	109.80	112.41	-	222.21	762.18	874.59

A. Carrying value of vehicles own use includes equipment offered to customers for trials on No Cost No Commitment (NCNC) basis ₹510.76 Lakhs (Previous Year - ₹1046.80 Lakhs).

B. Property, Plant and Equipment

- i) Buildings include carrying value of building at Ranchi pending registration/katha transfer at ₹ 10.87 Lakhs (Previous Year ₹11.25 lakhs)
- ii) The group has taken land measuring 1109 acres and two workshops on

lease for a period of 10 years vide Lease Agreement dated 5<sup>th</sup> May 2004, w.e.f. 28.04.2004 from M/s Bharat Gold Mines Limited (BGML) (A Company under orders of winding up by BIFR), and a sum of ₹100 Lakhs was paid as non-refundable deposit, (included under Other non-current assets (Note no.11)). As per the terms of the Lease agreement, this deposit shall be adjusted against the outright sale/transfer of ownership that may be fixed for the property and lessee shall

be free to construct new building/alter the existing building/lay roads/fence the land in the interest of furthering its business to suit its use and on expiry of the lease the said building shall vest with the lessor on payment of consideration based on value prevailing on the date of handing over of the property. The Company had incurred on the above land a sum of ₹1452.95 lakhs (with carrying value - ₹814.27 Lakhs) on Buildings (Previous Year - ₹859.05 lakhs) included in Property, Plant and Equipment as at year end.

Vide order dated 09.07.2013, the Hon'ble Supreme Court of India upheld the decision of the Union Government to float a global tender of BGML assets with an observation about the existence of sub-lease of a portion of the land to BEML Ltd expiring on 28.04.2014 to be included in the tender documents. The group filed an Interlocutory application before the Hon'ble Supreme Court of India, praying for exclusion of land leased to BEML from the purview of global tender, which was dismissed. Since the lease agreement provides for the continuation of the lease even after the expiry of lease period on 28.04.2014 till the final decision of the Company/Government in this regard, the operations of the company on the above land is continued. Appropriate accounting action will be considered based on the outcome of the tender process.

Meanwhile, BEML has proposed to surrender 1080.65 Acres out of 1109 Acres of land to BGML and to enter into a fresh lease agreement for the balance operational area of 28.35 Acres. However, BGML has offered BEML to outrightly purchase the land of 28.35 acres at mutually agreed price. The matter is under discussion between BGML and BEML.

iii) Lease-hold Land includes land allotted by Kerala Industrial Infrastructure Development Corporation (KIIDC) measuring 374.59 acres for a lease premium of ₹2547.21 Lakhs (Previous Year - ₹2547.21 Lakhs) for 99 years lease period with effect from 01.07.2009. The actual land handed over by KIIDC was measuring 374.16 acres and the revised lease premium payable is ₹2544.29 Lakhs only, excluding Service tax of ₹273.56 lakhs.

During the year FY 2021-22, out of 374.16 acres, land measuring 226.21 acres has been mutually agreed to be surrendered by BEML to KIIDC and to enter into fresh lease agreement for the balance portion of 147.95 acres. The matter is under active consideration. Service tax of ₹273.56 lakhs has been waived off by KIIDC, hence the capitalized value of the land has been reduced accordingly.

iv) Lease Hold Land includes land measuring 101175.92 Sq. Mtrs taken on perpetual lease from KIADB (Bengaluru Aerospace, SEZ Park) at a cost of ₹5126.00 Lakhs (Previous Year - ₹5126.00 Lakhs).

v) Lease hold land of 4706 Sqm at Hyderabad allotted by TSIIC in July 2006 at ₹129.41 lakhs for the development of showroom, has been surrendered back to TSIIC vide Deed of Cancellation dated 21<sup>st</sup> March 2022. TSIIC has refunded the cost of ₹129.41 lakhs to BEML in March 2022 and accordingly the said land has been decapitalized. No penalty has been imposed by TSIIC. Further, 7092 Sqm of operational land with a value of ₹212.53 lakhs which was incorrectly classified as Leasehold Land has been re-classified as Freehold land.

vi) No Provision considered necessary for impairment of assets as the realizable

- value of assets technically assessed is more than the carrying cost of these assets.
- vii) Free Hold Land includes additional compensation amount paid to KIADB amounting to ₹183 Lakhs for which title deeds have to be obtained from KIADB and Registration is under process. As per the Karnataka High Court Vide Order dated 11.02.2021, BEML has made total payment of ₹667.56 Lakhs on 28.05.2021, which includes interest amount of ₹484.56 Lakhs.
- viii) Free Hold Land measuring 3.647 acres of land, surrendered to BBMP against TDR (at cost) is ₹4.58 Lakhs. Free Hold Land measuring 1.937 acres of land surrendered to BBMP for which TDR yet to be received (at cost) is ₹2.43 Lakhs. Above TDR will be utilised for further construction.
- ix) Group has completed the process of obtaining documents in respect of Flat at Roshan Camp, Chennai and Office building at Nagpur. Group has taken action to obtain title documents in respect of flat at Ashadeep, New Delhi - ₹2.80 Lakhs.
- x) The group has initiated legal action to obtain possession of 1.88 acres of Land out of 5 acres at Tatisilwai, Arra village, Ranchi.
- xi) For details of property, plant and equipment hypothecated by way of a first charge against borrowings and other facilities availed, refer Note no. 20 and 24
- xii) For information on estimated capital contracts pertaining to the acquisition of property, plant and equipment, refer Note no. 39 D II a.
- xiii) Free hold at KGF does not include 114 Acres which is under reconciliation with DC, Kolar.
- xiv) In EM division- KGF, Freehold land measuring 9 Acres valuing ₹70.86 Lakhs have been capitalized during the year for Wind Mill project at Dammur Village, Karnataka.
- C. Amount of borrowing cost capitalised on addition of assets during the year is as under:**
- |                     |            |
|---------------------|------------|
| - Plant & Machinery | ₹NIL Lakhs |
|---------------------|------------|
- D.** Since there is no investment property in the group as on 31.03.2022, fair value of investment property is Nil (Previous Year - Nil)
- E. Non current assets held for demerger not included in PPE:**
- |                            |                     |
|----------------------------|---------------------|
| 1) Land carrying value     | 304.39 Lakhs        |
| 2) Building carrying value | 45.78 Lakhs         |
| <b>Total</b>               | <b>350.17 Lakhs</b> |

**F. Title deeds of Immovable Properties not held in name of the Company:**

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lakhs)	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
Property, Plant & Equipment	<b>Building</b>					
	Flat at Sarovar Enclave, Ranchi	10.87	Ranchi Planners Cooperative Housing Society	No	23.12.1987	Under dispute with state authorities.
	Flat at Ashadeep, Delhi	2.80		No	01.05.1977	Obtaining title deeds in the name of the company is under progress.
	<b>Land</b>					
	Land at Mysore	183.00		No	01.03.1985	Possession certificate is in the name of BEML, execution of sale deed is under process.
	Land at Tatisilwai, Arra village, Ranchi	16.07		No	01.03.1988	Under dispute with state authorities.

There has been no revaluation of Property, Plant and Equipment .

**Note 4: Capital work-in-progress**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Building	<b>87.28</b>	134.26
Equipment under inspection and in transit	-	-
Machinery	<b>358.83</b>	587.19
Others	<b>145.38</b>	168.80
<b>Total</b>	<b>591.50</b>	890.25

**Capital work in progress (CWIP) - As at 31 March 2022****a) Aging Schedule for Capital-work-in progress:**

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Projects in progress	324.00	38.78	-	39.66	<b>402.44</b>
Projects temporarily suspended	-	-	-	189.06	<b>189.06</b>
<b>Total</b>	<b>324.00</b>	<b>38.78</b>	-	<b>228.72</b>	<b>591.50</b>

**b) Capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:**

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Panel Painting Hangar/Shed (L-2)	-	-	-	39.66	<b>39.66</b>
<b>Total</b>	-	-	-	<b>39.66</b>	<b>39.66</b>



**b) Capital-work-in progress completion schedule:** (₹ in Lakhs)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Panel Painting Hangar/Shed (L-2)	39.66	-	-	-	<b>39.66</b>
<b>Total</b>	<b>39.66</b>	-	-	-	<b>39.66</b>

**Capital work in progress (CWIP) - As at 31 March 2021**

**a) Ageing Schedule for Capital-work-in progress:** (₹ in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Projects in progress	488.47	35.54	3.42	2.20	<b>529.63</b>
Projects temporarily suspended	-	-	-	360.62	<b>360.62</b>
<b>Total</b>	<b>488.47</b>	<b>35.54</b>	<b>3.42</b>	<b>362.82</b>	<b>890.25</b>

**b) Capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan:** (₹ in Lakhs)

Particulars	Amount of CWIP for the period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Panel Painting Hangar/Shed (L-2)	-	-	-	90.77	<b>90.77</b>
<b>Total</b>	-	-	-	<b>90.77</b>	<b>90.77</b>

**Note 5: Consolidated Intangible Assets** (₹ in Lakhs)

Particulars	Gross carrying value			Accumulated depreciation and impairment				Net Carrying value		
	As at 01.04.2021	Additions during the year	Deduction/ Re-classification & Adjustments during the year	As at 31.03.2022	As at 01.04.2021	For the Year	Deduction/ Re-classification & Adjustments during the year	As at 31.03.2022	As at 31.03.2022	As at 31.03.2021
Computer software	2,947.99	117.84	0.09	3,065.92	2,007.33	317.91	0.08	2,325.32	740.61	940.67
Technical Know how	5,771.17	-	-	5,771.17	3,268.47	465.38	-	3,733.85	2,037.32	2,502.70
TDR against Land	7.01	-	-	7.01	-	-	-	-	7.01	7.01
<b>Total Intangible Assets</b>	<b>8,726.17</b>	<b>117.84</b>	<b>0.09</b>	<b>8,844.10</b>	<b>5,275.80</b>	<b>783.29</b>	<b>0.08</b>	<b>6,059.17</b>	<b>2,784.93</b>	<b>3,450.38</b>
Previous Year	8,607.58	118.59	-	8,726.17	4,326.38	949.55	(0.14)	5,275.79	3,450.38	4,281.20

**Note 6: Intangible assets under development (internally generated)** (₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Transfer of Technology for CABIN	<b>789.80</b>	503.46
<b>Total</b>	<b>789.80</b>	503.46

**Intangible assets under development - As at 31 March 2022**

**a) Ageing Schedule for intangibles under development:** (₹ in Lakhs)

Intangibles under development	Amount of Intangible asset under development for the period of				Total
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	
Projects in progress	-	789.80	-	-	<b>789.80</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	-	<b>789.80</b>	-	-	<b>789.80</b>

**Intangible assets under development - As at 31 March 2021****a) Ageing Schedule for intangibles under development:**

(₹ in Lakhs)

Intangibles under development	Amount of Intangible asset under development for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Transfer of Technology for CABIN & Email System	503.46	-	-	-	<b>503.46</b>
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>503.46</b>	-	-	-	<b>503.46</b>

**Note 7: Non-current Investments**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Investments in equity instruments - unquoted at cost</b>		
In Equity Shares of Joint Venture Company:		
In BEML Midwest Ltd., 54,22,500 fully paid up Equity shares of ₹10 each	<b>542.25</b>	542.25
Less: Allowance for impairment of investment	<b>(542.25)</b>	(542.25)
	-	-
<b>Investment in Ordinary Shares of Co-operative Societies - unquoted at cost</b>		
In BEML Consumer Co-operative Society Ltd, KGF, 250 fully paid up shares of ₹10 each	<b>0.03</b>	0.03
In Gulmohar Mansion Apartments Co-operative Housing Society Limited, Bengaluru, 10 fully paid up shares of ₹100 each.	<b>0.01</b>	0.01
In Twin Star Co-operative Housing Society Ltd, Bombay, 5 fully paid up shares of ₹50 each.	-	-
	<b>0.04</b>	0.04
<b>Total - Unquoted at cost</b>	<b>0.04</b>	0.04

**Ind AS 28 (Investments in Associates and Joint Ventures)**

Names of Joint Ventures	Nature	% holding	Country of Incorporation
BEML Midwest Limited	Jointly Controlled Entity	45.00	India

- BEML along with Midwest Granite Private Limited formed a joint venture company in 2007 to conduct excavation and extraction of mineral resources. The agreement was signed in September 2005 whereby BEML has a 45% share in the operations of the joint venture and the remaining 55% is held by Midwest Granite Private Limited.
- The Joint Venture Company BEML Midwest Ltd has not prepared its financial statements as at 31<sup>st</sup> March, 2022 due to litigation pending before National Company Law Tribunal. Hence, disclosure requirements under Ind AS-28 (Investments in Associates and Joint Ventures) could not be complied with. In the absence of financial statements of the JV, the same has not been consolidated with BEML financial statements.
- For demerger of surplus assets of BEML, a wholly owned subsidiary- BEML Land Assets Limited (BLAL), was incorporated on 15-07-2021. Scheme of arrangement for demerger of surplus/non-core assets from BEML to BLAL has been cleared by Stock Exchanges viz., BSE & NSE. The Scheme of arrangement of demerger has also been approved by Shareholders and Creditors (both Secured and

Un-secured) of BEML. The approval of Scheme of Arrangement of demerger is under process in line with the guidelines of Ministry of Corporate Affairs, Govt. of India.

- d. As per CCEA approval dtd 8<sup>th</sup> September 2021, M/s Vignyan Industries Ltd, a subsidiary of BEML is under Voluntary Liquidation and Official Liquidator has been appointed on 11.10.2021. Movable assets have been disposed off and disposal of immovable assets is in progress. Dues of employees of VIL have been settled. As on 31.03.2022 there are no employees on the rolls of VIL.

In respect of BEML Brazil Industrial Ltda, an associate the company has written to RBI through authorized dealer SBI, Overseas Branch, Bengaluru for closure of its Unique Identification Number (UIN).

### Note 8: Non-Current - Loans

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Unsecured, considered good</b>		
Lease Deposits	12.11	10.99
Inter Corporate Loan	-	-
<b>Total</b>	<b>12.11</b>	<b>10.99</b>

Lease deposits represent deposits paid as security for office space and flats taken on rent.

### Note 9: Non-current - Other financial assets

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposit with Customers	-	-
Deposit with service providers	62.54	45.64
<b>Total</b>	<b>62.54</b>	<b>45.64</b>

### Note 10: Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Deferred Tax Liabilities (DTL)</b>		
Property, plant and equipment	4,973.39	4,469.64
<b>Total DTL (A)</b>	<b>4,973.39</b>	<b>4,469.64</b>
<b>Deferred Tax Assets (DTA)</b>		
Timing differences under the Income Tax Act,1961	21,336.17	24,193.44
<b>Total DTA (B)</b>	<b>21,336.17</b>	<b>24,193.44</b>
<b>Net Total (B-A)</b>	<b>16,362.78</b>	<b>19,723.80</b>

### Note 10: Income taxes

The substantively enacted tax rate as on 31 March 2022 is 34.94% and as on 31 March 2021 was 34.94% for deferred tax purposes.

## a) Amount recognised in profit or loss

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Current tax expense:</b>		
Current tax	4,484.52	3,263.01
MAT credit entitlement	(967.33)	-
Adjustment of tax related to earlier years	-	-
	<b>3,517.19</b>	3,263.01
<b>Deferred tax (income)/expense:</b>		
Origination and reversal of temporary differences	3,597.65	(1,421.59)
<b>Total deferred tax (income)/expense</b>	<b>3,597.65</b>	<b>(1,421.59)</b>
<b>Tax expense</b>	<b>7,114.84</b>	<b>1,841.42</b>

## b) Amount recognised in OCI

(₹ in Lakhs)

Particulars	31 March 2022			31 March 2021		
	Before Tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Re-measurement (losses)/gains on post employment defined benefit plans	(2,885.25)	236.62	(2,648.63)	(8,106.06)	570.97	(7,535.09)
<b>Total</b>	<b>(2,885.25)</b>	<b>236.62</b>	<b>(2,648.63)</b>	<b>(8,106.06)</b>	<b>570.97</b>	<b>(7,535.09)</b>

## c) Reconciliation of effective income tax rate

Particulars	31 March 2022		31 March 2021	
	Rate	Amount (₹ in Lakhs)	Rate	Amount (₹ in Lakhs)
Profit before tax from continuing operation		19,973.68		8,711.45
Tax using the Group's domestic tax rate (Income tax)	34.94%	6,979.60	34.94%	676.69
<b>Tax effect of:</b>				
Carry Forward Loss	0.00%	-	0.00%	-
Weighted Deduction for R and D Expenditure	-0.48%	(96.48)	-1.82%	(158.79)
Non deductible expenses	-15.16%	(3,027.90)	16.67%	1,452.29
Minimum Alternate Tax	-1.69%	(338.02)	37.46%	3,263.01
Tax incentive	0.00%	-	-	-
Deferred tax	18.01%	3,597.65	-16.32%	(1,421.59)
<b>Total income tax expense for the year</b>	<b>35.62%</b>	<b>7,114.84</b>	<b>70.93%</b>	<b>3,811.60</b>

**d) Movement in deferred tax balances**

(₹ in Lakhs)

Particulars	As on 1st April 2020	Recognised in profit or loss during 2020-21	As at 31 March 2021	Recognised in profit or loss during 2021-22	As at 31 March 2022
Property, plant and equipment	(4,058.45)	(439.33)	(4,497.78)	(475.61)	(4,973.39)
Allowance for doubtful trade receivables	11,261.68	2,647.36	13,909.04	(1,739.88)	12,169.16
Allowance for impairment of Investments	-	189.48	189.48	-	189.48
Provision for Property Tax	124.93	-	124.93	-	124.93
Provision for Gratuity	53.30	-	53.30	(53.30)	-
Provision for Leave Salary	5,364.87	(133.82)	5,231.05	162.47	5,393.52
Provision for Performance Related Pay	-	-	-	-	-
Provision for Contributory medical Scheme	1,967.06	(107.69)	1,859.37	(529.82)	1,329.55
Provision for Pension	-	-	-	-	-
Provision for wage revision	13.12	-	13.12	(13.12)	-
Provision for pending legal cases	4.12	741.42	745.54	(709.06)	36.48
Provision for Onerous Contract	-	1.87	1.87	5.42	7.29
Provision for Unpaid Expenditure	253.63	(201.75)	51.88	260.36	312.24
DTA related to Carry forward Loss FY 2019-20	1,235.95	(1,235.95)	-	-	-
MAT Credit related to prior period	4,075.77	(3,108.44)	967.33	(545.11)	422.22
DTA related to Provision for Gratuity & Contributory Medical Scheme (OCI)	543.70	570.98	1,114.68	236.62	1,351.30
<b>Net deferred tax assets/(liabilities)</b>	<b>20,839.68</b>	<b>(1,075.87)</b>	<b>19,763.80</b>	<b>(3,401.03)</b>	<b>16,362.78</b>

**e) Unrecognised deferred tax assets**

Deferred tax asset has not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the deductible temporary difference can be utilised.

(₹ in Lakhs)

Particulars	31 March 2022		31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences not expected to be utilised	-	-	-	-
Tax losses	-	-	-	-
	-	-	-	-

**f) Tax losses carried forward**

Unrecognised tax losses carried forward expire as follows:

(₹ in Lakhs)

Particulars	31 March 2022	Expiry date	31 March 2021	Expiry date
<b>Expire</b>				
Carry forward business loss				
<b>Never expire</b>				
Unabsorbed depreciation				

**A) Adoption of Income Tax Rates**

The Ministry of Law & Justice, Govt. of India vide Gazette notification dated 20.09.2019 introduced section 115BAA with an option to choose revised Tax structure applicable w.e.f 01.04.2019 to Domestic Companies without claiming specific deductions u/s 35(2AB), deduction under Chapter-VIA, MAT Credit benefits, Carry Forward Business Losses, Additional Depreciation u/s 32(1)(ia) and other deductions as specified in the said section. Based on the internal assessment, the Company has decided not to adopt the option u/s 115BAA. However, the same will be reviewed before filing the Annual Tax Return for FY 2021-22.

**Note 11: Other non-current assets**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Capital Advances	121.55	158.09
Less: Allowance for doubtful Capital Advances	(21.55)	(21.55)
Advances to Related Parties - MAMC [refer Note no.39 (C)(ii)]	-	-
Advance MAMC consortium [see note (a) below]	6,827.18	6,487.40
Employee Advance	207.01	191.66
Prepayments	68.97	72.29
Gold coins on Hand	10.11	10.11
<b>Total</b>	<b>7,213.27</b>	<b>6,898.01</b>
<b>Due by officers of the company</b>	<b>0.67</b>	<b>6.83</b>

- a. The Company has entered into a Consortium Agreement (MAMC Consortium) with M/s Coal India Limited (CIL) and M/s Damodar Valley Corporation (DVC) on 08.06.2010 for acquiring specified assets of M/s Mining and Allied Machinery Corporation Limited (under liquidation). The agreement, inter-alia, provided for formation of a Joint Venture company with a shareholding pattern of 48:26:26 among BEML, CIL and DVC respectively. The Company has paid the proportionate share of ₹4800.00 Lakhs towards the total bid consideration of ₹10000.00 Lakhs towards the said acquisition, based on the order passed by the Hon'ble High Court of Calcutta. The said assets are taken possession by the MAMC Consortium. Further, the Company has incurred a sum of ₹ 2027.18 Lakhs (Previous Year - ₹1687.40 Lakhs) towards maintenance, security and other related expenditure. The expenditure incurred by CIL and DVC on account of this proposal is not ascertained. The total sum of ₹6827.18 Lakhs (Previous Year - ₹6487.40 Lakhs) is disclosed as 'Advance to MAMC consortium', pending allotment of equity shares in the capital of the JV company. Since the company intends to treat this as a long term investment, no independent valuation of the assets taken over has been done and the diminution in value of investments, if any, can be ascertained only after the formulation of business plan and approval of shareholders' agreement from MOD which is being pursued.



**Note 12: Inventories (Lower of cost and Net realisable value)**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Raw materials & Components	<b>77,991.83</b>	50,011.53
Less: Allowance for obsolescence - Raw Material	<b>(2,410.07)</b>	(2,026.18)
Raw materials & Components in Transit	<b>1,067.38</b>	2,843.71
Stores and Spares	<b>1,994.88</b>	1,923.90
Work-in-Progress	<b>78,398.87</b>	86,921.89
Less: Allowance for obsolescence - WIP	<b>(1,383.89)</b>	(1,372.75)
Finished Goods	<b>20,857.62</b>	28,992.77
Less: Allowance for obsolescence - Finished Goods	<b>(1,909.46)</b>	(1,822.54)
Finished Goods in Transit	<b>1,929.40</b>	353.43
Less: Allowance for obsolescence - Finished Goods in transit	-	-
Stock of Spares	<b>31,845.17</b>	33,757.08
Less: Allowance for obsolescence - Stock of Spares	<b>(4,653.62)</b>	(4,679.55)
Less: Allowance for shortages - Stock of Spares	<b>(38.83)</b>	(1,012.78)
Stock of Spares in Transit	<b>70.88</b>	116.85
Hand tools	<b>2,206.35</b>	2,091.90
Scrap	<b>1,310.75</b>	1,414.87
Patterns & Other Materials	-	20.50
Unrealised Profit on Stock	-	-
<b>Total</b>	<b>2,07,277.26</b>	1,97,534.62

- Raw materials & Components include materials lying with sub contractors ₹2783.11 Lakhs (Previous Year - ₹2547.25 Lakhs). Of these, confirmation from the parties is awaited for ₹214.86 Lakhs (Previous Year - ₹454.82 Lakhs).
- The closing stock of work-in-progress and finished goods are stated at lower of standard cost, which approximates to actuals, and net realisable value. The difference between the actual cost of production and the standard cost is not material.
- Variances arising on account of difference between standard cost and the actual cost, on account of change in the nature of inputs from bought-out to internally manufactured or vice versa, timing difference between standard cost and actual occurrence during the financial period and fluctuations in the material prices, is adjusted in the cost of production in order not to carry forward the period variances to subsequent financial period.
- Allowance towards obsolescence is made as per the Board approved provisioning norms and is based on ageing of inventory.
- Board has approved new norms for obsolescence provision for R&D and Collaborator model Equipment from FY 2021-22 which are in Inventory for 5 years or more. The impact of providing obsolescence provision as per new norms in FY 2021-22 is ₹15.71 lakhs.

**Note 13: Current Investments**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
	-	-
<b>Total</b>	-	-

In respect of BEML Brazil Industrial Ltda, an associate, the company has written to RBI through authorized dealer SBI, Overseas Branch, Bengaluru for closure of its Unique Identification Number (UIN).

**Note 14: Trade receivables**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Unsecured</b>		
Outstanding for period exceeding six months *	<b>37,728.18</b>	55,134.65
Others	<b>1,71,932.42</b>	1,62,195.66
<b>Sub-Total</b>		
Allowance for Expected Credit Loss	<b>(23,524.48)</b>	(28,879.40)
<b>Total</b>	<b>1,86,136.11</b>	1,88,450.91

**Trade Receivable ageing schedule - As at 31 March 2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	<b>87644.32</b>	<b>84288.09</b>	<b>10241.53</b>	<b>6544.60</b>	<b>4750.72</b>	13150.61	<b>206619.87</b>
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	<b>3040.72</b>	<b>3040.72</b>
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
<b>Sub - total</b>	<b>87644.32</b>	<b>84288.09</b>	<b>10241.53</b>	<b>6544.60</b>	<b>4750.72</b>	<b>16191.33</b>	<b>209660.59</b>
(vii) Provisions	634.27	2614.51	1550.65	2764.12	2937.05	13023.88	<b>23524.48</b>
<b>Net Trade Receivables</b>	<b>87010.06</b>	<b>81673.58</b>	<b>8690.88</b>	<b>3780.48</b>	<b>1813.67</b>	<b>3167.45</b>	<b>186136.11</b>

**Trade Receivable ageing schedule - As at 31 March 2021**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	67669.80	94525.86	8675.15	6468.91	5103.56	31845.77	214289.05
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	3041.26	3041.26
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
<b>Sub - total</b>	<b>67669.80</b>	<b>94525.86</b>	<b>8675.15</b>	<b>6468.91</b>	<b>5103.56</b>	<b>34887.03</b>	<b>217330.31</b>
(vii) Provisions							<b>28879.40</b>
<b>Net Trade Receivables</b>	<b>67669.80</b>	<b>94525.86</b>	<b>8675.15</b>	<b>6468.91</b>	<b>5103.56</b>	<b>34887.03</b>	<b>188450.91</b>

For recognition of impairment provision, Expected Credit Loss has been created during the year on the Trade Receivables using simplified approach as per Ind AS 109.

**The movement in the allowance for bad and doubtful trade receivables/Expected credit loss is as follows:**

(₹ in Lakhs)

Particulars	2021-22	2020-21
Balance at the beginning of the year	28,879.40	22,509.24
Expected Credit loss recognised	9,632.27	9,008.97
Written off during the year	(14,247.20)	(2,638.81)
Credited to profit or loss	(285.59)	-
Transfers to allowance for doubtful claims (note 18)	(454.40)	-
<b>Balance at the end of the year</b>	<b>23,524.48</b>	<b>28,879.40</b>

**Note 14a: Contract Assets**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Rail & Metro	58,326.53	62,662.45
Mining & Construction	-	-
Defence	890.74	768.27
<b>Total</b>	<b>59,217.26</b>	<b>63,430.72</b>

**Note 15: Cash and cash equivalents**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks	2,200.16	447.68
Cash on hand	-	-
<b>Total</b>	<b>2,200.16</b>	<b>447.68</b>

**Note 15a: Bank Balance Other than (Note 15) above**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks - Unclaimed/Unpaid Dividend	1,016.86	87.87
FDR maturity beyond 3 months	177.45	-
<b>Total</b>	<b>1,194.31</b>	<b>87.87</b>

- The Group earns no interest on balances with banks in current accounts.
- Balances with banks include the following on which there were restrictions placed on use and/or held on behalf of third parties:  
ESCROW account balance to be distributed among consortium members ₹341.74 Lakhs (Previous Year - ₹329.22 Lakhs)
- Out of the Cash Credit Limit of ₹120000 Lakhs sanctioned to the company by Consortium Bankers, the amount drawn by the company as on 31<sup>st</sup> March 2022 is ₹54324.40 Lakhs (Previous Year ₹54184.87 Lakhs)
- Unpaid Dividend Balance includes TDS of ₹54.78 lakhs
- The Board of Directors had approved an Interim Dividend of ₹5.00 per equity share i.e., 50% on equity shares of ₹10 each on 22.03.2022 which has been paid to Government of India on 31.03.2022 and other eligible shareholders were paid during Apr 2022.
- FDR includes ₹129.41 Lakhs being proceeds from surrender of 4706 Sqm of Lease hold land at Hyderabad to TSIIC and ₹48.04 Lakhs against vendor dues forming part of Short Term Deposit.
- For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with Banks	2,200.16	447.68
Balances with Banks - Unclaimed/Unpaid Dividend	1,016.86	87.87
FDR maturity beyond 3 months	177.45	-
Cash on hand	-	-
Less: Bank overdraft/Cash credit facility	(54,324.40)	(54,184.87)
<b>Total</b>	<b>(50,929.93)</b>	<b>(53,649.32)</b>

For an understanding of the Group's cash management policies, refer Note no.39 L (ii) on liquidity risk.

**Note 16: Current Loans**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Unsecured, considered good</b>		
Lease Deposits	-	-
Inter Corporate Loan	-	-
<b>Secured Loans</b>		
Loan to subsidiary - VIL	-	-
Interest Receivables on loan to subsidiary	-	-
<b>Total</b>	-	-

**Note 17: Current - Other financial assets**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Security Deposit with Customers	<b>103.39</b>	107.39
Earnest Money Deposit	<b>47.33</b>	58.33
Deposit with service providers	<b>372.09</b>	379.25
Interest accrued on bank deposits	<b>0.01</b>	5.44
Derivative asset	-	-
<b>Total</b>	<b>522.82</b>	550.41

For an understanding of the Group's derivative transactions, refer Note no. 39N on derivatives.

**Note 17a: Current tax assets (Net)**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance Income Tax	<b>1,000.00</b>	-
Income Tax Refund	<b>2,056.00</b>	2,533.40
Tax Deducted at Source	<b>519.95</b>	271.41
<b>Total</b>	<b>3,575.95</b>	2,804.81

**Note 18: Other Current Assets**

(₹ in Lakhs)

Particulars	As at	
	31 March 2022	31 March 2021
Advances to Related Parties	135.51	135.51
Less: Allowance for doubtful advances to Vendors	(135.51)	(135.51)
Advances to Related Parties - BLAL	-	-
Balances with Public Utility concerns	668.40	703.40
Less: Allowance for doubtful Balances with Public Utility concerns	(165.91)	(171.21)
Balances with Govt. departments for Customs Duty, Excise Duty, GST etc.,	112.43	94.84
Advance to Vendors	14,907.33	20,753.58
Less: Allowance for doubtful advances to Vendors	(3,546.42)	(3,673.78)
Employee Advance	270.44	262.74
Duties and Taxes	2,288.85	3,176.56
Indirect Taxes -GST	2,231.38	1,962.70
Prepayments	1,774.27	1,680.85
Claims receivable	10,944.85	13,402.54
Less: Allowance for doubtful claims	(7,451.95)	(6,949.71)
GST on stock transfers	1,232.87	688.32
Unbilled revenue	-	-
<b>Total</b>	<b>23,266.53</b>	<b>31,930.83</b>
<b>Due by Officers of the Company</b>	<b>26.57</b>	<b>25.42</b>

**Note 19: Equity share capital**

Particulars	31 March 2022		31 March 2021	
	Number	Amount (₹ in lakhs)	Number	Amount (₹ in lakhs)
<b>Authorised :</b>				
Equity Shares of ₹10 each	100000000	10,000.00	100000000	10,000.00
<b>Issued :</b>				
Equity Shares of ₹10 each	41900000	4,190.00	41900000	4,190.00
<b>Subscribed :</b>				
Equity Shares of ₹10 each	41644500	4,164.45	41644500	4,164.45
<b>Paid-up :</b>				
Equity Shares of ₹10 each, fully paid-up	41644500	4,164.45	41644500	4,164.45
<b>Forfeited Shares (amount originally paid) :</b>				
Equity Shares of Paid-up value ₹5 each	255500	12.77	255500	12.77
<b>Total</b>		<b>4,177.22</b>		<b>4,177.22</b>



### Rights and restrictions attached to equity shares

The Group has only one class of share, i.e., equity shares having the face value of ₹10 per share. Each holder of equity share is entitled to one vote per share. Dividend is paid in Indian Rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Group, equity shareholders will be entitled to receive remaining assets of the Group after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

### Reconciliation of shares outstanding at the beginning and at the end of the period :

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number	Amount (₹ in lakhs)	Number	Amount (₹ in lakhs)
Outstanding as at Opening Date	<b>4,16,44,500</b>	<b>4,164.45</b>	4,16,44,500	4,164.45
Add: Issued during the period	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	<b>4,16,44,500</b>	<b>4,164.45</b>	4,16,44,500	4,164.45

Equity Shares held by shareholders having 5% or more	As at 31 March 2022		As at 31 March 2021	
	Name of the shareholder	No. of Shares	% held	No. of Shares
President of India	<b>2,25,00,000</b>	<b>54.03</b>	2,25,00,000	54.03
HDFC Trustee Company Limited	<b>30,30,319</b>	<b>7.28</b>	36,73,834	8.82

No shares of the Group is held by its subsidiaries. The Group does not have any holding company.

No shares of the Group is reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.

The Board of Directors had approved an Interim Dividend of ₹5.00 per equity share i.e., 50% on equity shares of ₹10 each on 22.03.2022, which is paid to Government of India on 31.03.2022. Other eligible shareholders were paid during April 2022.

Shares held by promoters at the end of the year		As at 31 March 2022		% Change during the year
Sl. No.	Promoters Name	No. of Shares	% of total shares	NIL
1	President of India	2,25,00,000	<b>54.03</b>	

**Note 20: Non-current Borrowings**

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Non-Current	Current	Non-Current	Current
<b>Debentures</b>				
Secured Redeemable Non-convertible Debentures, secured by exclusive first charge on the property bearing No. 23/1, Municipal No. 23, PID No.77-01-23/1, formed in Survey No. 47, 48/1 & 48/2, situated at Sampangirama Nagar, Bengaluru measuring 1,00,370 sq. ft. together with all the buildings & structure, fixtures & fittings etc. (BEML Soudha, Corporate Office) Rate of Interest 9.24%	-	10,000.00	10,000.00	10,000.00
<b>Term Loans</b>				
<b>(a) Secured from Banks</b>	-	-	-	-
<b>(b) Unsecured from other parties</b>				
i. Soft Loan - Interest Free Loan from Govt of Kerala	-	-	-	149.48
<b>Total</b>	-	10,000.00	10,000.00	10,149.48
i (a) Lease Liability	<b>880.64</b>		754.48	

**Maturity Pattern of Secured Redeemable Non-convertible Debentures :**

(₹ in Lakhs)

Coupon Rate	2022-23
9.24% p.a Payable semi-annually on 18 <sup>th</sup> May & 18 <sup>th</sup> November every year	10000.00

During May'21 ₹10000 lakhs of Non-Convertible Debentures were redeemed by the Company. Proportionately Debenture Redemption Reserve (DRR) of ₹2500 lakhs have been transferred to Reserves & Surplus from DRR.

The company has utilised the borrowings from banks and financial institutions for the purpose for which it was taken.

**Note 21: Non-current - Other financial liabilities**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Deposit from vendors	125.37	41.60
<b>Total</b>	<b>125.37</b>	<b>41.60</b>

**Note 22: Provisions**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefits</b>		
for Leave Salary	<b>12,276.18</b>	11,134.25
for Post retirement medical scheme	<b>6,143.58</b>	5,339.10
<b>Provision-others</b>		
for warranty	<b>115.00</b>	196.00
for unexpired obligations	<b>5,897.88</b>	4,103.02
<b>Total</b>	<b>24,432.64</b>	20,772.37

- For movement in the provisions during the year refer Note no. 28.
- The provision for employee benefits represents annual leave and vested long service entitlements accrued.
- Warranty provisions are recognised on a contract-by-contract basis for goods sold over the warranty period. The provision is based on estimates of probable likelihood of product failure and returns based on current sales level and past experience.
- Provision for unexpired obligations is towards supply of Backup Spares against guaranteed availability contracts.

**Note 23: Other non-current liabilities**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Advances from customers	<b>1,07,069.32</b>	1,11,403.34
Staff related	<b>33.09</b>	31.64
Statutory Dues	-	-
<b>Total</b>	<b>1,07,102.41</b>	1,11,434.98

**Note 24: Current Borrowings**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Repayable on demand from banks</b>		
<b>Secured</b>		
Cash Credit & Short Term Loans (secured by first charge by way of hypothecation of Inventories, Bills receivable, Book Debts and all other movables both present and future)	<b>54,324.40</b>	54,184.87
<b>Borrowings</b>		
Secured Redeemable Non-convertible Debentures, secured by exclusive first charge on the property bearing No. 23/1, Municipal No. 23, PID No.77-01-23/1, formed in Survey No. 47, 48/1 & 48/2, situated at Sampangirama Nagar, Bengaluru measuring 1,00,370 sq. ft. together with all the buildings & structure, fixtures & fittings etc. (BEML Soudha, Corporate Office) Rate of Interest 9.24%	<b>10,000.00</b>	10,149.48
<b>Unsecured borrowings</b>	-	-
Commercial Paper	-	-
Export Packing Credit & Unsecured Short Term Loans	<b>17,933.00</b>	-
<b>Total</b>	<b>82,257.40</b>	64,334.35

The company has utilised the borrowings from banks and financial institutions for the purpose for which it was been taken.

Quarterly statements/Results of assets filed by the Company with banks or financial institutions are in agreement with the books of accounts and hence the need for reconciliation of differences if any does not arise.

**Note 25: Trade Payables**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Total outstanding dues of micro & small enterprises	<b>8,235.92</b>	3,885.49
Total outstanding dues of creditors other than micro & small enterprises	<b>47,880.28</b>	70,289.96
<b>Total</b>	<b>56,116.20</b>	74,175.45

**Trade payables due for payment - As at 31 March 2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	7980.30	-	-	-	-	7980.30
(ii) Others	16608.28	17095.82	444.90	898.07	9843.24	44890.29
(iii) Disputed dues - MSME	-	252.79	0.51	1.38	0.94	255.62
(iv) Disputed dues - Others	-	81.25	95.19	322.92	2490.62	2989.98
<b>Grand Total</b>	<b>24588.58</b>	<b>17429.86</b>	<b>540.60</b>	<b>1222.37</b>	<b>12334.80</b>	<b>56116.20</b>

**Trade payables due for payment - As at 31 March 2021**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	3878.00	-	-	-	-	3878.00
(ii) Others	22835.19	29898.01	1666.40	4510.92	8177.93	67088.46
(iii) Disputed dues - MSME	2.27	2.86	2.30	(1.41)	-	6.02
(iv) Disputed dues - Others	-	89.19	295.27	62.67	2642.29	3089.42
<b>Grand Total</b>	<b>26715.46</b>	<b>29990.06</b>	<b>1963.97</b>	<b>4572.18</b>	<b>10820.22</b>	<b>74061.89</b>

**Micro and Small Enterprises (MSE)**

The information under MSMED Act, 2006 has been disclosed to the extent such vendors have been identified by the group. The details of amounts outstanding to them based on available information with the group is as under :

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Amount due and Payable at the year end		
- Principal	-	1.47
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	-	56.16
- Interest	-	-
Interest due and payable for principals already paid	-	0.71
Total Interest accrued and remained unpaid at year end	-	0.71
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 enterprise, for the purpose of disallowance as deductible expenditure under section 23 of MSMED Act, 2006.	-	8.42

**Note 26: Current - Other financial liabilities**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Lease Liability	<b>43.85</b>	83.79
Deposit from vendors	<b>812.14</b>	1,023.31
Earnest Money Deposit from vendors	<b>310.09</b>	380.82
Service vendors	<b>0.20</b>	0.23
Interest accrued but not due on borrowings	<b>339.22</b>	678.44
Interest accrued and due on borrowings	<b>59.27</b>	-
Unclaimed dividend	<b>902.80</b>	57.98
<b>Total</b>	<b>2,467.58</b>	2,224.57

**Note 27: Other current liabilities**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Other payables		
a. Staff related dues	<b>3,070.64</b>	1,896.16
b. Statutory dues	<b>12,767.82</b>	11,457.46
d. Advances from customers	<b>11,640.00</b>	19,535.23
e. Service vendors	<b>3,049.65</b>	5,723.31
f. Civil contractors and Capital payments	<b>2,940.28</b>	3,296.50
g. Interest due on MSE vendors	-	8.42
h. Deferred government grant (refer note 23 a)	-	39.32
<b>Total</b>	<b>33,477.79</b>	41,956.39

**Note 28: Provisions**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Provision for employee benefits</b>		
for Gratuity	<b>5,173.78</b>	6,804.82
for Leave Salary	<b>3,158.58</b>	3,834.90
for Performance Related Pay	<b>1,548.30</b>	623.87
for Post retirement medical scheme	<b>2,246.24</b>	3,171.79
for Officers Pension	<b>1,676.67</b>	1,648.72
for Wage revision	-	191.85
<b>Provision-others</b>		
for pending legal cases	<b>104.40</b>	2,133.52
for warranty	<b>8,167.19</b>	7,089.60
for unexpired obligations	<b>589.56</b>	605.69
for onerous contract	<b>20.85</b>	5.36
for Unpaid Exp	<b>2,208.57</b>	-
<b>Total</b>	<b>24,894.14</b>	26,110.12



**Movement in Provisions**

(₹ in Lakhs)

Particulars	As at 01.04.2021			Additions	Utilization	Reversal	As at 31 March 2022		
	Non-current	Current	Total				Non-current	Current	Total
Gratuity	-	6,804.82	6,804.82	5,200.01	6,831.04	-	-	5,173.78	<b>5,173.78</b>
Leave Salary	11,134.25	3,834.90	14,969.16	5,934.50	5,468.90	-	12,276.17	3,158.58	<b>15,434.75</b>
Post retirement medical scheme	5,339.10	3,171.79	8,510.89	1,089.19	1,210.26	-	6,143.58	2,246.24	<b>8,389.82</b>
Performance Related Pay	-	623.87	623.87	1,015.00	90.57	-	-	1,548.30	<b>1,548.30</b>
Officers Pension	-	1,648.72	1,648.72	1,676.66	1,648.71	-	-	1,676.67	<b>1,676.67</b>
Wage revision	-	191.85	191.85	-	191.85	-	-	-	<b>-</b>
Pending legal cases	-	2,133.51	2,133.51	1,002.15	3,031.26	-	-	104.40	<b>104.40</b>
Warranty	196.00	7,089.61	7,285.61	4,840.82	3,694.24	150.00	115.00	8,167.19	<b>8,282.19</b>
Unexpired Obligation	4,103.02	605.69	4,708.71	3,615.73	470.00	916.99	6,347.90	589.56	<b>6,937.46</b>
onerous contract	-	5.36	5.36	20.85	5.36	-	-	20.85	<b>20.85</b>
Prov - Unpaid Expenses	-	-	-	2,208.57	-	-	-	2,208.57	<b>2,208.57</b>
<b>Total</b>	<b>20,772.37</b>	<b>26,110.12</b>	<b>46,882.49</b>	<b>26,603.47</b>	<b>22,642.19</b>	<b>1,066.99</b>	<b>24,882.65</b>	<b>24,894.14</b>	<b>49,776.79</b>

**Note 29: Current tax liabilities (Net)**

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for Income tax	<b>4,484.52</b>	3,263.01
Less: MAT credit entitlement	<b>(967.33)</b>	(3,108.45)
<b>Total</b>	<b>3,517.20</b>	154.56

**Note 30: Revenue from Operations**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) Sale of products:		
Castings	-	-
Earth Moving Equipment	<b>1,09,627.79</b>	97,915.07
Rail & Metro Products	<b>1,39,935.48</b>	1,28,890.53
Defence Products	<b>66,202.31</b>	34,065.87
Traded Goods	-	-
Spare Parts	<b>78,439.82</b>	76,239.35
Wind Energy	<b>1,628.42</b>	1,800.31
Sale of Scrap	<b>2,890.57</b>	1,389.28
<b>Sub-total - sale of products</b>	<b>3,98,724.38</b>	3,40,300.42
(b) Sale of services:		
Equipment Servicing	<b>15,572.70</b>	15,363.71
<b>Sub-total - Sale of services</b>	<b>15,572.70</b>	15,363.71
<b>Sub-total - Sale of products &amp; services</b>	<b>4,14,297.08</b>	3,55,664.14
(c) other operating revenues:		
Provisions written back :	-	-
- Doubtful trade receivables & advances	<b>14,614.41</b>	2,661.14
- Onerous contract	<b>5.36</b>	120.18
- Inventory	<b>1,015.35</b>	24.33
- Warranty and unexpired obligation	<b>666.99</b>	-
- others	<b>1,818.36</b>	7.33
Export incentives	<b>111.18</b>	48.75
Liabilities written back	<b>113.91</b>	245.65
Insurance claims	<b>66.73</b>	90.01
Recovery from Suppliers	<b>1,039.39</b>	821.80
Others	-	-
<b>Sub-total</b>	<b>19,451.69</b>	4,019.19
(d) Inter Segment Sales	-	-
<b>Revenue from operations</b>	<b>4,33,748.77</b>	3,59,683.32

- A. Provision written back against Receivables and Advances and Income from other operational activities like insurance claims settlement, Recoveries from suppliers, warranty and unexpired obligation, provision withdrawals, Export incentives etc, have been classified as Operating Revenue since these items are part of business operations. Previous year figures have been regrouped accordingly.
- B.
1. Revenue from operations does not include GST on sale of products and services up to March 2022 is ₹65326.05 Lakhs (Previous Year ₹59068.60 Lakhs).
  2. Revenue from sale of products includes ₹ 1014.00 Lakhs (Previous Year: ₹3718.45) on account of Sale of 7 No. of equipment on "Bill and hold sales" basis recognised in accordance with Ind AS-115. This does not bear any custodian charges.
  3. Revenue from sale of products and services includes ₹56474.04 lakhs (Previous Year ₹46313.53 Lakhs) towards export sales (including deemed exports).

- C.
1. Revenue is recognized "over the period of time" on the contracts for metro cars supply and service contracts wherever transfer of control on goods/services and performance obligation satisfied over time. All other revenue is recognized at a point in time when control transfers.
  2. Revenue from sale of products and services include ₹91651.13 Lakhs and ₹122.47 Lakhs (Previous Year - ₹79179.14 Lakhs and ₹768.27 Lakhs) recognized "over the period of time" in respect of Contracts entered with Metro Corporations for design, manufacture, supply, testing & commissioning of Metro Cars and in respect of ARV Overhauling Contracts in Defence business, respectively due to adoption of Ind AS 115 effective from 01-04-2018.
  3. In case of metro supply contracts and Equipment Rehabilitation, Mining Aggregates Repairs Contracts and overhauling contract, for determination of transaction price for the purpose of recognizing revenue over the period of time, Input Method has been considered .
  4. Following are the closing and opening balances of Receivables, Contract Assets and Contract liabilities (which are measured under Input Method);

(₹ in Lakhs)

Details	Balance as on 31.03.2022	Balance as on 01.04.2021
Receivables	<b>66,348.27</b>	12,786.85
Contract Assets	<b>59,217.26</b>	63,430.72

5. Payments under the Metro Supply Contracts are released by customers upon completion of milestones of Cost centers identified in the contracts.
6. Payments are released by customers under Equipment Rehabilitation and Aggregates Repairs Contracts upon completion of Repair/Rehabilitation, delivery and acceptance of the items at Customer site as indicated in the Contract.
7. Warranties: In respect of Metro Contracts, Defect Liability periods are applicable till taking over of Train sets by the Customer. Comprehensive warranty is provided for a period of 24 months from the date of acceptance for Defence Equipment.
8. Standard Warranty is provided for a period of 12 months or 4000 hours of satisfactory performance of Equipment (Mining & Construction) after delivery and commissioning. However, warranty for Electrical items is for 12 months/3000 hrs from the date of commissioning whichever is earlier.
9. ₹204734.69 Lakhs and ₹43.19 Lakhs (Previous Year - ₹301621.64 Lakhs for Metro Contracts and ₹165.65 Lakhs for Defence Equipment), is the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied as of end of the reporting period and Company expects to recognize this revenue in subsequent years.
10. Following is the reconciliation of amount of revenue recognized in the statement of P&L on recognition of Contract Assets;

(₹ in Lakhs)

Particulars	2021-22	2020-21
Opening Balance of Contract Asset	<b>63430.72</b>	30384.85
Add: Recognised during the year	<b>91773.60</b>	79947.41
<b>Total</b>	<b>155204.32</b>	110332.26
Contract Assets billed during the year	<b>(95987.06)</b>	(46901.54)
<b>Contract Assets as on reporting date</b>	<b>59217.26</b>	63430.72

**Note 31: Other income**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest Income		
- From Deposits	-	-
- From Inter Corporate Loans	-	-
- From Loans to Subsidiary	-	5.96
- From Income tax refund	<b>48.33</b>	709.23
- Finance income on lease deposits	<b>14.16</b>	1.03
- Others	<b>41.80</b>	43.88
Government grant income	<b>50.00</b>	42.73
Dividend Income		
- Dividend Received from Subsidiary	-	-
- Other Dividends	-	-
Net gain on sale of property, plant and equipment	<b>55.95</b>	25.89
Foreign exchange gain	-	-
Other non-operating income	<b>359.54</b>	1,168.56
<b>Total</b>	<b>569.79</b>	1,997.27

i. The company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year under the Income tax act, 1961.

**ii. Details of Crypto currency or virtual currency :**

The Company has not traded in Crypto currency or virtual currency in the current financial year 2021-22.

**a. Tax Deducted at Source on Income**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
a) Interest on Loans to Subsidiary	<b>2.45</b>	0.45
b) Inter Corporate Loans	-	-
c) Others	-	-

**Note 32: Cost of materials consumed**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Cost of materials consumed</b>	<b>2,26,868.06</b>	2,03,727.47

**Note 33: Purchase of stock-in-trade**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of stock-in-trade	-	-

**Note 34: Changes in inventories of finished goods, stock-in-trade and work-in-progress**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Opening Stock</b>		
Finished goods	<b>27,400.61</b>	26,732.63
Work-in-progress	<b>85,392.16</b>	86,659.03
Scrap	<b>1,414.88</b>	1,183.62
	<b>1,14,207.64</b>	1,14,575.28
	-	
<b>Closing Stock</b>		
Finished goods	<b>20,877.56</b>	27,523.66
Work-in-progress	<b>77,014.97</b>	85,549.13
Scrap	<b>1,310.75</b>	1,414.87
	<b>99,203.29</b>	1,14,487.66
<b>(Increase)/Decrease</b>		
Finished goods	<b>6,523.04</b>	(791.03)
Work-in-progress	<b>8,377.19</b>	1,109.90
Scrap	<b>104.12</b>	(231.25)
<b>Total</b>	<b>15,069.99</b>	87.62

**Note 35: Employee benefits expense**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, Wages & Bonus	<b>61,092.17</b>	63,825.73
Leave Salary	<b>5,934.50</b>	5,119.20
Contribution to:		
- Gratuity Fund	<b>3,182.20</b>	1,793.28
- Provident Fund and Other Funds	<b>7,683.62</b>	7,763.85
Post retirement medical scheme	<b>1,407.41</b>	1,143.02
Staff welfare expenses	<b>7,532.80</b>	6,172.05
- Less receipts	<b>685.82</b>	622.53
Net staff welfare expenses	<b>6,846.97</b>	5,549.53
<b>Total</b>	<b>86,146.87</b>	85,194.61

**A. Ind AS 19 (Employee Benefits)**
**a. Leave Salary**

This is an unfunded employee benefit plan categorized under other long term employee benefits in terms of Ind AS 19. The obligation for compensated absence has been actuarially valued and liability provided accordingly.

Actuarial Assumptions	Current Year (Unfunded) 2006-08 (IALM) (Ultimate)	Previous Year (Unfunded) 2006-08 (IALM) (Ultimate)
Mortality Table	<b>7.47%</b>	7.18%
Discount rate	<b>5.00%</b>	4.00%
Rate of escalation in salary		

**b. Post Retirement Medical Scheme****1. Employees**

- (i) The Group has a post retirement defined benefit medical scheme where an insurance policy is taken by the Group for providing mediclaim benefits to the superannuated employees who opt for the scheme. The Group pays 90% insurance premium and the balance 10% is paid by the superannuated employees.
- (ii) The results of the actuarial study for the obligation of the medical benefit as computed by the actuary are shown below: (₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
<b>Principal actuarial assumptions</b>		
Discount rate	7.47%	7.18%
Range of compensation increase	5.00%	4.00%
Attrition rate:	0.53%	0.42%
<b>Components of income statement charge</b>		
Current Service Cost	109.72	108.26
Interest Cost	579.12	328.16
<b>Total income statement charge</b>	<b>688.84</b>	436.42
<b>Movements in net defined benefit liability</b>		
Net obligation at the beginning of the year	7,752.63	4,570.55
Employer contributions	(452.01)	(444.23)
Total expense recognised in profit or loss	688.84	436.42
Total amount recognised in OCI	(318.21)	3,189.89
<b>Net obligation at the end of the year</b>	<b>7,671.25</b>	7,752.63

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
<b>Reconciliation of benefit obligations</b>		
Obligation at start of the year	7,752.63	4,570.55
Current service cost	109.72	108.26
Interest cost	579.12	328.16
Benefits paid directly by the company	(452.01)	(444.23)
Extra payments or expenses/(income)	-	-
Obligation of past service cost	-	-
Actuarial loss/(gain) on obligations	(318.21)	3,189.89
<b>DBO at the end of the year</b>	<b>7,671.25</b>	7,752.63
<b>Re-measurements</b>		
Actuarial gain/(loss) due to changes in financial assumptions	-	-
Actuarial gain/(loss) on account of experience adjustments	(318.21)	3,189.89
<b>Total actuarial gain/(loss) recognised in OCI</b>	<b>(318.21)</b>	3,189.89



**(iii) Sensitivity analysis of significant assumptions**

The following table presents a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

(₹ in Lakhs)

	Current Year	Previous Year
<b>Discount rate</b>		
+ 1.00% discount rate	<b>(329.54)</b>	(1,773.45)
- 1.00% discount rate	<b>370.98</b>	2,421.21
<b>Premium cost</b>		
+ 1.00% premium growth	<b>388.44</b>	2,453.26
- 1.00% premium growth	<b>(350.80)</b>	(1,816.63)

**(iv) Experience adjustments**

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	<b>7,671.25</b>	7,752.63
Experience adjustment on plan liabilities	<b>(678.47)</b>	(1,800.68)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

**2. Officers**

For officers, from the year 2015-16 a new Post-Retirement Medical Scheme was introduced where a percentage of Basic salary and DA of officers will be contributed to a separate fund and the fund arrange to provide medical insurance to retired officers. Group has contributed 3% of the Basic and DA of officers amounting to ₹718.57 Lakhs during 2021-22 for the scheme. Group has no further liability other than the contribution to the fund. Hence the scheme is a defined contribution plan and no actuarial valuation is required.

**c. Interest Rate Guarantee on Provident Fund**

- (i) Provident Fund Trust of the Group has to declare interest on Provident Fund at a rate not less than that declared by the Employees' Provident Fund Organisation. In case the Trust is not able to meet the interest liability, Group has to make good the shortfall. This is a defined benefit plan and the Group has got the same actuarially valued and there is no additional liability that needs to be provided for the year.

Actuarial Assumptions	Current Year (Funded)	Previous Year (Funded)
Discount rate	<b>7.47%</b>	7.18%
Rate of escalation in salary	<b>5.00%</b>	4.00%
Interest Rate Guarantee on Provident Fund	<b>8.10%</b>	8.50%

**d. Officers Pension Scheme**

Based on the guidelines of Ministry of Defence, Company has implemented "BEML Executive Superannuation (Pension) Scheme" for Officers of the Company. The Scheme is a defined contribution plan and the contribution made is being charged off in the year of contribution. Being a defined contribution plan no actuarial valuation is done.

**e. Gratuity**

- (i) The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.
- (ii) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

Actuarial Assumptions	Current Year (Funded)	Previous Year (Funded)
<b>Principal actuarial assumptions</b>		
Discount rate	7.47%	7.18%
Range of compensation increase	5.00%	4.00%
Attrition rate	0.53%	0.42%
Expected rate of return on plan assets	7.47%	7.18%
<b>Components of income statement charge</b>		
Current Service Cost	1,722.48	1,628.02
Interest Cost	247.84	81.93
Recognition of past service cost	-	-
Settlement/curtailment/termination loss	-	-
<b>Total income statement charge</b>	<b>1,970.32</b>	<b>1,709.95</b>
<b>Movements in net liability/(asset)</b>		
Net liability/(asset) at the beginning of the year	6,832.50	4,599.94
Employer contributions	(6,715.65)	(4,476.89)
Total expense recognised in profit or loss	1,970.32	1,793.28
Total amount recognised in OCI	3,203.46	4,916.17
<b>Net liability/(asset) at the end of the year</b>	<b>5,290.63</b>	<b>6,832.50</b>
<b>Reconciliation of benefit obligations</b>		
Obligation at start of the year	42,522.22	42,123.89
Current service cost	1,722.48	1,628.02
Interest cost	2,875.09	2,619.62
Benefits paid directly by the company	(7,807.43)	(8,793.58)
Actuarial loss/(gain) on obligations	3,210.78	4,944.27
<b>DBO at the end of the year</b>	<b>42,523.14</b>	<b>42,522.22</b>
<b>Re-measurements</b>		
Actuarial gain/(loss) due to changes in financial assumptions	7.32	30.29
Actuarial gain/(loss) on account of experience adjustments	(3,210.78)	(4,946.46)
<b>Total actuarial gain/(loss) recognised in OCI</b>	<b>(3,203.46)</b>	<b>(4,916.17)</b>
<b>Change in fair value of plan assets</b>		
Fair value of plan assets at the beginning of the year	35,717.40	37,468.30
Adjustment to opening fair value of plan assets	-	-
Interest on plan assets	2,627.25	2,537.69
Contributions made	6,715.65	4,476.89
Benefits paid	(7,807.43)	(8,793.58)
Actuarial gain/(loss) on plan assets	7.32	28.10
<b>Fair value of plan assets at the end of the year</b>	<b>37,260.19</b>	<b>35,717.40</b>

## (iii) Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

(₹ in Lakhs)

	Current Year	Previous Year
<b>Discount rate</b>		
Discount rate (CY +100 basis pts; PY +100 basis pts)	<b>(1,960.98)</b>	(1,909.66)
Discount rate (CY -100 basis pts; PY -100 basis pts)	2,212.50	2,127.80
<b>Salary increase</b>		
Salary growth (CY +100 basis pts; PY +100 basis pts)	<b>1,402.84</b>	1,823.28
Salary growth (CY -100 basis pts; PY -100 basis pts)	<b>(1,488.17)</b>	(1,732.86)

## (iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	<b>42,523.14</b>	42,522.22
Fair value of plan assets	<b>37,260.19</b>	35,717.40
(Surplus)/deficit in plan assets	<b>5,262.95</b>	6,804.82
Experience adjustment on plan liabilities	<b>3,210.78</b>	4,945.89
Actual return on plan assets less interest on plan assets	<b>247.84</b>	157.75

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

## (v) Investment details

The plan assets under the fund are deposited under approved securities as follows:

		Current Year	Previous Year
Investment with LIC	%	100	100
Others	%	0	0

## Note 36: Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense		
On Cash Credit & Short term loans	<b>2,816.26</b>	1,263.27
On Long Term Loans	-	-
On Commercial paper	<b>933.60</b>	359.97
On Non-convertible Debentures	<b>1,042.98</b>	1,968.25
On Inter Corporate Loans	-	-
On MSE vendors	-	-
Unwinding of discount on Interest free loan	50.00	42.73
Interest on ROU asset	<b>76.91</b>	76.09
Others	<b>13.68</b>	230.04
<b>Total</b>	<b>4,933.43</b>	3,940.35

**Note 37: Other expenses**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Consumption of stores and spare parts	<b>799.38</b>	512.45
Consumable Tools	<b>596.49</b>	607.50
Power and fuel	<b>3,750.67</b>	3,557.32
Rent	<b>159.78</b>	159.72
Hire Charges	<b>787.30</b>	909.03
Repairs & Maintenance		
Machinery & Equipment	<b>415.28</b>	394.02
Buildings	<b>572.09</b>	586.50
Others	<b>1,131.17</b>	1,100.14
Stationery	<b>97.16</b>	85.57
Insurance	<b>804.95</b>	731.72
Rates & Taxes	<b>1,099.94</b>	212.71
Bank guarantee fee and other charges	<b>878.33</b>	861.28
Communication expenses	<b>332.31</b>	299.86
Commission on sales	<b>432.62</b>	67.43
Remuneration to Auditors (refer note 'a' below)	<b>30.57</b>	26.27
Legal & Professional Charges	<b>110.95</b>	251.83
Interest on Gratuity Payment	<b>1,542.16</b>	-
Travelling Expenses	<b>822.29</b>	582.30
Publicity & Public Relations	<b>313.26</b>	446.17
Loss on sale of property, plant and equipment	<b>1.51</b>	3.20
Provision for Obsolescence	<b>955.39</b>	1,208.08
Provision for Onerous contract	<b>20.85</b>	5.36
Defects & Spoilages	<b>40.50</b>	25.61
Works Contract Expenses	<b>8,123.85</b>	7,342.47
Expenses on Maintenance Contract	<b>2,463.69</b>	2,767.37
Sundry Direct Charges	<b>7,357.44</b>	2,907.31
Freight charges	<b>4,710.86</b>	3,710.49
Expenditure on CSR Activities	<b>565.80</b>	403.58
Provision for doubtful trade receivables & advances	<b>9,632.27</b>	10,216.49
Provision for Pending Legal cases	<b>92.17</b>	2,121.73
Warranty & Unexpired Obligations	<b>1,931.44</b>	1,660.17
Liquidated damages & Penalty w/off	<b>14,463.48</b>	2,649.41
Foreign exchange loss/(gain)	<b>465.72</b>	326.34
Miscellaneous expenses	<b>9,179.42</b>	6,141.90
<b>Total</b>	<b>74,681.09</b>	52,881.32

**a. Break up of Remuneration to Auditors :**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
(a) As Auditor	17.35	15.88
(b) for taxation matter	3.42	3.12
(c) Other Services - Certification Fees	9.09	7.27
(d) Reimbursement of Expenses	0.50	0.00
<b>Total</b>	<b>30.36</b>	<b>26.27</b>

**Note 38: Exceptional Items**

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Income</b>		
MSE Interest written back	-	-
Warranty provision written back	-	-
Liability written back	-	-
<b>sub-total</b>	-	-
<b>Expenditure</b>	-	-
<b>sub-total</b>	-	-
<b>Net Income/(Expenditure)</b>	-	-

**Note 39: Other Disclosures**

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Net Profit/(Loss) after Tax (₹ in Lakhs)	<b>12,858.84</b>	6,870.03
Average Number of Shares	<b>4,16,44,500</b>	4,16,44,500
Earnings Per Share (Basic and Diluted) - Face Value ₹10/- Per Share (Amount in ₹)	<b>30.88</b>	16.50

B. In terms of Notification No. S.O.802(E) dated 23-02-2018 of the Ministry of Corporate Affairs, the Board at its meeting held on 27.05.2016 has given consent with regard to non-disclosure of information as required under paragraphs 5(ii) (a) (1), 5(ii) (a) (2), 5(iii) and Para 5(viii) (a), (b), (c) and (e) of Part II to Schedule III of the Companies Act, 2013, in the Annual accounts for the Financial Year 2015-16 onwards.

**C. Ind AS 24 - Related Parties**

In accordance with the requirements of Ind AS 24, following are details of the transactions during the year with related parties.



Name of the related party	Nature of relationship
Vignyan Industries Limited	Subsidiary
MAMC Industries Limited	Subsidiary
BEML Land Assets Limited	Subsidiary
BEML Midwest Limited	Joint venture
BEML PF Trust	Employee benefit and administration trust fund
BEML Gratuity Trust	Employee benefit and administration trust fund
BEML Death-cum-Retirement Benefit Fund Trust	Employee benefit and administration trust fund
BEML Executive Superannuation (Pension) Fund Trust	Employee benefit and administration trust fund
BEML Executive Superannuation (Benefit) Trust Fund	Employee benefit and administration trust fund
Shri Amit Banerjee - CMD	Key managerial personnel
Shri M. V. Raja Sekhar Director (Mining & Construction)	Key managerial personnel
Shri Ajit Kumar Srivastav - Director (Defence)	Key managerial personnel
Shri Suraj Prakash - Director (Finance)	Key managerial personnel
Shri Anil Jerath - Director (Finance)	Key managerial personnel
Shri S.V.Ravi Sekhar Rao - Company Secretary	Key managerial personnel

### Transactions with related parties

1. The details of related party transactions entered into by the Company are as follows:

#### Name of the joint venture company - M/s BEML Midwest limited, Hyderabad, Share holding 45 %

##### Details of Transactions

(₹ in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>Transactions during the year ended</b>		
Sales	-	-
Purchases	-	-
Equity Investment held as on 31 March (at cost)	<b>542.25</b>	542.25
<b>Outstanding balances</b>		
<b>Advances recoverable as on</b>	<b>135.51</b>	135.51
Amount payable towards supplies as on	<b>230.00</b>	230.00
Corporate Guarantee given to Bankers [refer Note 7 (b)]	-	-

### 2. Remuneration to Key managerial personnel

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Shri Amit Banerjee - Chairman and Managing Director*	<b>46.88</b>	20.77
Shri Deepak Kumar Hota - Chairman and Managing Director*	-	44.51
Shri M. V. Raja Sekhar Director (Mining & Construction)	<b>49.30</b>	40.12
Shri R H Muralidhara - Director (Defence) *	-	6.85
Shri Suraj Prakash - Director (Finance)	<b>7.12</b>	42.82
Shri Suresh S Vastrad - Director (Rail) *	-	9.85
Shri Ajit Kumar Srivastav - Director (Defence)*	<b>51.60</b>	33.93
Shri Anil Jerath - Director (Finance) *	<b>1.16</b>	-
Shri Panneer Selvam R - Director (HR)*	-	21.12
Shri S.V.Ravi Sekhar Rao - Company Secretary	<b>31.60</b>	26.95

(\*part of the year.)

**3. Details of remuneration of key managerial personnel comprises the following:**

(₹ in Lakhs)

<b>Shri. Amit Banerjee - Chairman and Managing Director*</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>41.82</b>	19.04
Post-employment benefits	<b>2.47</b>	0.63
Other long-term benefits	<b>2.59</b>	1.10
Termination benefits	-	-
<b>Shri. Deepak Kumar Hota - Chairman and Managing Director*</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	-	40.49
Post-employment benefits	-	1.47
Other long-term benefits	-	2.55
Termination benefits	-	-
<b>Shri. M. V. Raja Sekhar Director (Mining &amp; Construction)</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>43.56</b>	36.65
Post-employment benefits	<b>3.27</b>	1.27
Other long-term benefits	<b>2.47</b>	2.20
Termination benefits	-	-
<b>Shri. R H Muralidhara - Director (Defence) *</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	-	6.43
Post-employment benefits	-	-
Other long-term benefits	-	0.42
Termination benefits	-	-
<b>Shri. Suraj Prakash - Director (Finance)</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>5.03</b>	38.88
Post-employment benefits	<b>2.09</b>	1.44
Other long-term benefits	-	2.50
Termination benefits	-	-
<b>Shri. Suresh S Vastrad - Director (Rail &amp; Metro) *</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	-	9.30
Post-employment benefits	-	-
Other long-term benefits	-	0.55
Termination benefits	-	-
<b>Shri. Ajit Kumar Srivastav - Director (Defence)*</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>46.03</b>	31.13
Post-employment benefits	<b>3.17</b>	1.03
Other long-term benefits	<b>2.40</b>	1.77
Termination benefits	-	-
<b>Shri. Anil Jerath - Director (Finance) *</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>1.06</b>	-
Post-employment benefits	<b>0.04</b>	-
Other long-term benefits	<b>0.06</b>	-
Termination benefits	-	-

<b>Shri. Panneer Selvam R - Director (HR) *</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	-	19.12
Post-employment benefits	-	0.73
Other long-term benefits	-	1.27
Termination benefits	-	-
<b>Shri. S.V.Ravi Sekhar Rao - Company Secretary</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>27.84</b>	24.73
Post-employment benefits	<b>2.12</b>	0.81
Other long-term benefits	<b>1.64</b>	1.41
Termination benefits	-	-
<b>Total</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Short-term benefits	<b>165.34</b>	225.77
Post-employment benefits	<b>13.16</b>	7.38
Other long-term benefits	<b>9.16</b>	13.77
Termination benefits	-	-

\* For part of the year.

4. Considering the wide scope of the definition of Related Party under section 2(76), Relative under section 2(77) and Key Managerial Personnel under section 2(51) of Companies Act, 2013 and the requirement under Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the disclosure with respect to Related Party transactions has been restricted to Subsidiary/Joint Venture/Associate companies and to any other Related Party as declared by Directors and Key Managerial Personnel. Accordingly, the compliance with Related Party Transactions under section 188, Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been made to the extent data is available with the Company.

## **D. Contingent liabilities & Commitments**

### **I. Contingent liabilities**

- a. Claims against the Company not acknowledged as debts
  - i Disputed statutory demands (Customs Duty, Central Excise, Service Tax, Sales Tax/VAT etc..) ₹63048.13 lakhs (Previous Year ₹46692.80 Lakhs)
  - ii Other claims- legal cases etc. ₹12321.22 Lakhs (Previous Year ₹18901.86 Lakhs)
- b. Other money for which the company is contingently liable - ₹Nil (Previous Year - ₹Nil).

### **II. Commitments**

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹625.95 Lakhs (Previous Year - ₹560.60 Lakhs)
- b. Uncalled liability on shares and other investments partly paid - ₹Nil (Previous Year - ₹Nil).
- c. Other commitments (specify nature) - ₹Nil (Previous Year - ₹Nil).

### **NOTES**

1. The company does not expect any cash outflow in respect of above contingent Liabilities.
2. It is not practicable to estimate the timing of cash flows, if any, in respect of matters referred in I(a) above pending resolutions of the arbitration/appellate proceedings.

**E. Aggregate amount of Research & Development Expenses:**

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Revenue Expenditure	<b>10,049.86</b>	12,811.68
Capital Expenditure	<b>216.47</b>	454.40

The aggregate amount of Research & Development expenditure recognised as expenses during the period is as below:

**Research & Development Revenue Expenditure:**

(₹ in Lakhs)

Expenditure in R&D included in	For the year ended 31 March 2022	For the year ended 31 March 2021
Material Cost	<b>562.84</b>	142.26
Employee Remuneration	<b>5,700.85</b>	5,520.30
Depreciation	<b>987.08</b>	1,136.83
Power and Fuel	<b>144.83</b>	136.41
Repairs and Maintenance	<b>56.63</b>	47.55
Consumable Tools	<b>2.38</b>	3.23
Travelling	<b>58.01</b>	28.58
Other Expenses	<b>3,330.52</b>	2,324.64
Payment to Technology Providers	<b>193.80</b>	-
Prototype held in WIP	-	-
Prototype held in FGI	-	-
Cost of Sales of Prototype sold	-	4,608.71
<b>Total R&amp;D Revenue Expenditure</b>	<b>11,036.94</b>	13,948.51
Less: Depreciation	<b>987.08</b>	1,136.83
<b>Net R &amp; D Expenditure</b>	<b>10,049.86</b>	12,811.68

Sale value of prototype sold - included in net Sales\* 3,722.20

\*Sale value of prototype sold excludes Design and Testing & Commissioning charges.

**F. Ind AS 108 (Operating Segments)**

Vide Notification No. S.O.802(E) dated 23-02-2018 issued by Ministry of Corporate Affairs, exempted companies engaged in Defence Production from segmental disclosure as required under Ind AS 108 (Operating Segments), accordingly the disclosure requirements under Ind AS 108 has not been made.

- G.** Advances, Balances with government departments, Trade Payables and receivables, Other loans and advances and deposits classified under non current and current are subject to confirmation. There are certain old balances pending review/adjustment. The management does not expect any significant impact upon such reconciliation.
- H.** Figures of previous year have been regrouped/ reclassified/ recast wherever necessary to conform to current year's presentation.

**I. Disclosures as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In compliance of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements), the required information is given as under: (₹ in Lakhs)

Particulars	Amount as on		Maximum amount outstanding during the year ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
<b>i. Loans and Advances in the nature of loans:</b>				
A. To Subsidiary Companies	-	-	-	-
B. To Associates/Joint Venture	-	-	-	-
C. To Firms/Companies in which directors are interested	-	-	-	-
D. Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act, 2013	-	-	-	-
<b>ii. Investment by the loanee (as detailed above) in the shares of BEML and its subsidiaries</b>	-	-	-	-

**J. Ind AS 116 - Leases**

**a) The Group as a lessee**

The group's significant leasing arrangements are in respect of operating leases and leased office premises. These lease arrangements, run for a period of 3 Years to 10 Years and are generally renewable by mutual consent.

Future minimum lease payments under non-cancellable operating leases are summarised below:

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Not later than one year	<b>0.28</b>	0.28
Later than one year but not later than five years	<b>1.12</b>	1.12
Later than five years	-	-
<b>Total operating lease commitments</b>	<b>1.40</b>	<b>1.40</b>

**b) The Group as a lessor**

The Group provides cars to employees who are eligible and enroll into such a scheme after completion of a specific period of service. Such leases are non-cancellable in nature and have been classified as operating leases.

Below are the details of carrying amounts of such vehicles recorded as property, plant and equipment:

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Carrying value of assets	<b>795.12</b>	439.95
Accumulated depreciation	<b>190.21</b>	153.44
Depreciation expense during the year	<b>90.15</b>	67.91

Future minimum lease receipts under non-cancellable operating leases in respect of leased cars are summarised below:

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Not later than one year	<b>64.61</b>	40.86
Later than one year but not later than five years	<b>283.27</b>	173.21
Later than five years	<b>249.41</b>	89.59
<b>Total operating lease commitments</b>	<b>597.29</b>	303.66

### c) Lease income and expenditure

The gross amounts of operating lease income and expenditure recognised in profit or loss is as below.

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Lease income	<b>104.45</b>	74.32
Lease expenses	<b>159.78</b>	159.72

### d) Impact of IND AS116 RoU Assets

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Depreciation on RoU Assets during the year	<b>112.89</b>	222.21
Finance Cost of Lease Liability	<b>76.91</b>	76.09
Gross value of RoU Assets	<b>1,094.68</b>	984.39
Net Book Value of RoU Assets	<b>831.22</b>	762.18
Lease Liability as of 31 <sup>st</sup> March	<b>922.34</b>	915.47
Impact on Profitability in the current year	<b>(29.22)</b>	(41.27)



## K. Fair values and measurement principles

a) The carrying value and fair value of financial instruments by category are as follows: (₹ in Lakhs)

Particulars	31 March 2022		31 March 2021	
	Carrying amounts		Carrying amounts	
	Fair value through profit or loss	Other Financial Assets - Amortised Cost	Fair value through profit or loss	Other Financial Assets - Amortised Cost
<b>Financial assets measured at fair value:</b>				
Forward exchange contracts	-	-	-	-
	-	-	-	-
<b>Financial assets not measured at fair value:</b>				
Loans	-	12.11	-	10.99
Trade receivables	-	1,86,136.11	-	1,88,450.91
Cash and cash equivalents	-	2,200.16	-	447.68
Other financial assets	-	585.36	-	596.05
	-	1,88,933.75	-	1,89,505.64
<b>Financial liabilities measured at fair value:</b>				
Forward exchange contracts	-	-	-	-
	-	-	-	-
<b>Financial liabilities not measured at fair value:</b>				
Borrowings	-	82,257.40	-	74,334.35
Trade payables	-	56,116.20	-	74,175.45
Other financial liabilities	-	3,473.59	-	3,020.65
	-	1,41,847.19	-	1,51,530.46

The Group has not disclosed the fair values for financial instruments, because their carrying amounts are a reasonable approximation of fair value.

b) The following table shows the fair values of assets and liabilities including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Group's use of quoted market prices (Level 1), valuation model using observable market information as inputs (Level 2) and valuation models without observable market information as inputs (Level 3) in the valuation of securities and contracts by type of issuer was as follows:

Particulars	31 March 2022			31 March 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value:</b>						
Forward exchange contracts	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Financial liabilities measured at fair value:</b>						
Forward exchange contracts	-	-	-	-	-	-
	-	-	-	-	-	-

**c) Measurement of fair values**

Valuation techniques and significant unobservable inputs:

Particulars	Valuation technique	Significant unobservable inputs
Forward exchange contracts	The fair values is determined using unquoted forward exchange rates at the reporting date.	Not applicable

**d) Transfers between the fair value hierarchy**

There were no transfers in either direction in the fair value hierarchy during the year 2021-22.

**L. Financial risk management**

The Group is broadly exposed to credit risk, liquidity risk and market risk as a result of financial instruments.

The Group's Board of Directors has the overall responsibility for the establishment, monitoring and supervision of the Group's risk management framework. Treasury Management Team in the Group takes appropriate steps to mitigate financial risks within the framework set by the top management. Derivative transactions are undertaken by a specialist team with appropriate skills and experience. Group do not trade in derivatives for speculation.

**(i) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from credit exposures from customers, cash and cash equivalents held with banks and current and non-current debt investments.

The Group regularly follow up the receivable to minimise losses arising from credit exposure from credit customers. Credit control assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Deposits and cash balances are placed with reputable scheduled banks.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

**Trade receivables**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base. Major Customers of the Group are from Government Sector and Public Sector Companies, where credit risk is relatively low.

The management has established a system under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables based on factual information as on the Balance sheet date.

The maximum exposure to credit risk for trade receivables by geographic region was as follows.

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
India	<b>1,83,986.56</b>	1,85,517.04
Other regions	<b>2,149.55</b>	2,933.87
<b>Total trade receivables</b>	<b>1,86,136.11</b>	1,88,450.91

As at 31 March 2022, the Group's most significant customer, accounted for ₹11100.95 Lakhs of the trade receivables carrying amount (Previous Year - ₹12345.19 Lakhs).

The movement in the loss allowance for impairment of trade receivables are disclosed in Note No. 14.

Any past due from Government Customers and those fully covered by guarantees or collaterals received are not tested for impairment.

The credit quality of the financial assets is satisfactory, taking into account the allowance for doubtful trade receivables.

The Group has not received any collaterals for receivables as at reporting date.

The impairment loss allowance at 31 March 2022 related to several customers that have indication that they may not pay their outstanding balances. The Group believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on the fact that major customers are Government department, PSUs and historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

## (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or the risk that the Group will face difficulty in raising financial resources required to fulfil its commitments. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk is maintained at low levels through effective cash flow management, low borrowings and availability of adequate cash. Cash flow forecasting is performed internally by forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs, to fund scheduled investments and to comply with loan covenants.

To ensure continuity of funding, the Group primarily uses short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirement needs. The Group has also availed various non-current facilities in the form of secured redeemable debentures, secured term loans, inter-corporate loans against the Group's guarantee and soft loans from the Government for expansion projects and construction and development of capital assets.

**Exposure to liquidity risk**

The table below details the Group's remaining contractual maturity for its financial liabilities and derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities and derivative financial liabilities based on the earliest date on which the Group can be required to pay.

(₹ in Lakhs)

Particulars	Contractual cash flows			Adjustments	Carrying amount
	1 year or less	1 year to 5 years	5 years or more		
<b>31 March 2022</b>					
<b>Non-derivative financial liabilities</b>					
Non-current Borrowings	-	-	-	-	-
Current Borrowings	82,257.40	-	-	-	82,257.40
Trade payables	56,116.20	-	-	-	56,116.20
Other financial liabilities	3,473.59	-	-	-	3,473.59
<b>Derivative financial instruments</b>					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	<b>1,41,847.19</b>	-	-	-	<b>1,41,847.19</b>
<b>31 March 2021</b>					
<b>Non-derivative financial liabilities</b>					
Non-current Borrowings	-	10,000.00	-	-	10,000.00
Current Borrowings	64,334.35	-	-	-	64,334.35
Trade payables	74,175.45	-	-	-	74,175.45
Other financial liabilities	3,020.65	-	-	-	3,020.65
<b>Derivative financial instruments</b>					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	<b>1,41,530.46</b>	<b>10,000.00</b>	-	-	<b>1,51,530.46</b>

**(iii) Market risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity/commodity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management.

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk). The Group enters into forward derivative contracts to manage risks of loss arising due to foreign exchange exposure. During the year ended 31 March 2022, there was no change to the manner in which the Group managed or measured market risk.

#### (iv) Currency risk

Foreign currency risk is the risk arising from exposure to foreign currency movement that will impact the Group's future cash flows and profitability in the ordinary course of business. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities from procuring or selling in foreign currencies and obtaining finance in foreign currencies.

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, mostly with a maturity of less than one year from the reporting date.

The Group does not use derivative financial instruments for trading or speculative purposes. Following is the information on derivative financial instruments to hedge the foreign exchange rate risk as on date:

**31 March 2022**

(₹ in Lakhs)

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized (liabilities)/assets	Forward contract	NIL	NIL	NIL	NIL
Hedges of highly probable forecast transactions		NIL	NIL	NIL	NIL

**31 March 2021**

(₹ in Lakhs)

Category	Instrument	Currency	Cross Currency	Amounts	Buy/Sell
Hedges of recognized (liabilities)/assets	Forward contract	NIL	NIL	NIL	NIL
Hedges of highly probable forecast transactions		NIL	NIL	NIL	NIL

#### Exposure to currency risk

The currency profile of financial assets and financial liabilities as on date is as below :

(₹ in Lakhs)

Particulars	INR	USD	EURO	JPY	CNY	SEK	GBP	SGD	CHF	ZAR
<b>31 March 2022</b>										
<b>Financial assets (A)</b>										
Cash and cash equivalents	1,966.65	-	233.47	0.04	-	-	-	-	-	-
Trade receivables	1,83,986.56	1,292.02	857.53	-	-	-	-	-	-	-
<b>Financial liabilities (B)</b>										
Trade payables	47,058.68	2,844.13	2,374.60	2,335.02	1,150.51	5.19	294.00	9.99	28.02	16.06
Other current financial liabilities	2,467.58	-	-	-	-	-	-	-	-	-
Current maturities of long term debt	10,000.00	-	-	-	-	-	-	-	-	-
<b>Net exposure to currency risk (A-B)</b>	<b>1,26,426.95</b>	<b>(1,552.11)</b>	<b>(1,283.60)</b>	<b>(2,334.98)</b>	<b>(1,150.51)</b>	<b>(5.19)</b>	<b>(294.00)</b>	<b>(9.99)</b>	<b>(28.02)</b>	<b>(16.06)</b>

Particulars	INR	USD	EURO	JPY	CNY	SEK	GBP	SGD	CHF	ZAR
<b>31 March 2021</b>										
<b>Financial assets (A)</b>										
Cash and cash equivalents	225.15	-	222.50	0.03	-	-	-	-	-	-
Trade receivables	1,85,517.04	2,715.99	217.88	-	-	-	-	-	-	-
<b>Financial liabilities (B)</b>										
Trade payables	60,032.36	3,993.25	6,086.22	3,634.88	243.55	-	137.20	1.67	28.02	18.30
Other current financial liabilities	2,224.57	-	-	-	-	-	-	-	-	-
Current maturities of long term debt	10,149.49	-	-	-	-	-	-	-	-	-
<b>Net exposure to currency risk (A-B)</b>	<b>1,13,459.09</b>	<b>(1,277.26)</b>	<b>(5,645.84)</b>	<b>(3,634.85)</b>	<b>(243.55)</b>	<b>-</b>	<b>(137.20)</b>	<b>(1.67)</b>	<b>(28.02)</b>	<b>(18.30)</b>

The following significant exchange rates have been applied during the year.

Particulars	Average rate		Year-end spot rate	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
USD	-	-	<b>76.3300</b>	73.8500
EUR	-	-	<b>85.7600</b>	87.3300
JPY	-	-	<b>0.6280</b>	0.6726
GBP	-	-	<b>100.6400</b>	102.3200

### Sensitivity analysis

A reasonably possible strengthening/(weakening) of the Indian Rupee against US dollars, Euro, Japanese Yen, the Pound and other currencies at 31 March 2022 and 31 March 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakhs)

Effect in INR	Profit or loss		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2022</b>				
1% movement				
USD	15.52	(15.52)	10.10	(10.10)
EUR	12.84	(12.84)	8.35	(8.35)
JPY	23.35	(23.35)	15.19	(15.19)
CNY	11.51	(11.51)	7.49	(7.49)
SEK	0.05	(0.05)	0.03	(0.03)
GBP	2.94	(2.94)	1.91	(1.91)
SGD	0.10	(0.10)	0.06	(0.06)
CHF	0.28	(0.28)	0.18	(0.18)
ZAR	0.16	(0.16)	0.10	(0.10)
<b>31 March 2021</b>				
1% movement				
USD	12.77	(12.77)	8.31	(8.31)
EUR	56.46	(56.46)	36.73	(36.73)
JPY	36.35	(36.35)	23.65	(23.65)
CNY	2.44	(2.44)	1.58	(1.58)
SEK	-	-	-	-
GBP	1.37	(1.37)	0.89	(0.89)
SGD	0.02	(0.02)	0.01	(0.01)
CHF	0.28	(0.28)	0.18	(0.18)
ZAR	0.18	(0.18)	0.12	(0.12)



### (v) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.

#### Exposure to interest rate risk

The Group's interest rate risk arises from borrowings and loans made. Borrowings availed at fixed rates expose the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the group is as follows.

(₹ in Lakhs)

Particulars	Carrying amount	
	31 March 2022	31 March 2021
<b>Fixed-rate instruments</b>		
Financial assets	-	-
Financial liabilities	(10,000.00)	(20,000.00)
	<b>(10,000.00)</b>	<b>(20,000.00)</b>
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-

#### Fair value sensitivity analysis for fixed-rate instruments

The group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in Lakhs)

Particulars	Profit or loss		Equity net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>31 March 2022</b>				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
<b>31 March 2021</b>				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total Variable rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-

**(vi) Equity and commodity price risk**

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Group has no exposure to changes in the quoted equity securities price risk as it has investments in unquoted equity instruments only. The Group does not invest in commodities and is not exposed to commodity price risk.

**M. Capital Management**

The Company strives to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The board of directors seeks to maintain a balance between the higher returns and levels of borrowings and the advantages and security afforded by a sound capital position.

**The Company's adjusted net debt to equity ratio is as follows.**

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
Total borrowings <sup>1</sup>	<b>92,257.40</b>	84,483.83
Less: Cash and bank balances <sup>2</sup>	<b>(1,858.42)</b>	(118.46)
Adjusted net debt	<b>90,398.98</b>	84,365.37
Total equity	<b>2,35,631.92</b>	2,21,424.38
Less: Other components of equity	<b>2,464.31</b>	4,994.93
Adjusted equity	<b>2,33,167.61</b>	2,16,429.45
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.39</b>	0.39

<sup>1</sup>Total borrowings comprises of long-term borrowings, short-term borrowing and bank overdraft facilities.

<sup>2</sup>Cash and bank balances comprises of cash in hand, cash at bank and term deposits with banks excluding consortium member balances in ESCROW account, as disclosed under Note 15 (b) and balances with bank as unclaimed dividend.

**N. Derivatives****Derivatives not designated as hedging instruments**

The Company uses foreign currency forward contracts to manage its exposure to foreign currency fluctuations. These forward contracts are used to hedge foreign currency payables and other future transactions. However, these foreign exchange forward contracts are not designated as qualifying hedge instruments and are entered into for periods consistent with foreign currency exposure of the underlying transactions, and are generally for a term of 3 months to 12 months.

The Company has following outstanding forward contracts as on

31 March 2022: JPY Nil (INR Nil) [Previous Year - JPY Nil (INR Nil)]

31 March 2022: EUR Nil (INR Nil) [Previous Year - EUR Nil (INR Nil)]

31 March 2022: USD Nil (INR Nil) [Previous Year: USD NIL (INR Nil)]

The fair value of foreign currency forward derivative is as below:

(₹ in Lakhs)

Particulars	31 March 2022	31 March 2021
<b>Derivative assets</b>		
Foreign exchange forward contracts (JPY)	-	-
Foreign exchange forward contracts (EUR)	-	-
Foreign exchange forward contracts (USD)	-	-
<b>Total</b>	-	-
<b>Derivative liabilities</b>		
Foreign exchange forward contracts (JPY)	-	-
Foreign exchange forward contracts (EUR)	-	-
Foreign exchange forward contracts (USD)	-	-
<b>Total</b>	-	-

The Group has unhedged foreign currency exposure of ₹18807.94 Lakhs (Previous Year - ₹16261.27 Lakhs) for payables as at reporting date.

The Group has applied the principles of Ind AS 109 for the measurement of derivative financial instruments and has classified such derivative contracts as at fair value through profit or loss.

## Disclosures for Ratios :

Description of the ratio	Explanation of the items included in numerator and denominator	"Period/Year ended"	Numerator (₹ in lakhs)	Denominator (₹ in lakhs)	Ratio	% Variance	Explanation for variance
(a) Current ratio	Current assets/ Current liabilities	Mar-22	4,83,740.57	2,02,730.31	2.39	3%	-
		Mar-21	4,85,237.86	2,08,955.44	2.32		
(b) Debt-equity ratio	Total debt/ Shareholder's equity	Mar-22	82,257.40	2,35,631.92	0.35	3%	-
		Mar-21	74,334.35	2,21,424.38	0.34		
(c) Debt service coverage ratio	Earnings available for debt service/Debt service	Mar-22	31,552.54	4,933.43	6.4	27%	Due to Increase in Revenue from operations by 20%, EBITDA has improved significantly over previous year. Also long term debts have reduced due to redemption of NCDs by Rs 100 crs . Hence there is significant improvement in DSCR over PY.
		Mar-21	19,789.58	3,940.35	5.02		
(d) Return on equity ratio ('ROE')	Net profits after taxes / Average shareholder's equity	Mar-22	12,858.84	2,28,528.15	0.06	100%	Due to Increase in Revenue from operation by 20% over PY, Net Profits after taxes have improved significantly. Hence there is significant improvement in ROE over PY.
		Mar-21	6,870.03	2,23,352.71	0.03		
(e) Inventory turnover ratio	Cost of goods sold/ Average inventory	Mar-22	4,14,297.08	2,02,405.94	2.05	15%	-
		Mar-21	3,55,664.14	1,99,153.40	1.79		
(f) Trade receivables turnover ratio	Net credit sales/ Average accounts receivable	Mar-22	4,79,623.13	1,87,293.51	2.56	4%	-
		Mar-21	4,14,758.79	1,69,631.82	2.45		
(g) Trade payables turnover ratio	Net credit purchases/ Average trade payables	Mar-22	2,53,193.73	65,145.83	3.89	36%	-
		Mar-21	2,00,318.73	70,214.14	2.85		
(h) Net capital turnover ratio	Net sales/Average working capital	Mar-22	4,14,297.08	2,78,646.34	1.49	15%	-
		Mar-21	3,55,664.14	2,74,334.71	1.3		
(i) Net profit ratio	Net profit/Net sales	Mar-22	12,858.84	4,14,297.08	0.03	50%	Revenue from operation have increased by 20% over PY whereas Material consumption % has remained at 57% of Value of Production similar to PY, resulting in higher Net Profits after tax . Hence there is significant improvement in Net Profit Ratio over PY.
		Mar-21	6,870.03	3,55,664.14	0.02		
(j) Return on capital employed ('ROCE')	Earning before interest and taxes/ Capital employed	Mar-22	24,907.11	3,43,140.94	0.07	75%	Due to Increase in Revenue from operations by 20%, EBIT has improved significantly over previous year. Hence there is significant improvement in ROCE.
		Mar-21	12,651.80	3,36,355.62	0.04		
(k) Return on investment ('ROI')	Net Profit/Share capital	Mar-22	12,858.84	2,35,631.92	0.05	67%	The Total Comprehensive Income (TCI) has increased by Rs 10889.19 lakhs and after interim dividend of Rs 2581.94 lakhs Reserves & surplus has increased by Rs 8307.25 lakhs Hence ROI has improved significantly over PY.
		Mar-21	6,870.03	2,21,424.38	0.03		
(l) Asset turnover ratio	Total Income	Mar-22	4,34,318.55	5,70,903.28	0.76	21%	
	Total Assets	Mar-21	3,61,680.60	5,73,383.26	0.63		
(m) EBITDA as a % of Revenue	EBITDA	Mar-22	31,552.54	4,34,318.55	0.07	40%	
	Revenue	Mar-21	19,789.58	3,61,680.60	0.05		
(n) Trade receivables as number of days of revenue from Operation	(Trade receivables/ Revenue from Operation) * 365	Mar-22	1,86,136.11	4,79,623.13	142	-13%	-
		Mar-21	1,88,450.91	4,14,758.79	164		
(o) Exports as a percentage of Revenue from Operation	(Exports/Revenue from Operation)	Mar-22	56,474.04	4,14,297.08	14%	8%	-
		Mar-21	46,313.53	3,55,664.14	13%		
(p) Imports as a percentage of Revenue from Operation	(Imports/Revenue from Operation)	Mar-22	62,406.51	4,14,297.08	15%	-12%	-
		Mar-21	60,023.47	3,55,664.14	17%		

Revenue from Operation includes Revenue from Sale of products and Services ₹14297 Lakhs (PY ₹355721 Lakhs) and Other operating Income of ₹19452 Lakhs (PY ₹4019 Lakhs). For the purpose of calculating above ratios, wherever Turnover/Revenue from Operation are mentioned, value of Sale of products and Services has been considered.

**O. Additional Disclosures :**

- i. The company does not hold any benami property held under the Benami Transaction (prohibition) Act, 1988 (clause 45), hence the reporting clause on benami property is not applicable.
- ii. The company does not fall under the willful defaulter category, hence the reporting clause on willful defaulter is not applicable.
- iii. The company has not transacted with struck off companies in MCA during the year.
- iv. The Company has complied with creation of charge and satisfaction of charge within the due dates and hence there are no non-compliances to report.

**v. Disclosures to CSR Activities**

(₹ in lakhs)

Particulars	Amount
(a) amount required to be spent during the year	165.22
(b) amount of expenditure incurred	565.80
(c) shortfall at the end of the year	-
(d) total of previous years shortfall	-
(e) reason for shortfall	-

## (f) nature of CSR activities,

1. Contribution to Covid hospital Lucknow
2. Mid-day meals to Akshaya Patra Foundation
3. Donation to Foundation for Innovation Entrepreneurship Development Centre
4. Donation to Foundation for Innovation and research in Science & Technology
5. Contribution to Kerala CM Distress Relief Fund
6. Providing Education to Local Population
7. Free Mobile Medical Service
8. Establishing Mini Science centre
9. Setting up Medical Oxygen plant at Govt Hospital KGF
10. Mobile Medical Camp In near Villages

(g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	-
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-

- vi. There are no charges or satisfaction pending to be registered with ROC beyond statutory period.
- vii. Company has complied with the number of layers as prescribed under section 2(87) of Companies Act read with the companies (Restriction on number of layers).
- viii. During the current year as well as previous year, 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 persons or entities, 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. During the current year as well as previous year, no funds have been received by the Company from any persons or entities, 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.

- ix. BEML Land Assets Limited (BLAL) has been incorporated for demerger of BEML non-core assets as per Govt. of India directives. Currently there are no transactions in BLAL books of accounts and hence BLAL does not have any significant accounting policy.

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As per our report of even date attached

For and on behalf of the Board of Directors

**For SUNDARAM & SRINIVASAN,**  
Chartered Accountants  
Firm Registration Number: 004207S

*Sd/-*

**CA. P MENAKSHI SUNDARAM**  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)

*Sd/-*

**ANIL JERATH**  
Director (Finance)  
(DIN 09543904)

*Sd/-*

**AMIT BANERJEE**  
Chairman & Managing Director  
(DIN 08783660)

*Sd/-*

**S V RAVI SEKHAR RAO**  
Company Secretary

Date: 27-05-2022



Form AOC-I

Part "A" : Subsidiaries

Statement pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 relating to Subsidiaries

Sl. No.	Name of Subsidiary Company	Vignyan Industries Limited	MAMC Industries Limited	BEML Land Assets Limited
1	Reporting period of the Subsidiary Company	31.03.2022	31.03.2022	31.03.2022
2	Reporting currency of Foreign Subsidiary	-	-	-
3	Exchange rate as on 31.03.2022	-	-	-
4	Share Capital (₹ in Lakhs)	278.97	5.00	1.00
5	Reserves & Surplus (₹ in Lakhs)	5,106.00	(170.91)	(0.81)
6	Total Assets (₹ in Lakhs)	7,156.84	440.10	0.99
7	Total Liabilities (₹ in Lakhs)	1,771.86	606.01	0.80
8	Investments (₹ in Lakhs)	Nil	Nil	Nil
9	Turnover Gross (₹ in Lakhs)	79.28	Nil	Nil
10	Profit before taxation (₹ in Lakhs)	(599.55)	(9.47)	(0.81)
11	Provision for taxation (₹ in Lakhs)	-	-	-
12	Profit after taxation (₹ in Lakhs)	(599.55)	(9.47)	(0.81)
13	Proposed Dividend	₹Nil	₹Nil	₹Nil
14	% of Shareholding	96.56%	100.00%	100.00%

- Note :a. MAMC Industries Ltd is yet to commence operation.
- b. As per CCEA approval dtd 8th September 2021, M/s Vignyan Industries Ltd, a subsidiary of BEML is under Voluntary Liquidation and Official Liquidator has been appointed on 11.10.2021. Movable assets have been disposed off and disposal of immovable assets is in progress. Dues of employees of VIL have been settled. As on 31.03.2022 there are no employees on the rolls of M/s VIL.
- c. For demerger of surplus assets of BEML, a wholly owned subsidiary- BEML Land Assets Limited (BLAL), was incorporated on 15-07-2021. Scheme of arrangement for demerger of surplus/ non-core assets from BEML to BLAL has been cleared by Stock Exchanges viz., BSE & NSE. The Scheme of arrangement of demerger has also been approved by Shareholders and Creditors (both Secured and Un-secured) of BEML. The approval of Scheme of Arrangement of demerger is under process in line with the guidelines of Ministry of Corporate Affairs, Govt. of India.

## Part "B" : Associates and Joint Ventures

## Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associate / Joint Ventures	BEML Midwest Limited
1	Latest audited Balance Sheet Date	-
2	Shares of Associate / Joint Ventures held by the company on the year end No. Amount of Investment in Associates / Joint Venture Extend of Holding %	5422500 ₹542.25 Lakhs 45.00%
3	Description of how there is significant influence	Investment in the equity to the extent of 45% paid-up capital is considered to be significant influence.
4	Reason why the associate / joint venture is not consolidated	There was complete cessation of activities in M/s. BEML Midwest Ltd., the JV company since Sept. 2008 and the matters relating to the JV company are subjudice. In view of the above, the JV company has not prepared its accounts and thus the same could not be consolidated.
5	Net worth attributable to Shareholding as per latest audited Balance Sheet	Not Available
6	Profit / Loss for the year i. Considered in Consolidation ii. Not Considered in Consolidation	Not Available Not Available

As per our report of even date attached

For and on behalf of the Board of Directors

**For SUNDARAM & SRINIVASAN,**  
Chartered Accountants  
Firm Registration Number: 004207S

*Sd/-*  
**CA. P MENAKSHI SUNDARAM**  
Partner  
Membership No.: 217914  
Place: Mangaluru (Through VC)

*Sd/-*  
**ANIL JERATH**  
Director (Finance)  
(DIN 09543904)

*Sd/-*  
**AMIT BANERJEE**  
Chairman & Managing Director  
(DIN 08783660)

Date: 27-05-2022

*Sd/-*  
**S V RAVI SEKHAR RAO**  
Company Secretary

## Independent Auditors' Report

To the members of BEML LIMITED

Report on the Audit of Consolidated Ind AS Financial Statements

### Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of **BEML LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities which comprise consolidated Balance Sheet as at March 31, 2022, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, subject to the significance of the matter discussed in the Basis for Qualified Opinion section of our report, the accompanying consolidated Ind AS financial statements gives a true and fair view in conformity with the accounting principles generally accepted in India, the information required by the Companies Act, 2013 ("the Act"), of their consolidated state of affairs of the Group, its associates and jointly controlled entities, as at March 31, 2022, of its Consolidated Profit and consolidated total comprehensive income, Consolidated position of change in equity and the consolidated cash flows for the year ended on that date.

### Basis for Qualified Opinion

#### BEML MIDWEST LIMITED

1. We draw attention to Note No.7 Non-current Investments forming part of the Consolidated Ind AS financial statements relating to BEML Midwest Limited, a joint venture Company, has not been consolidated in the absence of its financial

statements. As per the accounting principles, the financial statements of this joint venture should have been consolidated using proportionate consolidation method. The effects on the consolidated financial statements, of the failure to consolidate this Joint Venture Company, net of provision for diminution already made in the value of the investment, has not been determined.

We conducted our audit in accordance with 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 Ind AS financial statements section of our report. We are independent of the Group, its associates and jointly controlled entities, 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 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 qualified opinion.

### Emphasis of Matter:

We draw attention to the following in respect of the Holding Company:

- a) Statement of Changes in Equity (SOCE) as on March 31, 2022 relating to Debenture Redemption Reserve (DRR) amounting to ₹2,500.00 Lakhs (PY ₹5,000.00 Lakhs). As per Companies (Share Capital and Debentures) Rules, 2014 (as amended in 2019, effective from 16 August, 2019) listed companies are not required to create Debenture Redemption Reserve (DRR). However, the company has not created any Debenture Redemption Reserve (DRR) during the current year but has transferred to Retained Earnings based on redemption of debenture during the current year.

- b) Accounting policy 2.1.E – Current/Non-current classification, the company has different operating cycles for 3 Business Verticals viz Mining & Construction, Defence & Aerospace and Rail & Metro. For the purpose of current/non-current classification of assets and liabilities, the Company has evaluated and considering the operating cycle as twelve months in accordance with IND AS 1 - Presentation of Financial Statements.
- c) Note No. 12 – Inventories includes a provision for shortage of stock of Spares amounting to ₹38.83 Lakhs, which is pending to be adjusted in the books of accounts and under reconciliation.
- d) We draw attention to Note no. 14 – Trade Receivables amounting to ₹1,86,136.11 Lakhs, Note no. 14a – Contract Assets amounting to ₹59,217.26 Lakhs, Note no. 18 – Claims Receivable (net) (Other current Assets) amounting to ₹3,492.90 Lakhs of the notes forming part of the Financial statement which includes various onerous contract and regular contracts which are in various stages of completion, pending to be renewed, expired contracts or contracts pending to be executed for which finality and outcome to be arrived at in the future.
- e) Note No. 18 with respect to Claims Recievable from railway board amounting to ₹3,839.12 Lakhs an Inter- Ministerial Committee has been formed by MOD to resolve the issues. Pending final recommendations of the Committee, based on the deliberations in the committee and based on Company's assessment, provisions have been made wherever required excluding a sum of ₹177.22 lakhs which is covered in payable to Sub-Contractors on back to back terms.
- f) Note No. 39(F) regarding Ind AS 108 (Operating Segments) - Vide Notification No. S.O.802(E) dated 23-02-2018 issued by Ministry of Corporate Affairs, exempted companies engaged in Defence Production from segmental disclosure as required under Ind AS 108, accordingly the disclosure requirements under Ind AS 108 has not been made.
- g) Note No. 39(G) regarding pending confirmation, reconciliation, review/adjustment of balances in respect of advances, balances with government departments, trade payable, trade receivable, other loans and advances and deposits.
- h) We draw attention to note no 11 (a) – Other Non-current Assets forming part of Financial statements relating to Advance to MAMC Consortium amounting to ₹6,827.18 Lakhs (Previous Year - ₹6,487.40 Lakhs)

**Our Opinion is not qualified in respect of these matters.**

**We draw attention to the following in respect of the Subsidiary Company:**

- i) In the books of MAMC Industries Limited, company is holding lease hold land taken from Urban Development Dept, Govt of West Bengal on March 07, 2011 and the said land is lying without erection of factory and as per the term No.25 of said lease deed, the Govt. of West Bengal has right to re-enter and take back the possession of the said land if no factory is erected within two years from the date of lease-and also have to right to cancel the lease deed. Further, the lease rentals remain unpaid since the date of lease, see Note No.3, Property, Plant and Equipment attached to the Balance Sheet, which is in non observance of point no 23 of the said lease deed.

**Our opinion is not qualified in respect of the above matters.**

**Key Audit Matters:**

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our

opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Qualified Opinion and Emphasis of Matter sections, we have determined the matters described below to be the key audit matters to be communicated in our report in respect of the Holding Company:

**I. Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers":**

Refer Note 30 to the Consolidated Ind AS Financial Statements

**Key Audit Matters**

The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period, and disclosures including presentations of balances in the financial statements. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

**Auditor's Response to Key Audit Matters**

We understood and evaluated the Holding Company's process, procedure and designed our audit approach consisted testing of the design and operating effectiveness of the internal controls and procedures as follows:

- o Evaluated the effectiveness of control over the preparation of information that are designed to ensure the completeness and accuracy.
- o Selected a sample of continuing 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. We carried out a combination of procedures involving enquiry and observation,

reperformance and inspection of evidence in respect of operation of these controls.

- o 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.
- o Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.
- o Performed analytical procedures and test of details for reasonableness and other related material items.
- o Selected a sample of continuing and new contracts and performed the following procedures:
  - Read, analysed and identified the distinct performance obligations in these contracts.
  - Compared these performance obligations with that identified and recorded by the Company.
  - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
  - In respect of samples relating to metro contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual cost incurred up to that stage with estimation. We also tested the access and change management controls relating to these systems.
  - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.

- Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
- We reviewed the collation of information from the budgeted information of the management used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

## II. Inventory

Refer Note 12 to the Consolidated Ind AS Financial Statements

### Key Audit Matters

Inventories with reference to Note No. 12 includes Raw Material, Work-In-Progress and Finished Goods which have been physically verified by the management based on physical verification instructions.

### Auditor's Response to Key Audit Matters

We understood and evaluated the Holding Company's process, we have carried out following procedures with respect to the existence of Inventory as at the year-end

- o Evaluated the design and implementation of the controls over physical verification of inventory and tested the operating effectiveness of these controls during the interim periods for the Holding Company.
- o Management had carried out the physical verification of inventory at the year end. We have performed the following alternate procedures to audit the existence of inventory:
  - The physical verification of inventory of inventory conducted by the management and we performed roll back procedures.
  - As explained in Note No. 12(a) in case of Inventory held at third party locations, obtained direct confirmation

of the inventory held by third party locations subsequent to the year end and performed roll back procedures.

- Obtained physical verification reports of the Management of the holding company based on inventory verification process. We Verified the instructions provided by the management and examined the basis of valuation on a test check basis.

## III. Disputes and potential litigations:

Refer to Note 39.D.I.a.i. in the Consolidated financial statements.

### Key Audit Matters

The Holding Company is subject to a number of legal, regulatory and tax cases for which final outcome cannot be easily predicted and which could potentially result in significant liabilities.

The assessment of the risks associated with the litigations is based on complex assumptions. This requires use of judgment to establish the level of provisioning, increases the risk that provisions and contingent liabilities may not be appropriately provided against or adequately disclosed. Management judgement is involved in assessing the accounting for demands, and in particular in considering the probability of a demand being successful. The risk related to the claims is mainly associated with the completeness of the disclosure, and the completeness of the provisions in the financial statements.

Accordingly, this matter is considered to be a key audit matter.

### Auditor's Response to Key Audit Matters

In order to get a sufficient understanding of litigations and contingent liabilities, we have discussed the process of identification implemented by the Management for such provisions through various discussions with Holding Company's legal and finance departments.



We read the summary of litigation matters provided by the Holding Company's/ Unit's Legal and Finance Team. We read, where applicable, external legal or regulatory advice sought by the Company.

We discussed with the Holding Company's/ Unit's Legal and Finance Team certain material cases noted in the report to determine the Holding Company's assessment of the likelihood, magnitude and accounting of any liability that may arise.

In light of the above, we reviewed the amount of provisions recorded and exercised our professional judgment to assess the adequacy of disclosures in the Consolidated Ind AS financial statements.

#### **Information other than the Consolidated Ind AS Financial Statements and Auditor's Report thereon**

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

Our opinion on the Consolidated Ind AS 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 Ind AS 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 Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

#### **Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including consolidated other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group, its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associate and jointly controlled entities 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 Consolidated Ind AS 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 Holding Company, as aforesaid.

In preparing the Consolidated Ind AS Financial Statements, the respective Management of the Group, its associate and jointly controlled entities included in the ability of the Group, its associate and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Management either intends to liquidate the companies under the

Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Holding Company and its associate are responsible for overseeing the financial reporting process of the Holding Company and its associate.

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 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 Ind AS 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 Ind AS 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 control 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 subsidiary companies

which are companies incorporated in India has 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 of the Holding Company.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group, its associate and jointly controlled entities ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Ind AS 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 auditors' report. However, future events or conditions may cause the Group, its associate and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Consolidated Ind AS Financial Statements of the entities within the Group, its associate and jointly controlled entities to express an opinion on the Consolidated Ind AS Financial Statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Consolidated Ind AS Financial Statements of which we are the

independent auditors. For the other entities included in the Consolidated Ind AS 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.

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 consolidated 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 consolidated financial statements

We communicate with those charged with governance of the Holding Company of which we are the independent auditors 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 Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

- I. Consolidated Ind AS Financial Statements include the audited Financial Statements of 3 (three) subsidiaries M/s VIGNYAN INDUSTRIES LIMITED [VIL], M/s BEM LAND ASSETS LIMITED [BLAL] and M/s MAMC INDUSTRIES LTD, whose Financial Statements reflect Group's share of total assets of ₹7,597.93 Lakhs as at March 31, 2022, Group's share of total revenue of ₹79.39 Lakhs, Rs. 0.00 (Nil) and ₹0.00 (Nil) lakhs and Group's share of total net profit/(loss) after tax of ₹(599.55) Lakhs, ₹(0.81) Lakhs and ₹(9.47) Lakhs for the year ended March 31, 2022, which have been audited by their respective independent auditors. The independent auditors' reports on Financial Statements of these entities have been furnished to us and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
- II. The Consolidated Ind AS Financial Statements does not include the Financial Statements of 1 (one) associate company **M/s BEML BRAZIL INDUSTRIAL LTDA ("BBIL")** whose Financial Statements are not available as these as there was no operation in BBIL, capital repatriation has been completed and the amount has been repatriated from BBIL Account to Account of BEML Limited, India. Cancellation of company registration number has been completed and closure certificate was issued by Brazilian Authorities in May, 2019. Further, BEML Limited has written to RBI through authorized dealer SBI, Overseas Branch, Bengaluru for closure of Unique Identification Number (UIN) issued in respect of BBIL.

Our opinion on the Consolidated Ind AS Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the 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 the reports of the other auditors on separate financial statements and other financial information of joint operations, subsidiaries, associates and jointly controlled companies incorporated in India referred to in other matters above, 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 Ind AS Financial Statements;
  - b) Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as appears from our examination of those books and the report of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of Consolidated Ind AS Financial Statements;
  - d) Except for the effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under;
  - e) The matters described in the Basis for Qualified Opinion section above, in our opinion, may have an adverse effect on the functioning of one of the Subsidiary Company of the Group;
- f) As per notification No. GSR 463(E) dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Holding Company and other Subsidiaries, Jointly Controlled Entities and Associate.
- g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in Annexure – A. Our report expresses an Unqualified opinion on the adequacy internal financial controls over financial reporting and operating effectiveness of the Holding Company/subsidiary companies incorporated in India;
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - a. Except for the possible effect of the matter described in paragraph on the basis of Qualified Opinion above, the Consolidated Ind AS Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group [Refer Note No. 39 (D)(I)(a)(ii)];
  - b. The Group did not have any derivative contracts but have provided material foreseeable losses of Rs. 20.85 Lakhs ( PY ₹5.36 Lakhs) for onerous contracts (Refer Note 37).
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
  - d.

- (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, 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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, 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 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.
- e. As stated in the Ind AS financial statements
- (a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The interim dividend declared and paid by the Company during the year and until the date of this report is in compliance with Section 123 of the Act.
- (c) The Board of Directors of the Company have 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, as applicable.

Place : Mangaluru (Through VC)

Date : 27<sup>th</sup> May 2022  
UDIN : 22217914AJSEWR3817

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn No: 004207S

*Sd/-*  
**P Menakshi Sundaram**  
Partner  
Membership No. 217914



**Annexure A to the Independent Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****Opinion**

We have audited the internal financial controls with reference to Consolidated Ind AS Financial Statements of **M/s. BEML LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its as of March 31, 2022 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group for the year ended on that date.

In our opinion, the Group, have in all material respects, an adequate internal financial controls with reference to Consolidated Ind AS Financial Statements and such internal financial controls with reference to Consolidated Ind AS Financial Statements were operating effectively as at March 31, 2022, based on the internal control with reference to Consolidated Ind AS Financial Statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Statements issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective Boards of Directors of the Group, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Consolidated Ind AS Financial Statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 ("the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Group, internal financial controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, 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 Consolidated Ind AS 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 Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Ind AS Financial Statements included obtaining an understanding of internal financial controls with reference to 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 auditors' judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS 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 Group, internal financial controls system with reference to Financial Statements.



## Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control with reference to Consolidated Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to 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 Consolidated Ind AS Financial Statements.

Place : Mangaluru (Through VC)

Date : 27<sup>th</sup> May 2022  
UDIN : 22217914AJSEWR3817

## Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to Consolidated Ind AS 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 Ind AS Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Other Matter

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 Ind AS Financial Statements in so far as it relates to subsidiary companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

**For Sundaram & Srinivasan**  
Chartered Accountants  
Firm Regn No: 004207S

*Sd/-*  
**P Menakshi Sundaram**  
Partner  
Membership No. 217914

## ADDENDUM TO THE BOARD'S REPORT

## Company's reply to the observation of Statutory Auditor's in their Consolidated Audit Report

Para No.	Auditor's Observations	Company's Reply
1	We draw attention to Note No.7 Non-current Investments forming part of the Consolidated Ind AS financial statements relating to BEML Midwest Limited, a joint venture Company, has not been consolidated in the absence of its financial statements. As per the accounting principles, the financial statements of this joint venture should have been consolidated using proportionate consolidation method. The effects on the consolidated financial statements, of the failure to consolidate this Joint Venture Company, net of provision for diminution already made in the value of the investment, has not been determined.	There was complete cessation of activities in M/s. BEML Midwest Ltd., the JV company since Sep 2008 and the matters relating to the JV company are subjudice. In view of the above, the JV company has not prepared its accounts and thus the same could not be consolidated. Provision for diminution in the value of investment in the JV company is already made. The impact, if any, on account of non-consolidation is not expected to be material.



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest

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सं./No. Insp./BEMLAces 2021-22/ 2022-23/1534

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य  
लेखापरीक्षा बोर्ड का कार्यालय, बेंगलूर - 560 001.  
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL  
AUDIT and ex-Officio MEMBER, AUDIT BOARD,  
BENGALURU - 560 001.

दिनांक/ DATE. 28<sup>th</sup> July 2022

To  
Shri Amit Banerjee,  
Chairman and Managing Director,  
BEML Limited,  
BEML Soudha, S.R. Nagar,  
Bangalore - 560 027.

Sir,

- Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Standalone and Consolidated financial statements of **BEML Limited, Bengaluru** for the year ended 31 March 2022.

I forward "Nil Comments" Certificates 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 Standalone and Consolidated Financial Statements of **BEML Limited, Bengaluru** for the year ended 31 March 2022.

It may please be ensured that the comments are:

- (i) Printed in toto without any editing;
- (ii) Placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index; and
- (iii) Placed before the AGM as required under Section 143(6) (b) of the Companies Act, 2013.

The receipt of this letter may please be acknowledged.

Yours faithfully,

(Arun Kumar V.M.)  
Director (Reports)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग  
INDIAN AUDIT & ACCOUNTS DEPARTMENT  
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूर - 560 001.  
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

दू.भा./Phone : 2226 7646 / 2226 1168  
Email : mabbangalore@cag.gov.in

फैक्स /Fax : 080-2226 2491

**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 BEML LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2022**

The preparation of consolidated financial statements of **BEML Limited, Bengaluru** for the year ended 31 March 2022 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 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 27 May 2022.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **BEML Limited, Bengaluru** for the year ended 31 March 2022 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of BEML Limited, Bengaluru, Vignyan Industries Limited, Tarikere and BEML Land Assets Limited, Bengaluru but did not conduct supplementary audit of the financial statements of MAMC Industries Limited, Kolkata for the year ended on that date. **Further, section 139(5) and 143(6)(b) of the Act are not applicable to BEML Midwest Limited, Hyderabad and BEML Brazil Industrial Limited, Brazil, being private entities incorporated in India/Foreign country under the respective laws, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** 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

  
(Santosh Kumar)

Principal Director of Commercial Audit

Place: Bengaluru  
Date: 28<sup>th</sup> July 2022



## Corporate Data

### BOARD OF DIRECTORS:

#### FUNCTIONAL DIRECTORS:

Shri Amit Banerjee  
Chairman & Managing Director  
Director (HR) (I/c)  
Director (Rail & Metro Business) (I/c)

Shri MV Rajasekhar  
Director (Mining & Construction  
Business),

Shri Ajit Kumar Srivastav  
Director (Defence Business)

Shri Anil Jerath  
Director (Finance)

#### Government Nominee Director:

Shri Surendra Prasad Yadav  
Joint Secretary (Land System),  
Dept. of Defence Production,  
Ministry of Defence

#### Independent Directors:

Smt Balmuri Vanitha  
Shri Arun Daga  
Shri Vikas Kakatkar  
Shri Siva Makutam

### COMPANY SECRETARY:

Shri Jai Gopal Mahajan

### CHIEF VIGILANCE OFFICER

Shri Venkateswara Reddy

### EXECUTIVE DIRECTORS

1. Shri Radhakrishna K R
2. Shri Shantanu Roy
3. Shri Nagaraj P
4. Shri Umashankar
5. Shri H.S. Ranganath

### CHIEF GENERAL MANAGERS:

6. Shri Sanjay Som
7. Shri Srinivasan G
8. Shri Basudev Mishra
9. Shri Pawan Kumar
10. Shri Jai Gopal Mahajan
11. Shri Debi Prasad Satpathy
12. Shri Sekar V

13. Shri Shashikanth KC

14. Shri Ishwara Bhat V

### GENERAL MANAGERS:

15. Shri Thamilselvan AS
16. Shri Vishwanatha N G
17. Shri Nehru Babu A
18. Shri Venkata Subba Rao V
19. Shri Sasi Kumar K
20. Shri Sunil R Kharad
21. Shri Paritosh Pandey
22. Shri Venugopal R
23. Shri Subramanyam S M
24. Shri Praveen Kumar Mathpal
25. Shri Sridhara Sr
26. Shri Chandra Gopal Raju K
27. Shri Vikas Chandra Kureel
28. Shri Prasanna Kumar Ballal
29. Shri Govinda Raju Mg
30. Shri Abenezzer Samir Khess
31. Smt. Sylaja V
32. Gp Capt. Chakrapani Mandela (Retd)
33. Shri Sridhar J S
34. Dr. Mythili
35. Shri Hadubandhu Sahu
36. Shri R A S Patil
37. Shri Shekhar K
38. Shri Idaya Kumar R
39. Shri Ramaswamy K S
40. Shri Sudharshan M
41. Shri Channappa Dyamappa Madar
42. Shri Ranvir Singh Chopra
43. Smt Neena Singh
44. Shri Rajaiah G
45. Shri Narendra K.B
46. Shri Yogananda H R
47. Shri Ramesh N
48. Shri Nagendra Datta S
49. Shri Shivakumar Hg
50. Shri Laxmappa Doddamani
51. Shri Debasish Nag
52. Shri Yogananda G
53. Shri Basavaraj N Navalgund
54. Shri Raghavendra Swamy H S

55. Shri Lingaraj V Viraktamath

56. Shri Mallikarjuna Reddy C V

57. Shri Vidhyadharan M.K

58. Smt Gayathri P V

### BANKERS:

1. State Bank of India
2. Canara Bank
3. Axis Bank
4. Bank of Baroda
5. Bank of India
6. Indian Bank
7. IDBI Bank
8. HDFC Bank
9. Union Bank of India
10. Deutsche Bank
11. Federal Bank

### STATUTORY AUDITORS:

M/s. Sundaram & Srinivasan,  
Chartered Accountants  
Chennai

### COST AUDITORS:

M/s R M Bansal and Co,  
Cost Accountants  
Bengaluru

### SECRETARIAL AUDITORS:

M/s. V N Associates  
Practicing Company Secretaries  
Bengaluru

### REGISTRAR & SHARE TRANSFER AGENT

M/s Kfin Technologies Limited  
Hyderabad

### DEBENTURE TRUSTEE

M/s SBICAP Trustee Company Limited  
Mumbai

### OFFICES:

Registered, Corporate Office,  
International Business Division &  
Technology Division:  
"BEML SOUDHA",  
No. 23/1, 4th Main,  
Sampangiramanagar  
Bengaluru - 560027

**Trading & Marketing Division:**

4th & 5th Floor,  
Unity Buildings, J C Road  
Bengaluru - 560002

**International Business  
Division**

New Delhi

**UNITS:****Bengaluru Complex:**

P B No. 7501  
New Tippasandra Post  
Bengaluru - 560075

**KGF Complex:**

BEML Nagar  
Kolar Gold Fields - 563115

**Mysuru Complex:**

Belvadi Post  
Mysore - 570018

**Palakkad Complex:**

KINFRA Park  
Menon Para Road  
Kanjikode East  
Palakkad - 678621

**Subsidiary Companies:****Vignyan Industries Limited**

Haliyur, BH Road,  
Tarikere Post - 577228

**MAMC Industries Limited**

No. 35/1-A, Taratala Road  
Kolkata - 700088

**BEML Land Assets Limited**

"BEML SOUDHA",  
No. 23/1, 4th Main,  
Sampangiramanagar  
Bengaluru - 560027

**Joint Venture Company:**

BEML Midwest Limited  
C-91, BEML Janatha Flats,  
Punjagutta, Hyderabad - 560082

**Regional Offices:**

1. Bengaluru
2. Bilaspur
3. Dhanbad
4. Hyderabad
5. Kolkata
6. Mumbai
7. Nagpur
8. New Delhi
9. Neyveli
10. Ranchi
11. Sambalpur
12. Singrauli

**District Offices:**

1. Ahmedabad
2. Asansol
3. Bachel
4. Bhilai
5. Bhubaneswar
6. Chandrapur
7. Chennai
8. Guwahati
9. Hospet
10. Jammu
11. Kothagudem
12. Leh
13. Ramagundam
14. Udaipur

**Service Centres:**

1. Bilaspur
2. Hyderabad
3. Kolkata
4. New Delhi
5. Singrauli

**Warehouse for Defence:**

1. Pune
2. Jodhpur

**Activity Centres**

1. Bhopal
2. Itanagar
3. Kochi

4. Madurai
5. Maihar
6. Panjim
7. Silapathar
8. Visakhapatnam

**Overseas Offices:**

Kenya





# DE-CONGESTING URBAN TRAFFIC



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Wind Mill



Solar panels



# **BEML LIMITED**

Schedule 'A' Company under Ministry of Defence

Reg. Corporate Office: **BEML SOUDHA**, No 23/1, 4th Main, SR Nagar, Bengaluru – 560 027, Karnataka - India.

**Website:** [www.bemlindia.in](http://www.bemlindia.in) **Mail:** [cs@beml.co.in](mailto:cs@beml.co.in) **Phone:** +91 80 2296 3142 / +91 80 2296 3211