



**Pioneering Atmanirbharta
Through
Innovation & Indigenization**



59th ANNUAL REPORT

2022-23



**A Green
Company**



BEML LIMITED

DEFENCE & AEROSPACE | MINING & CONSTRUCTION | RAIL & METRO

www.bemlindia.in

CORPORATE VISION, MISSION AND VALUES

VISION:

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

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 solutions.

VALUES

F	Focus on Customer and Stakeholder	<i>Customer Delight by developing products & services is our primary focus. Value creation for all Stakeholders guides all our actions.</i>
I	Innovation & Technology	<i>Being a learning organisation, we leverage Innovation and Technology in all our work</i>
R	Reliability & Quality	<i>We build reliability and quality in our products, processes and people</i>
S	Speed & Responsiveness	<i>We are agile and respond to needs of all Stakeholders promptly</i>
T	Trust & Teamwork	<i>Facilitate through integrity, trust, respect, transparency to become a socially responsible Corporate Citizen</i>

Chairman's Message



Dear Shareholders,

I hope this letter finds you and your loved ones in good health and high spirits. As we approach another significant milestone in the life of our Company, I am filled with both pride and gratitude. It is with great pleasure that I address you today as the Chairman & Managing Director of BEML Limited, reflecting on the remarkable journey we have undertaken together. The past year has brought its share of challenges emerging from a 'polycrisis' encompassing climate change, geopolitical issues and reglobalisation. Yet, through resilience, innovation, and the unwavering support of our shareowners, we have emerged stronger than ever.

Amidst this widespread unpredictability, India stands tall as a beacon of growth and stability. A new global economic demand is being shaped with these crises involving radical new strategies, innovations, and business models. Addressing these challenges and opportunities, BEML Limited is crafting a comprehensive vision to build an innovative, sustainable, future-tech, and inclusive Indian Company, powered by agility, competitiveness, resilience, and customer and people centricity. New avenues for growth have been identified, whilst fortifying existing core capabilities and putting in place higher order structural competitiveness to create new vitality for the enterprise.

These strategic interventions will make a growing contribution to the nation in its journey to the Amrit Kaal.

We have to progress through the process of Transformation based on the principles of TCS where:

- T - stands for Truth,
Trust & Technology
- C - stands for Compassion,
Creativity & Climate
- S - Stands for Speed,
Simplicity & Self- Confidence

Growth drives most organizations. And along with growth comes change. And change is frightening. We have to overcome this fear and not grow with a view that something can't be done and hence should not be done in our quest for a strong, inclusive growth.

I am thrilled to present an overview of our achievements, shed light on our future vision, and reaffirm our commitment to creating enduring value for each one of you. Your unshakeable trust in us remains the driving force behind our pursuit of excellence, and for that, I extend my sincerest appreciation.

I, on behalf of the Board of Directors as well as 5,197 passionate human assets of BEML Limited, present to you the Company's Annual Report for the financial year 2022-23 for your consideration and adoption at the ensuing Annual General Meeting.

The Year Passed

Performance Highlights:

Let me begin with the stellar performance of our Defence Business Group which has achieved highest ever sales during the year. The year was also earmarked as re-entry in exports of Defence products as

your Company became part of Armenia Export deal regarding supply of High Mobility Vehicles (HMV) for Pinaka project. The supplies were commenced and will be completed during current year.

Our Mining & Construction (M&C) Business Group which contributes about 50% of our Turnover has excelled and has achieved highest ever sales. The exemplary feat was well supported by Spares & Service group which has contributed more than 50% of M&C sales and achieved its peak sales during the year.

The performance of our Rail & Metro Business Group was reasonable due to various extraordinary events. Nevertheless, on project execution front, supplies commenced for Rail Grinding Machine to Indian Railways which again was the first ever "India manufactured". Also, additional order for 18 Metro cars for Kolkata Metro and 88 of Mainline Electric Multiple Unit from Indian Railways were booked during the year. These orders will be executed during current year.

The supply chain disruptions and project delays beyond our control presented us with its share of challenges, prompting us to adopt a strategic focus on maintaining our financial stability. We recognized the importance of managing costs diligently while continuing to invest in growth areas.

In pursuit of this objective, we undertook several key cost control measures. Our teams diligently analyzed our operations and identified opportunities for efficiency enhancements. We optimized our supply chain processes, introduced streamlined administrative workflows, treasury management and invested in energy-efficient technologies. These measures were not only necessary responses to the prevailing economic conditions but also a

testament to our commitment to prudent financial management.

I am pleased to report that these efforts yielded positive results. Through our cost control initiatives, we achieved significant savings across various aspects of our operations and achieved Profit Before Tax of Rs. 278.60 crore which is highest in the last 12 years. These outcomes underscore our ability to adapt to changing circumstances while safeguarding your investment.

Your company made exports aggregating Rs. 830.14 Crore (which includes physical exports of Rs 178.42 Crore and deemed export of Rs 651.72 Crore) and got export incentive of Rs.1.92 Crore during FY 2022-23 as against exports of Rs 564.74 crore (which includes physical exports of Rs. 48.75 crore and deemed exports of Rs. 515.99 Crore) and export incentive of Rs. 1.11 Crore during the previous year. During the year, we have concluded the supplies to Cameroon and expanded our footprints to 70 countries where BEML equipment have been supplied till date.

Order book is the key driver of our turnaround. During 2023-24, we shall strive to build a healthy order book which will surpass all our previous records and ensure a quantum jump in growth in the coming years. Intense focus on Product Quality, Cash collection, execution as per schedule and controlling costs will continue to remain our priority areas.

The order book position of your Company as on 01.04.2023 stood at Rs. 8,570 crore as against Rs. 9,192 crore in the previous year. Further, Value added per employee was reported Rs. 33 lakhs as against Rs. 31 lakhs in the previous year, a jump of 6.45%.

Competition:

Although your Company is in intense competition across all Business verticals, 74% of sales was achieved on competitive mode. Your Company has sustained and maintained major market share in Dump Trucks, Dozers, and Metro cars.

Research & Development:

Research & Development (R&D) has played a pivotal role in driving innovation, growth, and sustainability. In an ever-evolving business landscape, our dedication to R&D has remained steadfast, propelling us forward and ensuring our position in industry. During the year, we have designed & developed and upgraded products across all three business verticals.

Further, our commitment to R&D is a testament to our belief in investing not only in physical assets but also in intellectual capital. We understand that the knowledge and expertise generated through our R&D endeavours are invaluable assets that contribute to our long-term competitiveness. During the year, your Company has filed 105 Intellectual Property Rights (IPR) as against target of 96. I am happy to share that, we have been granted eleven patents during the year which is the highest since inception.

It gives me immense pleasure to share that over 75% of our business was through In-house R&D Developed products which is a lead indicator of your company's technical prowess and competence.

Further, R&D expenditure for the year as a Percentage (%) of revenue stands at 1.91% and as a Percentage (%) of PBT stands at 26.75%.

Your Company will continue to invest in the brightest minds, the latest technologies, and the most promising ideas, driven by the belief that innovation is the key to Company's sustained success.

Self-Reliance:

In an ever-evolving global landscape, the concept of self-reliance stands as a pillar of strength, shaping our strategies and driving us to achieve greater heights.

Self-reliance is more than a strategic choice; it is a mindset that empowers us to be masters of our own destiny. We have consistently sought to reduce dependencies, enabling us to chart our course even in the face of uncertainty. By harnessing our internal capabilities and resources, we have cultivated an environment of resilience and adaptability, positioning us to navigate challenges and seize opportunities with confidence.

Srijan Portal, a GoI initiative is being utilized for indigenization of items by uploading imported items. Under Defence equipment, we have achieved more than 96% of Indigenisation level in High Mobility Vehicles (HMV) 8x8 and further efforts are on for High Mobility Vehicles (HMV) 6x6 and High Mobility Vehicles (HMV) 12x12. For other Defence Products, the present level of Indigenisation is more than 95%.

On Mining & Construction and Rail equipment front, we have already attained indigenisation level of over 90%. On Metro cars, the present indigenisation level is 65% and further efforts are on to increase these levels.

Digital Transformation Initiatives:

Your Company has embarked to implement the Digital Transformation (DT)

initiatives for the business processes covering all the 3 business verticals.

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

Some of the initiatives implemented during 2022-23 are Industry 4.0 at H&P Division, KGF Complex, Improvements in File Lifecycle Management System, HCI Server for Non-SAP Applications, IT Tools deployed for managing IT Assets like Network & Desktop monitoring, EPS Applications for declaration and display, Monthly Cyber Security awareness training sessions and Daily Cyber Security Tips.

Human Resources:

Our Human Resources department plays an invaluable role in driving our Company's success. The dedication, talent, and passion of our workforce are at the heart of our achievements, and our Human Resources initiatives stand as a testament to our commitment to their growth and well-being.

It is often said that a company's true strength lies in its people, and I wholeheartedly believe in this sentiment. Our employees are not just workers; they are innovators, collaborators, and ambassadors of our values.

Your Company recognizes that employees' growth is intrinsically linked to company's growth. During 2022-23, Human Resources initiatives were centered around providing opportunities for skill development, career advancement, and continuous learning. Through training programs,

mentorship, and leadership development, your Company empowered team members to excel in their roles, foster innovation, and contribute to Company's success.

Vigilance Initiatives:

During the year 2022-23, Vigilance Activities were carried out in a holistic manner and covered prevention, detection and enforcement.

Surprise checks, periodic checks, scrutiny of purchase orders/ contracts, Scrutiny of TA/DA & Medical reimbursement claims, scrutiny of Annual Property Returns, ten (10) CTE type of in-house inspections and fifteen (15) system studies were conducted.

The year ahead:

The year 2023-24, started with a positive note and your Company has booked more than Rs. 5000 crore worth of orders till date. Going ahead, orders to the tune of over Rs. 10,000 crore are in the pipeline across all three business verticals. Your Company has fixed an aspirational target for current year and planned to grow over 25% w.r.t previous year's achievements. On sustaining & further improvement in bottom-line and creating value to stakeholders, your Company is committed to an intense focus on quality, cash collection, execution as per schedule and controlling costs. We are actively exploring new ways to enhance our operational efficiency, innovate our processes, and seize opportunities that align with our core competencies.

Our cost control measures are not only about achieving short-term gains but also about reinforcing our long-term strategic objectives. By aligning our cost manage-

ment strategies with our broader vision, we ensure that every step we take contributes to the sustainable growth of BEML Limited.

Defence & Aerospace:

In Defence & Aerospace, major orders are available for execution for current year. Further, orders worth Rs. 4000 crore are in the pipeline which will improve our order book position and will be a game changer in subsequent years. Your Company is optimistic that share of its Defence Business in total Company's revenue will improve and reach around 30% during current year.

The policy initiatives taken by the Government of India with regard to boosting indigenous design, development, and manufacture of defence equipment in the country and make a sustainable defence industrial ecosystem has undoubtedly opened various opportunities for the domestic sector. The call for Atmanirbhar Bharat has provided further impetus to realise the goal of self-reliance.

With the increased defence modernization plans for 2023-24, procurement of High Mobility Vehicles for various projects is under pipeline by MoD. BEML Limited has also entered into MoUs with strategic partners for emerging Defence & Aerospace procurement opportunities. Also, new areas of Business viz. overhauling of Recovery/ High Mobility Vehicles, De-mining equipment, Vehicles for gun systems, etc. will also boost the revenue numbers.

On the export front, supply of High Mobility Vehicles to Armenia is under progress and will be completed during current year. Also, supply of High Mobility Vehicles for Brahmos missile will be

commenced during current year. Further, prospects of Defence equipment from SAARC and African countries are being explored and expected to fructify during current year.

On R&D front, design & development of first of its kind 1500hp engine which shall power armoured fighting vehicles of future is under progress and 1st engine will be fired in due course. Further, development of variants of High Mobility Vehicles, engines and hydraulic aggregates for other applications are under progress which will open up further opportunities for your Company.

In Aerospace segment, your Company has partnered with M/s. ISRO and realized First off Structure for Launch Vehicle Mark 3 Program of Strap on Base Shroud (SBS) Assembly. Additionally, orders for Aerospace components and parts from other DPSUs are in the pipeline which will help in propelling its growth.

Rail & Metro:

For Rail & Metro Business vertical, orders are available for meeting the sales revenue targets for the current year. Also, orders worth Rs. 10,000 crore are in the pipeline which is expected to be awarded during current and next year. The anticipated robust order book will certainly increase our share in Metro cars.

Under Rail segment, your Company has received an order for supply of 10 rakes of Vande Bharat Sleeper trains from M/s. Integral Coach Factory. The supplies will commence in the financial year from 2023-24.

Further, supplies for Main Line Electric Multiple Unit (MEMU) & Rail Grinding Machines is under progress and will be

completed during current year. Further, orders for Maintenance Vehicles are also expected during the current financial year.

For Metro cars, supplies for Driverless Metro cars for Mumbai Line 2A and 7 is under progress. Further, supplies for Kolkata East-West metro corridor will be completed during current year.

On exports front, I am happy to share that, we have tied-up with an SPV lead by Delhi Metro Rail Corporation (DMRC) for supply of Metro Cars to Bahrain Metro. The tender is expected during current year. With this opportunity, your Company will leverage its manufacturing expertise and technology to optimize business operations for urban transportation Metro Rolling Stock and expand on a global level.

The R&D team has already taken up design & development of Vande Bharat Sleeper Coaches. Also, possible tie-ups with renowned partners for Bogie Design of Medium / High Speed Trains and Aluminium Coaches are being explored.

Mining & Construction:

Your Company's top performer Business Group has set another exemplary target for current year with major thrust on exports. With GoI impetus on promoting indigenous high-end mining equipment and increase in annual output to 1 billion tonnes by 2024 from 893 million tonnes currently, the demand for 'Made in India' Heavy Mining equipment is on the rise. The construction equipment market outlook is prospering. Your Company has drawn strategies to further consolidate our share and supply the equipment within its portfolio.

In order to navigate the ever-changing landscape of technology and business, our

R&D Team has taken up a number of projects viz. design & development of 21 Cum. Rope Shovel, higher capacity Motor Grader & Tyre handler, upgradation of engines to meet emission norms, etc. Inhouse developed Construction Equipment Vehicle (CEV) Stage IV Engine has been certified by International Centre for Automotive Technology (ICAT).

Also, Artificial Intelligence based features are being introduced on equipment which will certainly benefit / safety of customers.

Exports:

For Current year, Exports is expected to play a key role in growth of your Company. As we continue to expand our global footprint, exports have emerged as a strategic avenue for value creation, and market diversification.

We have received orders from Russia and Indonesia for Mining & Construction equipment. Supplies have been commenced and will be executed during current year. Additional orders worth Rs. 300 crore comprising all three-business vertical is expected during current year.

Corporate Governance:

Your Company acknowledges the importance of strong corporate governance and its profound impact on company's performance, integrity, and sustainability. The Board of the Company hold itself accountable to the highest standards of governance, ensuring that your trust is upheld and company's future remains bright.

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 Board of Directors regularly review and update the policies, procedures, and structures to align with best practices and emerging trends. This commitment to evolution ensures that our governance framework remains relevant, responsive, and effective.

Corporate Social Responsibility (CSR) & Sustainable Development:

Your company's journey is not solely defined by financial achievements; it is guided by a broader purpose to make a positive impact on society and the environment. Our commitment to CSR reflects our understanding that our responsibilities extend beyond our balance sheets, encompassing the well-being of communities, the preservation of natural resources, and the empowerment of future generations.

Your Company consistently spends more than 2% of average PAT of last 3 years exceeding the target as stipulated in guidelines.

Under CSR, your Company undertakes 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.

Regarding sustainability, we feel that it is not just remain a buzzword but it is a way of life. Our initiatives in sustainable development are designed to ensure that our growth is responsible and enduring. By integrating sustainable practices into our operations, we are minimizing our environmental footprint, reducing waste,

and conserving resources. This approach is not only environmentally responsible, but it also contributes to long-term cost savings and operational efficiency.

Your Company intends to become a complete Green Company and towards this power generated through "Green Energy" projects viz. 23MW Windmill Projects & 250KWp Solar Power, has met 91% of your Company's energy requirements. Additionally, the green projects has mitigated approx 24,823 tons of carbon during 2022-23. Further, approx. 46.83 Lakh Tons of carbon is being saved yearly for the nation through our contribution to the clean urban mobility solutions being provided.

As we look to the future, our commitment to CSR and sustainable development remains unshaken. We understand that our actions today shape the world of tomorrow. With the support of our dedicated teams and the trust of our shareholders, we are committed to forging ahead on a path that not only ensures our business's success but also contributes to the greater good.

Customer Satisfaction:

In order to truly serve its customers, your Company has formed dedicated teams who engage with customers on various platforms, solicit their opinions and use these insights to refine our product offerings. Through surveys, focus groups and direct interactions, we gain valuable knowledge that guides our efforts to continuously improve and innovate.

Your Company recognizes that the world of business is dynamic, and customers' expectations will continue to evolve. By staying attuned to their changing needs, valuing their feedback, and investing in

continuous improvement, your company is confident in its ability to navigate the future with resilience and success.

Awards:

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

- Received Raksha 'Srijan Ratn' award for indigenisation during Def Expo 2022.
- Received Engineering Export Promotion Council of India (EEPC) 'Quality Award' for Outstanding Performance under PSU Category.
- Conferred with Governance Now 9th PSU Awards in 2 categories a) Leadership Award and b) Research & Innovation.
- Bagged Equipment India Award 2022 for the Category 'Bestseller in Crawler Dozers'.
- Company received Awards for the categories;
 - Diamond' - Corporate Film,
 - Gold' – a) Best Book Production – BEML's Journey since 1964
b) Most creative ad and
 - Silver'- In-house Journal Corporate Note Book from Public Relations Council of India (PRCI).

Acknowledgements:

Let me express my deep gratitude to Government of India, Administrative Ministry, the Ministry of Defence and in particular, the Department of Defence Production, MoUHA, MoR, PMO, CIL, DPSUs, Indian Railways and other allied Administrative Departments of the

Government of India for its unwavering support and encouragement.

I also take this opportunity to place on record my sincere thanks to my fellow Board members, our clients, partners, employees, and other stakeholders who have placed their trust and confidence in us. As we look ahead to the future, I want to assure you that the dedication of our team and the depth of our collective ambition know no bounds. We embrace the challenges that lie ahead with enthusiasm and confident in our ability to adapt, innovate, and capitalize on opportunities that come our way. I am very excited and committed to the transformation journey we are driving and confident that we will come out stronger as we scale new heights.

In closing, I find solace in a quote that captures the essence of our journey and the values that guide us:

"The only way to do great work is to love what you do." - Steve Jobs

These words resonate deeply with your company's philosophy and reflect the passion and dedication with which we approach our endeavours. Our commitment to excellence is not just about achieving financial milestones; it's about the genuine love for our work that fuels our innovation, resilience, and continuous growth.

Together we will surely make this 'Amrit Kaal' more charismatic for the Country and for BEML Limited.

Jai Hind

Sd/-

Shantanu Roy

Chairman & Managing Director
Bengaluru

Board of Directors (as on 01.08.2023)



Shri Shantanu Roy
Chairman & Managing Director



Shri Surendra Prasad Yadav
Government Nominee Director



Shri Ajit Kumar Srivastav
Director (Defence Business)



Shri Anil Jerath
Director (Finance)



**Shri Vikas
Kakatkar**
Independent
Director



Shri Arun Daga
Independent
Director



**Shri Siva
Makutam**
Independent
Director



**Shri Bipin
Kumar Gupta**
Independent
Director

Brief Profile



Shri Shantanu Roy
Chairman &
Managing Director

Shri Shantanu Roy (DIN:10053283) has assumed charge as Chairman & Managing Director w.e.f. 01.08.2023. Prior to assuming his present position, Shri Shantanu Roy was Director (Mining and Construction Business). He is a graduate in Electrical Engineering from NIT Raipur and an MBA in Financial Management. He is having more than 30 years of extensive experience in the capital goods sectors for Defence, Mining & Construction, Transportation, Transmission, Renewable and large power projects.

During his tenure as Director (Mining and Construction Business) the Mining and Construction Business vertical has achieved a quantum jump in its performance. Prior to taking over as Director he was heading Northern Region operations, strategy & new initiatives, co-ordination and International Business Division of BEML Limited.

Being a Six sigma Black Belt certified professional and widely traveled, he is adept at various models of project financing, mechanisms and processes for financial closure of large projects, international laws, arbitration rules, international legal & arbitration cases and statutory & Legal Compliances.

In his earlier stint as Head of BHEL's Marketing and Business Development team for Neighbouring countries, Middle East & Americas and After sales business for entire overseas operations, he was responsible for positioning BHEL in the international market for the supercritical thermal power segment with the largest ever export order of US\$ 1.5 billion for the 2X660 MW Maitree STPP in Bangladesh, further consolidation of BHEL's presence in Bhutan by securing orders for three major Hydroelectric Power Projects and in Nepal by securing orders for two major Hydroelectric Power Projects, entry of BHEL in subcritical thermal power segment and large Gas Turbine based power plant in the Middle East. Prior to that, he led the production and operations for manufacturing of high voltage rotating electrical machines and traction applications at BHEL's Bhopal Unit and underwent Training on Rolling Stock electrics and rotating electrical machines in Netherlands and Germany respectively.

Brief Profile



Shri Surendra Prasad Yadav
Government
Nominee Director

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 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 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 equipments 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.

Currently, Shri. Ajit Kumar Srivastav is also holding the position of Director (Human Resources) as an Additional Charge.



Shri Anil Jerath
Director (Finance)

Shri Anil Jerath (DIN: 09543904) has been appointed as Director (Finance) and Member on the Board of BEML Limited w.e.f. 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 Additional Director with Chhattisgarh State Electricity Board (CSEB) at Raipur and also worked with Bharat Aluminum Company Limited (BALCO) at Korba. He has rich & varied experience of 33 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.

Brief Profile



**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 assumed charge as Independent Director on the Board of the Company w.e.f. 24.12.2021.



Shri 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 30 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 assumed charge as Independent Director on the Board of the Company w.e.f. 24.12.2021.

Brief Profile



Shri Siva Makutam
Independent Director

Shri Makutam Mrutyunjaya Siva Kumar Lingam alias Siva Makutam (DIN-09450599) is graduated from BITS, Pilani in Electrical & Electronics Engineering (2001). He is a top-notch professional in the area of Semiconductor Electronics & AMP; IT since last 22 years and has great experience right from 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. ■



Shri Bipin Kumar
Independent Director

Mr. Bipin Kumar Gupta (DIN: 00293673) is Director of M/s Utkal Metallics Limited from 08.01.2003 to till Date which is manufacturing unit of Sponge Iron. He is also Director of M/s Cogent Steel & Pipes Pvt. Ltd. since 22.01.2018 to till Date which is manufacturing unit of MS Pipes. Further, he was Managing Director of M/s Ambica Iron & Steel Private Limited from 1988 to 2003 which is a Rolling Mill Unit for production of MS Flat, Channel Etc. He has enormous Commercial & financial knowledge as per his immense experience in Steel Industries. He is involved in this steel industry for last 44 years. He is very self-oriented, motivated and quick decision maker. ■

Visits and Exhibition



Shri. Ajay Bhat
Hon'ble Minister for
State for Defence at DefExpo
at Ahemedabad

AI in Defence event
at Delhi



Visit of
Argentina Defence Delegation
for DefExpo at Ahemedabad

BEML participated in
5th Indian
manufacturing show aiming
MSMEs participation
in indigenising Defence &
Aerospace parts to support
Atma Nirbhar Bharat
abhiyaan



Visits and Exhibition



CMD Coal India visit to KGF Complex

CMD & Directors of BEML visit to NCL Singrauli



Delegates from Government of Cameroon & Exim Bank visit to KGF Complex

Delegation from South Sudan for AeroIndia Show at Bengaluru

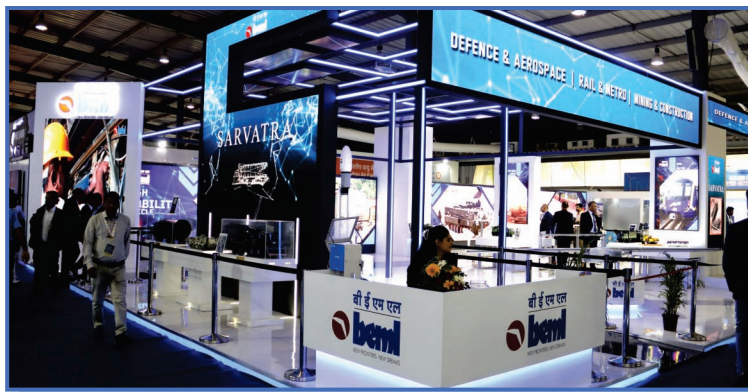


Visits and Exhibition



Director General DGQA
visit to Palakkad

Construction equipment
exhibition
"EXCON 2022"
at Bengaluru



Indoor Pavilion
at DefExpo 2022
at Ahemedabad

ISRO Chairman visit
to Bangalore Complex



Visits and Exhibition



Myanmar Delegation
 visit to Rail Coach factory
 at Bengaluru Complex

BEML stall in INDEE-Tanzania



Visit of Parliamentary
 Standing Committee
 on Defence
 at Bengaluru

Parliamentary Standing
 committee on Panchayatiraj
 at New Delhi



MoU



BEML exchanged MoU with Maini Precision Products during Bandhan Event at AeroIndia Show - 2023 at Bengaluru



BEML exchanged MoU with Principal Director of Directorate General of Naval Armament during Bandhan Event at AeroIndia Show - 2023 at Bengaluru



MoU - Pushpak during Bandhan Event at AeroIndia Show - 2023 at Bengaluru



MoU-Rangson during Bandhan Event at AeroIndia Show - 2023 at Bengaluru

MoU-Valdel during Bandhan Event at AeroIndia Show - 2023 at Bengaluru



Roll out



Roll out 22nd of Sarvatra
 Bridging system



Award

BEML bagged
 Raksha Mantri Award
 DefExpo 2022



BEML was awarded the **"BEST CSR IMPACT INITIATIVE AWARD"** on 21st September, 2022, recognizing the Leaders and the Company who are impactful & believe that there is a MAD approach to their work (Making A Difference). The approach is driven by passion & commitment towards Social Change.



CELEBRATION



As a part of Azadi ka Amrit Mahotsav National Flag was distributed to all the Executives / Employees, Representatives of Unions, BEMOG, Welfare, SC/ST Associations, Societies and Contract personnel of all the Complexes / Divisions and Offices across the Company.



Students from Shisya School played Band near Mahatma Gandhi Statute at MG Road Bangalore



CELEBRATION



CMD/Directors
 Officers/Employees/
 Contract Personnel attends
 a mass yoga session to
 celebrate the
 8th International Day
 of Yoga.

CSR

Under Swachh Vidyalaya
 campaign, construction of
 New Ladies Toilet Block
 was inaugurated at United
 Mission High School
 Bengaluru.



Food distribution van hand
 over to ISKCON
 (Akshaya Patra),
 Bengaluru

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FINANCIAL HIGHLIGHTS

S. No.	PARTICULARS	UNITS	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
A	Our earnings											
	Gross Revenue	₹ Lakhs	300906	357823	309407	296731	346186	327728	280682	314769	264532	318115
	Physical Export	₹ Lakhs	17842	4875	2824	1450	1920	2814	2018	3466	10678	7678
	Deemed Export	₹ Lakhs	65172	51599	43490	4701	-	-	998	24057	37755	427
	Other Operating Revenue	₹ Lakhs	5975	19452	4019	-	-	-	-	-	-	-
	Total Gross Revenue	₹ Lakhs	389895	433749	359740	302882	348106	330542	283698	342292	312965	326220
	Less: Value of Consortium supplies	₹ Lakhs	-	-	-	-	-	-	232	13859	13048	14203
	Revenue net of Consortium Supplies	₹ Lakhs	389895	433749	359740	302882	348106	330542	283466	328433	299917	312017
	Less: Excise Duty	₹ Lakhs	-	-	-	-	-	5987	33585	30372	18998	20866
	Revenue from operations	₹ Lakhs	389895	433749	359740	302882	348106	324555	249881	298061	280919	291151
	Change in WIP/SIT	₹ Lakhs	(3768)	(15004)	(86)	29194	(1422)	(1866)	12509	(24371)	(20926)	(9706)
	Value of Production (with Revenue from Operations)	₹ Lakhs	380152	399293	355635	332076	346684	322689	262390	273690	259993	281445
	Value of Production (with Gross Revenue)	₹ Lakhs	386127	418744	359654	332076	346684	328676	296207	317921	292039	316514
	Other Income	₹ Lakhs	2378	674	1997	4855	2311	2490	6245	4216	5950	6339
B	Our outgoings											
	Cost of materials	₹ Lakhs	209885	226957	203825	189051	197062	172544	134573	147724	137368	161734
	Employee Remuneration & Benefits	₹ Lakhs	83976	85764	84865	84387	80193	80850	78072	75453	76911	71676
	Interest	₹ Lakhs	4625	4933	3912	4050	5939	4809	4780	4903	7051	11046
	Depreciation & amortisation exp	₹ Lakhs	6399	6607	7068	7130	6958	6424	6198	5577	5214	5356
	Other Expenses	₹ Lakhs	55760	74584	52700	49907	45747	50160	68768	66829	57720	59520
C	Our savings											
	PBDIT	₹ Lakhs	38884	32114	20262	13586	25993	27612	20807	18272	12956	17310
	PBIT	₹ Lakhs	32485	25507	13193	6456	19035	21188	14609	12695	7742	11954
	PBT	₹ Lakhs	27860	20574	9281	2406	13096	16379	9829	7792	691	908
	PAT	₹ Lakhs	15878	13459	7480	6838	6349	12945	8444	6366	676	468
	Other Comprehensive Income (net of tax)	₹ Lakhs	1914	2649	7559	4358	1321	7066	1189	1,051	-	-
	Total Comprehensive income	₹ Lakhs	13964	10811	(79)	2480	5028	5879	7255	5315	676	468
D	Own capital											
	Equity	₹ Lakhs	4177	4177	4177	4177	4177	4177	4177	4177	4177	4177
	Other Equity	₹ Lakhs	235337	226502	218268	221538	214547	215846	213978	208728	203914	203807

FINANCIAL HIGHLIGHTS

S. No.	PARTICULARS	UNITS	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
E	Loan capital											
	Loans from Banks	₹ Lakhs	37084	82257	64334	3620	9751	13502	11285	19245	24553	54110
	Other loans	₹ Lakhs	-	-	10000	30299	30445	31055	32286	37515	39498	41481
F	Financial Statistics											
	Net worth	₹ Lakhs	239514	230679	222445	225715	218724	220023	218155	212905	208091	207984
	Property, Plant & Equipment and Intangible assets (at cost)	₹ Lakhs	97677	97668	95869	90971	85900	75597	68294	59789	47230	120062
	Accumulated depreciation & amortisation	₹ Lakhs	48504	43361	37484	30752	23913	17312	11208	5344	-	70193
	Net Block	₹ Lakhs	49173	54307	58385	60218	61987	58285	57086	54445	47230	49869
	Inventories	₹ Lakhs	206141	207285	197065	200272	170227	179951	197446	169628	192117	215210
	Trade Receivables	₹ Lakhs	123670	186136	188451	150813	161305	164223	144137	124043	124182	115671
	Working capital	₹ Lakhs	248030	282187	277377	273011	216523	207781	212666	202534	202954	198422
	Capital Employed	₹ Lakhs	297203	336494	335762	333229	278510	266066	269752	256979	250184	248291
	Value added	₹ Lakhs	170266	172336	151810	143025	149622	150145	127817	125966	122625	119711
	Final Dividend-Excl. Tax *	₹ Lakhs	2082	500	1458	1041	3332	3332	1666	416	416	1041
	Interim Dividend-Excl. Tax	₹ Lakhs	2082	2082	1999	1041	1874	-	-	-	-	-
	R&D Expenditure	₹ Lakhs	7454	10266	13266	10354	7072	10204	7808	6663	8292	8623
	No. of Employees	Nos	5197	5573	6053	6602	7185	7722	8221	8827	9599	10328
G	Financial Ratios											
	Revenue from operations per Employee	₹ Lakhs	75.02	77.83	59.43	45.88	48.45	42.03	30.40	33.77	29.27	28.19
	Value Added per Employee	₹ Lakhs	32.76	30.92	25.08	21.66	20.82	19.44	15.55	14.27	12.77	11.59
	PBT to Revenue from operations	%	7.15	4.74	2.58	0.79	3.76	5.05	3.93	2.61	0.25	0.31
	PBIT to Capital employed	%	10.93	7.58	3.93	1.94	6.83	7.96	5.42	4.94	3.09	4.81
	PAT to Net worth	%	6.63	5.83	3.36	3.03	2.90	5.88	3.87	2.99	0.32	0.23
	Debt Equity ratio	Times	0.15	0.36	0.33	0.15	0.18	0.20	0.20	0.27	0.31	0.46
	EPS	₹	38.13	32.32	17.96	16.42	15.25	31.08	20.28	15.29	1.62	1.12
	Final Dividend *	%	50.00	12.00	35.00	25.00	80.00	80.00	40.00	10.00	10.00	25.00
	Interim Dividend	%	50.00	50.00	48.00	25.00	45.00	-	-	-	-	-
	Revenue from operations to Capital employed	%	131.19	128.90	107.14	90.89	124.99	121.98	92.63	115.99	112.28	117.26

* For F.Y 2022-23, 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 2023-24, subject to the approval of shareholders at the Annual General Meeting. Final Dividend for FY 2021-22 is ₹ 5/- per equity share paid in FY 2022-23.

BOARD'S REPORT

Your Board of Directors has pleasure in presenting 59th Annual Report of the Company along with Audited Financial Statement for the year ended 31.03.2023 as under:

Financial results:

(₹ in Crs)

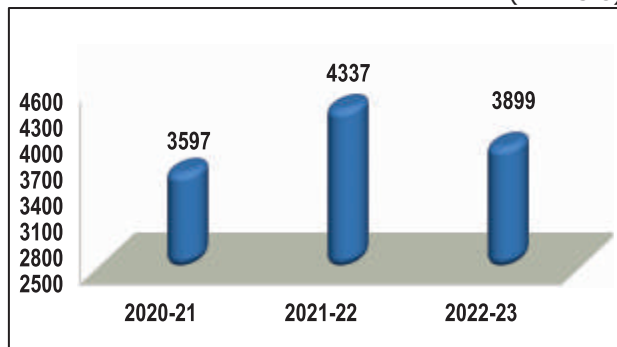
Particulars	2022-23	2021-22
Revenue from Sale of Products & Services	3839	4143
Revenue from Operations	3899	4337
Value of Production	3802	3993
Profit before Depreciation, Interest and Tax	389	321
Finance costs	46	49
Depreciation and amortization expense	64	66
Profit Before Tax	279	206
Tax Expense	120	71
Profit After Tax	159	135
Other Comprehensive Income	(19)	(27)
Total Comprehensive Income	140	108
Profit available for appropriations	550	437
Net worth	2395	2307

Revenue from Operations & Profitability:

During year, Revenue from Operations was ₹3899 crore as against ₹4337 crore in the previous year, down by 10%.

Revenue from Operations

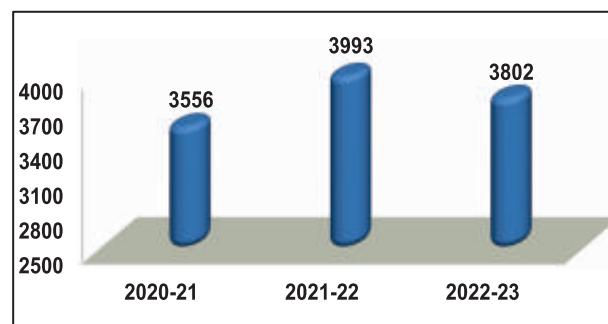
(₹ in Crs)



Value of Production is ₹3802 crore as against ₹3993 crore in the previous year, down by 4.79%.

Value of Production

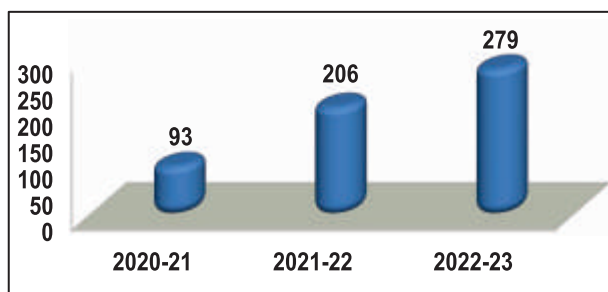
(₹ in Crs)



With increased business contribution and continued focus on cost control, your Company registered a Profit before Tax of ₹279 crore as against of ₹206 crore in the previous financial year, up by 35.41%.

Profit Before Tax

(₹ in Crs)



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

- Defence Business registered a revenue growth of 3.43 % over the previous year.
- Mining & Construction Business registered a revenue growth of 1.78 % over the previous year.
- Spare parts business has achieved Revenue of ₹ 956.58 crore registering a growth of 2.64 % over the previous year.
- Working capital has reduced by 12%.

- Value added per employee is ₹33 lakhs as against ₹31 lakhs in the previous year, a jump of 6.45%.
- Trade Receivables have reduced by 34%.

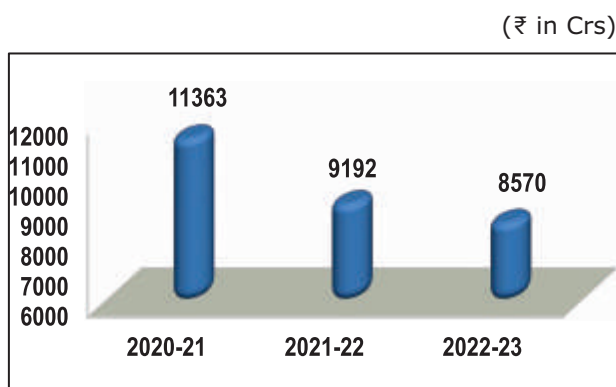
Exports:

Your company made exports aggregating ₹830.14 crore (which includes physical exports of ₹178.42 crore and deemed export of ₹651.72 crore) and got export incentive of ₹1.92 crore during FY 2022-23 as against exports of ₹564.74 crore (which includes physical exports of ₹48.75 crore and deemed exports of ₹515.99 Crore) and export incentive of ₹1.11 Crore during the previous year.

Order Book Position:

The order book position of your Company as on 01.04.2023 is ₹8570 crore as against ₹9,192 crore in the previous year. The Order book comprises of three business verticals, i.e., Mining & Construction, Defence & Aerospace and Rail & Metro.

Order Book Position as on 31st March



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 'Very Good' for the financial year 2021-22 and the rating for the financial year 2022-23 is under self-evaluation.

Transfer to General Reserve:

During the year under review, your Company has not transferred any amount to General Reserve.

Dividend:

Your Board of Directors approved an interim dividend of ₹5/- per equity share i.e., 50% on equity shares of ₹10/- each on 10.02.2023 which was distributed among the eligible shareholders. Further, the Board of Directors have recommended a final dividend of ₹5/- per equity share i.e., 50% on equity share of ₹10/- each, aggregating to a total dividend of ₹10/- (i.e. 100% on equity share capital) for FY 2022-23 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 the Company's website <https://alumni.bemlindia.in/writereaddata/Downloads/201806251810Dividend%20Distribution%20Policy.pdf>

Change in the Nature of Business:

There was no change in the nature of business of the Company during the year.

Material Change/ Commitment affecting the Financial Position:

No material change/ commitment has

occurred affecting the financial position of the Company subsequent to the financial year ended 31.03.2023 till the date of this report.

Capital Structure:

There was no change in paid up share and authorized capital of the company during the year.

Finance:

The working capital requirements were met from the internal accruals and credit facilities availed from banks. There was no overdue instalment of principal and/or interest to the banks.

M/s Care Ratings have reaffirmed CARE A+; Stable for fund based facilities and CARE A+;Stable & CARE A1+ for non-fund based bank guarantee & letter of credit facilities for an amount of Rs. 5,500 crores (where Rs. 4,500 crores are Secured Working Capital limits and Rs. 1000 crore are Unsecured Working Capital limits).

ICRA & Brickwork Ratings have withdrawn their ratings assigned to company's bank facilities, commercial paper and non-convertible debentures during the year, at the request of the company.

Any change in the credit ratings is being communicated to Stock Exchanges and the same is placed on Company's website <https://www.bemlindia.in/investors/credit-rating/>

Further, the Company had issued Non-convertible Debentures (NCDs) of Rs. 300 crores during 2012, out of which Rs. 100 crores was redeemed on 18.05.2022 being the 3rd and final tranche (1st and 2nd tranches of Rs. 100 crores each were redeemed on 18.05.2020 and 18.05.2021 respectively). With this redemption, the Company has paid the entire NCD amount along with interest to the debenture holders.

Pursuant to SEBI notification and BSE Circular, BEML is identified as Large Corporate (LC) for the year 2022-23 as per the framework provided. As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended 31.03.2023 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 31.03.2023.

The Company's contribution to Central and State Exchequers was in the order of Rs. 746.56 crores during the year by way of Corporate tax, Customs Duty, GST, Dividend etc.

Internal Financial Controls:

The Company has various manuals such as Accounts, Cost Accounting and Pricing, Stores, Purchase, Audit etc. For easy reference, the manuals are available in 'BEML Bulletin Board' portal, so that the same can be viewed and complied easily by employees and officers concerned for carrying out various activities in a transparent manner. The manuals are in line with the delegation of powers and are being updated periodically. The changes made, if any, to the manuals are circulated and also updated in the portal. No instance of material weakness in the process has been observed.

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 did not accept any fixed deposits during the year, and there was no outstanding Fixed Deposits at the beginning/ end of the year. Accordingly, there was no default in payment of deposits/ interest thereon.

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.

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) respectively. 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, transfer and vesting of identified surplus/ non-core assets, BEML incorporated "BEML Land Assets Limited".

Later on, Petition were filed with MCA for approval of Scheme of Arrangement and on 28.07.2022, MCA had passed order approving Scheme of Arrangement for demerger of "BEML Land Assets Limited" (Resulting Company).

In compliance with MCA order, BEML Limited had fixed 09.09.2022 as record date for issuing share of Resulting Company in the ratio of 1:1 and same were issued to all shareholders whose name were recorded in the Register of Member on above date. Further, the said shares were listed on both stock exchanges (BSE & NSE) and trading has started on 19.04.2023.

Directors & Key Managerial Personnel:**(1) Appointment/re-appointment of Independent Directors**

During the year 2022-23, Shri Bipin Kumar Gupta (DIN: 00293673), appointed as Independent Director (ID) 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 would be formalized through a letter of appointment setting out the terms and conditions in case of their appointment, which is also placed on the web-site of the Company at www.bemlindia.in.

(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 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 term of office of such Directors. Accordingly, the following appointments on the Board of your Company were effected during 2022-23 as per the directives of the President of India:

- (i) Dr. Shri G. Jawahar (DIN: 10043602), appointed as Director (Human Resources) of the Company vide MoD letter No.8(7)/2019-D(BEML), dated 06.01.2023. He took charge on 11.01.2023.

- (ii) Shri Bipin Kumar Gupta (DIN: 00293673), appointed as Independent Director (ID) on the Board of the Company vide MoD letter No.8(6)/2021-D(BEML), dated 10.02.2023. He took charge on 10.02.2023.

- (iii) Shri Shantanu Roy (DIN: 10053283), appointed as Director (Mining & Construction Business) of the Company vide MoD letter No.8 (3)/2021-D (BEML), dated 17.02.2023. He took charge on 17.02.2023.

Shri Ajit Kumar Srivastav (DIN: 08741858) Director (Defence) and Shri Anil Jerath (DIN: 09543904) Director (Finance) are liable to retire by rotation at the ensuing annual general meeting and being eligible, offer themselves for re-appointment.

Shri MV Rajasekhar, (DIN: 087467141) Director (Mining & Construction), ceased to be Directors consequent upon attaining the age of superannuation w.e.f. 31.10.2022. Further, Shri Arvind Kumar Arora (DIN 07409509) and Smt. Balmuri Vanitha (DIN 08679028), ceased to be Independent Director consequent upon completion of his/ her tenure of three years on 10.07.2022 and 21.01.2023 respectively. The Board placed on record its deep appreciation for invaluable services rendered by the Shri MV Rajasekhar, Shri Arvind Kumar Arora and Smt. Balmuri Vanitha on the Board.

(4) Remuneration of Director:

As per the provision of section 197(12) of Companies Act, 2013 read with rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014, every listed company is required to disclose the ratio of remuneration of each Director to the

median employees' remuneration and details of employees receiving remuneration exceeding limit as prescribed from time to time in the Board Report.

However, as per notification dated June 5th, 2015 issued by MCA, Government Companies are exempted from complying with the provision of section 197 of Companies Act, 2013. Therefore, such particulars have not been included in Board Report.

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.

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.

(5) Number of meetings of Board:

During the year, nine meetings of the Board were held on 22.04.2022, 27.05.2022, 04.08.2022, 24.08.2022, 09.11.2022, 13.12.2022, 09.01.2023, 10.02.2023 and 23.03.2023. Requirements on number and frequency of meetings, in terms of Section 173(1) of the Companies Act, 2013, Regulation 17(2) of Listing Regulations, and Para 3.3.1 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 31.03.2023, the applicable accounting standards have 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 2022-23 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. As per requirement of SEBI (LODR), Independent Directors in their meeting held on 26.12.2022 undertook the evaluation of performance of functional directors and the minutes of said meeting were placed in the subsequent Board Meeting for information of the Board.

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 as annexure to the Board Report.

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. With the induction of Independent Director, all Business Group Directors, Director (Finance), Director (HR) and Independent Director will be the members of the Committee and senior most Functional Director will head the Committee. During the year, two meetings of RMC was held on 04.08.2022 and 30.01.2023.

The Corporate Risk Committee prepares the key risks along with mitigation plans and report to the Risk Management Committee

constituted in terms of Regulation 21 of the Listing Regulations. The said key risks and mitigation plans will be placed before Audit Committee, which recommends it for review and approval of the Board.

The Board reviews the key risks along with mitigation plans and monitor the status on risk management periodically. The RMP is placed on the Company's website https://alumni.bemlindia.in/writereaddata/Downloads/202107051916Risk_Management_Policy.pdf

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://alumni.bemlindia.in/writereaddata/Downloads/202003301756Related_Party_Transactions_Policy.pdf

During the year 2022-23, 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 stipulated in Standard 9 of SS-1, 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 V N Associates, Practicing Company Secretaries (PCS) 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 97.10% (average for 4 quarters) for FY 2022-23 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 & Sustainability Report:

A Business Responsibility & Sustainability Report (BRSR) for FY 2022-23 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 from time to time is placed at **Annexure-V**.

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.

On 31.03.2023, the Committee comprises of Shri Siva Makutam, Independent Director as Chairperson, Shri Ajit Kumar Srivastav, Director (Defence Business) and Shri Anil Jerath, Director (Finance) as members. The CSR Committee met twice during the year on 24.05.2022 and 09.02.2023. An amount of ₹4.28 crore was spent during FY 2022-23 towards CSR activities which was more than 2% which is ₹2.15 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). Annual Report on CSR activities for FY 2022-23 is placed at **Annexure-VI.**

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 have been certified for Quality Management System (QMS) to ISO 9001:2015 Standard. Also, all the manufacturing divisions are certified for Environmental Management System (EMS) to ISO 14001: 2015 Standard.

Further, Bengaluru Complex is certified for Occupational Health & Safety standard, as per ISO 45001: 2018. BEML Aerospace manufacturing division (ASMD), Mysore complex is certified to AS9100D Aerospace standard.

BEML has been awarded "EEPC India Quality Award for outstanding performance" under the PSU category".

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

- 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. 421 Kaizen projects were implemented across the divisions.
 - ii. 140 Quality Improvement projects were implemented to reduce rejection and overcome field issues.
 - iii. 77 nos. Jigs & Fixture were added and upgraded to improve manufacturing Quality.
 - iv. 138 Vendor visits and Vendor process Audits were carried out to improve Incoming Material Quality.
- Division level Field Failure review meetings are being held regularly based

on Quality/ service issues reported. Actions are initiated to address the issues and close the issues at the earliest.

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

BEML has nominated a Chief Indigenisation officer for Make in India drive and list of items for indigenization are hosted on Srijan portal website: www.srijan.gov.in.

Under this initiative Company has designed and developed products in all Business Verticals.

New Initiatives:

- BEML handed over the first rake of indigenously built Rail Grinding machine (RGM96) to M/s LORAM Maintenance BY WAY, USA from its manufacturing facility located in KGF Rail Coach Unit-II. This is the first time RGM96 is being manufactured outside of USA.
- Further during the year 2022-23, your Company had set a target of 335 items for indigenization under Atmanirbhar Bharat, wherein 66 items has been indigenized.

Renewable Energy Development, Energy Conservation, Research & Development, Technology Absorption and foreign exchange earnings and outgo:

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, technology absorption and foreign exchange earnings and outgo including the products developed by the Company during the year is placed at **Annexure-I.**

Vigilance:

The 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 2022-23 (April to March), one (01) registered complaint was Carried forward from 2021-22 and five (05) fresh complaints were received, out of which three (03) 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 (10) CTE type of in-house inspections and fifteen (15) system studies were conducted during the fiscal year 2022-23. 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 2022 to March 2023, 4343 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 2022-23:

- SRM IMPROVEMENTS: Improvements in the linking processes between SAP and SRM systems to make the processes more automated and reduce manual work and also building better user experience while vendor onboarding. Auto selection of vendors is enabled. Tracking & Protecting tender documents while downloading from public.
- Network Management & Monitoring Software.
- Implementation of Firewalls for VCs.
- Re-Design of BEML Website.
- Hyper Converged Virtual Servers Infrastructure Set-up for Non-SAP Applications.

- Extraction of VC clearance data with latest date of VC receipt from HR.
- Providing one more option "Vigilance status/ statement" in VC clearance.
- Provision for maintaining the Sensitive post sub area in SAP system.

Vigilance Awareness Week-2022 (VAW-2022) with the theme "**Corruption free India for a developed Nation**" was observed in the Company during 31st October 2022 to 6th November 2022 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 and staff at schools and colleges and in some Gram Sabhas where the Company had organized events as part of observance of VAW-2022. Also, many Guest Lectures by eminent personalities in relevant field with topics of current relevance were organized by Vigilance Dept at the respective locations.

Central Vigilance Commission has appreciated two Vigilance officers Mr. Subash R – AGM(Vig.) and Mr. Srivatsa GY – AGM(Vig.) for their contribution towards preventive vigilance.

Sensitization programme had been conducted by in-house faculties on the eve of VAW-22 across BEML Ltd and at some vendor premises too.

A 'Vendor Meet' was organised at Corporate Office of BEML on 28th October 2022 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 80 vendors participated). CMD, CVO, all functional Directors and other senior

officers of BEML have addressed the queries/ grievance raised by vendors online.

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/wp-content/uploads/2023/05/Whistle_Blower_Policy.pdf 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.

Integrity Pact

Pursuant to the directives from Central Vigilance Commission and Ministry of Defence, Integrity pact is being adopted with all Vendors/ Supplier's/ Contractor's/ service providers for all orders/ contracts of value of Rs.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 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 FY 2022-23, Rs. 1003.72 crores of purchase orders were entered into Integrity pact out of total purchase orders value of Rs 1696.60 crores

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" provides facility 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 88% 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 Government Ministries & 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 2022-23, materials worth Rs 993.88 crores has been procured through GeM against the target value of Rs 527 crores (MoU parameter) i.e. 25% of previous year procurement. The same is being reviewed by Audit Committee & Board regularly.

Micro and Small Enterprises:

Company is procuring materials required for production & for others through Micro & Small Enterprises (MSE's). 358 items which are reserved for MSEs, 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 9th Nov' 2018) of procurements have to be procured from MSE's amended from 20% earlier, provided a minimum 3% reservation be kept for women owned MSE's and 4% for SC/ST Enterprises.

Further MSE procurement data is uploaded on "MSME SAMBANDH" portal on monthly basis.

During the year 2022-23, Company has procured Rs 558.75 Crores from MSE's out of Rs.1750.55 Crores local procurement, which constitutes 32% from MSE's

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 following methods are generally followed to identify potential new vendors.

- Publication of Expression of Interest (EoI) in BEML Website
- Uploading of imported items in Srijan portal for Indigenisation
- Participation in exhibitions and seminars (Including Virtual)
- Organize Vendor meets (Including Virtual)

Further to encourage parts development, following EoI's has been published

EoI's Published: (For Vendor Development/ Make in India)

- Open ended Expression of Interest (EoI) has been published in BEML website for registering the new vendors.
- EoI for development of the critical items.
- Import items have been uploaded in Srijan portal to identify potential Vendors for indigenization.

The procurements from Single source are being reviewed bi-monthly by Audit Committee & Board.

The objective of Outsourcing & Vendor Development policy is to achieve cost

effectiveness & improve competitiveness of Company in global market.

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, enabling BEML to enhance the capacity, attain cost effectiveness and improve competitiveness in the global market. As a policy BEML is not making any capital investments where facilities are available in the Indian industry. To facilitate outsourcing, the company has well established policies, procedures and guidelines.

- 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 as per the directives of Ministry of Defence, BEML has framed an "Outsourcing and Vendor Development Policy" as duly approved by the Board. The objective of the policy is to enhance cost effectiveness and improve competitiveness of the Company in Global market. The other significant objective of this Outsourcing and Vendor Development Policy is to build a manufacturing eco system in the Country to attain self-reliance. On the other hand, participation of Indian private industry will be an enabler in building technological and manufacturing capability

inside the country. Based on the policy so framed, a Road Map for Vendor Development has been prepared with yearly targets and monitored at the Board level periodically.

Rajbhasha:

The Hindi cell is functioning in the Corporate office of the Company and also in all Complexes & Divisions. It is responsible for ensuring the compliance of the Official Languages Act, the Rules made there under and the administrative instructions regarding use of Hindi received from the Ministry of Defence and the Department of Official Language from time to time, under its manufacturing complexes and Regional/District Offices.

Compliance of Section 3(3) of Official Languages (OL) Act, 1963

Section 3(3) of Official Languages Act, 1963 has been complied with fully during the period under review and all the documents covered under this section have been issued bilingually. The position of the same is being monitored through the quarterly meetings of the Official Language Implementation Committee.

Hindi Fortnight Celebrations: -

Hindi Fortnight was observed in the Corporate Office, all Complexes and ROs/DOs from September 14, 2022 to September 28, 2022. During this period, executives and employees were motivated to do their maximum work in Hindi and competitions such as Hindi Crossword, Hindi Administrative Terminology, Hindi Quiz, Hindi Antakshari and Hindi Essay Competitions were organised. Instructions were issued to all offices to take the pledge on Hindi Day i.e. on September 14, 2022 in accordance with the guidelines issued by the Ministry of Defence and Department of Official

Language, Ministry of Home Affairs.

Hindi Training :-

- Training in Hindi Prabodh, Praveen and Pragya courses were conducted during January-May, 2022 and July-November, 2022 and a total of 200 executives/ employees (Prabodh:25; Praveen: 75 and Pragya: 100) have been trained in these two sessions.

Incentive scheme for original work in Hindi:-

- Cash incentive scheme for original work in Hindi has been implemented in the Company.

Hindi Online Workshop:-

- In continuation of the practice of conducting all India level Hindi workshop through Online by BEML, the Corporate office and other offices on turn basis have conducted a total of 9 Hindi workshops and a total of 446 executives/ employees across BEML were trained.

Parliamentary Committee on Official Language Inspection:-

- The first Sub-committee of the Parliamentary Committee on Official Language inspected our District Office (DO), Udaipur on 17th January, 2023 on Official Language aspects and the Committee has expressed its satisfaction over the progress made in Official Language in DO, Udaipur and across BEML.

MOD inspection on Official language:-

- The Joint Director, DDP, MoD, New Delhi inspected our Regional Office, Nagpur on 27th April, 2022 on Official Language aspects and suggested some more

implementation measures for the progressive use of Official Language Policy.

Internal Rajbhasha Inspection: -

- A total of 5 internal Official Language Inspections have been conducted by Sr. Executives of Corporate office at various offices of BEML during the year 2022-23. Detail as follows:

S. No.	Date of Inspection	Inspection Officer	Office
1	21.04.2022	MK	RO, Singrauli
2	08.09.2022	K	DO, Bhubaneshwar
3	16.09.2022	KPO	DO, Ahmedabad
4	22.09.2022	ED(M)	RO, Dhanbad
5	22.11.2022	K	DO, Ahmedabad

Awards and Accolades:

- Shri Sudipt sen, Sr. Manager (Parts) and Shri Pandurang Korade, Manager (Service) of District office, Bhilai have been awarded with Rajbhasha Vishisht Seva Samman and First Prize respectively by Town Official Language Implementation Committee, Bhilai-Durg for their best performance in implementing Hindi in DO, Bhilai for the year 2021-22.

Bilingual Equipment Manuals:

- The manuals of High Mobility Vehicles Sarvatra Drivers' manual, Global positioning system of Command Post Vehicle, Navigational SAT Satellite Handbook, Manuals of Rugged Workstation, RLCD and Monitor Changeover Switch, received from PPI, Palakkad Complex.

Other achievements:

- Hindi version of the Questionnaire has been prepared for submission to the

Committee on study visit of the parliamentary standing committee on industry.

- Translation work of Company's Annual report for FY 2021-22 was completed and submitted on time.
- All translation work and Hindi typing work relating to Annual Reports, Comptroller and Auditor General Audit Paras, Technical Reports, Memorandum of Understanding, Reports on SC/ST, RTI, Reservation policy, Standing orders, Product Profiles, Advertisement Materials

and important standard forms were printed and published bilingually.

Manpower:

The number of employees of the Company as on 31.03.2023 stood at 5197 as against 5574 of the previous year resulting in over 6.76% reduction.

The category-wise number of SC/ ST and Ex-Servicemen employees as on 01.01.2023 and representation of SC/ ST and Ex-servicemen as of the same date as compared to total strength is as under:

Category/ Group	Total Strength as on		No. of SC/ST and Ex-Servicemen					
	31.3.2023	31.3.2022	SC		Ex-Servicemen			
			31.3.2023	31.3.2022	31.3.2023	31.3.2022	31.3.2023	31.3.2022
Group - A*	1816	1859	340	345	102	104	19	19
Group - B	86	50	14	11	2	2	0	0
Group - C	3283	3653	772	833	208	218	192	211
Group - D	6	7	4	5	0	0	0	0
Total	5191	5569	1130	1194	312	324	211	230

* Excluding Board Level Executives

Recruitment of SC/ ST/ OBC/ Economically weaker Section (EWS)

The Company has adopted the best practices for providing equal opportunities and harmonious environment for advancement of SC, ST, OBC and EWS. During the year, 26 employees were appointed under Group A and 50 employees on contract basis belonging to SC, ST, OBC and EWS.

Particulars of Employees

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

Industrial Relations:

The transparent and continuous communication with all Employees in the shop floor is the driving mantra of smooth and peaceful Industrial Relations scenario in the Company. The thrust was 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 employee related issues were resolved amicably. The functioning of various bi-partite Committees at Complex level focused on

improvement of overall performance of the Company and resolved the issues in production related matters.

Skill Development Initiatives (SDI)

Employees and their Knowledge & Skills are the key factors for retaining the Competitive edge. Thus, Training has become a vital part of every business activity at BEML and its importance would increase with the fast-changing technology, product life and market requirements.

The Highlights of Skill Development initiatives during 2022-23:

a. DPE Sponsored Training Programmes & Workshops:

- Department of Public Enterprises (DPE), Ministry of Finance takes initiative to tie-up with top Academic institutions (including IIMs, IITs, ASCI) and Professional Bodies (ICMI, NPC, NIFM etc.) for Training Programmes & Workshops (through Classroom & on-line sessions).
- The above process involves deep scanning of PMS/ TNI data, ADC Reports, HOD inputs & approval process, post-which the registration process involves Adhaar seeding, OTP verification, seats availability (among the 300 participating organisations).
- As approved, total 46 Executives have been nominated for various programmes (15 Training Programmes & 8 Workshops) and registered through OTNS.

b. Mission Raksha Gyan Shakti (MRGS)' initiative by GoI:

- With increasing impetus on indigenisation ('Atmanirbhar Bharat'), under the "Mission Raksha Gyan Shakti (MRGS)" initiative by MoD, BEML has

been directed to provide Intellectual Property Rights (IPR) Training.

- BEML has achieved the target for the FY 2022-23 as appended below:

Description	No. of personnel to be trained	
	Target	Achieved
Awareness Programme on IPR by Virtual/ Physical Mode	100	167
E-certification course on COLT Platform	100	109

c. Assessment Development Centre (ADC):

- The concept of ADC was implemented in BEML during 2014 and presently it is linked to promotion policy as well as used as a base for developing Leadership pipeline (Succession Planning).
- During 2022-23, total 17 batches of ADC have been conducted and Post-ADC, 11 batches of Individual Development Plan (IDP) workshops have been organized encompassing 250 Senior Management level Executives (AGM & above).

d. Mentoring Scheme "BANDHAN"

- ✦ During 2022-23, two batches of Mentors have undergone 2-days Certification programme on 'Mentoring' through M/s Dale Carnegie. With this, total 54 No. of senior Executives are certified as "Mentors'.

e. Training Programme for SC/ ST Welfare Association Office Bearers:

- 3-days Residential Training Programme on 'Reservation Policy for SC/ST & Maintenance of Roster' for SC/ST Welfare Association Office Bearers were organized during February, 2023 at IPE, Hyderabad.

f. Induction Programme for Management Trainees:

- Induction process plays a vital role in integrating new joinees to BEML family. The Management Trainees (MTs) are provided orientation/ induction programme at all Manufacturing Complexes (Bangalore, Mysore, Palakkad & KGF Complexes).
- In addition to the above, 3-days special Technical Focused Training was organized for Technical MTs and Non-technical MTs and exposed to 3-days exclusive familiarisation in their domain at KGF Complex.
- At Corporate Office, the HODs of all Functions have made presentation apart from Behavioural Training programme organised through M/s Dale Carnegie.

g. Knowledge Sharing Sessions:

- In order to leverage the knowledge & skills acquired by the participants after attending DPE Sponsored Training Programmes, Knowledge Sharing Session (KSS) were organized on every Friday for the Bemlians to embrace the change and sustain the Journey towards Excellence. The KSS on topics like Supply Chain Management, Industrial Artificial Intelligence in Industry 4.0, Risk Management, Building Competencies for Personal Excellence, Corporate Branding in Digital Era, Project Planning & Monitoring, Contract Management/ Safeguards in tendering, public procurement and contracting with special focus to Public Procurement Policy for Micro and Small Enterprises (MSEs) etc.

h. Centre of Excellence (CoE):

- BEML established its Centres for Excellence (CoE) at all major manufacturing Complexes to continuously learn, train and improve the technology, be it in field of Engine development, Metro Coach Fabrication, Aerospace etc. BEML also believes in developing people capability across the value chain including the Contract Workmen to retain their relevance and employability.

KGF Complex: At KGF, School of Hydraulics & Welding is specialized in Hydraulic System and Welding Process Training for various Equipments.

Bangalore Complex: CoE at Bangalore Complex imparts Training in Stainless Steel Welding and Wire-Harnessing to support the Metro Car manufacturing. This CoE also provides Skill Training on Crane operations to Contract Operators & BEML Employees.

Mysore Complex: Mysore Complex houses specialized CoE in Electrical & Electronics systems for heavy equipments like Dumper, Motor Grader etc. The Centre also provides intensive practical & theoretical Training on Calibration, Wire-Harnessing, Trouble Shooting of Equipments.

Palakkad Complex: CoE at Palakkad specializes on Power-Train mechanism including Axle, Engine, Transmission, Differential Assembly & Electrical system of heavy vehicles like TATRA and other equipments used for Defence Applications.

- i. Apprenticeship Mela:
- Ministry of Skill Development & Entrepreneurship (MSDE) has organized "Apprentices Mela" at different locations towards developing Technical manpower for the industry by providing opportunities to the Apprentices.
 - BEML has actively participated in this unique initiative of MSDE Apprenticeship Mela, to engage candidates as apprentices under the Apprentice Act, 1961.
- j. Azadi Ka Amrit Mahotsav (AKAM):
- As per Ministry directives, various programmes conducted towards celebrating the occasion of 'Azadi Ka Amrit Mahotsav (AKAM)' as appended below:
 - ❖ Debate/ Slogan/ Extempore Competition on "Empowerment of Women and Children" by Executives/Employees (inclusive of Apprentices),
 - ❖ Circulation of Pamphlets/ Brochure on "Unity of Country" through digital mode to all Executives & Employees including Apprentices (IT Announcement)
 - ❖ Lecture on "Language (Bhasha) of India for Executives/ Employees/ Apprentices
 - ❖ Organise webinars on Shram Dhaan move by Executives/ Employees/ Apprentices on 'Swachta'
 - ❖ Lecture on "Health and Wellness (with emphasis on Ayush)" for Executives/ Employees/ Apprentices or Lecture on "Health and Wellness (with emphasis on Ayush)" for BEML Family members.
 - ❖ Skill competition on 'Atmanirbhar Bharat' for Executives/Employees/ Apprentices
- k. Apart from the regular training programmes at all locations (KGF, Bangalore, Mysore, Palakkad Complexes, Marketing Division & Corporate Office), the Executives/ Employees participated in the specific training programmes are as follows:

SI No	Title of the programme	From	To	No. of Days	Venue/ Platform	Organiser	No. attended
1	GeM	19-04-2022	19-04-2022	0.5	Hotel Le Meridien, Delhi	Hotel Le Meridien, Delhi	2
2	Interactive workshop on 'Drafting Charter party Contracts'	22-04-2022	23-04-2022	2	Delhi	Delhi	5
3	Training programme on 'Parliamentary Procedures'	26-04-2022	27-04-2022	2	New Delhi	New Delhi	6
4	Prevention of Sexual Harassment (POSH)	21-04-2022	21-04-2022	0.5	MC	Minerva Solutions	5

SI No	Title of the programme	From	To	No. of Days	Venue/ Platform	Organiser	No. attended
5	Training on Developing positive attitude/ value for better performance	11-04-2022	12-04-2022	2	KGF	IIPM	46
6	Risk Mgmt requirements and implementation in Labs	13-04-2022	13-04-2022	1	Online	Quality Council of India, New Delhi	3
7	Uncertainty of measurement and decision rule as per ISO/ IEC 17025:2017	21-04-2022	22-04-2022	2	Online	M/s.Quality Council of India, New Delhi.	2
8	49 th IFTDO World Conference & Exhibition	19-05-2022	21-05-2022	3	Vigyan Bhawan & Hotel Le-Meridien , New Delhi	Vigyan Bhawan & Hotel Le-Meridien , New Delhi	4
9	Training programme on 'Preventive Vigilance'	25-05-2022	27-05-2022	2	NFSU, Gujarat	CVC, New Delhi	1
10	CNC Part Programming	24-05-2022 25-05-2022	24-05-2022 25-05-2022		Centre of excellence	M/s.IIPM, Odisha	20
11	Hydraulics Basics Session-1	21-05-2022	21-05-2022		online	Mktg.	99
12	Contract Management & Arbitration	25-05-2022	25-05-2022		online	Mktg.	63
13	Communication Skills & Corporate Etiquette	27-05-2022	27-05-2022		online	Mktg.	321
14	BG825 Shift Tower, Function, Error Codes, Diagnosis, Trouble shooting	27-05-2022	27-05-2022		online	Mktg.	67
15	Two days Training on Electrical Safety	27-06-2022	28-06-2022	2	Hotel Ashraya International	M/s.National Safety Council, Mumbai	2
16	ISO 14001:2015 Internal Auditor Training on EMS	01-07-2022	02-07-2022	2	PC	IR Class, Chennai	15

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 and 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:

The Company has constituted SC/ST Cell at all Complexes/ Divisions in terms of Department of Personnel & Training (DOPT) guidelines and Cell Officers are nominated at each

Complexes, 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/ 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 acting for speedy redressal of these grievances. For this purpose, your Company has nominated General Manager – HR 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 Sec 4(1) of the Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013. The same is functional in all the Complexes/Divisions 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. No Complaint has been received under this Act, during the year 2022-23.

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

i) Joint Tree Plantation Program:

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 2022 to March, 2023 a total of 3305 Nos. of Tree Saplings have been planted at Corporate Office, KGF, Bengaluru, Mysuru and Palakkad Complexes.

ii) Energy use and Conservation Measures:

The Company's 5MW Windmill at Gadag and 18 MW Windmill at Bagalkot Districts in Karnataka have contributed towards ensuring clean energy by mitigating 23704 Tons (approx) of Carbon up to March, 2023.

iii) "PAVI" distribution of solar LED Tube lights:

The company has distributed Solar LED light in Nabaguba village, Phulbani (Kandhama), Odhisha, under the project "PAVI" through the parichay Foundation. The Solar lights will help the Communities make use of sustainable and green energy as there is scarcity of electricity in the village.

Swachh Bharat Abhiyan:

The Company in continuing with its endeavor towards being a Socially Responsible entity had undertaken the various initiatives under Swachh Bharat Campaign & Swachh Vidyalaya Abhiyaan during the current year 2022-23. Important Swachh Bharat Initiatives at BEML Limited for 2022-23 are as under:

i. 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.

ii. Celebration of Ninth Anniversary of Swachh Bharat Campaign & Birth Anniversary of Mahatma Gandhi:

BEML had organized "Celebration of Birth Anniversary of Mahatma Gandhi" on 2nd Oct, 2022. The Company paid its tribute to The Father of the Nation in all the Divisions/ Complexes at Bangalore, KGF, Mysore, Palakkad and at 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.

iii. 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 (GoS) on 'Swachh Bharat & Ganga Rejuvenation' during the year 2022-23. The main activities are: Conducting awareness programmes, Construction of Toilet Blocks under Swachh Vidyalaya Campaign, Collection, Segregation and Disposal of Waste specially Plastic waste Horticultural activities, Planting and distribution of Tree Saplings in association with the State Forest Department and cleanliness activities within the Factory premises, Townships and Public places.

iv. Outdoor Cleanliness Campaign during the period from 2nd to 31st October, 2022.

Under the Special Campaign 2.0, Outdoor cleanliness was undertaken in BEML Regional/ District offices of Hyderabad, Bilaspur, Ranchi, Neyveli and Kolkatta. The Special Campaign was carried out in two phases viz., Preparatory and Implementation phase. In the Preparatory phase from 14th to 30th September, 2022, sites were identified for carrying out the outdoor cleanliness drive and in the Implementation phase, the outdoor cleanliness activity was carried out with much publicity towards creating awareness among the general Public and the surrounding communities.

v. Celebration of Swachh Bharat Pakhwada:

BEML had organized 'Swachh Bharat Pakhwada' from 1st to 15th Dec, 2022. Various activities in line with the Action plan was held at Corporate Office, Manufacturing Complexes, Townships and Regional & District Offices. The following activities were conducted across the Company, as per the calendar of activities/ events:

- Oath Taking ceremony and March Past in the complex for spreading the awareness about cleanliness

- Display of posters and Banners in the complex for spreading the awareness about cleanliness among the employees, their families and common public.
- Cleanliness Drive in the public places like shopping complex, children parks, Townships etc.
- Organising Plogging like activities (picking of Single Use Plastic during Jogging) and collection of plastic waste
- Disposing off scrap material in the factory premises and storage in organized manner
- Weeding out of old files and office equipments. Cleaning of Furniture and fittings of offices
- Sapling distribution/ plantation in the Company's township/ residential complexes and Factory premises etc
- Painting/ Drawing competition on the subject of importance of cleanliness for Employees/ Officers and their children and contract personnel
- Organise seminar, display of posters & banners to create awareness among the people for reducing uses of Single Use Plastic & other Plastics.
- Seminar on importance of cleanliness in daily life and making plastic free Zone. Collection of plastic waste in Factory premises and residential complexes.
- Fumigation of insecticides in the township for prevention of mosquitoes and other insects.
- Essay competition on the subject of importance of cleanliness for Employees/ Officers and their children and contract personnel
- Disposal of e-wastes in Administrative offices & Plastic Waste collected in Township
- Cleanliness drive of the 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. The need to make use of social media such as myGov, Twitter and Facebook extensively for the purpose.
- Concluding ceremony and distribution of prizes. Organized a press conference.

Medical/ Healthcare & Nutrition

i) The Medical facilities to Ex-BGML Employees and their Dependents:

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 Oorgaum. Medicines prescribed by the Doctors are being dispensed free of cost for general illness.

On 14th Nov, the **World Diabetes day**, Medical camp was conducted at Koorgalli village in Mysore district, Karnataka. Diabetes Rally was also conducted in and around the village to create awareness among the communities. Banners, Placards and slogans on diabetes were

displayed. Around 113 patients suffering from various illnesses and chronic diseases viz respiratory illness, UTI, gastritis, colitis, viral fever diabetes mellitus, Hypertension, IHD etc., were treated at the Camp. The patients were educated about Diabetes mellitus, early diagnoses, maintaining optimal blood sugar level, life style modifications, Medicine Compliance etc., during the Camp.

ii) Medical Assistance:

Medical Centers for employees and dependent family members at all the three Manufacturing Units viz., Bangalore, Mysore 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.

iii) Establishing Women Healthcare Center

The Company has associated with **My Home India** for establishing Women Healthcare Center at Bhadohi District in Uttar Pradesh for providing quality healthcare especially for women. The Villages covering the suriyawan Block in Bhadohi district have very poor healthcare facilities and do not meet the needs of the communities due to distance. The Women in these village are not sensitized with regard to Healthcare and approach the centers only in case of emergencies/ critical health conditions.

The Healthcare centers will not only provide the medical needs of the Women but also sensitize women with regard to Healthcare in association with Health service providers like Aangan Wadi, ASHA and ANM.

iv) Support for Mid-Day Meals:

The Company in association with the **Akshaya Patra Foundation** has provided support for food distribution vehicle for the Mid-Day meals programme for the Government Schools in Mysore District, Karnataka. The program avoids classroom hunger, increases school enrolment & attendance, addresses malnutrition and also empowers women through employment.

The Company has also provided Mid-Day Meals to the Specially Challenged Children and the aged of **'The United Orphanage for the disabled'** at Coimbatore, in Tamil Nadu. This program will provide nutritious and healthy meals for children and the aged who require the special care.

Contribution to Armed Forces Flag Day Fund:

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.

Education

i) Educational Programme :

BEML runs one Junior College and two Primary & Nursery Schools at KGF and one at Bangalore. These Institutions, although meant primarily for the children of the employees but also caters 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 2022-23, the Company is providing education to **3020 students**, out of which **1897** non-BEML Students have enrolled at BEML Schools for their education during the current academic year and have availed online education.

ii) Promotion of Health, welfare, and all-round development of orphan and poor children and youth- enhancing employability through vocational and skill development training :

The Company has associated with Matru Chaya to promote Health, welfare, and all-round development of orphan and poor children and youth-enhancing employability through vocational and skill development training. In this endeavour, Grameen Kousal Vikas Kendra is established in Guntur District of Andhra Pradesh in association with Matru Chaya to empower and enhance employability through vocational and skill development training to underprivileged youth of the surrounding villages.

Welfare Activities:

Welfare Activities like Medical facilities, Housing facilities, Canteen facilities at Complexes, Educational facilities at KGF and Bengaluru for Employee's children, Facility for Sports events etc. have been extended for welfare of Employees. Moreover, various Schemes are in operation for benefit of Executives and Employees including Insurance benefits viz., BEML Executive Superannuation (Pension) Scheme, BEML Post Superannuation Medical Benefit Scheme, Group Insurance

Scheme, BEML Life Risk Coverage Insurance Scheme, BEML Death Relief Fund (DRF) etc.

The Company has extended all help and support to the Labour Welfare Funds (LWF) 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.

Compliance under the Right to Information Act, 2005

The information required to be provided to citizens under Section 4(1)(b) of RTI Act, 2005 is available on your company website, i.e., www.bemlindia.in It contains general information about the Company, its 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 2022-23 the Company received 258 Applications seeking information pertaining to human resources, recruitment, contracts, tenders, business related matters etc., and the same were disposed of.

Digital Transformation Initiatives:

Company has embarked to implement the digital transformation (DT) initiatives for the business processes covering all the 3 business verticals.

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

Some of the initiatives implemented during 2022-23 are viz., Industry 4.0 at H&P Division, KGF Complex, Improvements in FLM System, HCI Server for Non-SAP Applications, IT Tools deployed for managing IT Assets like Network & Desktop monitoring, EPS Applications for declaration and display, Monthly cyber security awareness security training sessions and Daily cyber Security Tips.

DT Roadmap for next 3 years:

1. Upgrade & Re-implement SAP ERP ECC6.0 to SAP S4HANA: Current ERP version reaching End-of-Life by Dec' 2026, thereby we need to upgrade to HANA for better productivity.
2. Upgrade OS, PC & Switches: To comply with cyber security norms & MoD Guidelines.
3. Industry 4.0: Implementation at all Manufacturing Complexes in phased manner to achieve Overall Equipment Effectiveness (OEE) with real time data.
4. GeM procurement using Alternate Part Nos: This project will update the Part no in SAP for all trading spare parts.
5. SAP HCM/SAP success factor solution: This project will replace Net based PMS and HR Portal there by no dependency on 3rd party vendors.

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

Subsidiary Companies:

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

MoD vide letter dated 10.09.2021

informed that the union cabinet has accorded approval for closure of VIL. Accordingly, Members of the Company at its Extraordinary General Meeting held on 11.10.2021 accorded approval for Voluntary Liquidation and appointed Shri Venkataraman Jayagopal as liquidator. Realization of Assets and settlement of accounts 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 2022-23, the Company has incurred a sum of ₹23.98 crore (Previous Year- ₹20.27 crore), towards maintenance, security and other related expenditure. The total sum of ₹71.98 crore (Previous Year ₹68.27 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 MAMC Industries Limited' and accordingly, M/s Fox & Mondal Advocates & Solicitors have prepared the final draft sale deed of the Mining and Allied Machinery Corporation Limited properties at different locations for registration purpose. The same shall be submitted to the Official Liquidator for his concurrence. However, to proceed for collaboration agreement, CIL support on partnership basis or assured orders on nomination basis was requested. Later on, GoI has taken up strategic disinvestment of BEML and it is in advance stage of formation of Joint Venture, BEML has requested to CIL and DVC to take back the shares of BEML and settle the value of properties purchase by BEML during court auction. Reply is awaited from both parties.

Joint Venture Company –

(i) 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 hold the balance 55% share. The Company was 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. Regional Director-MCA has submitted the investigation report dated 29.03.2022 to NCLT. Regular hearings are taking place at NCLT, Hyderabad.

Ceased to be Subsidiary, Joint Venture or Associate during the year

BEML Land Assets Limited:

During year, BEML Land Assets Limited ceased to be a subsidiary as per the Scheme of arrangement approved by the MCA vide order dated 28.07.2022. Listing of shares of BEML Land Assets Limited had taken place on both Stock exchange (BSE & NSE) and trading has started on 19.04.2023.

There was no company which became or ceased to be a subsidiary, joint venture or associate of the Company during the year except mentioned above.

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 sub-judice, 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 2022-23 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 placed by way of an addendum at page No 304 to the annual report.

Cost Auditors:

In terms of Section 148 of Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, M/s R M Bansal and Co, Cost Accountants, Bengaluru, were appointed as Cost Auditors for the year 2022-23 to conduct the audit of the cost records of the Company. 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 2022-23 was ratified by the members in the 58th Annual General Meeting held on 23.09.2022.

Secretarial Auditors:

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment

and Remuneration of Managerial Personnel) Rules, 2014, 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 2022-23. The Secretarial Audit Report issued by the PCS and the replies to the observations 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 2022-23.

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 and reply thereto, if any, are appended at page No 216 & 306 to the annual report.

Frauds Reported by Auditor:

No frauds are reported by the auditors which fall under the purview of sub-section 12 of section 143 of Companies Act, 2013.

General disclosure:

Your Directors confirm that no disclosure or reporting is required in respect of the following items as there was no transaction on these items during the year under review:

- i. No Significant and Material order was passed by any regulators or courts or tribunals that may impact the going concern status and company's operations in future.
- ii. No application made or any proceeding pending under Insolvency and Bankruptcy Code, 2016 as at the end of the Financial Year 2022-23.

- iii. Details of difference between the amount of valuation at the time of one time settlement and valuation done while taking loan from banks or financial institutions are not applicable to the company.

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/investors/annual-reports/>

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 Develop-

ment Agency for their patronage and confidence reposed in 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

Bengaluru
14.07.2023

Sd/-
Amit Banerjee
Chairman & Managing Director

Annexures to Board's Report for the FY 2022-23

Annexure-I

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Companies (Accounts) Rules, 2014.

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

(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 Division.
- (ii) Reconditioning of GEC Tempering Furnace at HT shop to reduce heat loss and to improve thermal efficiency & achieve energy conservation.
- (iii) Replacement of water Chiller unit to Radiator type cooling system for Endo Gas Generator.
- (iv) Conversion of DC Drive & DC Motor to AC Drive (VFD) with AC Motor for Steering Control Valve Test Rig to reduce Load Current from 180A to 75A.
- (v) Reduction of Thermal Loss by revamping/ replacement of Insulation of Bharat Gear High Tempering Furnace.
- (vi) Introduction of 9 nos of Energy efficient inverter split ACs in Office/ Guest house areas.

- (vii) Installation of 2 nos of 2KW obsolete mono block pump sets with energy efficient IE2 motor mono block pump sets at STP

(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 91.24% of Grid Power Consumption by all the Production Division.
- (ii) 200 KWp roof top power system has been installed to utilize alternate source.
- (iii) Optimum operation of 50 KWp grid connected Solar Roof top Solar Power plant for utilization of Solar energy. During the year 2022-23, 60,667 units of energy are generated through Solar Power plant.
- (iv) Replacement of 7 nos of 2KW Electrical water heaters with 2 nos of 340LPD Solar water heaters at Guest house
- (v) Achieved GHG emission reduction of about 23704 Tons of Co2 equivalent, by utilisation of Green Energy from Wind Projects.

(c) Capital investment on energy conservation equipment

During the year under review, your

Company has invested ₹2.20 crore for implementing various energy saving measures.

(B) TECHNOLOGY ABSORPTION

Research & Development (R&D) undertaken for technology absorption is as below:

1. Efforts made towards technology absorption:

R&D has absorbed the collaborator technology and further developed on it, which has resulted in development of new products & technologies and up-gradation of existing products. Some of the major new product developments & product up-gradation which have resulted on account of in-house R&D efforts during the year 2022-23 are:-

Mining & Construction:

New products Development

1. Engineering of CEV Stage-IV Engine on BL30-1 & BL200-1 Wheel loader
2. Design and development of Direct actuation, Auto lubrication on face shovel and backhoe for BE1000-1.
3. Design and development of Heavy duty face shovel and backhoe bucket with splash lubrication PTO powering hydraulic Excavator Model BE1000-1 for enhanced service life.
4. Design and development of High raised catwalk to meet DGMS safety norms, Vibration isolation mount for hydraulic oil cooler (HOC) on face shovel and backhoe for BE1000-1 Excavator.
5. Design and development of auto

lubrication system on face shovel and backhoe for BE1800D/ BE1800E

6. Engineering of Allison transmission to model 6625 ORS with QSK19-T3 engine on BH60M
7. Introduction of TPMS (Tire pressure mentoring system) to meet CIL tender requirement for BH60M
8. Design & Development of BEML BSAA6D140EG Engine to meet CEV STAGE IV Emission Norms

Rail & Metro:

1. Rail Grinding Machine (RGM 96) for Indian Railways
2. Mumbai Metro MRS1 contract (Line #2 & #7)
3. Design and Development of Signaling System compliant Catenary Maintenance Vehicle for Mumbai Line 3.
4. Driverless (UTO- Unattended Train Operation) Metro car Technology for Mumbai Metro.

2. Intellectual Property Rights:

Total 105 IPRs have been submitted for registration, out of which 69 are Patents, 16 are Designs, 12 are Copyrights and 8 are Trademarks, which is 9% more than MoU target (96).

3. 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, automatic downloading of Train data in MRS1 project and further integration with Asset Management System can potentially optimize the maintenance schedule of MRS1 trains.

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

Nil

5. Future plan of action:

Keeping in view the 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 production/ 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 and 8 Ton Tyre Handler. Further keeping in view the 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 up gradation of existing Products with innovative and new features in line with major global competitors.

Defence

R&D Defence has taken up the design & development of High Mobility (4x4 Cross Country Vehicle), BEML HMV ET 8x8 (General Service) along with 70T Trailer, Armoured Protected mobility Vehicle 4x4, Indigenous manufacture of Armoured cabins and Up-gradation of ARV WZT-3 Engine.

Rail & Metro

R&D Rail & Metro has taken up the design & development of Vande Bharat Trains (Sleeper Version), design and development of 180 kmph speed capable Bogies, Upcoming Metro projects like BMRCL 5RS-DM, Chennai Metro and Patna Metro tender, Mumbai Line#4 tender, SPURT cars. R&D is working with IIT Kharagpur, for Bogie design under the Uchathar Avishakar Yojana (UAY) project. R&D has planned to develop Medium/ High Speed Bogies under this collaboration.

6. Expenditure on R&D

Company has spent ₹ 75 crores on R&D during FY 2022-23 which is about 1.92% of Revenue from Operations.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year, the Company's foreign exchange earnings stood at ₹ 612.74 crore and the total foreign exchange utilized was ₹ 511.11 crore.

A sum of ₹ 0.93 crore was incurred towards deputation of personnel abroad for business/ export promotion, after-sales-services and training purposes.

For and on behalf of the Board of Directors

Bengaluru
14.07.2023

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]

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

For and on behalf of the Board of Directors

Bengaluru
14.07.2023

Sd/-
Amit Banerjee
Chairman & Managing Director

REPORT ON CORPORATE GOVERNANCE

BEML Limited is a Mini-ratna (Schedule-A) enterprise of Government of India. The company has established a sound framework of Corporate Governance. The particulars of company's report on Corporate Governance are as under:

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

The Board of Directors is the highest governance body of the company. The Board of Director consists of professionals from diverse fields having rich knowledge and experience in the industry and related sector for providing the strategic guidance and directions to the company.

(i) Composition:

As on 31.03.2023, the Board consisted of 5 Whole-time Directors including the Chairman & Managing Director, 1 Government Nominee Director and 4 Independent Directors. There is no inter-se relationship among the directors.

(ii) Meetings and Attendance:

During the year, nine meetings of the Board were held on 22.04.2022, 27.05.2022, 04.08.2022, 24.08.2022, 09.11.2022, 13.12.2022, 09.01.2023, 10.02.2023 and 23.03.2023. 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 31.03.2023 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 directorships held	Number of Committee Memberships across all companies	Listed entities where the person is a director and the category of directorship
Functional Directors including CMD:						
1	Shri Amit Banerjee Chairman and Managing Director, Additional Charge - Director (Rail & Metro Business) (DIN 08783660)	9/9	Yes	1	-	--
2	Shri MV Rajasekhar ¹ Director (Mining & Construction) (DIN 08467141)	4/4	Yes	--	--	--
3	Shri Ajit Kumar Srivastav Director (Defence Business) (DIN 08741858)	9/9	Yes	2	2	--
4	Shri Anil Jerath Director (Finance) (DIN 09543904)	9/9	Yes	1	1	--
5	Dr. Shri Gunaseelan Jawahar ² Director (Human Resources) (DIN 10043602)	2/2	NA	--	--	--
6	Shri Shantanu Roy ³ Director (Mining & Construction) (DIN 10053283)	1/1	NA	--	--	--
Government Nominee Director:						
7	Shri Surendra Prasad Yadav (DIN 02267582)	6/9	No	3	--	Mishra Dhatu Nigam Limited-Nominee Director
Independent Directors:						
8	Shri Arvind Kumar Arora ⁴ (DIN 07409509)	2/2	NA	--	--	--
9	Smt. Balmuri Vanitha ⁵ (DIN 08679028)	7/7	Yes	--	--	--
10	Shri Arun Daga (DIN 07054958)	9/9	Yes	1	1	--
11	Shri Vikas Ramakrishna Kakatkar (DIN 02372234)	7/9	Yes	--	1	--
12	Shri Siva Makutam (DIN 09450599)	9/9	Yes	--	-	--
13	Shri Bipin Kumar Gupta ⁶ (DIN 00293673)	1/1	NA	1	1	--

1. Ceased to be Director w.e.f.31.10.2022

2. Appointed w.e.f. 11.01.2023

3. Appointed w.e.f. 17.02.2023

4. Ceased to be Director w.e.f. 10.07.2022

5. Ceased to be Director w.e.f. 21.01.2023

6. Appointed w.e.f. 10.02.2023

Notes:

Does not includes Directorship in private Companies, Section-8 Companies and Foreign Companies.

Does not include chairmanship/ Membership in the committees other than Audit Committee and Stakeholder Relationship Committee.

The above number of directorships in committees is as per the Companies Act, 2013 and SEBI(LODR) Regulation, 2015

The details of specific service contracts, notice period and severance fees etc. are governed by the appointment letter issued by Government of India to respective Director at the time of his/ her appointment/re-appointment.

During the Financial Year 2022-23, no loans and advances in the nature of loans to firms/ companies in which directors are interested was given by the Company and its subsidiaries.

(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:

S.No.	Skill Area	Description	Name of Directors having such skills/ expertise/ competence
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"> • Understanding and fulfilling the duties and responsibilities of a Director, and maintaining knowledge in this regard through professional development; • Putting BEML interests before any personal interests; • Acting in a transparent manner and declaring any activities or conduct that might be a potential conflict; • Maintaining Board confidentiality at all times. 	

(iv) Directors' Shareholding

None of the Directors are holding equity shares in your Company as on 31.03.2023.

(v) 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 website https://alumni.bemlindia.in/writereaddata/Downloads/202112221113Policy_Training.pdf and https://www.bemlindia.in/wp-content/uploads/2023/06/Training_ID.pdf in terms of Regulation 46 of the Listing Regulations.

(vi) Confirmation from Board of Director:

Board of Director of company confirmed

that the Independent Directors fulfill the condition specified in Companies Act, 2013 and SEBI (LODR), Regulation, 2015 and they are independent from the management.

(vii) Detailed reason for resignation of Independent Director:

During the year under review none of Independent Directors resigned or vacated their office before expiry of the tenure.

(viii) 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://alumni.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, 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.

(ix) 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 2022-23 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 was taken on record by the Board in its meeting held on 26.05.2023.

(x) 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 2022-23, 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.

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-committees/> 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, reimbursement 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 in every two months and inter-alia look at all cases of procurements which are made from single sources;
- (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 Arun Daga*	Independent Director	6/6
2	Shri Arvind Kumar Arora*	Independent Director	2/2
<i>Members:</i>			
3	Smt. Balmuri Vanitha*	Independent Director	5/5
4	Shri Vikas Kakatkar*	Independent Director	1/1
5	Shri Bipin Kumar Gupta*	Independent Director	-/-
6	Shri MV Rajasekhar*	Director (Mining & Construction Business)	4/4
7	Shri Ajit Kumar Srivastav	Director (Defence Business)	2/2

* Part of the year

Shri Arun Daga was Chairman in 4 Meetings and Member in 2 Meetings

During the year, the Audit Committee met Six times on 21.04.2022, 27.05.2022, 04.08.2022, 25.08.2022, 08.11.2022 and 09.02.2023. 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 23.09.2022 for answering the securities holder's queries.

(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 Vikas kakatkar [#]	Independent Director	0/1
2	Shri Arvind Kumar Arora [*]	Independent Director	-/-
<i>Members:</i>			
3	Smt. Balmuri Vanitha [*]	Independent Director	-/-
4	Shri Arun Daga [#]	Independent Director	1/1
5	Shri Surendra Prasad Yadav	Government Nominee Director	-/-
6	Shri Siva Makutam	Independent Director	1/1

* Part of the year

Due to leave of absent of Shri Vikas kakatkar, Shri Arun Daga had held the chair.

The Nomination and Remuneration Committee met once during the year on 09.02.2023. 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 have 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 share 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:

Sl.No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Shri Arvind Kumar Arora*	Independent Director	-/-
2	Shri Vikas Kakatkar	Independent Director	1/1
<i>Members:</i>			
2	Shri Ajit Kumar Srivastav	Director (Defence Business)	0/1
3	Shri Anil Jerath	Director (Finance)	1/1
4	Shri Amit Banerjee*	Chairman & Managing Director	-/-

* Part of the year

During the year, the Stakeholders Relationship Committee met once on 24.01.2023. 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/investors/investors-complaints/>, 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 37 complaints placed and there was no complaint pending as on 31.03.2023. 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 thereof 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 at beginning of the year	:	0
No. of complaints received during the year	:	16
No. of complaints resolved during the year	:	16
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 Ajit Kumar Srivastav [#]	Director (Defence Business)	2/2
2	Shri MV Rajasekhar [*]	Director (Mining & Construction Business)	1/1
<i>Members:</i>			
3	Shri Anil Jerath	Director (Finance)	2/2
4	Shri Siva Makutam	Independent Director	2/2
5	Shri Vikas Kakatkar	Independent Director	1/1

* Part of the year

Shri Ajit kumar Srivastav was Chairman in 1 Meeting and Member in 1 Meeting

The Risk Management Committee met twice during the year on 04.08.2022 and 30.01.2023. 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 Corporate Risk Committee (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://alumni.bemlindia.in/writereaddata/Downloads/202107051916Risk_Management_Policy.pdf

(v) 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 -

- (a) 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.
- (b) to recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above.
- (c) to monitor the CSR Policy of the Company from time to time.

The Committee consists of the following directors:

S.No.	Name of the Director	Category	Attendance
Chairman:			
1	Shri Siva Makutam #	Independent Director	2/2
2	Smt Balmuri Vanitha*	Independent Director	1/1
Members:			
3	Shri Ajit Kumar Srivastav	Director (Defense Business)	2/2
4	Shri Anil Jerath	Director (Finance)	1/1
5	Shri MV Rajasekhar*	Director (Mining & Construction Business)	1/1

* Part of the year

Shri Siva Makutam was Chairman in 1 Meeting and Member in 1 Meeting

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://alumni.bemlindia.in/writereaddata/Downloads/202105141405Corporate%20Social%20Responsibility%20\(CSR\)%20Policy.pdf](https://alumni.bemlindia.in/writereaddata/Downloads/202105141405Corporate%20Social%20Responsibility%20(CSR)%20Policy.pdf)

The CSR Committee met twice during the year on 24.05.2022 and 09.02.2023. Annual report on CSR activities undertaken during the year 2022-23 is enclosed at **Annexure-VI**.

(vi) Share Certificate Committee

In terms of Regulation 39 of the Listing Regulations, the Board of Directors have 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:

S.No.	Name of the Director	Category	Attendance
Chairman:			
1	Shri MV Rajasekhar*	Director (Mining & Construction Business)	1/1
Members:			
2	Shri Ajit Kumar Srivastav	Director (Defence Business)	1/1
3	Shri Anil Jerath	Director (Finance)	-/-

* Part of the year

The Share Certificate Committee meeting held on 13.05.2022.

(vii) Procurement Committee

The Board of Directors have 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 Rs.100 lakhs from single sources and Rs.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 35 times on 11.04.2022, 20.04.2022, 22.04.2022, 28.04.2022, 12.05.2022, 20.05.2022, 24.05.2022, 01.06.2022, 14.06.2022, 24.06.2022, 27.06.2022, 06.07.2022, 18.07.2022, 11.08.2022, 24.08.2022, 15.09.2022, 26.09.2022, 07.10.2022, 13.10.2022, 07.11.2022, 23.11.2022, 28.11.2022, 10.12.2022, 21.12.2022, 13.01.2023, 24.01.2023, 30.01.2023, 02.02.2023, 10.02.2023, 16.02.2023, 28.02.2023, 14.03.2023, 15.03.2023, 29.03.2023 and 31.03.2023 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 26.12.2022. The meeting held on 26.12.2022, in which the Independent Directors had evaluated the performance of functional directors, 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 four 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 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 reimbursement 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://alumni.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 2022-23:

INTENTIONALLY LEFT BLANK

(₹ in Lakhs)

Name	Salary	Benefits	PF Contribution	Perquisites	Pension Contribution	2022-23	2021-22
						Total	Total
Shri Amit Banerjee Chairman and Managing Director	42.85	4.76	3.92	3.69	2.29	57.51	46.88
Shri MV Rajasekhar* Director (Mining & Construction Business)	31.16	2.44	2.16	8.62	1.26	45.64	49.30
Shri Ajit Kumar Srivastav Director (Defence Business)	35.95	4.43	3.52	3.46	2.27	49.63	51.60
Shri Anil Jerath Director (Finance)	31.52	4.04	3.31	8.57	2.17	49.61	1.16
Shri Gunaseelan Jawahar* Director (HR)	10.68	1.34	1.09	0.91	0.73	14.75	-
Shri Shantanu Roy* Director (Mining & Construction Business)	5.63	1.26	0.52	0.48	0.39	8.28	-
Shri S.V. Ravi Sekhar Rao* Company Secretary	26.51	1.10	0.99	0.87	0.58	30.05	31.60
Shri Jai Gopal Mahajan* Company Secretary	12.95	1.43	1.47	3.32	1.06	20.23	-
TOTAL	197.25	20.80	16.98	29.93	10.75	275.71	180.54

* 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 Rs.20,000/- per meeting of the Board/ Committee of the Board attended by them. Details of sitting fees paid to the Independent Directors during the year 2022-23 are given below:

Name of the Director	Sitting fee for the meeting(s) of		Total (Amount in INR)
	Board (Amount in INR)	Committees (Amount in INR)	
Shri Arvind Kumar Arora*	40,000	40,000	80,000
Smt. Balmuri Vanitha*	1,40,000	1,40,000	2,80,000
Shri Arun Daga	1,80,000	1,60,000	3,40,000
Shri Vikas Ramakrishna Kakatkar	1,40,000	80,000	2,20,000
Shri Siva Makutam	1,80,000	1,20,000	3,00,000
Shri Bipin Kumar Gupta*	20,000	--	20,000
Total	7,00,000	5,40,000	12,40,000

* 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.

4. GENERAL BODY MEETINGS

- Annual General Meeting

Details of last three Annual General Meetings are as follows:

Year	Location	Date & Time
2021-22	BEML Soudha' 23/1, 4 th Main Road, Sampangi Rama Nagara, Bengaluru -560027 through VC	23.09.2022 at 11:30 hrs
2020-21	BEML Soudha' 23/1, 4 th Main Road, Sampangi Rama Nagara, Bengaluru -560027 through VC	24.09.2021 at 11:30 hrs
2019-20	BEML Soudha' 23/1, 4 th Main Road, Sampangi Rama Nagara, Bengaluru -560027 through VC	25.09.2020 at 11:30 hrs

There was no special resolution passed in the previous three annual general meetings.

- Postal Ballot**

During the year under review, pursuant to Regulation 44 of SEBI (LODR) Regulations and Sections 108, 110 and other applicable provisions of the Act read with Rules made thereunder, Member of company approved the appointment of Shri Arun Daga as independent Director, Shri Vikas Kaktkar as independent Director and Shri Siva Makutam as independent Director of Company by way of special resolution through postal ballot.

Procedure followed for postal ballot:

- In compliance with Regulation 44 of the SEBI (LODR) Regulations and Sections 108, 110 and other applicable provisions of the Act read with the Rules made thereunder and General Circulars issued by Ministry of Corporate Affairs, the postal ballot notice dated May 17th, 2022 was dispatched on Tuesday, May 17th, 2022 containing draft resolution together with the explanatory statement and remote e-voting instructions through electronic mode to all those Members whose e-mail address were registered with the Company/ Registrar and Share Transfer Agent ("RTA") or Depository/ Depository Participants and whose names appeared in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on Friday, May 13th, 2022. The Company also published notice in the newspapers declaring details of completion of dispatch on May 18th, 2022 as mandated under the Act and applicable rules.
- Members were requested to cast their vote only through remote e-voting facility provided by National Securities Depository Limited ("NSDL") between Wednesday, May 18th, 2022 (9:00 A.M. IST) and Thursday, June 16th, 2022 (5.00 P.M. IST) (both days inclusive) on the draft resolution mentioned in the postal ballot notice.
- The Scrutinizer, Mr. V Vijay Raghava Rao, Partner of M/s Velichety & Co., Chartered Accountant, Hyderabad submitted his report on June 17th, 2022, after completion of the scrutiny.

- d. The results of the postal ballot were announced by Mr. Amit Banerjee, Chairman and Managing Director on June 17th, 2022. The last date of remote e-voting i.e. Thursday, June 16th, 2022, was taken as the date of passing the resolution.
- e. The result of the postal ballot along with the scrutinizer's report was displayed at the registered office of the Company, hosted at the Company's website at www.bemlindia.in and on the website of NSDL at <https://www.evoting.nsdl.com> and was also communicated to the Stock Exchanges.
- f. The consolidated summary of the result is as under:

Item	Net valid votes Cast (No. of Equity Shares)	Votes in favour of the Resolution (No. of Equity Shares and % of Net Valid Votes)	Votes against the Resolution (No. of Equity Shares and % of Net Valid Votes)
Appointment of Shri Arun Daga as an Independent Director of Company- Special Resolution	30300870	29599711 (97.69%)	701159 (2.31%)
Appointment of Shri Vikas Kakatkar as an Independent Director of Company- Special Resolution	30300875	29599695 (97.69%)	701180 (2.31%)
Appointment of Shri Siva Makutam as an Independent Director of Company- Special Resolution	30150321	29448441 (97.67%)	701880 (2.33%)

5. 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/investors/quarterly-results/>
- 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 website <https://www.bemlindia.in/beml-news/>
- 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 website https://www.bemlindia.in/beml_videos.aspx#.
- e) The notice along with the audited financial statement forming 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/investors/presentation-information-to-investors-analysts/> for the information of the institutional investors, analysts and other shareholders.
- g) Company's Website:

The website of the Company, 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.

6. POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Your Company has formulated a "Policy for Determining Material Subsidiaries" and the same is placed on the Company's web-site [https://alumni.bemlindia.in/documents/Material Subsidiaries.pdf](https://alumni.bemlindia.in/documents/Material_Subsidiaries.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 JV, M/s BEML Midwest Limited accounts which are not consolidated due to complete cessation of activities as the matter is sub-judice. 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.

7. 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 website of the Company at: [https://alumni.bemlindia.in/writereaddata/Downloads/202003301756Related Party Transactions Policy.pdf](https://alumni.bemlindia.in/writereaddata/Downloads/202003301756Related_Party_Transactions_Policy.pdf) During the year 2022-23, 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) 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/wp-content/uploads/2023/05/Whistle_Blower_Policy.pdf. 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.
- c) 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.
- d) The Company has complied with Presidential Directives, if any, issued by the Central Government during the year and also in the last three years.
- e) Company is under non-compliance with regulation 17(1) of SEBI(LODR), 2015 during FY 2022-23 and for the same Stock exchange has imposed a penalty of Rs.12.03 Lakhs (Incl of GST) for part of the Quarter ended December, 2022 and March, 2023.

In respect of penalty so imposed, the Company has submitted an application to BSE & NSE seeking wavier of fine and reply is awaited.

Further during FY 2021-22, Company in its Board Meeting held on 23.07.2021 passed the resolution to authorize scheme of Arrangement between BEML and BEML Land Assets Limited (BLAL) for demerger and the said Board resolution was required to be filed in MGT-14 Form with Registrar of Companies within 30 days of passing the resolution i.e. on or before 22.08.2021. However, the resolution was filed on 02.05.2022 after a delay of 252 days with an additional fee of Rs. 7800.

In this connection, adjudication hearing was held on 19.10.2022 and MCA vide its order dated 02.12.2022, imposed a penalty of Rs. 35,200/- on Company and Rs. 1,54,800/- on officers in default. The said penalties were paid on 22.12.2022.

- f) 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.
- g) 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 lakhs.
- h) 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.
- i) 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.
- j) 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.
- k) The expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management were – NIL.
- l) There were no items of expenditure debited in books of accounts, which are not for the purposes of the business.
- m) Finance cost decreased by 6.26% during the year 2022-23 as compared to the previous year mainly due to decrease in interest on cash credit and short-term loans.
- n) There were no items of income and expenditure arising out of transactions of exceptional nature.
- o) 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. No complaints were filed during the year and there was no complaint pending at the end of the year 2022-23.
- p) Company has implemented all Standard Operating Procedures/ advisories issued by the Government of India and respective State Governments in respect of COVID-19 Pandemic.

8. 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/investors/reconciliation-of-share-capital-audit/> 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 dematerialization 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.

9. YEARLY COMPLIANCE CERTIFICATES:

1. A compliance certificate for the year 2022-23 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/investors/compliance-certificates/>. 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 2022-23 was submitted to BSE & NSE within the stipulated time and also placed on the website of the Company <https://www.bemlindia.in/investors/compliance-certificates/>.

10. GENERAL SHAREHOLDER INFORMATION

- (i) Corporate Identification Number (CIN) of your Company: LA35202KA1964GOI001530.
- (ii) The 59th Annual General Meeting for the year 2022-23 is scheduled on 27.09.2023, 2023 at 11.30 AM at Hotel The Lalit Ashok in Bengaluru through Physical as well as Video Conferencing mode.

MCA vide General Circular No.10/2022, dated 28.12.2022 intimated that with reference to the relaxations provided in its General Circulars dated 05.05.2020,13.01.2021, 08.12.2021, 14.12.2021 and 05.05.2022, the Companies' are allowed to conduct their AGMs which are due in the year 2023, in accordance with the requirements laid down in Para 3 and Para 4 of the General Circular No. 20/2020 dated 05.05.2020. In view of the above, the notice along with Annual report will be circulated to the shareholders electronically and the Annual General meeting will be held through Physical as well as Video Conferencing (VC)/ Other Audio-Visual Means (OAVM) mode.

SEBI vide Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4, dated 05.01.2023 while extending the relaxations in Paras 3 to 6 of the SEBI Circulars dated 12.05.2020 pursuant to the relaxations provided by MCA as above, intimated that the requirements of Regulations 36 (1)(b) and (c) and Regulation 58 (1)(b) &(c) of the LODR, relating to sending physical copies of annual report to shareholders, appointment of proxies are dispensed with for listed entities who conduct their AGMs during the calendar year 2023 (i.e. till September 30, 2023) through VC / OAVM. Accordingly, your Company will despatch the annual reports through electronic mode.

(iii) Tentative calendar for declaration of results for 2023-24 is given as below :

<i>Quarter/ Year ending</i>	<i>On or before</i>
31.03.2023	26.05.2023
30.06.2023	11.08.2023
30.09.2023	10.11.2023
31.12.2023	09.02.2024
60 th Annual General Meeting	30.09.2024

(iv) The Register of Members and Share Transfer Books shall remain closed from 21.09.2023 to 27.09.2023 (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 10.02.2023, which was distributed among the eligible shareholders. Further, your Board of Directors have recommended final dividend of ₹5/- per share, i.e., 50% on the equity shares of ₹10 each (par value) for the year ended 31.03.2023 and the Dividend, if approved at the 59th 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, 26th 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 2022-23 was paid to BSE and NSE during April, 2022.

(vii) Stock Code:

BSE	500048
NSE	BEML

(viii) Custody/ Issuer charges to Depositories:

Your Company has paid custody/ issuer charges for the year 2022-23 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

(ix) Details for non-compliances:

At the beginning of Financial Year, the Board of Directors of the Company is duly constituted with requisite balance of Executive Directors, Government Nominee Director and Independent Directors. However, with the retirement of Independent

Director on 10.07.2022, the composition of the Board of Directors of the Company is not in compliance with Regulation 17 of the SEBI Listing Regulations. Subsequently, on 31st October, 2022, Executive Director, has ceased from his post and from 1st November, 2022 to 31st December, 2022, company was compliant with Regulation 17 of the SEBI Listing Regulations. Due to the above non-compliance from 11.10.2022 to 31.10.2022 (22 days), a fine of ₹2.59 lakhs (₹5,000 per day plus 18% GST) is indicated by BSE and NSE. Similarly, For the Quarter ended March, 2023 the company is in non-compliance with Regulation 17 of the SEBI Listing Regulations. Due to the above non-compliance, a fine of ₹9.44 lakhs (₹5,000 per day plus 18% GST) is indicated by BSE and NSE. In above both actions, the Company has submitted an application with BSE & NSE seeking wavier of fine and reply is awaited.

Further, Company has written letter to Ministry of Defence to take necessary action for the appointment of requisite number of Executive Directors and Independent Directors on Board.

Further during FY 2021-22, Company in its Board Meeting held on 23.07.2021 passed the resolution to authorize scheme of Arrangement between BEML and BEML Land Assets Limited (BLAL) for demerger and the said Board resolution was required to be filed in MGT-14 Form with Registrar of Companies within 30 days of passing the resolution i.e. on or before 22.08.2021. However, the resolution was filed on 02.05.2022 after a delay of 252 days with an additional fee of ₹7,800/-.

In this connection, adjudication hearing was held on 19.10.2022 and MCA vide its order dated 02.12.2022, imposed a penalty of ₹35,200/- on Company and ₹1,54,800/- on officers in default. The said penalties were paid on 22.12.2022

(xi) 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.

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

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

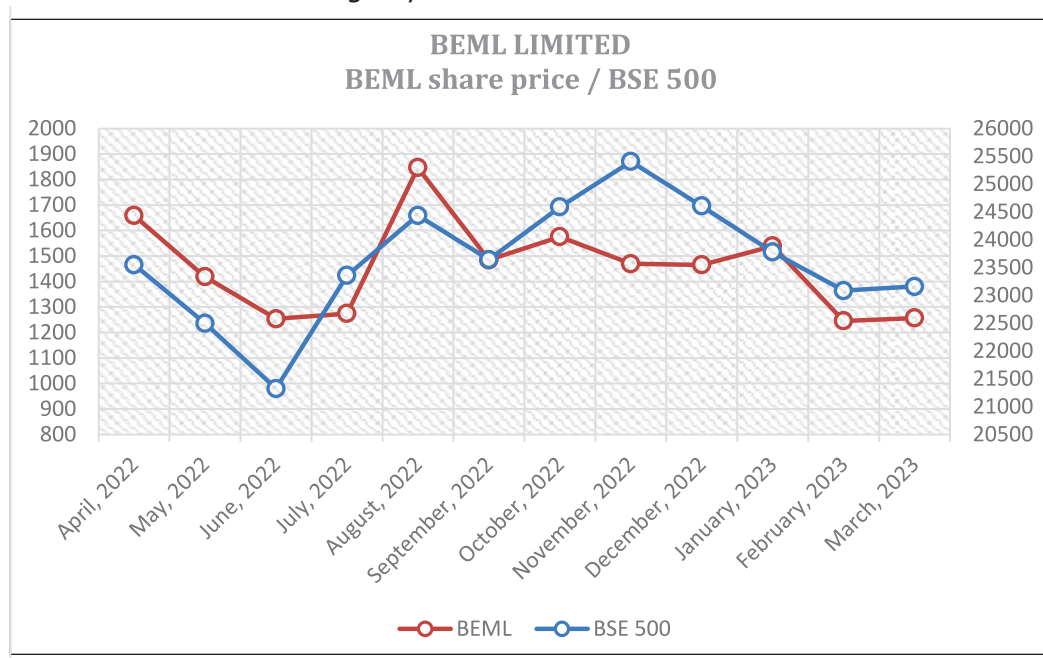
(xii) Market Price Data:

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 500 Index from April 2022 to March 2023:

Month	BSE 500 Index Close	BSE (Rs. per share)		
		High	Low	Close
April, 2022	23551.65	1931.90	1639.00	1658.20
May, 2022	22497.64	1675.50	1188.05	1418.35
June, 2022	21324.54	1442.50	1106.40	1253.65
July, 2022	23359.64	1374.90	1240.00	1274.55
August, 2022	24437.22	1879.00	1281.60	1846.50
September, 2022	23642.46	1933.00	1421.05	1484.85
October, 2022	24589.55	1643.55	1451.10	1575.65
November, 2022	25406.76	1600.85	1463.40	1469.35
December, 2022	24605.78	1584.00	1282.05	1464.80
January, 2023	23778.46	1549.00	1412.45	1539.40
February, 2023	23084.79	1579.75	1228.80	1245.25
March, 2023	23160.01	1285.00	1129.10	1256.70

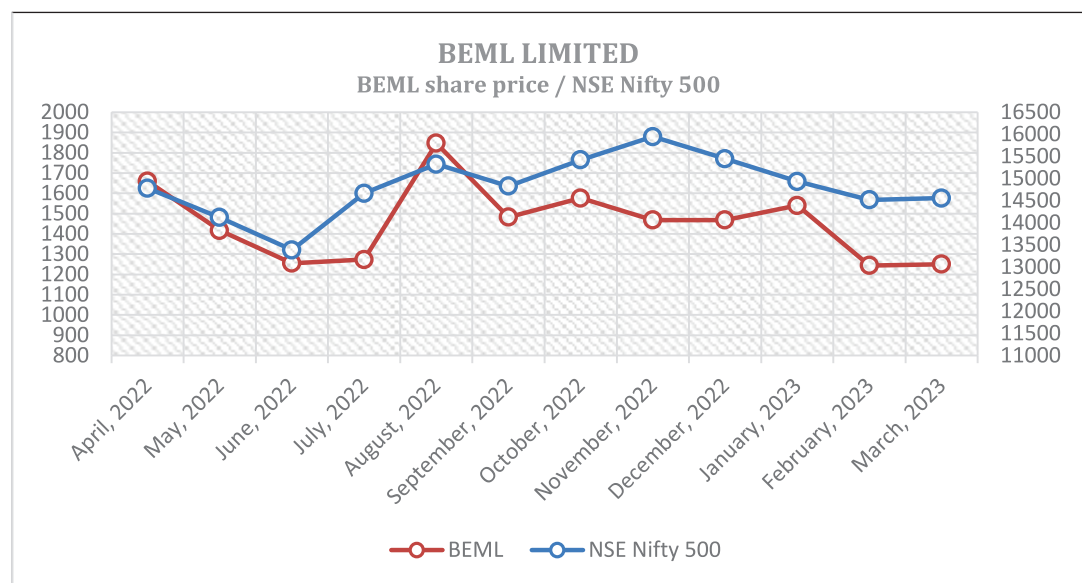
Performance in comparison to broad-based BSE Index based on closing price of last trading day of each month is as under:



(b) BEML Share price on NSE vis-a-vis NSE NIFTY 500 Index from April 2022 to March 2023:

Month	NSE Nifty 500 Index	NSE (Rs.per share)		
	Close	High	Low	Close
April, 2022	14783.35	1933.00	1638.05	1659.85
May, 2022	14119.60	1677.80	1186.65	1416.65
June, 2022	13387.55	1444.10	1107.00	1255.05
July, 2022	14665.65	1374.90	1239.95	1273.05
August, 2022	15325.05	1879.90	1280.95	1847.25
September, 2022	14829.35	1933.95	1444.95	1482.80
October, 2022	15424.00	1642.90	1450.10	1576.10
November, 2022	15946.15	1649.80	1463.00	1468.45
December, 2022	15448.85	1548.90	1306.00	1468.30
January, 2023	14935.50	1549.90	1412.00	1539.75
February, 2023	14518.75	1579.90	1230.00	1243.95
March, 2023	14557.85	1286.90	1128.00	1257.40

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@kfntech.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 31.03.2023:

Sl. No	Description	No. of Cases	Total Shares	% Equity
1	Government of India	1	2,25,00,000	54.03
2	Mutual Funds	33	73,89,915	17.75
3	Resident Individuals	91,471	66,44,197	15.95
4	Foreign Portfolio - Corp	73	22,68,492	5.45
5	Bodies Corporates	959	10,08,312	2.42
6	Qualified Institutional Buyer	25	6,05,332	1.45
7	Non-Resident Indians	1,364	3,68,849	0.88
8	H U F	2,002	2,23,895	0.54
9	Alternative Investment Fund	7	2,15,582	0.52
10	Trusts	17	1,89,148	0.45
11	Non-Resident Indian Non Repatriable	887	1,44,299	0.35
12	I E P F	1	70,811	0.17
13	Other	46	15,668	0.04
	Total	96,886	4,16,44,500	100.00

(xvi) Top 10 shareholders excluding Promoter (President of India) as on 31.03.2023 based on PAN:

Sl. No.	Name of the shareholder	No. of shares	% holding
1	HDFC Trustee Company Limited-HDFC Flexi Cap Fund	37,78,760	9.07
2	Kotak Equity Opportunities Fund	20,24,789	4.86
3	Sundaram Mutual Fund A/C Sundaram Equity Savings Fund	7,35,565	1.77
4	Ashoka India Opportunities Fund	399176	0.96
5	Kuwait Investment Authority Fund F239	373564	0.90
6	Abu Dhabi Investment Authority - Monsoon	358272	0.86
7	National Insurance Company Ltd	353094	0.85
8	Aditya Birla Sun Life Trustee Private Limited A/C	310346	0.75
9	Motilal Oswal Midcap Fund	265637	0.64
10	Mohit Saraf	205835	0.49
	Total	88,05,038	21.15

(xvii) Distribution of shareholding as on 31.03.2023:

Range of equity shares held	No. of Shareholders	% to total holders	No. of Shares	% to total equity
1-5000	94,917	97.97	40,06,109	9.62
5001- 10000	1,129	1.17	8,42,470	2.02
10001- 20000	414	0.43	6,15,839	1.48
20001- 30000	128	0.13	3,19,720	0.77
30001- 40000	60	0.06	2,16,390	0.52
40001- 50000	41	0.04	1,86,006	0.45
50001- 100000	80	0.08	5,78,670	1.39
100001& Above	117	0.12	3,48,79,296	83.75
Total	96,886	100.00	4,16,44,500	100.00

(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 31.03.2023, 4,15,63,624 equity shares of the Company constituting 99.81% are in electronic form leaving a balance of 80,876 shares constituting 0.19% 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) There are no outstanding Bonds/ Debenture/ Commercial Paper at the end of financial year.

(xxiii) During year, company has not raised fund through preferential allotment or qualified institution placement.

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

- (a) M/s Care Ratings have reaffirmed CARE A+; Stable for fund based facilities and CARE A+;Stable & CARE A1+ for non-fund based bank guarantee & letter of credit facilities for an amount of Rs. 5,500 crores (where Rs. 4,500 crores are Secured Working Capital limits and Rs. 1000 crore are Unsecured Working Capital limits).

(b) ICRA & Brickwork Ratings have withdrawn their ratings assigned to company's bank facilities, commercial paper and non-convertible debentures during the year, at the request of the company.

Any change in the credit ratings is being communicated to Stock Exchanges and the same are placed on <https://www.bemlindia.in/investors/credit-rating/>.

(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

(xxvii) Address for correspondence with the Company:

Shri Jai Gopal Mahajan,
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 96,886 shareholders, about 91,073 shareholders constituting about 94% have registered their e-mail IDs as on 31.03.2023 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 31.03.2015 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 31.03.2023 (Rs. in lakhs)</i>	<i>Due for transfer on</i>
2015-16	15.09.2016	6.05	21.10.2023
2016-17	21.09.2017	10.57	27.10.2024
2017-18	26.09.2018	11.59	02.11.2025
2018-19 (Interim)	21.03.2019	6.46	26.04.2026
2018-19 (Final)	26.09.2019	3.30	02.11.2026
2019-20 (Interim)	13.03.2020	4.99	18.04.2027
2019-20 (Final)	25.09.2020	5.30	31.10.2027
2020-21 (Interim)	10.02.2021	5.08	18.03.2028
2020-21 (Final)	24.09.2021	1.12	30.10.2028
2021-22 (Interim)	22.03.2022	3.52	27.04.2029
2021-22 (Final)	23.09.2022	3.62	29.10.2029
2022-23 (Interim)	10.02.2023	4.61	18.03.2030
Total		66.21	

- (xxx) Details of Compliance with mandatory requirements and adoption of non-mandatory requirements

Mandatory Requirements:

The company is in compliance with all the mandatory requirement related to Corporate Governance, except Regulation 17 of Listing Regulation applicable for minimum number of Independent Director in Board.

Non- Mandatory Requirements:

Board: Chairman of Board is Executive Director.

Shareholder rights: Financial Results for Quarterly/ half yearly/ yearly during year 2022-23, were published in English and vernacular language newspaper.

Reporting of Internal Auditor: Internal Auditor report to the Audit Committee.

- (xxxi) 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 website, https://alumni.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 hereunder:

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 31.03.2023.

On behalf of the Board of Directors

*Bangalore
14.07.2023*

*Sd/-
Amit Banerjee
Chairman & Managing Director*

- (xxxii) Compliance with Corporate Governance:

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.

Further, your Company submitted quarterly grading reports on the compliance with the Corporate Governance to MoD. In addition, annual grading report for the FY 2022-23 (average of four quarters) is submitted to MoD with a copy to Department of Public Enterprises. As per the consolidated grading report for the year 2022-23, your Company was rated as 'Excellent' in adhering to the corporate governance standards with a score of about 97.13%, whereas the score for quarter ended 31.03.2023 was 94.74%.

Compliance of the conditions of Corporate Governance have also been audited by a Practising Company Secretaries and after being satisfied of the above compliances, they have issued a compliance certificate in this respect. The said certificate is annexed with this report and the same will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

For and on behalf of the Board of Directors

Bengaluru
14.07.2023

Sd/-
Amit Banerjee
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
**The Members,
BEML LIMITED,
Bengaluru- 560027**

We have examined the compliance of Corporate Governance by BEML LIMITED (CIN: L35202KA1964GOI001530) (hereinafter called 'the Company') having its Registered Office at "BEML SOUDHA" No.23/1, 4TH MAIN, S R NAGAR, BANGALORE, KARNATAKA - 560027, for the Financial Year 2022-23, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The Compliance of Conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the review of procedures and implementation thereof adopted by the Company for ensuring compliance of the conditions of Corporate Governance as stipulated in the said Regulation.

On the basis of our findings from the examination of the records produced and explanations and information furnished to us, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises except:

- a. As per the Regulation 17(1)(a) of SEBI (LODR) Regulations, 2015, the Listed Entity shall have at least One Independent Women Director on its Board. Ms. Balmuri Vanitha, who was an Independent Women Director on the Board of the Company, ceased to be an Independent Director w.e.f. 21.01.2023 on the expiry of her term of office. As on 31st March 2023, the Listed Entity did not have a Women Independent Director on its Board.
- b. Further, Regulation 17(1)(b) of SEBI (LODR) Regulations, 2015, stipulates that where the Listed Entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors. As on 31st March, 2023 the Board of Directors of the Company consisted of 10 Directors, out of which 5 were Executive Directors, including CMD and 5 were Non-Executive Directors (4 Independent Director and 1 Nominee Director). In view of this, the composition of the Board was not in compliance with the provisions of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015.

Since, BEML Limited is a Government Company, the appointment of Directors including Independent Directors is made by the Government of India through Administrative Ministry i.e., Ministry of Defence. The Company is following up with Ministry of Defence on regular intervals for the appointment of Directors including Independent Directors on its Board. Any order/communication in this regard from Ministry is awaited.

- c. The accounts with respect to the joint venture company, M/s BEML Midwest Limited has not been consolidated due to complete cessation of activities as the matter is sub-judice.

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

For VN & Associates

Sd/-

Swayambhu Viswanathan

Place: Bangalore
Date: 11.07.2023

Practicing Company Secretary, C.P. No. 5284
FCS No. 12190, UDIN: F012190E000580758

CEO / CFO CERTIFICATION FOR THE YEAR ENDED 31ST MARCH, 2023

[Pursuant to Regulation 17(8) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Board of Directors
BEML Limited

This is to certify that:

- (A) We have reviewed financial statements and the cash flow statement for the year 2022-23 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (D) We have indicated to the Auditors and the Audit Committee that:
- (1) there are no significant changes in internal control over financial reporting during the year;
 - (2) no significant changes in accounting policies during the year, and
 - (3) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

for BEML Limited

Place : Varanasi
Date :26.05.2023

Sd/-
Anil Jerath
Director (Finance)

Sd/-
Amit Banerjee
Chairman & Managing Director

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 5197 as on 31.03.2023.

Production Units

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

Bangalore Complex: Bangalore Complex manufactures Stainless Steel Metro Cars for the Delhi Metro, Bengaluru Metro, Jaipur Metro, Kolkata Metro and Mumbai Metro etc. The Complex also 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 and Metro

Corporations. Bangalore Complex also manufactures defence products such as Military Rail coaches and Military Wagons. Apart from the above structure for GSLV, LVM3 program are also manufactured here.

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, Wheel 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, Rail Grinding Machines, 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.

Mysore Complex: Mysore 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 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, 15 District Offices and 5 Service Centers across the Country. The Company also establishes temporary Activity Centers at customer locations to support and service equipment. Further, 'Service Training Centers' at KGF Complex and Mysuru Complex are 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 2022-23, Company has exported goods and services to new Country i.e., Cameroon in addition to 69 countries supplied over the years.

Developments & Performance during 2022-23:

As per the provisional estimates of Central Statistical Organization, the growth in real GDP during 2022-23 is estimated at 7.2 percent as compared to 9.1 percent in 2021-22.

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

Defence

- Design and Development of Assembly Fixtures and successful realization of the first structure (Strap on Base Shroud) for GSLV (LVM3), ISRO Program.
- Engineered CEV Stage-IV - compliant Higher emission norms engine for Aircraft Towing Tractor
- Received Raksha 'Srijan Ratn' award for indigenisation during Def Expo 2022.

Mining & Construction

- Executed one of the biggest Mining & Construction exports order to Cameroon valuing around Rs. 160 crore.
- Engineered CEV Stage-IV - compliant Higher emission norms

engine for Motor Graders and Front-End Loaders.

- Hon'ble Raksha Mantri launched AI based operator fatigue monitoring system during "AI in Defence" programme.
- Developed AI based Driver Alcohol Detection System and automation based water sparkling system which are under user trials.
- Received Equipment India Award 2022 for the Category 'Bestseller in Crawler Dozers'.

Rail & Metro

- Indigenously Designed & Developed Driverless Metro for Mumbai Metro line 2A & 7 and the same was dedicated to Nation by Hon'ble PM in January' 2023.
- First train set of Mumbai Metro (MRS1) was inaugurated by Hon'ble CM of Maharashtra for Revenue Service at Mumbai.
- Manufactured Rail Grinding Machine for Indian Railways with M/s LORAM, USA as Technical Partner.

General

- Implemented Industry 4.0 in Hydraulics & Powerline Division in Kolar Gold Fields.
- Received Engineering Export Promotion Council of India (EEPC) 'Quality Award' for Outstanding Performance under PSU Category.
- Conferred with Governance Now 9th PSU Awards in 2 categories a) Leadership Award and b) Research & Innovation.

- Company received Awards for the categories 'Diamond' - Corporate Film, 'Gold' – a) Best Book Production – BEML's Journey since 1964
b) Most creative ad and 'Silver'- In-house Journal Corporate Note Book from Public Relations Council of India (PRCI).

(ii) Strengths and Weakness:

Strengths

- Established manufacturing infrastructure and knowledge base.
- Established R&D base with dedicated test facilities. Over 76% of Sales is thru R&D developed products.
- Capability to design & manufacture high-end Mining equipment.
- Expertise in Heavy Fabrication and Machining/ manufacturing of Stainless Steel Coaches, Metro Cars, EMUs, etc.
- More than 73% 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 and PSUs.

- Green Company – Use of Renewable energy sources.
- Good Brand value, large Customer base and Work Ethics Culture.
- Long-term commitment to customers.

Weakness

- Depletion of Skilled Manpower & Ageing Workforce.
- No assured business from GoI unlike some of the other DPSUs.
- Uncertainty in orders for Rolling stock from Indian Railways.

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

- To advance and strengthen the abilities of Indian Army, the modernization budget has been increased by 48.6 per cent in 2023–24 (Budget Estimate), as against 2021–22 (Actual), from Rs 20,231 crore to Rs 30,063 crore.
- Growing opportunities in Maintenance, Repair, Overhaul and Upgrade programs.
- 'Make in India' policy of Government of India and 'promulgation of four positive lists' would benefit Indian defence industry boosting Indigenous production.
- Also, to reduce import dependence and modernise Defence Forces with our home-grown technology, the Government has gradually increased the domestic industry's capital procurement budget.

- MoD is embarking on procurement of major weapon platforms/equipment for which BEML has requisite capability.
- Thrust on Exports thru LoC for Defence Products.
- Withdrawal of OEMs from select Asian countries as a manufacturing base.

Mining & Construction:

- Coal India plan to achieve 1 billion tonnes coal production by FY 2024-25, thereby creating requirement of higher capacity equipment
- Increased thrust by Government in infrastructure development and exports.
- Introduction of Artificial Intelligence features on Mining equipment
- Emission compliant CEV stage IV engines for construction equipment.
- Boom in construction equipment market.
- Growth in equipment rental market.

Rail & Metro:

- Indian Railways have allocated Rs. 37,581 crores for purchasing rolling stock during 2023-24 which is more than double the revised estimates of 2022-23.
- Expansion of railway network and increased demand of Electric Multiple units in suburban routes.
- Introduction of Vande Bharat trains.
- Extension of existing Metro networks in Tier-I & Tier-II cities. New metro projects are planned.

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

New Areas:

- New Opportunities in Aerospace Business and ISRO.
- Unmanned ground vehicles.
- Unmanned Aerial Vehicles (UAVs).
- Manufacture of Fixed wing aircraft and Helicopter Aggregates.
- Demand for high end Electric Drive Dump Trucks, Excavators and Bull-Dozers.
- AI and Robotics enabled systems.
- 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.
- Export opportunities.

Threats

- Technology leaders operating directly in India.
- Difficulty in sourcing of few critical aggregates and technologies.
- 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.

(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 audit 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:

Defence & Aerospace:

The steps 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 ecosystem would undoubtedly open various opportunities for the domestic sector. The call for Atmanirbhar Bharat has provided further impetus to realise the goal of self-reliance.

With the increased defence modernization plans for 2023-24 procurement of High Mobility Vehicles for various projects is under pipeline by MoD. BEML Limited has also entered into MoUs with strategic partners for emerging Defence & Aerospace procurement opportunities. Also new areas of Business viz. overhauling of Recovery/ High Mobility Vehicles, De-mining equipment, Vehicles for gun systems, etc. will also add numbers in top-line.

Further, BEML is making all out 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/ Private Sectors for supply of High Mobility Vehicles and aggregates for various Missile Programmes and Aerospace components.

Mining & Construction:

With GoI impetus on ending the import of mining equipment and increase in annual output to 1 billion tonnes by 2024, from 893 million tonnes currently, the demand for 'Made in India' Heavy Mining equipment is on the rise. Also, India is looking to boost its coal output in the next two-to-three years by restarting closed mines and through project specific SPV & integrated planning. The construction equipment market outlook is prospering.

Also, with current geo-political situation, CIS countries are looking forward to Indian Companies in order to meet their requirement.

With the above coal production plan, infrastructure development plans and enhancement in exports, the demand for Mining & Construction equipment is expected to be robust in ensuing years. All strategies are in place to grasp the business.

Rail & Metro:

With augmented Capital expenditure earmarked by Indian Railways and upcoming requirements of Vande Bharat coaches & maintenance equipment, BEML is ready to address the requirement.

Further, Metro Rail is extending to Tier-II cities in the Country and BEML is optimistic about getting orders for upcoming Metro Car projects.

Also, the increased demand of sub-urban trains i.e. Electric Multiple Units and upcoming tenders thereon will positively contribute to Company's topline.

Exports:

On export front, major order from Cameroon for supply of construction equipment consisting of Bulldozers, Excavators, Wheel Loaders, Motor graders and Compactors. have been completed during January' 2023. Further, the Company has bagged export orders from Russia for which supplies will be made in FY 2023-24. Additionally, order from Indonesia for supply for 10 number of Motor Grader has been received and will be executed during current year.

Also, the Company has received order from M/s BrahMos to supply 09 number of Prime movers for export to Philippines as part of BrahMos Missile system. BEML is part of the subject export deal and advance efforts are being made to meet the delivery requirements of M/s BrahMos.

The Company is working on various business opportunities in Defence, Mining & Construction and Rail & Metro segments in SAARC and Africa.

BEML has registered with Defence Portals of Foreign Countries like Philippines, Korea and Singapore. With above strategy, BEML is looking for opportunities to export 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 in addition to export of Mining & Construction equipment.

(vi) Challenges, Risks and Concerns:

The major challenges to the Company are:

- Supply Chain Disruptions
- Enhancing exports
- Competitive Environment
- Dumping price strategy adopted by global player for Mining & Metro projects
- 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
- Cybersecurity
- Retention of Talent

(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 Auditor 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:

(₹ crore)

<i>Particulars</i>	2022-23	2021-22
a. Revenue from Operations (Incl of other operating Income)	3899	4337
b. Revenue from Operations (Sale of product & services)	3839	4143
c. Value of Production	3802	3993
d. Profit before Depreciation, Interest and Tax	389	321
e. Finance costs	46	49
f. Depreciation and amortization expense	64	66
g. Profit Before Tax	279	206
h. Tax Expense	120	71
i. Profit after Tax	159	135
j. Other Comprehensive Income	(19)	(27)
k. Total Comprehensive Income	140	108
l. Networth	2395	2307
m. Inventory	2061	2073
n. Trade Receivables (Net)	1237	1861
Total Inventory in no. of days of VoP	198	189
Trade Receivables/ Revenue from Sale of Products and services (including GST)	99	142
Profit before Tax to Revenue from operations (%)	7.15%	4.74%
Profit after Tax to Networth (%)	6.63%	5.84%

* GST on Revenue from Operations in FY 2022-23 is ₹710 crore and in FY 2021-22 is ₹653 crore.

Your Company achieved Revenue from Operations of ₹ 3899 crore as against ₹4337 crore in the previous year, down by 10%. Value of Production is ₹3802 crore as against ₹3993 crore in the previous year, down by 4.78%. With increased business and continued focus on cost control, your Company registered a Profit before Tax of ₹279 crore as against Profit before Tax of ₹206 crore in the previous financial year, up by 35.41%.

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 31.03.2023 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 therefore, including:

	Key Financial ratio	2022-23	2021-22	% Change	Explanation
(i)	Debtors Turnover	2.94 times	2.56 times	14.84	--
(ii)	Inventory Turnover	1.86 times	2.05 times	-9.27	--
(iii)	Interest Coverage Ratio	7.02 times	5.17 times	35.78	Increase in profits
(iv)	Current Ratio	2.39 times	2.39 times	--	--
(v)	Debt Equity Ratio	0.15 times	0.36 times	-58.33	Decreased in borrowings
(vi)	Operating Profit Margin (%)	7.72%	5.73%	34.73	Increase in operating profit
(vii)	Net Profit Margin (%)	4.07%	3.10%	31.29	Increase in 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	2022-23	2021-22	% Change	Explanation
Return on net worth	6.64%	5.85%	13.50%	Increase in profits

(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

Bengaluru
14.07.2023

Sd/-
Amit Banerjee
Chairman & Managing Director

Annexure-V

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Section A: General Disclosures

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L35202KA1964GOI001530
2.	Name of the Listed Entity	BEML Limited
3.	Year of incorporation	1964
4.	Registered office address	BEML Soudha, 23/1, 4th Main, S R Nagar, Bengaluru – 560027
5.	Corporate address	BEML Soudha, 23/1, 4th Main, S R Nagar, Bengaluru – 560027
6.	E-mail	cs@beml.co.in
7.	Telephone	080-22963211
8.	Website	www.bemlindia.in
9.	Financial year for which reporting is being done	2022-23
10.	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11.	Paid-up Capital	₹ 41,64,45000
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	1. Shri Amit Banerjee Designation - Chairman & Managing Director and Director (Rail & Metro) – Addl. Charge Telephone – 080-22963111 Email ID – coord@beml.co.in 2. Shri Ajit Kumar Srivastav Designation – Director (Defence Business) Telephone – 080-22963114 Email ID – office.dd@beml.co.in 3. Shri Jai Gopal Mahajan Designation – Chief General Manager (Finance) and Company Secretary Telephone – 080-22963177 Email ID – cs@beml.co.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone

II. Product/ Services

14. Details of business activities:

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing of Mining & Construction Products	Manufacturing, Supplying & after sales- service of Mining & Construction Products for Open Cast Mines, Construction segment and for exports requirements	50%
2.	Manufacturing of Rail & Metro Products	Manufacturing & Supplying Metro cars to Mumbai Metropolitan Regional Development Authority and Delhi Metro Rail Corporation and Maintenance Vehicles to Indian Railways	27%
3.	Manufacturing of Defence Products	Manufacturing, Supplying & after sales- service of High Mobility Vehicle for various applications, Recovery Vehicles, Aerospace components and Tank aggregates to Defence Services and other DPSUs/ Private players.	23%

15. Products/ Services sold by the entity:

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Dozers/ Dump Trucks/ Excavators/ Loaders/ Water Sprinklers	28243	50%
2.	Metro Cars/ Maintenance equipment	30202	27%
3.	High Mobility Vehicles, Armoured Recovery Vehicles, Aerospace components, Mine ploughs & Tank aggregates	30400	23%

III. Operations

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

Location	Number of Plants	Number of offices	Total
National	4	39	43
International	-	-	-

17. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No. of States)	States - 28 Union Territory - 8
International (No. of Countries)	70

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

During the FY 2022-23, the contribution of exports (including deemed exports) as a percentage of the total turnover is 21.29%.

c. A brief on types of customers

As BEML Limited operates under three Business Verticals i.e., Defence & Aerospace, Mining & Construction and Rail & Metro, we supply our products for core sectors of economy. Our domestic customers include Ministry of Defence, Ministry of Railways, Coal India Limited, Defence Public Sector Units, Indian Space Research Organisation, Defence Research & Development Organisation, Metro Rail Corporations i.e. Delhi, Bengaluru, Kolkata, Mumbai, Jaipur, CPSEs and large private sector entities.

Also, our overseas customers typically are national governments, governmental instrumentalities and large private sector entities across the globe.

IV. Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1826	1702	93.21%	124	6.79%
2.	Other than Permanent (E)	82	69	84.15%	13	15.85%
3.	Total employees (D + E)	1908	1771	92.82%	137	7.18%
WORKERS						
4.	Permanent (F)	3277	3184	97.16%	93	2.84%
5.	Other than Permanent (G)	12	12	100.00%	0	0.00%
6.	Total workers (F + G)	3289	3196	97.17%	93	2.83%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	31	28	90.32%	3	9.68%
2.	Other than Permanent (E)	0	0	0.00%	0	0.00%
3.	Total differently abled employees (D + E)	31	28	90.32%	3	9.68%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	80	75	93.75%	5	6.25%
5.	Other than Permanent (G)	0	0	0.00%	0	0.00%
6.	Total differently abled workers (F + G)	80	75	93.75%	5	6.25%

19. Participation/ Inclusion/ Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	0*	0*
Key Management Personnel	3	0	0

*Smt. Balmuri Vanitha ceased to be Woman Independent Director w.e.f. 21.01.2023.

20. Turnover rate for permanent employees and workers:

	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	3.00%	4.03%	3.07%	2.51%	2.36%	2.50%	1.14%	0.00%	1.06%
Permanent Workers	0.13%	0.00%	0.12%	0.08%	2.04%	0.14%	0.10%	0.00%	0.10%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding/ subsidiary/ associate companies/ joint ventures:

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Vignyan Industries Limited	Subsidiary	96.56	No
2.	MAMC Industries Limited	Subsidiary	100	No
3.	BEML Midwest Limited	Joint Venture	45	No

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in ₹) = 3839.19 Crores

(iii) Net worth (in ₹) = 2395.14 Crores

VII. Transparency and Disclosures Compliances

23. Complaints/ Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://pgportal.gov.in/	22	1	Through CPGRAM portal	91	1	Through CPGRAM portal
Investors (other than shareholders)	NA	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes https://www.bemlinda.in/investors/online-investor-complaints/	16	0	-	31	0	-
Employees and workers	Yes https://www.bemlinda.in/wp-content/uploads/2023/05/Whistle_Blower_Policy.pdf	Nil	Nil	-	Nil	Nil	-
Customers	Yes	1724	11	Complaints are being received through E-Mail and Telecom. Presently, Customer complain Mobile and Web app is under Development.	1810	17	Complaint are being received through E-Mail and Telecom.
Value Chain Partners	Yes https://www.bemlinda.in/suppliers	Nil	Nil	"Grievance redressal" chapter is available in company's Purchase Manual	Nil	Nil	"Grievance redressal" chapter is available in company's Purchase Manual
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

24. Overview of the entity's material responsible business conduct issues:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Manufacturing of High-end Dump Trucks and Excavators for application at Mines	O	BEML Limited has designed & developed electrical excavator and electric drive dump trucks.	-	Positive
2.	Manufacturing of Construction equipment	O	BEML Limited is also supplying construction equipment with CEV Stage-IV emission compliant engines. Also, Dual Fuel (LNG + Diesel) is being introduced in one of our Dump Truck in association with M/s. GAIL and M/s. CIL. The Dump Truck will operate 30% on Dual Fuel and 70% on Diesel.	The Company is also developing emission compliant engines for Mining equipment.	Positive
3.	Retention of talent	R	Superannuation of skilled labour and attrition of specialized employees	The Company is providing training to its manpower on continuous basis. Also, the Company is adopting a flexible policy for engagement of people with required skill set on regular/ contractual/ project-based assignments on case-to-case basis.	Negative

Section B: General Disclosures

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
c. Web Link of the Policies, if available	https://alumni.bemlindia.in/writerreaddata/Downloads/20170807074332BEML_CoC.pdf	https://www.bemlindia.in/wp-content/uploads/2023/06/SD_Policy.pdf	https://www.bemlindia.in/wp-content/uploads/2023/05/Whistle_Blower_Policy.pdf	https://www.bemlindia.in/wp-content/uploads/2023/06/SD_Policy.pdf	https://www.bemlindia.in/wp-content/uploads/2023/05/Whistle_Blower_Policy.pdf	https://www.bemlindia.in/wp-content/uploads/2023/06/SD_Policy.pdf	https://www.bemlindia.in/wp-content/uploads/2023/06/SD_Policy.pdf	https://alumni.bemlindia.in/writerreaddata/Downloads/202105141405Corporate%20Social%20Responsibility%20(CSR)%20Policy.pdf	https://www.bemlindia.in/wp-content/uploads/2023/06/Cyber_Security_Policy.pdf
2. Whether the entity has translated the policy into procedures. (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fair trade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001 - 2015 ISO 14001 - 2015 BS OHSAS 18001 - 2017 AS9100C - For Aerospace & Space components/ aggregates								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	To become a "Green Company"								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Installed 23MW Wind Mill Power Plants and 250 KWp Roof Top Solar Power Plant for captive consumption. Further efforts are being made to minimize losses and improve efficiency of electrical appliances used. Promoting the solar energy for captive use.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	The Company has sincere concerns regarding ESG and is making all efforts to mitigate ESG related challenges.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Shri Amit Banerjee, Chairman & Managing Director Phone No: 080 -22963111 Email: coord@beml.co.in								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/ No). If yes, provide details.	Yes, Board of Directors collectively take decisions on sustainability related issues periodically. There is Corporate Social Responsibility and Sustainability Committee chaired by Independent Director which monitors all issues including ESG.								

10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half Yearly/ Quarterly/ Any other)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Relevant committee(s)									Regularly								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board periodically reviews the compliance of all the principles and rectification on non-compliance (if any).									Periodically								
	P1	P2	P3	P4	P5	P6	P7	P8	P9									
11.Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	Yes, various regulatory bodies, auditors and agencies evaluate these policies from time to time. During FY 2022-23, all the policies related to ESG have been reviewed by M/s Care Edge.																	
12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:																		
Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9									
The entity does not consider the Principles material to its business (Yes/No)	NA																	
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA																	
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	NA																	
It is planned to be done in the next financial year (Yes/No)	NA																	
Any other reason (please specify)	NA																	

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	3	Principle 1	30%
Key Managerial Personnel	2	Principle 1	33%
Employees other than BoD and KMPs	130	Principle 1, 2, 3 & 8	39.78%
Workers	29	Principle 1, 2, 3 & 8	35.88%

In line with Clause 3.7 of the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, issued by Government of India, Department of Public Enterprises (DPE) and requirement of regulation 25(7) of the SEBI (LODR) Regulations, 2015 with regard to training of Directors, the Company conducts Induction Training and familiarization programs for Executive/ Non-Executive Directors from time to time. The Board members are having wide experience in the field of business, industry, commerce and legislations. Their presence on the Board is advantageous in arriving at strategic decisions. The details of familiarization/ training programmes organized by the Company are available at web-link: - https://www.bemlindia.in/wp-content/uploads/2023/06/Training_ID.pdf

2. Details of fines/ penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Penalty/ Fine	NA	NA	Nil	NA	NA
Settlement	NA	NA	Nil	NA	NA
Compounding Fee	NA	NA	Nil	NA	NA

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Brief of the Case	Has an appeal been preferred? (Yes/ No)
Imprisonment	NA	NA	Nil	NA	NA
Punishment	NA	NA	Nil	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has Whistle Blower Policy and suitable provisions have been incorporated in BEML Conduct, Discipline and Appeal Rules, 2019 and the Company follows certified Standing Orders, 1969 to deal with corruption cases. The company has also adopted Integrity pact. https://www.bemlindia.in/wp-content/uploads/2023/05/Whistle_Blower_Policy.pdf

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

	FY 2022-23	FY 2021-22
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

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

	FY 2022-23		FY 2021-22	
	Number	Remark	Number	Remark
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics/ Principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
16	Indigenization, alternate parts development, vendor registration etc.	100%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. All the board members are required to provide the details of related entities to identify the related party transaction. Besides, they are required to disclose the conflict of interest, if any.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year (2022-23)	Previous Financial Year (2021-22)	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Nil
Capex	3.20%	2.01%	The investment pertains to Land, for development of 18MW and 5 MW Wind Mill projects, which is reducing the carbon emission. In realizing the goal of "Go Green", the energy requirement of the company is being met through "Green Energy" resulting in mitigation of Carbon footprint.

2. a. Does the entity have procedures in place for sustainable sourcing?

The Company has put in place a well-devised procedure for sustainable sourcing. Company has a well-documented Purchase Manual. This Manual has been placed on the Company's website link

<https://alumni.bemlindia.in/writereaddata/Downloads/Purchase%20Manual%20-2022.pdf>

that helps in sourcing the input for operations and business activities in a steady, continuous, and sustainable manner. The Company has policies of long-term contracts and rate-contracts.

BEML Limited 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 to become World's clean energy capital.

b. If yes, what percentage of inputs were sourced sustainably?

During the year 2022-23, 91% of energy requirement of BEML Limited was met through “Green Energy” projects viz. 23MW Windmill Projects, 250KWp Solar Power etc., resulting in mitigation of around 24,823 tons of carbon.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

BEML Limited has well established mechanism to channelize for disposal of waste generated during the manufacturing of product/ equipment through authorized recyclers/ handlers to respective pollution control approved agencies. In addition, left out food waste used for generation of Biogas in the Biogas plant is in turn used for light cooking application. Further, the Company has coolant recycle plant used for subsidizing 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. e-waste Disposal across all complexes are being done from centralized location.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

Not Applicable

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

The Company have not carried out Life Cycle Perspective/Life Cycle Assessment for the products.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/ services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable.

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Company's manufacturing processes generate a fair amount of metal scrap, however various engineering measures are taken to minimize waste generation. Reusable material is also used in packaging manufactured goods. The value of such recycled/reused items is not being captured at the moment

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1702	Nil	Nil	1702	100%	NA	NA	NA	NA	NA	NA
Female	124	Nil	Nil	124	100%	124	100%	NA	NA	124	100%
Total	1826	Nil	Nil	1826	100%	124	6.79%	NA	NA	124	6.79%
Other than Permanent employees											
Male	69	69	100%	NA	NA	NA	NA	NA	NA	NA	NA
Female	13	13	100%	NA	NA	13	100%	NA	NA	13	100%
Total	82	82	100%	NA	NA	13	15.85%	NA	NA	13	15.85%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	3184	Nil	Nil	3184	100%	NA	NA	NA	NA	NA	NA
Female	93	Nil	Nil	93	100%	93	100%	NA	NA	NA	NA
Total	3277	Nil	Nil	3277	100%	93	2.84%	NA	NA	NA	NA
Other than Permanent workers											
Male	12	12	100%	NA	NA	NA	NA	NA	NA	NA	NA
Female	Nil	Nil	Nil	NA	NA	NA	NA	NA	NA	NA	NA
Total	12	12	100%	NA	NA	NA	NA	NA	NA	NA	NA

2. Details of retirement benefits

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	Nil	Nil	NA	Nil	Nil	NA
Others - BEML executive superannuation pension scheme	100%	Nil	Y	100%	Nil	Y

3. Accessibility of workplaces

Are the premises/ offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Company has provided accessible facility to differently abled employees and workers in the premises/ offices of the Company as per applicable Act.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

In reference to Rights of Persons with Disabilities Act, 2016, a committee has been formed by the company for the purpose, which have identified positions under Group 'A', Group 'B' & Group 'C' suitable for employing personnel with disability. Under the open recruitment's cycles, BEML offers opportunities to the personnel with disabilities to apply and get selected against such identified positions.

In terms of various provisions, the 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.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

The Company has no parental leave facility.

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

The Company has Grievances redressal mechanism covered under the certified standing order GB No.278 dated 12-5-1976 by which a complaint affecting an Individual workman is considered in regard to payment of wages, overtime, leave, transfer, promotion, seniority, work assignment, working conditions, designation, non-extension of any welfare amenity or benefit due under the rules, but does not include representations concerning matters of policy and grievances arising out of punishments imposed in accordance with the Certified Standing Orders of the Company.

Further, the Officers can seek redressal of grievance arising out of the implementation of the policies/ rules or decisions of the Management. It includes matters relating to leave, increment, officiating/ acting arrangement, Seniority, Work assignment, non-extension of any welfare amenity or benefit due under the Company's rules, interpretation of service rules, etc., of an individual nature.

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

Category	FY 2022-23			FY 2021-22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association (s) or Union (B)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of association (s) or Union (D)	% (D / C)
Total Permanent Employees	1826	1826	100%	1878	1878	100%
- Male	1702	1702	100%	1751	1751	100%
- Female	124	124	100%	127	127	100%
Total Permanent Workers	3277	3277	100%	3644	3644	100%
- Male	3184	3184	100%	3546	3546	100%
- Female	93	93	100%	98	98	100%

8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	974	44	4.52	931	95.59	2039	183	8.97	1856	91.03
Female	170	36	21.18	134	78.82	237	40	16.88	197	83.12
Total	1144	80	6.99	1065	93.09	2276	223	9.80	2053	90.20
Workers										
Male	934	74	7.92	860	92.08	1945	564	29.00	1381	71.00
Female	36	10	27.78	26	72.22	92	20	21.74	72	78.06
Total	970	84	8.66	886	91.34	2037	584	28.67	1453	71.33

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

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	800	294	36.75%	808	361	44.68%
Female	42	17	40.48%	52	21	40.38%
Total	842	311	36.94%	860	382	44.42%
Workers						
Male	553	553	100%	866	866	100%
Female	19	19	100%	23	23	100%
Total	572	572	100%	889	889	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

An occupational health and safety management system has been implemented by the Company which covers all employees and workers.

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

The Company identify department wise hazardous areas and non-hazardous areas. The instructions related to how to work/ operate in the such areas are informed/ displayed to the employees/ workers.

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

Yes

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company provides non-occupational medical and healthcare services for all employees/ workers.

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

Safety Incident/ Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.40	2.14
	Workers	0.06	0.92
Total recordable work-related injuries	Employees	1	3
	Workers	1	1
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

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

The Company provides a healthy and safe environment to all employees and interested parties, comply with all applicable legal and regulatory requirements, conserve natural resources and initiate and achieve energy saving, minimize process waste, promote recovery, reuse and recycling of material and develop eco-friendly waste disposal practices, improve to minimize environmental health and safety hazards and hazardous process and train & build awareness among all employees on Employee Health and Safety (EHS) issues on a continuous basis.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	NA	Nil	Nil	NA
Health & Safety	Nil	Nil	NA	Nil	Nil	NA

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	NA
Working Conditions	NA

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

All possible safety measures have been taken as per the applicable Acts which are monitored by Safety officer and Safety Committee functioning at respective Complex/ Division.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, the Company has extended life insurance or compensatory package in the event of death of employees and workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The company ensures that statutory dues have been deducted and deposited in respect of contract labour.

3. Provide the number of employees workers having suffered high consequence work related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Employees	Nil	Nil	NA	NA
Workers	Nil	Nil	NA	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, Management continuously provides training programs on skilling, re-skilling, up-skilling & refresher courses for all of its employees so as to improve their efficiency while on job and also make them employable after superannuation. Such employees are also engaged post-superannuation based on their area of proficiency as per the company's policies in this regard.

Management also provides training to the superannuating employees to enable them to plan their post superannuation life in a better manner such as on Financial Management and Health Management i.e. on Yoga, Meditation, how to prevent age related health issues, food habits etc.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% in respect of contract labour by Government Labour Department through the contractors
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Applicable Health & Safety Measures have been taken for contract labourers.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

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

Based on the experience, the Company has mapped its internal and external stakeholders which includes (i) Government & Regulatory authorities. (ii) Customers (iii) Suppliers (iv) Investors (v) Employees (vi) Local Community and other stakeholders

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, News paper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/ others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Annual General Meeting, email, social media, print media, press release	Annual, Quarterly, Regular	Understanding Shareholders expectations and Providing guidance on future prospects of the company
Investors	No	Investor/ Analyst Meet, email, Exhibitions, social media, print media, press release	Annual, Quarterly, Regular	Engagement with investors to brief on financial performance of the company and clarifying on their observations, providing guidance to the investors during the meeting
Customers	No	Personal Meetings and virtual communications, social media, email, website, SMS, Advertisement, Exhibitions, press release	Continuous	Understanding customer requirement and feedback and creating awareness about varied segments
Employees	No	Sampark/ BEML Connect Portal, Management Communication, Periodic employees meet, email, Video Conferences, one-on-one counselling, social media, press release, surveys	Continuous	Employee engagement, Performance Management, Career Management, Employee feedbacks, suggestions, reviews and grievance redressal
Vendor/ Contractor	No	Vendor Meet, email, calls, vendor events, social media, press release	Continuous	Vendor engagement, their feedback, suggestions, reviews and grievance redressal
Communities	Yes	CSR activities, social media, Site visits, press release	Continuous	Sustainable Development
Regulators	No	Written communication, Conferences, Seminars, Surveys, Website, social media	Continuous	Ensure Compliance and providing inputs for policy development to various authorities

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Periodic Stakeholders' Relationship Committee meeting are being held and the same is being apprised to Board.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

As per the inputs provided by stakeholders in meetings and various forums, policies are being framed and modified by the company.

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

No such concern has been received or observed during the year.

The CSR policy of BEML Limited covers CSR Projects/ Programmes preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment. Many projects related to infrastructure development, education and healthcare have been undertaken in remote areas mainly populated with disadvantaged groups. The Company has carried out baseline survey and need assessment around a few of its areas of operation to have greater insight into the needs of the community through structured interactions and feedbacks.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

- 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/ A)	Total (C)	No. of employees/ workers covered (D)	% (D/ C)
Employees						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total Employees	Nil	Nil	Nil	Nil	Nil	Nil
Workers						
Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Other than permanent	Nil	Nil	Nil	Nil	Nil	Nil
Total Workers	Nil	Nil	Nil	Nil	Nil	Nil

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

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1826	0	0	1826	100	1877	0	0	1877	100
Male	1702	0	0	1702	100	1750	0	0	1750	100
Female	124	0	0	124	100	127	0	0	127	100
Other than permanent	82	0	0	82	100	36	0	0	36	100
Male	69	0	0	69	100	20	0	0	20	100
Female	13	0	0	13	100	16	0	0	16	100
Workers										
Permanent	3277	0	0	3277	100	3644	0	0	3644	100
Male	3184	0	0	3184	100	3546	0	0	3546	100
Female	93	0	0	93	100	98	0	0	98	100
Other than permanent	12	0	0	12	100	16	0	0	16	100
Male	12	0	0	12	100	16	0	0	16	100
Female	0	0	0	0	100	0	0	0	0	100

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)	3	39,39,291	Nil	Nil
Key Managerial Personnel	Nil	Nil	Nil	Nil
Employees other than BoD and KMP	1,662	15,14,723	121	14,69,622
Workers	3,210	8,29,177	93	9,41,212

Note:

1. Data collated for those who were on regular roll for entire financial year 2022-23.
2. Annual gross salary has been considered.

3. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, BEML has a Nodal Officer to address the human rights impacts or issues caused or contributed by the business raised through CPGRAMS Portal and other sources, which are addressed promptly and appropriately.

4. Describe the internal mechanisms in place to redress grievances related to human rights issues.

There are several committees constituted to redress the grievances of employees including the human rights issues. In BEML, we are following "Open Door Policy" i.e. an employee can register their grievances to the higher management if he/she do not want to register it with the respective committees or not satisfy with the decision of the respective committees.

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

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	NA	1	0	Nil
Discrimination at workplace	Nil	Nil	NA	Nil	Nil	NA
Child Labour	Nil	Nil	NA	Nil	Nil	NA
Forced Labour/ Involuntary Labour	Nil	Nil	NA	Nil	Nil	NA
Wages	Nil	Nil	NA	Nil	Nil	NA
Other human rights related issues	Nil	Nil	NA	Nil	Nil	NA

6. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has grievance redressal mechanism, compliant handling policy and whistle blower policy to protect the complainant. The whistle blower policy is available at https://www.bemlindia.in/wp-content/uploads/2023/05/Whistle_Blower_Policy.pdf

7. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, Human Rights requirements are part of the Business Agreements and Contracts. BEML has strict policy against Child Labor and Bonded Labor which is stipulated in the Tender Conditions and also ensures timely payment of wages to the employees and contractual engagements.

8. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The relevant authorities under Central Government Labour Acts inspects and monitors labour related compliances at Complex or Division.
Forced/ involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

9. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 8 above.

Not Applicable

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/complaints.

The Company has not received any human rights related grievance/ complaints. However, company is following proactive approach towards changing/ modifying the Business Processes, if required, to address any Human Rights related issues which comes to the notice of the management.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company is conducting periodical Audits and due-diligence to ensure the observance of Basic Human rights. An HR Audit was conducted around three years back to have an overall perspective of employees wellbeing and satisfaction.

3. Is the premise/ office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Most of the contractual provisions facilitate assessment of value chain partners on these parameters. Further, Central Labour Department authorities are assessing these parameters of the contract labours through the contractor(s).
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

There were no significant risks/ concerns arising from human rights assessment.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicatorse

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

Parameter	FY 2022-23 (in MJ)	FY 2021-22 (in MJ)
Total electricity consumption (A)	5,05,90,853	5,87,20,494
Total fuel consumption (B)	60,35,578	66,94,435
Energy consumption through other sources (C)	5,02,20,000	4,93,20,000
Total energy consumption (A+B+C)	10,68,46,431	11,47,34,929
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (MJ / Rs.)	0.0028	0.0028
Energy intensity (MJ/ Rs. in Crores)	27830.46	27693.88

Note: No independent assessment/ evaluation/ assurance has been carried out by an external agency.

2. Does the entity have any sites/ facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company is not identified as designated consumer (DC).

3. Disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Ground water	2,12,430	2,06,600
(iii) Third party water	1,39,413	1,18,267
(iv) Seawater/ desalinated water	0	0
(v) Others	1,29,056	1,26,452
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,80,899	4,51,319
Total volume of water consumption (in kilolitres)	4,80,899	4,51,319
Water intensity per rupee of turnover (Water consumed/ turnover) (KL/ Rs.)	0.00001	0.00001
Water intensity (KL/ Rs. in Crores)	125.26	108.94

Note: No independent assessment/ evaluation/ assurance has been carried out by an external agency.

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

The Company has installed 900 KLD (Kilo Litre Discharge Per Day) Sewage Treatment Plant (STP) for the treatment of waste water and 6 KLD Effluent Treatment Plant (ETP) for treatment of effluent. The treated water meets the requirement and reused for gardening.

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

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	µg/m ³	22.50	21.80
SOx	µg/m ³	16.98	15.40
Particulate matter (PM)	µg/m ³	71.54	70.56
Persistent organic pollutants (POP)	-	Nil	Nil
Volatile organic compounds (VOC)	-	Nil	Nil
Hazardous air pollutants (HAP)	-	Nil	Nil
Others – Carbon Monoxide	µg/m ³	0.24	0.25

Note: Yes, emission tests have been carried out by external agencies, namely M/s Hubert Enviro Care Systems Pvt Ltd, Chennai which is approved by MoEF&CC, M/s Madhav & Associates, Kolar who is one of the Karnataka Pollution Control Board authorized agency and M/s Standard Environmental & Analytical Laboratories, Cochin who is one of the Kerala Pollution Control Board authorized agency.

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

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	26099	25968
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5305	5908
Total Scope 1 and Scope 2 emissions per rupee of turnover	MT/ Rs.	0.0000008	0.0000008
Total Scope 1 and Scope 2 emissions per crore rupee of turnover	MT/ Rs. in Crores	8.18	7.69

Note: No independent assessment/ evaluation/ assurance has been carried out by an external agency.

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

Yes, the Company had implemented the Energy Conservation Projects like replacement of conventional MHL/ CFL fittings with LED lights, replacement of obsolete split ACs with energy efficient inverter ACs, installation of Solar water heaters, usage of energy efficient equipments like inverter-based Welding machines, VFD based welding manipulators, Solar Power plant etc. Further, Energy Efficiency and Energy Conservation measures have been implemented like IE3

Rating motors with VFD and BEEE 5 Star rating appliances are being used. The Company also has 5 MW wind energy plant at GADAG and 18 MW wind energy plant at Bagalkote/ Koppal.

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

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	7.78	13.56
E-waste (B)	9.98	2.45
Bio-medical waste (C)	1.70	1.17
Construction and demolition waste (D)	20.00	20.00
Battery waste (E)	16.83	9.98
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	149.54	61.21
Used Oil	60.23	17.23
Used Coolant Oil	6.31	0.00
Waste Cutting Oil	15.31	0.00
Empty Barrels	21.22	2.42
PVC Copper wire end bits	27.62	32.44
Misc. Others	18.85	9.12
Other Non-hazardous waste generated (H). Please specify, if any.	4400.31	3998.14
Metal Scrap	3034.08	2946.45
Wooden Scrap	1095.61	472.16
Rubber Waste	50.00	50.00
Casting Scrap	80.00	120.00
Forging Scrap	28.00	20.00
Misc. Others	112.62	389.53
Total (A+B + C + D + E + F + G + H)	4606.14	4106.51
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Nil	Nil
(ii) Re-used	Nil	Nil
(iii) Other recovery operations	Nil	Nil
Total	Nil	Nil
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Nil	Nil
(ii) Land filling	Nil	Nil
(iii) Other disposal operations	12.52	47.42
Total	12.52	47.42

Note: No independent assessment/ evaluation/ assurance has been carried out by an external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is certified for ISO 14001:2015 Environment Management System. The Company stores the Hazardous wastes in separate hazardous waste storage area. Used oil and other liquid hazardous waste are stored with secondary containment. These wastes are disposed through authorized waste handlers through proper documentation. Wet waste is converted into composites. The non-hazardous wastes such as metal scraps, damaged packing woods etc. are sold through MSTC as per the guidelines. Sludge from STP is used for gardening purpose.

10. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details.

Not Applicable

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

During the year, no environmental impact assessment was undertaken by the Company.

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company is compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder. Therefore, there is no such non-compliances during the year.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (in MJ)	FY 2021-22 (in MJ)
From renewable sources		
Total electricity consumption (A)	5,61,66,061	5,51,26,548
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	5,61,66,061	5,51,26,548
From non-renewable sources		
Total electricity consumption (D)	2,51,09,157	2,77,13,946
Total fuel consumption (E)	57,43,413	61,65,235
Energy consumption through other sources (F)	1,98,27,800	2,57,29,200
Total energy consumed from non-renewable sources (D+E+F)	5,06,80,370	5,96,08,381

Note: No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(ii) To Groundwater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	24090	26280
(iii) To Seawater		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(iv) Sent to third-parties		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	Nil	Nil
(v) Others		
- No treatment	Nil	Nil
- With treatment – please specify level of treatment	259554	238109
Total water discharged (in kilolitres)	283644	264389

Note: No independent assessment/ evaluation/assurance has been carried out by an external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres)

None of the plant of the Company is situated under water stressed area.

For each facility/ plant located in areas of water stress, provide the following information:

- (i) **Name of the area** – Not Applicable
- (ii) **Nature of operations** – Not Applicable
- (iii) **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	NA	NA
(ii) Groundwater	NA	NA
(iii) Third party water	NA	NA
(iv) Seawater / desalinated water	NA	NA
(v) Others	NA	NA
Total volume of water withdrawal (in kilolitres)	NA	NA
Total volume of water consumption (in kilolitres)	NA	NA
Water intensity per rupee of turnover (Water consumed / turnover)	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	NA	NA
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	NA	NA

Note: Any independent assessment/ evaluation/assurance is not applicable in this regard.

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

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	NA	NA
Total Scope 3 emissions per rupee of turnover		NA	NA
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		NA	NA

Note: Any independent assessment/ evaluation/assurance is not applicable in this regard.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Rain Water harvesting	Check dams in township & Roof top Rain water harvesting inside the factory	Ground Water table is improved.
2.	Go Green	Planted 12,000 saplings in the last 5 years in township & factory	Air pollution controlled.

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link

The Company is having Onsite Emergency/ Emergency Preparedness Plan as per ISO 14001: 2015 and ISO 45001:2018. The main objective of the same is:

- To overcome any emergency in its initial stage and to handle disaster in most effective manner.
- To maintain essential supplies at the time of natural calamities and/or public disturbances.
- To protect the environment.
- To eliminate any chance of loss to human life.
- To minimize damage of property in the plant and surrounding areas.
- To preserve the evidence for use in the subsequent enquiries by the Regulatory Authorities.
- To bring down the number of near-miss accidents to a minimum.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

The Company has association with 25 trade and industry chambers and associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	CII - Confederation of Indian Industry	National
2.	FICCI - Federation of Indian Chambers of Commerce and Industry	National
3.	FIEO - Federation of Indian Export Organisation, New Delhi	National
4.	SCOPE - Standing Conference of Public Enterprises, New Delhi	National
5.	EEPC - Engineering Export Promotion Council, Kolkata	National
6.	SODET - Society of Defence Technologists	National
7.	NIPM - National Institute of Personnel Management	National
8.	ICEMA - Indian Construction Equipment Manufacturers' Association, New Delhi	National
9.	FKCCI - Federation of Karnataka Chamber of Commerce & Industries, Bangalore	State
10.	PMA - Palakkad Management Association, Palakkad	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

There has been no anti-competitive conduct by the company and there are no adverse orders received from any regulator.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

BEML Limited actively advocates and participates in activities for advancement of public good as a stakeholder of FICCI - Capital Goods Sector, CCI – PSE Council, SODET on policies related to Capital Goods Industry, Economic Reforms, Sustainable Business Principles (Sustainable Supply Chain Management) and Defence Procurement Policy. When opinions are sought on subjects like Securities Law and Corporate Laws, the Company also contributes through the Confederation of Indian Industry, FICCI and SCOPE.

Also, 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 promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Currently, there are no projects for which Rehabilitation and resettlement (R&R) may be required. However, in the past, Rehabilitation and Resettlement (R&R) has been ensured to the land losers whose land was required for set-up of manufacturing plants.

3. Describe the mechanisms to receive and redress grievances of the community.

BEML has Grievance Redressal Mechanism to address both for its Internal and External stakeholder. The Grievances are addressed by the respective Nodal Officer nominated in the respective Complex/ Division as per the timeline specified in the policy. Apart from this, the grievances received from CPGRAM, Vigilance Portal are also being addressed well within the specified time.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	32%	32%
Sourced directly from within the district and neighbouring districts	32%	32%

*BEML has Divisions/ regional offices PAN India. Hence, overall procurement will be reflected in System and report.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Nil	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1.	Odisha	Nabaguba Village, Phulbani (Kandhama)	1,00,000

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/ vulnerable groups?

Yes

b. From which marginalized/ vulnerable groups do you procure?

MSE (Micro and Small Enterprises)

c. What percentage of total procurement (by value) does it constitute?

MSE (Micro and Small Enterprise) procurement constitute 32% by value.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

The Company has owned or acquired NIL intellectual properties based on traditional knowledge.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Providing Education to local population at KGF	1897	100%
2.	Mobile medical camp at KGF	2487	100%
3.	Contribution to Armed Forces Flag Day Fund	50	100%
4.	Providing Mid-day meals to the Specially Challenged and Elders of the orphanage	110	100%
5.	"Pavi" distribution of Solar LED Tube Lights	188	100%
6.	To promote Health, welfare, and all round development of orphan and poor children and youth-enhancing employability through vocational and skill development training	36	100%
7.	Eradication of Hunger-Mid day Meal Scheme - Donation towards distribution of vehicles	7500	100%
8.	Better Health Status of women & children through women Health care Centre	700	100%

Note: Projects are undertaken to be sustainable in the long run for the local communities.

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

At present, in BEML, customer complaint and feedbacks are received through, emails, letters, phone calls and service reports. The service teams of BEML Metro are located in the respective customer depots. They receive the customer complaints in the form of EIR (Engineering Incident Report) or Inspection Notes or RSOI (Rolling Stock Open Issues) or written Letters. Subsequently BEML service team study the complaints and proposes solutions in the form of CAR (Corrective Action Report) or HECP (Hardware Engineering Change Proposal) or SECP (Software Engineering Change Proposal) or FMI (Field Modification Instruction). Upon Customer approval, the corrective actions accordingly is implemented so that the complaints are resolved.

Further, the equipments from BEML are in service of Indian Armed Forces across various units in India and Overseas. BEML has a wide network of 12 Regional and 14 District Offices spread across the country. They report the complaints to the nearby BEML offices who initiate action for redressal of the complaints. The complaints are also investigated as per extant rules and regulation of Armed Forces and necessary corrective and preventive actions are implemented.

BEML also engages with the customers through various interaction forums to keep them abreast with the best practices for upkeep of the products and upcoming technologies.

BEML is a customer driven company and each & every product of Defence vertical is tailor made for the project requirements.

Further, BEML customer complaint handling system has been developed and the same will be launched soon. After the launch, customers will be able to raise complaint and provide feedback through mobile app and website.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints

During the FY 2022-23, total no. of 1724 complaints were received from consumers against 1810 complaints received during FY 2021-22.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	215	Improper functioning of inbuilt control valve in steering booster after exploitation of equipment by the user.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has Policy on cyber Security which is available at weblink: https://www.bemlindia.in/wp-content/uploads/2023/06/Cyber_Security_Policy.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/ action taken by regulatory authorities on safety of products/ services.

The Company is replacing the affected lot of Steering Boosters in batches. Further, Indigenisation of steering boosters with alternate vendor is underway with necessary process improvement.

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed.

The information on the products of three business verticals of BEML i.e., Rail & Metro, Mining & Construction, Defence and Aerospace are available at Company's website at www.bemlindia.in. The Company's product portfolio is prominently displayed on BEML website which is intuitively designed for easier customer navigation experience. The website also has a chat window, through which prospective customer reaches the concerned marketing chief and carry forward the discussion.

Further, BEML is participating in various mining and construction equipment exhibitions like Excon, IME, IMME and also doing Advertisement and publication of articles in various mining and construction related magazines. Further the latest updates on products are shared on social media vide platforms of Twitter and Facebook.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

BEML consistently engages with the customers for keeping them updated on best operational practices. BEML invites the customer to its plant and trains them on safe and responsible operational aspects. The similar activities are also conducted at customer premises and other formations. As part of contract obligations, BEML impart training to customer's operating personnel and maintenance personnel. Further BEML also supply detailed operation and maintenance manuals in sufficient numbers so that the customers are equipped with trouble shooting capabilities. The manuals also consist of preventive maintenance schedules for safe and reliable product operation.

BEML is providing trainings to Customer Operators on Simulator Platform. Equipment are supplied with Operating and Maintenance manual about safe and responsible usage of products. Time to time service bulletins/ Newsletters are being issued to educate Customers on the latest developments and updates on the equipment.

3. Mechanisms in place to inform consumers of any risk of disruption/ discontinuation of essential services.

Customers are informed about disruption/discontinuation of services through emails, letters,

and service bulletins. The effective contract management of BEML ensures that customers are informed regarding the status of supplies and issues of obsolescence if any. As BEML products have very high level of indigenisation backed by its robust supply chain and vendor ecosystem; the concerns of disruption and discontinuation are handled well in advance and customer is given sufficient opportunity for end of life procurements.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, product information is displayed on the product as per local laws. e.g., on BEML Dumpers 'Not Meant for Plying on Public Roads' is displayed, suitable reflectors stickers and caution sticker are put. This information is discussed with customer and are placed suitably. The Products are supplied with feedback form designed by quality and customer inspection to seek valuable feedback from customer which are processed as per extant rules. BEML carries out consumer satisfaction survey for product and services periodically. Further, BEML is governed by Contractual obligations after the completion of which Customer issues the Performance Certificate.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact.

Nil

b. Percentage of data breaches involving personally identifiable information of customers

Nil

For and on behalf of the Board of Directors

Bengaluru
14.07.2023

Sd/-
Amit Banerjee
Chairman & Managing Director

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 Centres 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.

2. Composition of CSR Committee:

The Committee consists of the following directors:

S.No.	Name of the Director	Category	Attendance
Chairmaan:			
1	Shri Siva Makutam #	Independent Director	2/2
2	Smt Balmuri Vanitha*	Independent Director	1/1
Members:			
3	Shri Ajit Kumar Srivastav	Director (Defense Business)	2/2
4	Shri Anil Jerath	Director (Finance)	1/1
5	Shri MV Rajasekhar*	Director (Mining & Construction Business)	1/1

* Part of the year

Shri Siva Makutam was Chairman in 1 Meeting and Member in 1 Meeting

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 Company's website at www.bemlindia.in

4. Provide the executive summary along with web-link 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 (attach the report).

NA

5. (a) Average net profit of the company as per Sub-section (5) of section 135: **Rs. 10754 Lakhs**

(b) Two percent of average net profit of the company as per section 135(5): **Rs. 215 Lakhs**

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**

(d) Amount required to be set off for the financial year, if any: **Nil**

(e) Total CSR obligation for the financial year [(b)+ (c)-(d)]: **Rs. 215 Lakhs**

6. (a) Amount spent on CSR projects (both On-Going Project and Other than On-Going Project): **Rs. 428.23 Lakhs**

(b) Amount Spent on Administrative overheads: **Nil**

(c) Amount Spent on impact Assessment, if applicable : **NA**

(d) Total amount spent for the Financial year [(a)+(b)+(c)] : **428.23 Lakhs**

(e) CSR Amount spent or unspent for the Financial Year :

Total Amount Spent for the Financial Year. (in Rs. Lakhs)	Amount Unspent (in Rs. Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Sub-Section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to Sub-Section (5) of Section 135.		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
428.23	Nil	NA	NA	NA	Nil

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs. Lakhs)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per Sub-Section (5) of section 135	215.00 Lakhs
(ii)	Total amount spent for the Financial Year	428.23 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	213.23 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135 (in Rs. Lakhs)	Balance Amount in unspent CSR Account under Sub-Section (6) of Section 135 (in Rs. Lakhs)	Amount spent in the Financial Year (in Rs. Lakhs)	Amount transferred to any fund specified under Schedule VII as per Second proviso to Sub-Section(5) of Section 135 if any		Amount remaining to be spent in succeeding financial years. (in Rs. Lakhs)	Deficiency if any
					Amount (in Rs. Lakhs)	Date of transfer		
1	2021-22	Nil	Nil	565.80	Nil	NA	Nil	Nil
2	2020-21	Nil	Nil	403.58	Nil	NA	Nil	Nil
3	2019-20	Nil	Nil	432.18	Nil	NA	Nil	Nil
	TOTAL			1401.56				

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : **No**

If yes, enter the number of Capital assets created/ acquired : **NA**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial year:

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
1	2	3	4	5	6		
		NA			CSR Registration Number, if applicable	Name	Registered Address
					NA		

(All the fields should be captured as appearing in the revenue record, flat no., house no., Municipal Offices/ Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.

NA

<i>Sd/-</i> Director (Finance)	<i>Sd/-</i> (Chairman - CSR Committee)
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For and on behalf of the Board of Directors

Bengaluru
14.07.2023

Sd/-
Amit Banerjee
Chairman & Managing Director

SECRETARIAL AUDIT REPORT

Form No. MR-3

(For the financial year ended 31st March 2023)

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

**To,
The Members,
BEML LIMITED,
Bengaluru-560 027**

sectors – Defence & Aerospace, Rail & Metro, Mining & Construction Etc

Management's Responsibility for Secretarial Compliances:

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Secretarial Auditor's Responsibility:

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company nor taxation laws. 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.

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 March 31, 2023, according to the applicable provisions of: -

- (a) BEML LIMITED is a Government Company as defined in Sec 2 (45) of the Companies Act 2013.
- (b) Certain provisions of the Companies Act 2013 are exempted for Government Companies.
- (c) In addition to various applicable Laws, BEML is required to comply with Corporate Governance Guidelines and Directions issued by the Government of India from time to time.
- (d) BEML LIMITED is Listed Company and its securities are listed with National Stock Exchange and Bombay Stock Exchange.
- (e) BEML LIMITED is engaged in manufacturing activities in multiple

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contract (Regulation) Act, 1956 (SCRA) and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. **There were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings during the financial year under Report.**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2015. **There were no instances of Substantial Acquisitions of Shares and takeovers during the financial year under report.**
- (c) The SEBI (Prohibition of Insider Trading) Regulations, 2015.
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015.
- (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021.
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
- (h) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993.
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (j) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and The SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. **There were no instances of Share Based Employee Benefits and Sweat Equity during the financial year under report.**
- (k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021. **There were no instances of Delisting of Equity Shares during the financial year under report.**
- (l) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **There were no instances of Buyback of Securities during the financial year under report.**
- (m) Standard Operating Process under Regulations 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 for ensuring Compliance with Structured Digital Database (SDD).
- 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, we hereby report that in our opinion, **the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed above and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;**

We also checked up the relevant records of the Company to verify whether there were adequate systems and process to monitor and ensure compliances with the applicable industry specific and general laws, including the following laws: -

1. Commercial and Labour laws as applicable to the Company
2. The Shops and Commercial Establishments Act;
3. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
4. The Trademarks Act, 1999
5. Transfer of Property Act, 1882;
6. Registration and Stamp Laws;
7. Information Technology Act, 2000;
8. Indian Contract Act, 1872;

We have also examined compliance; -

- (i) With respect to The Secretarial Standards SS-1 and SS-2 issued by the ICSI and as notified by the Ministry of Corporate Affairs (MCA) and report that the Company has generally Complied with the said Standards.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and

the National Stock Exchange of India Limited (NSE)

and report that the Company has complied with the same.

We further report that during the said Financial Year, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned in the foregoing paragraphs, subject to the observations made in the following paragraph: -

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors except that: -

- (a) As per 2nd proviso to Sec 149(1) of the Companies Act 2013 and Rule 3 of the Companies (Appointment and Qualification of Directors) Rules 2014, the Company was required to appoint One Women Director in place of Smt. Balmuri Vanitha, Women Independent Director, who ceased to be a Women Independent Director w.e.f 23/01/2023 on the expiry of her term of office. The Company being a Government Company, appointments of Women or Independent Directors are made based on the Orders issued by the Government of India through the Ministry of Defence. The Company has requested Government of India to issue necessary order for appointment of Women Independent Director and response from the Government of India is awaited.
- (b) As per Sec 149(4) of the Companies Act 2013 read with Regulations 17(1)(a) and 17(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, Every Listed Public

Company, whose Chairperson is an executive Chairperson, shall consist of 50% of the total strength of the Board as Independent Directors/Non-Executive Directors. Subsequent to the cessation of Smt. Balmuri Vanitha as Independent Women Director w.e.f. 23/01/2023 on expiry of her term of office, the number of Independent Directors was reduced from 5 to 4 as on 31st March 2023, out of the total strength of the Board of 10 Director. The Company has taken necessary steps to appoint an Independent Women Director to ensure compliance.

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.

Adequate notice was given to all the Directors to Schedule the Board/Committee Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Further, pursuant to Sec 117 and Sec 179(3) of Companies Act, 2013, certain Resolutions shall be filed with the Registrar within 30 days of the passing of resolution in e-Form MGT-14 and the Company in its 376th meeting held on 23.07.2021 passed the resolution to authorize scheme of Arrangement between BEML & BEML Land Assets Limited (BLAL) for demerger and the said Board resolution was required to be filed in MGT-14 Form with Registrar within 30 days of passing the resolution i.e. on or before 22.08.2021. However, the resolution was filed on 02.05.2022 vide SRN no. T98898190 after a delay of 252 days with an additional fee of ₹7,800.

In this connection, Adjudication hearing was held on 19.10.2022 and MCA vide its order dated 02.12.2022, imposed penalty as per Section 117(2) of the Companies Act, 2013 for the delay in filing MGT-14 form of ₹35,200 on Company and of ₹1,54,800 on officers in default.

The said penalties were paid on 22.12.2022.

Decisions were taken by the Board unanimously after satisfactorily clarifying points raised by any Director and after recording views expressed by any Director.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that the significant events/actions having major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines and Standards are as follows: -

The Company had incorporated a Wholly Owned Subsidiary by the name "BEML Land Assets Limited" (BLAL) on 15.07.2021 for the purpose of de-merger 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 was prepared and submitted to the Stock Exchanges/SEBI for approval. Based on the approval of the stock exchanges, the scheme of arrangement was filed with the Ministry of Corporate Affairs for its approval. The Ministry of Corporate Affairs vide Order dated: 28.07.2022 sanctioned the Scheme of Arrangement for de-merger submitted by the Company.

The listing process of BEML Land Assets Limited was completed and listing approval from Stock Exchanges was received on 17.04.2023 and trading started on 19.04.2023.

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 audit by statutory auditors and CAG.

For VN & Associates

Sd/-
SWAYAMBU VISHWANATAN
Senior Partner and Company Secretary

Place: Bangalore
Date: 08.05.2023

C.O.P No. 5284
M.S No: 12190
UDIN No: A005284E000270441

This Report is to be read along with my letter of even date which is annexed as Annexure A and Forms an integral part of this Report.

"Annexure A"

**To,
The Members,
BEML LIMITED
Bangalore-560 027**

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records.

The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed

provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For VN & Associates

Sd/-
SWAYAMBHU VISWANATHAN
Senior Partner and Company Secretary

Place: Bangalore
Date: 08.05.2023

C.O.P No. 5284
M.S No: 12190
UDIN No: A005284E000270441

Company's reply to the comments of Secretarial Auditors:

Sl. No.	Observation	Company's Reply
1 (a)	For a portion of the financial year namely from 24.01.2023 to 31.03.2023 the Company did not have Women Independent Director in pursuance of the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.	BEML Limited is a Government Company, the appointment of Directors including Independent Directors is made by Government of India through Administrative Ministry i.e., Ministry of Defence. The Company is following up with Ministry of Defence on regular intervals for the appointment of Requisite Independent Directors including Women Independent Director on its Board.
(b)	For a portion of the financial year namely from 10.10.2022 to 31.10.2022 and from 11.01.2023 to 31.03.2023 the Company did not have the requisite Board of Directors in pursuance of the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015.	Communication in this regard from Ministry is awaited.
2	The Board of Directors in its meeting held on 23.07.2021, passed the resolution to authorize scheme of Arrangement between BEML & BEML Land Assets Limited (BLAL) for demerger and the said resolution was to be filed in MGT-14 with registrar within 30 days of passing the resolution. However, the resolution was filed on 02.05.2022 with an additional fee of Rs. 7800 and in this regard the MCA has adjudicated a penalty of Rs. 35,200 on Company and Rs. 154,800 on 'officers in default'.	The Company had filed the adjudication application to RoC stating that 'the delay in the filing of MGT-14 was one-off and has already been rectified by making adequate filing along with the additional fee and requested ROC to adjudicate the matter and drop the proceedings. Subsequently, the order was passed by RoC and the said penalty was paid to MCA on 02.12.2022.

For and on behalf of the Board of Directors

Bengaluru
14.07.2023

Sd/-
Amit Banerjee
Chairman & Managing Director

BEML LIMITED

BEML Soudha, 23/1, 4th Main road, SR Nagar, Bangalore - 560 027.

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 2023. 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 **26.05.2023**.

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 2023 with comparatives of year ended 31 March 2022 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/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 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 recognizes 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 recognized 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 is 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 Rs.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 SUNDARAM & SRINIVASAN,
Chartered Accountants
Firm Registration Number: 004207S

For and on behalf of the Board of Directors

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: 26.05.2023

Sd/-
JAI GOPAL MAHAJAN
Company Secretary

STANDALONE FINANCIAL STATEMENTS 2022-23

BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	46,626.30	51,522.14
(b) Right of Use Asset	3A	926.27	831.22
(c) Capital work-in-progress	4	886.38	591.50
(d) Other Intangible Assets	5	2,546.54	2,784.93
(e) Intangible assets under development	6	1,384.94	789.80
(f) Financial assets			
(i) Investments	7	257.64	258.64
(ii) Loans	8	13.34	12.11
(iii) Other financial assets	9	88.42	62.54
(g) Deferred tax assets (net)	10	10,828.00	16,362.78
(h) Other non-current assets	11	8,166.94	7,816.93
Total non-current assets		71,724.78	81,032.59
(2) Current assets			
(a) Inventories	12	2,06,140.93	2,07,284.77
(b) Financial Assets			
(i) Investments	13	-	-
(ii) Trade receivables	14	1,23,670.02	1,86,136.11
(iii) Contract Assets	14a	61,265.72	59,217.26
(iv) Cash and cash equivalents	15	907.28	1,644.46
(v) Bank Balance Other than (iv) above	15a	3,009.18	1,193.94
(vi) Loans	16	1,354.30	1,679.77
(vii) Other financial assets	17	531.66	522.82
(viii) Current tax assets (Net)	17a	6,466.79	3,565.99
(c) Non-Current Assets held for demerger	3B	-	350.17
(d) Other current assets	18	23,301.98	23,227.69
Total current assets		4,26,647.86	4,84,823.00
Total Assets		4,98,372.64	5,65,855.59
II. Equity and Liabilities			
Equity			
(a) Equity share capital	19	4,177.22	4,177.22
(b) Other Equity		2,35,337.12	2,26,501.55
Total Equity		2,39,514.34	2,30,678.77
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	-	-
(a) Lease Liability		980.97	880.64
(ii) Other financial liabilities	21	112.63	125.37
(b) Provisions	22	24,619.66	24,432.64
(c) Other non-current liabilities	23	54,527.51	1,07,102.41
Total non-current liabilities		80,240.78	1,32,541.06
(2) Current liabilities			
(a) Financial liabilities			
(i) Short term Borrowings	24	37,083.50	82,257.40
(a) Lease Liability		80.70	41.70
(ii) Trade payables	25		
(A) Micro & Small Enterprises		9,928.23	8,235.92
(B) Other than Micro & Small Enterprises		57,897.72	47,821.38
(iii) Other financial liabilities	26	1,529.89	2,411.11
(b) Other current liabilities	27	37,090.02	33,456.92
(c) Provisions	28	28,468.68	24,894.14
(d) Current tax liabilities (Net)	29	6,538.79	3,517.19
Total current liabilities		1,78,617.53	2,02,635.76
Total Equity and Liabilities		4,98,372.64	5,65,855.59

Note nos. 1 to 39 include Significant Accounting Policies and Other Notes to Accounts annexed herewith form part of the financial statement.

As per our report of even data attached

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 0042075

Sd/-

CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914
Place: Mangaluru (Through VC)

Date : 26.05.2023

For and on behalf of the Board of Directors

Sd/-
ANIL JERATH
Director (Finance)
(DIN 09543904)

Sd/-
AMIT BANERJEE
Chairman & Managing Director
(DIN 08783660)

Sd/-
JAI GOPAL MAHAJAN
Company Secretary

STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	Note No	For the year ended 31 March 2023	For the year ended 31 March 2022
I Revenue from operations	30	3,89,894.69	4,33,748.77
II Other income	31	2,378.16	674.16
III Total Income (I+II)		3,92,272.85	4,34,422.93
IV Expenses:			
Cost of materials consumed	32	2,09,885.35	2,26,956.80
Purchase of stock-in-trade	33	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	3,767.65	15,004.35
Employee benefits expense	35	83,976.04	85,763.73
Finance costs	36	4,624.55	4,933.43
Depreciation and amortization expense	3,5	6,399.36	6,606.64
Other expenses	37	55,759.80	74,583.93
Total Expenses (IV)		3,64,412.74	4,13,848.88
V Profit / (Loss) before exceptional items and tax (III-IV)		27,860.11	20,574.05
VI Add/ (Less) : Exceptional items	38	-	-
VII Profit / (Loss) before tax (V-VI)		27,860.11	20,574.05
VIII Tax expense:			
(1) Current tax	10 a	6,997.40	4,484.52
(2) MAT credit entitlement	10 a	-	(967.33)
(3) Deferred tax	10 a	4,984.49	3,597.65
IX Profit / (Loss) for the year from continuing operations (VII-VIII)		15,878.22	13,459.21
X Profit / (Loss) from discontinuing operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit / (Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII Profit / (Loss) after tax for the year (IX+XII)		15,878.22	13,459.21
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit (liability) / asset		(1,822.06)	(2,885.25)
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 b	(91.68)	236.62
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		-	-
XV Total Comprehensive Income for the year (XIII+XIV)		13,964.48	10,810.58
XVI Earnings per equity share: (₹10/- each) in ₹			
Basic and diluted	39(A)	38.13	32.32

Note nos. 1 to 39 include Significant Accounting Policies and Other Notes to Accounts annexed herewith form part of the financial statement.

As per our report of even data 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)

Date : 26.05.2023

Sd/-

ANIL JERATH

Director (Finance)

(DIN 09543904)

Sd/-

AMIT BANERJEE

Chairman & Managing Director

(DIN 08783660)

Sd/-

JAI GOPAL MAHAJAN

Company Secretary

STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Sub items	Main items	Sub items	Main items
A. Cash flow from operating activities				
Net profit before tax and extraordinary items		27,860.11		20,574.05
Adjustments for				
Depreciation and amortization expense	6,399.36		6,606.64	
(Gain)/loss on disposal of property, plant and equipment	(1,312.59)		(54.44)	
Financing Cost	4,624.55		4,933.43	
Interest income	(126.22)		(208.77)	
Allowance for bad and doubtful Trade receivables	(2,202.90)		5,354.92	
Allowance for bad and doubtful Advances	(286.21)		375.40	
Allowance in Provision	3,761.58		2,729.55	
Allowance for Inventory	(684.37)		(517.93)	
Actuarial gain / (loss) on Gratuity & PRMS	(1,822.06)	8,351.14	(2,885.25)	16,333.56
Operating Profit / (Loss) before changes in working capital		36,211.25		36,907.61
<i>Adjustment for</i>				
Inventories	1,828.20		(9,702.10)	
Trade receivables	64,668.99		(3,040.12)	
Other current assets	2,495.10		10,559.66	
Trade payables	11,768.64		(18,004.58)	
Other payables - Finance cost	339.22		339.22	
Other payables	(49,696.43)		(12,343.92)	
Contract Assets	(2,048.46)		4,213.46	
Loans	324.24		(496.75)	
Other financial assets	(34.72)		5.25	
Income tax & Deferred tax adjustment	(9,051.97)	20,593.63	(3,515.59)	(31,985.47)
Net cash flow from / (used in) operating activities		56,804.87		4,922.14
B. Cash flow from investing activities				
Purchase of property, plant and equipment	(3,096.89)		(3,489.76)	
Purchase of intangible assets	(1,162.97)		(404.18)	
Sale of property, plant and equipment	2,009.64		1,298.09	
(Gain)/loss on disposal of property, plant and equipment	1,312.59		54.44	
Investments in subsidiaries	1.00		(1.00)	
Interest Received	126.22		208.77	
Asset held for De-merger	(614.30)		(350.17)	
FDRs maturity beyond 3 months	(2,765.51)		(177.45)	
Net cash flow from / (used in) investing activities		(4,190.23)		(2,861.25)
C. Cash flow from financing activities				
Repayments of Non-Convertible Debentures	(10,000.00)		(10,149.48)	
Proceeds from Bill discounting	4,896.57		-	
Proceeds/(Repayments) of export credit	(17,933.00)		17,933.00	
Financing Cost	(4,963.77)		(5,272.64)	
Adjustment in Retained Earnings	-		5.22	
Dividend & Tax paid for equity shares	(3,214.17)		(3,510.91)	
Net cash flow from / (used in) financing activities		(31,214.37)		(994.82)
Net increase/(decrease) in cash and cash equivalents		21,400.29		1,066.07
Cash and Cash Equivalents, Beginning of the year		(52,679.94)		(53,746.01)
Cash and Cash Equivalents, Ending of the year (Refer Note 15 e)		(31,279.65)		(52,679.94)

Notes:

- Cash and cash equivalents consist of cash and bank balances including FDs having maturity within 3 months from the date of acquisition.
- The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 statement of cash flows notified u/s133 of companies act, 2013 ("act") read with rule 4 of the Companies (Indian accounting standards) rules 2015 and the relevant provision of the act.

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration Number: 004207S

Sd/-

CA. P MENAKSHI SUNDARAM

Partner

Membership No.: 217914

Place: Mangaluru (Through VC)

Date : 26.05.2023

For and on behalf of the Board of Directors

Sd/-

ANIL JERATH

Director (Finance)

(DIN 09543904)

Sd/-

AMIT BANERJEE

Chairman & Managing Director

(DIN 08783660)

Sd/-

JAI GOPAL MAHAJAN

Company Secretary

Statement of Changes in Equity for the year ended 31.03.2023

A. Equity share capital

Particulars	No. of shares	Amount (₹ in Lakhs)
Balance as on 01.04.2022	4,16,44,500	4,164.45
Changes in equity share capital during the year	-	-
Balance as on 31.03.2023	4,16,44,500	4,164.45

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			
Balance as on 01.04.2022	105.66	61,204.07	1,19,033.62	68,849.20	(25,192.44)	1.44	2,500.00	2,26,501.55
Reinstatement Adjustment on account of prior period items	-	-	-	-	-	-	-	-
Reinstated Balance as on 01.04.2022	105.66	61,204.07	1,19,033.62	68,849.20	(25,192.44)	1.44	2,500.00	2,26,501.55
Reversal of PPA adj	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	15,878.22	-	-	-	15,878.22
Other Comprehensive Income for the year	-	-	-	-	(1,913.74)	-	-	(1,913.74)
Total comprehensive income for the year	-	-	-	15,878.22	(1,913.74)	-	-	13,964.48
Transfer to								
- General Reserve/ Retained Earnings	-	-	-	2,500.00	-	-	(2,500.00)	-
Transaction with owners								
- Dividend	-	-	-	(4,164.45)	-	-	-	(4,164.45)
- Demerged assets	-	-	-	(964.47)	-	-	-	(964.47)
Balance as on 31.03.2023	105.66	61,204.07	1,19,033.62	82,098.50	(27,106.18)	1.44	-	2,35,337.12

As per our report of even data 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/-

JAI GOPAL MAHAJAN

Company Secretary

Date : 26.05.2023

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	-	-
Balance as on 31.03.2022	4,16,44,500	4,164.45

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			
Balance as on 01.04.2021	105.66	61,204.07	1,19,033.62	55,466.71	(22,543.80)	1.44	5,000.00	2,18,267.70
Reinstatement Adjustment on account of prior period items	-	-	-	5.22	-	-	-	5.22
Reinstated Balance as on 01.04.2021	105.66	61,204.07	1,19,033.62	55,471.93	(22,543.80)	1.44	5,000.00	2,18,272.92
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)
Total comprehensive income for the year	-	-	-	13,459.21	(2,648.63)	-	-	10,810.58
Transfer to								
- General Reserve/ Retained Earnings	-	-	-	2,500.00	-	-	(2,500.00)	-
Transaction with owners								
- Dividend	-	-	-	(2,581.94)	-	-	-	(2,581.94)
- Demerged assets	-	-	-	-	-	-	-	-
Balance as on 31.03.2022	105.66	61,204.07	1,19,033.62	68,849.20	(25,192.44)	1.44	2,500.00	2,26,501.55

As per our report of even data 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/-

JAI GOPAL MAHAJAN

Company Secretary

Date : 26.05.2023

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 01.04.2022	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 01.04.2022	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Land										
Free Hold	1,629.98	101.21	(332.77)	1,398.42	-	-	-	-	1,398.42	1,629.98
Lease Hold	7,407.01	-	(1,504.85)	5,902.16	134.08	38.33	(174.74)	(2.34)	5,904.50	7,272.93
Buildings	15,968.92	267.62	(434.79)	15,801.75	4,466.60	569.69	(109.90)	4,926.40	10,875.35	11,502.32
Plant and Equipment	45,804.41	1,249.44	615.58	47,669.43	20,402.78	3,332.80	103.64	23,839.22	23,830.21	25,401.63
Furniture and Fixtures	802.43	93.58	13.56	909.56	516.90	48.52	(0.81)	564.61	344.95	285.53
Vehicles										
Given on Lease	795.11	5.75	(115.62)	685.24	190.21	106.07	(77.79)	218.48	466.77	604.91
Own Use	1,323.42	14.90	(774.56)	563.76	491.40	68.02	(174.02)	385.40	178.36	832.02
Office Equipment	649.05	51.78	16.62	717.46	420.75	82.14	(3.07)	499.81	217.64	228.30
Roads and Drains	1,860.80	69.73	-	1,930.53	1,646.70	52.20	-	1,698.90	231.62	214.12
Water Supply Installations	376.85	15.57	(8.09)	384.33	141.41	22.57	(1.19)	162.79	221.54	235.43
Railway sidings	1,011.40	-	-	1,011.40	605.61	55.35	-	660.95	350.45	405.79
Electrical Installation	2,503.19	202.38	98.31	2,803.88	1,660.03	224.08	9.73	1,893.84	910.04	843.16
Jigs and Fixtures	2,767.59	9.43	(9.29)	2,767.72	2,563.41	96.04	(0.06)	2,659.39	108.33	204.18
Special Tools	2,686.65	327.54	(0.02)	3,014.17	2,142.87	320.00	(0.01)	2,462.86	551.31	543.78
Computers and Data processing units	3,237.24	180.17	(712.05)	2,705.36	1,919.15	459.50	(710.10)	1,668.55	1,036.81	1,318.08
Total	88,824.05	2,589.09	(3,147.97)	88,265.17	37,301.90	5,475.28	(1,138.32)	41,638.86	46,626.30	51,522.14
Previous Year	87,142.43	3,508.89	(1,827.27)	88,824.05	32,208.03	5,710.46	(616.58)	37,301.91	51,522.14	54,934.40

Note 3A: Right of use Assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment				Net Carrying value	
	As at 01.04.2022	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 01.04.2022	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
ROU Assets										
Buildings	1,094.68	212.91	(111.34)	1,196.25	263.46	117.86	(111.34)	269.98	926.27	831.22
Total Right of use Assets	1,094.68	212.91	(111.34)	1,196.25	263.46	117.86	(111.34)	269.98	926.27	831.22
Previous Year	984.39	269.35	(159.06)	1,094.68	222.21	112.89	(71.65)	263.46	831.22	762.18

A. Carrying value of vehicles includes equipment offered to customers for trials on No Cost No Commitment (NCNC) basis ₹318.28 Lakhs (Previous Year - ₹510.76 Lakhs).

B. Property, Plant and Equipment

- i) Book Value of Land ₹636.58 Lakhs and Buildings ₹327.89 Lakhs have been transferred to M/s BEML Land Assets Ltd (BLAL), a Govt. Company, as per MCA

approved Scheme of Arrangement for demerger filed with ROC on the appointed date i.e., 25.08.2022. The same has been adjusted against retained earnings. Summary of the Land and buildings transferred is as under:

Details of Demerged assets:

Land Assets at Bengaluru, Mysore, New Delhi, Ranchi, Asansol & Bilaspur:

₹636.58 Lakhs.

Building Assets at Bengaluru, Mysore, New Delhi, Ranchi, Kolkata, Goa, Bhopal, Mumbai, Chennai & Kochi:

₹327.89 Lakhs.

- ii) Buildings include carrying value of building at Ranchi pending registration / khatha transfer at ₹10.49 Lakhs (Previous Year ₹10.87 lakhs)
- iii) The Company has 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 ₹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 - ₹769.48 Lakhs) on Buildings (Previous Year - ₹814.27 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, since BEML is under strategic Disinvestment, 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 modalities of completing the surrender &

- purchase/ transfer process of the aforesaid land parcels are under consideration by BEML & BGML.
- iv) Lease-hold Land includes 147.95 acres at Palakkad under lease from Kerala Industrial Infrastructure Development Corporation (KIIDC). During the current year, land measuring 226.21 acres out of 374.16 acres has been surrendered to KIIDC against consideration of ₹ 2759.02 Lakhs. The book value of Lease hold land has been adjusted accordingly.
- v) Lease Hold Land includes land measuring 101175.92 Sq. Mtrs taken on perpetual lease from KIADB (Bangalore Aerospace, SEZ Park) at a cost of ₹5126.00 Lakhs (Previous Year - ₹5126.00 Lakhs).
- 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 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.

- viii) Company has taken action to obtain title documents in respect of flat at Ashadeep, New Delhi - ₹2.80 Lakhs.
- ix) For information on estimated capital contracts pertaining to the acquisition of property, plant and equipment, refer Note no. 39 D II a.
- x) Free hold at KGF does not include 114 Acres which is under reconciliation with DC, Kolar.
- xi) Non current assets held for demerger not included in PPE: (₹in Lakhs)

	<u>2022-23</u>	<u>2021-22</u>
1) Land carrying value	-	304.39
2) Building carrying value	-	45.78
Total	-	350.17

- C. Amount of borrowing cost capitalised on addition of assets during the year: Nil.
- D. Since there is no investment property in the Company as on 31.03.2023, fair value of investment property is Nil (Previous Year - Nil).

E. Title deeds of Immovable Properties not held in the name of Company:

Relevant line item in the Balance sheet	Description of item of property	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	Building					
	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 company is under progress.
	Land					
	Land at Mysore	144.34		No	01-03-1985	Possession certificate is in the name of BEML, execution of sale deed is under process.

There has been no revaluation of Property, Plant and Equipment .

Note 4: Capital Work-in-Progress

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Building	153.32	87.28
Machinery	673.31	358.83
Others	59.75	145.38
Total	886.38	591.50

Capital work in progress (CWIP) - As at 31 March 2023

a) Ageing Schedule for Capital-work-in progress:

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Projects in progress	769.32	3.10	-	40.05	812.47
Projects temporarily suspended	-	14.16	-	59.75	73.91
Total	769.32	17.26	-	99.80	886.38

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				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

c) Capital-work-in progress completion schedule:

(₹ in Lakhs)

Particulars	To be completed in				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

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				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Projects in progress	324.00	38.78	-	39.66	402.44
Projects temporarily suspended	-	-	-	189.06	189.06
Total	324.00	38.78	-	228.72	591.50

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				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Panel Painting Hangar/Shed (L-2)	-	-	-	39.66	39.66
Total	-	-	-	39.66	39.66

(₹ in Lakhs)

c) Capital-work-in progress completion schedule:

Particulars	Amount of CWIP for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Panel Painting Hangar/Shed (L-2)	39.66	-	-	-	39.66
Total	39.66	-	-	-	39.66

Note 5: Other Intangible Assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated amortisation and impairment				Net Carrying value	
	As at 01.04.2022	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 01.04.2022	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Computer software	3,065.92	567.83	(0.21)	3,633.54	2,325.32	340.84	(0.22)	2,665.94	967.60	740.61
Technical Know how	5,771.17	-	-	5,771.17	3,733.85	465.38	-	4,199.24	1,571.93	2,037.32
TDR against Land	7.01	-	-	7.01	-	-	-	-	7.01	7.01
Total	8,844.10	567.83	(0.21)	9,411.72	6,059.18	806.22	(0.22)	6,865.18	2,546.54	2,784.93
Previous Year	8,726.17	117.84	0.09	8,844.10	5,275.80	783.29	0.08	6,059.17	2,784.93	3,450.38

Note 6: Intangible assets under development (internally generated)

(₹ in Lakhs)

Particulars	As at March 2023	As at March 2022
Transfer of Technology for CABIN	1,384.94	789.80
Total	1,384.94	789.80

Intangible assets under development - As at 31 March 2023

a) Ageing Schedule for intangible assets under development:

(₹ in Lakhs)

Particulars	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	595.14	-	789.80	-	1,384.94
Projects temporarily suspended	-	-	-	-	-
Total	595.14	-	789.80	-	1,384.94

b) Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in Lakhs)

Particulars	Transfer of Technology for CABIN				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Transfer of Technology for CABIN	-	-	-	-	-
Total	-	-	-	-	-

Intangible assets under development - As at 31 March 2022

a) Ageing Schedule for intangible assets under development:

(₹ in Lakhs)

Particulars	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	-	789.80	-	-	789.80
Projects temporarily suspended	-	-	-	-	-
Total	-	789.90	-	-	789.80

b) Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan: (₹ in Lakhs)

Particulars	Amount of CWIP for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Transfer of Technology for CABIN	-	-	-	-	-
Total	-	-	-	-	-

Note 7: Non-Current Investments (₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Investments in equity instruments - unquoted at cost In Equity Shares of Subsidiary Companies:		
In Vignyan Industries Limited, 2,69,376 fully paid up Equity Shares of ₹100 each	252.60	252.60
In MAMC Industries Limited, 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
Sub Total	257.60	258.60
In Equity Shares of Joint Venture Company:		
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)
Sub Total	-	-
Investment in Ordinary Shares of Co-operative Societies - unquoted at cost		
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, Bangalore, 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.	-	-
Sub Total	0.04	0.04
Total	257.64	258.64

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

- a. 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.

- b. The Joint Venture Company BEML Midwest Ltd has not prepared its financial statements as at 31st March, 2023 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.
- c. For demerger of surplus assets of BEML, a wholly owned subsidiary- BEML Land Assets Limited (BLAL), was incorporated on 15-07-2021. MCA approved Scheme of Arrangement for demerger has been filed with ROC. The effective date of demerger was 25-08-2022 (the appointed date). M/s BLAL has ceased to be a subsidiary of BEML from the appointed date. As per the scheme of arrangement of demerger the Equity share capital of ₹1 Lakh of BLAL has been cancelled and the corresponding investment of ₹ 1 Lakh in BEML books has been written off.
- d. 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 31-03-2023 there are no employees on the rolls of M/s VIL.

In respect of BEML Brazil Industrial Ltda , an associate the company has written to RBI through authorized dealer SBI, Overseas Branch, Bangalore for closure of Unique Identification Number (UIN) issued in respect of BBIL.

Movement in the allowance for impairment of investment is as follows:

(₹ in Lakhs)

Particulars	2022-23	2021-22
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 2023	As at 31 March 2022
Unsecured, considered good		
Lease Deposits	13.34	12.11
Inter Corporate Loan	-	-
Total	13.34	12.11

Note 9: Non-Current - Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposit with Customers	-	-
Deposit with service providers	88.42	62.54
Total	88.42	62.54

Note 10: Deferred Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred Tax Liabilities (DTL)		
Property, plant and equipment	4,279.00	4,973.39
Total DTL (A)	4,279.00	4,973.39
Deferred Tax Assets (DTA)		
Timing differences under the Income Tax Act, 1961	15,107.00	21,336.17
Total DTA (B)	15,107.00	21,336.17
Net Total (B-A)	10,828.00	16,362.78

Note 10: Income Taxes

The substantively enacted tax rate as on 31 March 2023 is **25.17%** and as on 31 March 2022 was **34.94%** for deferred tax purposes.

a) Amount recognised in profit or loss

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Current tax expense:		
Current tax	6,997.40	4,484.52
MAT credit entitlement	-	(967.33)
Adjustment of tax related to earlier years	-	-
	6,997.40	3,517.19
Deferred tax (income)/expense:		
Origination and reversal of temporary differences	4,984.49	3,597.65
Total deferred tax (income)/expense	4,984.49	3,597.65
Tax expense	11,981.89	7,114.84

b) Amount recognised in OCI

(₹ in Lakhs)

Particulars	31 March 2023			31 March 2022		
	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	(1,822.06)	(91.68)	(1,913.74)	(2,885.25)	236.62	(2,648.63)
Total	(1,822.06)	(91.68)	(1,913.74)	(2,885.25)	236.62	(2,648.63)

c) Reconciliation of effective income tax rate

(₹ in Lakhs)

Particulars	31 March 2023		31 March 2022	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operation		27,860.11		20,574.05
Tax using the company's domestic tax rate (Income tax)	25.17%	7,012.39	34.94%	7,189.40
Tax effect of:				
Carry Forward Loss	0.00%	-	0.00%	-
Weighted Deduction for R and D Expenditure	0.00%		-0.47%	(96.48)
Non deductible expenses	0.05%	(14.99)	-15.74%	(3,237.70)
Minimum Alternate Tax	0.00%		-1.64%	(338.02)
Tax incentive	0.00%	-	0.00%	-
Deferred tax	17.89%	4,984.49	17.49%	3,597.65
Total income tax expense for the year	43.01%	11,981.89	34.58%	7,114.84

d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As on 1st April 2021	During on 2021-22	As at 31 March 2022	During on 2022-23	As at 31 March 2023
Property, plant and equipment	(4,469.64)	(503.75)	(4,973.39)	694.39	(4,279.00)
Allowance for doubtful trade receivables	13,909.04	(1,739.88)	12,169.16	(4,030.16)	8,139.00
Allowance for impairment of Investments	189.48	-	189.48	(53.48)	136.00
Provision for Property Tax	124.93	-	124.93	393.07	518.00
Provision for Leave Salary	5,229.33	164.19	5,393.52	(1,258.52)	4,135.00
Provision for Contributory medical Scheme	1,859.37	(529.82)	1,329.55	(183.55)	1,146.00
Provision for pending legal cases	745.54	(709.06)	36.48	(6.48)	30.00
Provision for Onerous Contract	1.87	5.42	7.29	(7.29)	-
Provision for Unpaid Expenditure	51.88	260.36	312.24	(110.24)	202.00
MAT Credit related to prior period	967.33	(545.11)	422.22	(422.22)	-
DTA related to Provision for Gratuity & Contributory Medical Scheme (OCI)	1,114.68	236.62	1,351.30	(550.30)	801.00
Net deferred tax assets / (liabilities)	19,723.80	(3,361.03)	16,362.78	(5,534.78)	10,828.00

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 2023		31 March 2022	
	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 2023	Expiry date	31 March 2022	Expiry date
Expire				
Carry forward business loss	-		-	
Carry forward business loss	-		-	
Never expire				
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 to adopt the Revised Tax Structure u/s 115BAA w.e.f FY 2022-23. Accordingly, the tax liability for the current year and deferred tax assets/liabilities have been restated in line with the new tax structure. The impact due to adoption of new tax regime is ₹2180.69 Lakhs savings in current tax and tax expenses of ₹4206.00 Lakhs due to re-statement of deferred tax assets at lower tax rates.

Note 11: Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital Advances	121.55	121.55
Less: Allowance for doubtful Capital Advances	(21.55)	(21.55)
Advances to Related Parties - MAMC [refer Note no.39 (C)(ii)]	603.97	603.66
Advance MAMC consortium [see note (a) below]	7,197.70	6,827.18
Employee Advance	189.50	207.01
Prepayments	65.65	68.97
Gold coins on Hand	10.11	10.11
Total	8,166.94	7,816.93
Due by officers of the company	0.00	0.67

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 ₹2397.10 Lakhs (Previous Year - ₹2027.18 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 ₹7197.10 Lakhs (Previous Year - ₹6827.18 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 ₹603.97 Lakhs (Previous Year - ₹603.66 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 2023	As at 31 March 2022
Raw materials & Components	76,958.76	77,991.83
Less: Allowance for obsolescence - Raw Material	(2,721.35)	(2,410.07)
Raw materials & Components in Transit	3,289.14	1,067.38
Stores and Spares	2,474.46	1,994.88
Work-in-Progress	75,204.24	78,398.87
Less: Allowance for obsolescence - WIP	(981.27)	(1,383.89)
Finished Goods	19,946.79	20,857.62
Less: Allowance for obsolescence - Finished Goods	(1,328.21)	(1,909.46)
Finished Goods in Transit	1,342.25	1,929.40
Less: Allowance for obsolescence - Finished Goods in transit	-	-
Stock of Spares	33,163.32	31,845.17
Less: Allowance for obsolescence - Stock of Spares	(4,674.79)	(4,653.62)
Less: Allowance for shortages - Stock of Spares	(5.90)	(38.83)
Stock of Spares in Transit	221.70	70.88
Hand tools	1,999.93	2,213.87
Scrap	1,251.83	1,310.75
Total	2,06,140.93	2,07,284.77

- Raw materials & Components include materials lying with sub contractors ₹2612.23 Lakhs (Previous Year - ₹2783.11 Lakhs). Out of these, confirmation from the parties is awaited for ₹226.54 Lakhs (Previous Year ₹214.86 Lakhs).
- Raw materials in transit include ₹1962.66 Lakhs (Previous year ₹751.82 Lakhs) of materials received in the factory/depot for which quality clearance is pending.
- 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.

Note 13: Current Investments

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Investment quoted / unquoted	-	-
Total	-	-

Note 14: Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Outstanding for period exceeding six months *	42,022.73	37,728.18
Others	1,02,968.87	1,71,932.42
Sub-Total	1,44,991.60	2,09,660.59
Allowance for Expected Credit Loss	(21,321.58)	(23,524.48)
Total	1,23,670.02	1,86,136.11

Trade Receivables ageing schedule - As at 31 March 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	50611.13	52357.74	10017.52	13295.43	2604.22	11995.61	140881.65
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	4109.95	4109.95
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
Sub - total	50611.13	52357.74	10017.52	13295.43	2604.22	16105.56	144991.60
(vii) Provisions	109.17	1517.06	414.13	4283.85	1542.09	13455.27	21321.58
Net Trade Receivables	50501.95	50840.68	9603.39	9011.59	1062.13	2650.28	123670.02

Trade Receivables ageing schedule - As at 31 March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(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	-	-	-	-	-	-	-
Sub - total	87644.32	84288.09	10241.53	6544.60	4750.72	16191.33	209660.59
(vii) Provisions	634.27	2614.51	1550.65	2764.12	2937.05	13023.88	23,524.48
Net Trade Receivables	87010.06	81673.58	8690.88	3780.48	1813.67	3167.45	186136.11

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 movements in the allowance for bad and doubtful trade receivables/Expected credit loss are as follows: (₹ in Lakhs)

Particulars	2022-23	2021-22
Balance at the beginning of the year	23,524.48	28,879.40
Expected Credit loss recognised	391.16	9,632.27
Written off during the year	(2,108.53)	(14,247.20)
Credited to profit or loss	(485.53)	(285.59)
Transfers to allowance for doubtful claims (note 18)		(454.40)
Balance at the end of the year	21,321.58	23,524.48

Note 14a: Contract Assets

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Rail & Metro	60,836.52	58,326.53
Mining & Construction	-	-
Defence	429.20	890.74
Total	61,265.72	59,217.26

Note 15: Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with Banks	907.28	1,644.46
Total	907.28	1,644.46

Note 15a: Bank Balance Other than (Note 15) above

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with Banks - Unclaimed/Unpaid Dividend	66.22	1,016.49
FDRs maturity beyond 3 months	2,942.96	177.45
Cash on hand	-	-
Total	3,009.18	1,193.94

- The Company earns no interest on balances with banks in current accounts.
- Balances with bankers includes the following on which 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 ₹532.01 Lakhs (Previous Year ₹341.74 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 31st March 2023 is ₹32183.68 Lakhs (Previous Year ₹54324.40 Lakhs)
- FDRs include ₹133.63 Lakhs being proceeds from surrender of 4706 Sqm of lease hold land at Hyderabad to TSIIC, ₹2759.02 Lakhs from surrender of 226.21 acres of Leasehold Land to M/s. KIIDC (KINFRA) Kerala and ₹50.31 Lakhs against vendor dues forming part of Short Term Deposits.

- e. For the purpose of the cash flow statement, cash and cash equivalents comprise of the following:

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with Banks	907.28	1,644.46
Less: Bank overdraft/Cash credit facility	(32,186.93)	(54,324.40)
Total	(31,279.65)	(52,679.94)

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 2023	As at 31 March 2022
Unsecured, considered good		
Lease Deposits	-	-
Inter Corporate Loan	-	-
Secured Loans		
Loan to subsidiary - VIL	1,162.20	1,580.23
Interest Accrued on loan to subsidiary (secured against first charge on VIL Land (Factory, Helipad and Office Quarters))	88.56	99.54
Inter Corporate Loan - BLAL	103.54	-
Total	1,354.30	1,679.77

Note 17: Current - Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposit with Customers	82.67	103.39
Earnest Money Deposit	62.87	47.33
Deposit with service providers	384.71	372.09
Interest accrued on bank deposits	1.40	0.01
Total	531.66	522.82

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 2023	As at 31 March 2022
Advance Income Tax	4,000.00	1,000.00
Income Tax Refund	2,056.00	2,056.00
Tax Deducted at Source	410.79	509.99
Total	6,466.79	3,565.99

Note 18: Other Current Assets

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Advances to Related Parties	135.51	135.51
Less: Allowance for doubtful advances to Vendors	(135.51)	(135.51)
Advances to Related Parties - BLAL	-	0.69
Balances with Public Utility concerns	628.05	628.88
Less: Allowance for doubtful Balances with Public Utility concerns	(165.91)	(165.91)
Balances with Govt. departments for Customs Duty, Excise Duty, GST etc.,	32.16	112.43
Advance to Vendors	12,263.68	14,907.33
Less: Allowance for doubtful advances to Vendors	(3,526.47)	(3,546.42)
Employee Advance	291.35	270.44
Duties and Taxes	2,190.12	2,288.85
Indirect Taxes - Pre GST	-	-
Less: Allowance for doubtful Indirect Taxes-GST	-	-
Indirect Taxes -GST	6,506.90	2,231.38
Prepayments	1,376.20	1,774.27
Claims receivable	10,674.48	10,944.85
Less: Allowance for doubtful claims	(7,185.69)	(7,451.95)
GST on stock transfers	217.11	1,232.87
Total	23,301.98	23,227.69
Due by Officers of the Company	25.13	26.57

Note 19: Equity Share Capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Authorised :				
Equity Shares of ₹10 each	100000000	10,000.00	100000000	10,000.00
Issued :				
Equity Shares of ₹10 each	41900000	4,190.00	41900000	4,190.00
Subscribed :				
Equity Shares of ₹10 each	41644500	4,164.45	41644500	4,164.45
Paid-up :				
Equity Shares of ₹ 10 each, fully paid-up	41644500	4,164.45	41644500	4,164.45
Forfeited Shares (amount originally paid):				
Equity Shares of Paid-up value ₹5 each	255500	12.77	255500	12.77
Total		4,177.22		4,177.22

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.

Disclosure requirements for 5 years	Number of Shares				
	2022-23	2021-22	2020-21	2019-20	2018-19
Shares allotted as fully paid up pursuant to contracts without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Shares allotted as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil

Reconciliation of shares outstanding at the beginning and at the end of the period :

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	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 2023		As at 31 March 2022	
	No. of Shares	% held	No. of Shares	% held
President of India	2,25,00,000	54.03	2,25,00,000	54.03
HDFC Trustee Company Limited	3,778,760	9.07	3,673,834	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 have approved payment of an Interim Dividend of ₹5.00 per equity share i.e., 50% on equity shares of ₹10 each on 10.02.2023 which was paid to Government of India on 15.02.2023 and to other eligible shareholders.

Shares held by promoters at the end of the year		As at 31 March 2023		% Change during the year
Sl. No.	Promoters Name	No. of Shares	% of Total Shares	
1	President of India	2,25,00,000	54.03	NIL

Note 20: Non-current Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-Current	Current	Non-Current	Current
Debentures				
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
Term Loans				
(a) Secured from Banks	-	-	-	-
(b) Unsecured from other parties				
Total	-	-	-	10,000.00
i (a) Lease Liability	980.97		880.64	

Secured Redeemable Non-convertible Debentures :

During May'22, the last tranche of ₹10000 lakhs of Non-Convertible Debentures were redeemed by the Company. With this the entire amounts of NCDs have been fully redeemed.

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 2023	As at 31 March 2022
Deposit from vendors	112.63	125.37
Total	112.63	125.37

Note 22: Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
for Leave Salary	13,053.62	12,276.18
for Post retirement medical scheme	5,542.05	6,143.58
Provision-others		
for warranty	100.00	115.00
for unexpired obligations	5,923.99	5,897.88
Total	24,619.66	24,432.64

1. For movement in the provisions during the year refer Note no. 28
2. The provision for employee benefits represents annual leave and vested long service entitlements accrued.
3. 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.
4. 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 2023	As at 31 March 2022
Advances from customers	54,493.27	107,069.32
Staff related	34.25	33.09
Statutory Dues	-	-
Total	54,527.51	107,102.41

Note 24: Current Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Repayable on demand from banks		
Secured		
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)	32,186.93	54,324.40
Borrowings	-	10,000.00
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%		
Bill Discounting	4,896.57	
Unsecured borrowings	-	-
Commercial Paper	-	-
Export Packing Credit & Unsecured Short Term Loans	-	17,933.00
Lease Liability	80.70	41.70
Total	37,164.20	82,299.10

The company has utilized 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 2023	As at 31 March 2022
Total outstanding dues of micro & small enterprises	9,928.23	8,235.92
Total outstanding dues of creditors other than micro & small enterprises	57,897.72	47,821.38
Total	67,825.95	56,057.31

Trade payables due for payment - As at 31 March 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due payment of payment					
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	9,724.69	-	-	-	-	9,724.69
(ii) Others	28,336.62	17,668.87	6,049.91	109.95	3,391.13	55,556.48
(iii) Disputed dues - MSME	-	194.78	6.42	0.35	2.00	203.54
(iv) Disputed dues - Others	-	6.50	59.97	102.09	2,172.68	2,341.24
Grand Total	38,061.31	17,870.14	6,116.30	212.39	5,565.80	67,825.95

Trade payables due for payment - As at 31 March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due payment of payment					
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	7,980.30	-	-	-	-	7,980.30
(ii) Others	16,608.28	17,054.31	436.30	895.12	9,837.41	44,831.40
(iii) Disputed dues - MSME	-	252.79	0.51	1.38	0.94	255.62
(iv) Disputed dues - Others	-	81.25	95.19	322.92	2,490.62	2,989.98
Grand Total	24,588.58	17,388.35	532.00	1,219.42	12,328.97	56,057.31

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 2023	As at 31 March 2022
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 2023	As at 31 March 2022
Deposit from vendors	1,301.14	800.08
Earnest Money Deposit from vendors	162.53	310.09
Interest accrued but not due on borrowings	-	339.22
Unclaimed dividend	66.22	59.27
Dividend payable	-	902.44
Total	1,529.89	2,411.11

Note 27: Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Other payables		
a. Staff related dues	2,344.87	3,062.42
b. Statutory dues	9,364.11	12,764.68
c. Advances from customers	15,141.45	11,640.00
d. Service vendors	7,669.30	3,049.53
e. Civil contractors and Capital payments	2,570.29	2,940.29
Total	37,090.02	33,456.92

Note 28: Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
for Gratuity	3,917.91	5,173.78
for Leave Salary	3,376.04	3,158.58
for Performance Related Pay	2,659.91	1,548.30
for Post retirement medical scheme	2,947.25	2,246.24
for Officers Pension	1,754.21	1,676.67
for Wage revision	-	-
Provision-others		
for pending legal cases	121.00	104.40
for warranty	8,707.00	8,167.19
for unexpired obligations	2,310.57	589.56
for onerous contract	-	20.85
for Unpaid Exp	2,674.78	2,208.57
Total	28,468.68	24,894.14

Movement in Provisions

(₹ in Lakhs)

Particulars	As at 01.04.2022			Additions	Utilization	Reversal	As at 31 March 2023		
	Non-current	Current	Total				Non-current	Current	Total
Gratuity	-	5,173.78	5,173.78	4,254.78	5,510.65	-	-	3,917.91	3,917.91
Leave Salary	12,276.19	3,158.58	15,434.76	6,133.91	5,138.98	-	13,053.62	3,376.04	16,429.66
Post retirement medical scheme	6,143.58	2,246.24	8,389.82	1,155.42	1,055.94	-	5,542.05	2,947.25	8,489.30
Performance Related Pay	-	1,548.30	1,548.30	1,300.00	195.58	-	-	2,659.91	2,659.91
Officers Pension	-	1,676.67	1,676.67	1,777.53	1,699.99	-	-	1,754.21	1,754.21
Wage revision	-	-	-	-	-	-	-	-	-
Pending legal cases	-	104.40	104.40	16.60	-	-	-	121.00	121.00
Warranty	115.00	8,167.19	8,282.19	4,406.67	3,881.85	-	100.00	8,707.00	8,807.00
Unexpired Obligation	5,897.88	589.56	6,487.44	1,747.12	-	-	5,923.99	2,310.57	8,234.56
Onerous contract	-	20.85	20.85	-	-	20.85	-	-	-
Unpaid Expenditure	-	2,208.57	2,208.57	2,423.15	946.42	1,010.52	-	2,674.78	2,674.78
Total	24,432.64	24,894.14	49,326.77	23,215.18	18,429.42	1,031.37	24,619.66	28,468.68	53,088.35

Note 29: Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Income tax	6,538.79	4,484.52
Less: MAT credit entitlement	-	(967.33)
Total	6,538.79	3,517.19

Note 30: Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Sale of products:		
Earth Moving Equipment	1,16,962.76	1,09,627.79
Rail & Metro Products	96,551.62	1,39,935.48
Defence Products	62,174.19	66,202.31
Spare Parts	90,696.77	78,439.82
Wind Energy	1,679.71	1,628.42
Sale of Scrap	2,266.63	2,890.57
Sub-total - sale of products	3,70,331.69	3,98,724.38
(b) Sale of services:		
Equipment Servicing	13,587.64	15,572.70
Sub-total - sale of services	13,587.64	15,572.70
Sub-total - sale of products & services	3,83,919.33	4,14,297.08
(c) Other operating revenues:		
Provisions written back :		
- Doubtful trade receivables & advances	2,676.19	14,614.41
- Onerous contract	20.85	5.36
- Inventory	38.83	1,015.35
- Warranty and unexpired obligation	-	666.99
- Others	171.15	1,818.36
Export incentives	192.37	111.18
Liabilities written back	1,482.44	113.91
Insurance claims	194.59	66.73
Recovery from Suppliers	1,198.94	1,039.39
Others	-	-
Sub-total	5,975.36	19,451.69
(d) Inter Segment Sales	-	-
Revenue from operations	3,89,894.69	4,33,748.77

- A.**
- Revenue from operations does not include GST on sale of products and services up to March 2023 amounting to ₹71,013.46 Lakhs (Previous Year ₹65326.05 Lakhs).
 - Revenue from sale of products include ₹540.00 Lakhs (Previous Year ₹1014.00 Lakhs) on account of Sale of 2 Nos. of equipment and ₹2064.42 Lakhs for spares (previous year ₹NIL) on "Bill and hold " basis recognised in accordance with Ind AS-115. This does not bear any custodian charges.
 - Revenue from sale of products and services include ₹83013.14 (Previous Year ₹56474.04 Lakhs) towards export sales (including deemed exports).
- B.**
- Revenue is recognized "over the period of time" on the 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.
 - Revenue from sale of products and services include ₹78442.64 Lakhs, ₹15663.66 Lakhs and ₹5.42 lakhs (Previous Year - ₹91651.13 Lakhs, NIL and ₹122.47 Lakhs) recognised "over the period of time" in respect of (a) Contracts entered with Metro Corporations for design, manufacture, supply, testing & commissioning of metro cars, (b) Contract with M/s LORAM for supply of Rail Grinding Machines and

(c) 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, Rail Grinding Machine and Equipment Rehabilitation, Mining Aggregates Repairs and overhauling contract, for determination of transaction price for the purpose of recognizing revenue "**over the period of time**", Input Cost Method has been considered.
4. Following are the closing and opening balances of Receivables, Contract Assets and Contract liabilities (which are measured under Input Cost Method);

(₹ in Lakhs)

Details	Balance as on 31.03.2023	Balance as on 01.04.2022
Receivables	30,132.25	66,348.27
Contract Assets	61,265.72	59,217.26

5. Payments under the Metro Supply Contracts and Rail Grinding Machine Contract 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 from the date of taking over of Train sets by the Customers. 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. ₹150278.84 Lakhs for Metro and Rail Grinding Machine contracts and ₹37.76 Lakhs for Defence Equipment (Previous Year - ₹204734.69 Lakhs and ₹43.19 Lakhs respectively) are 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	2022-23	2021-22
Contract Asset as on 01.04.2022	59,217.26	63,430.72
Add: Recognised During the Year	94,111.72	91,773.60
Total	153,328.98	155,204.32
Contract Assets Billed During the year	(92,063.26)	(95,987.06)
Contract Assets as on 31.03.2023	61,265.72	59,217.26

Note 31: Other Income

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Other Income		
Interest Income		
- From Deposits	6.23	-
- From Inter Corporate Loans	3.67	-
- From Loans to Subsidiary	88.56	104.48
- From Income tax refund	-	48.33
- Finance income on lease deposits	1.23	14.16
- Others	30.21	41.80
Government grant income	-	50.00
Dividend Income		
- Dividend Received from Subsidiary	-	-
- Other Dividends	-	-
Net gain on sale of property, plant and equipment	1,462.25	55.95
Foreign exchange gain	576.67	-
Other non-operating income	209.35	359.43
Total	2,378.16	674.16

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 2022-23.

a. Tax Deducted at Source on Income

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Interest on Call and Term Deposit from Banks	-	-
b) Interest on Loans to Subsidiary - VIL	8.86	2.45
c) Inter Corporate Loans - BLAL	0.37	-
d) Others	-	-

Note 32: Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cost of materials consumed	2,09,885.35	2,26,956.80

Note 33: Purchase of Stock-in-Trade

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
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 2023	For the year ended 31 March 2022
Opening Stock		
Finished goods	20,877.56	27,400.61
Work-in-progress	77,014.97	85,392.16
Scrap	1,310.75	1,414.88
	99,203.29	1,14,207.64
Closing Stock		
Finished goods	19,960.83	20,877.56
Work-in-progress	74,222.97	77,014.97
Scrap	1,251.83	1,310.75
	95,435.64	99,203.29
(Increase) / Decrease		
Finished goods	916.73	6,523.04
Work-in-progress	2,792.00	8,377.19
Scrap	58.92	104.12
Total	3,767.65	15,004.35

Note 35: Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, Wages & Bonus	59,986.37	60,850.22
Leave Salary	6,133.91	5,907.99
Contribution to:		
- Gratuity Fund	2,099.01	3,155.97
- Provident Fund and Other Funds	7,466.43	7,604.55
Post retirement medical scheme	1,155.42	1,407.41
Staff welfare expenses	7,777.02	7523.10
- Less receipts	642.12	685.51
Net staff welfare expenses	7,134.90	6,837.60
Total	83,976.04	85,763.73

A. Indian Accounting standard (Ind AS) 19, Disclosures on Employee Benefits are as follows:
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	2006-08 (IALM)	2006-08 (IALM)
	(Ultimate)	(Ultimate)
Discount rate	7.52%	7.47%
Rate of escalation in salary	5.00%	5.00%
Attrition rate:	1.25%	0.53%

Changes in present values of Benefit Obligations are as follows: (₹ in Lakhs)

Particulars	Current Year	Previous Year
Present Value of Obligation at the beginning of the year	15,434.76	14,964.90
Interest Cost	977.70	917.28
Current service cost	1,977.37	1,501.00
Benefits paid	(5,139.00)	(5,438.13)
Actuarial (Gain)/Loss on Obligation	3,178.84	3,489.70
Present Value of Obligation at the end of the year	16,429.66	15,434.75

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 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
Principal actuarial assumptions		
Discount rate	7.52%	7.47%
Range of compensation increase	5.00%	5.00%
Attrition rate:	1.25%	0.53%
Components of income statement charge		
Current Service Cost	110.66	109.72
Interest Cost	576.88	579.12
Total income statement charge	687.54	688.84
Movements in net defined benefit liability		
Net obligation at the beginning of the year	7,671.25	7,752.63
Employer contributions	(327.20)	(452.01)
Total expense recognised in profit or loss	687.54	688.84
Total amount recognised in OCI	(294.10)	(318.21)
Net obligation at the end of the year	7,737.50	7,671.25

(₹ in Lakhs)

	Current Year	Previous Year
Reconciliation of benefit obligations		
Obligation at start of the year	7,671.25	7,752.63
Current service cost	110.66	109.72
Interest cost	576.88	579.12
Benefits paid directly by the company	(327.20)	(452.01)
Extra payments or expenses / (income)	-	-
Obligation of past service cost	-	-
Actuarial loss / (gain) on obligations	(294.10)	(318.21)
DBO at the end of the year	7,737.50	7,671.25
Re-measurements		
Actuarial gain/(loss) due to changes in financial assumptions	-	-
Actuarial gain/(loss) on account of experience adjustments	(294.10)	(318.21)
Total actuarial gain/(loss) recognised in OCI	(294.10)	(318.21)

(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
Discount rate		
+ 1.00% discount rate	(328.88)	(329.54)
- 1.00% discount rate	370.15	370.98
Premium cost		
+ 1.00% premium growth	384.94	388.44
- 1.00% premium growth	(347.72)	(350.80)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	7,737.50	7,671.25
Experience adjustment on plan liabilities	(630.09)	(678.47)

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 ₹ 751.81 Lakhs during FY 2022-23 (Previous year ₹ 718.57 Lakhs) 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 done.

c. Interest Rate Guarantee on Provident Fund

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.

Actrial Assumption	Current Year	Previous Year
	(Funded)	(Funded)
Discount rate	7.52%	7.47%
Rate of escalation in salary	5.00%	5.00%
Interest Rate Guarantee on Provident Fund	8.15%	8.10%

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

- 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.
- The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Principal actuarial assumptions		
Discount rate	7.52%	7.47%
Range of compensation increase	5.00%	5.00%
Attrition rate	1.25%	0.53%
Expected rate of return on plan assets	7.52%	7.47%
Components of income statement charge		
Current Service Cost	1,698.67	1,722.48
Interest Cost	144.32	247.84
Recognition of past service cost	-	-
Settlement / curtailment / termination loss	-	-
Total income statement charge	1,842.98	1,970.32
Movements in net liability/(asset)		
Net liability / (asset) at the beginning of the year	5,173.78	6,715.65
Employer contributions	(6,483.67)	(6,715.65)
Total expense recognised in profit or loss	1,842.98	1,970.32
Total amount recognised in OCI	2,116.17	3,203.46
Net liability / (asset) at the end of the year	2,649.26	5,173.78
Reconciliation of benefit obligations		
Obligation at start of the year	42,433.19	42,432.27
Current service cost	1,698.67	1,722.48
Interest cost	2,911.02	2,875.09
Benefits paid directly by the company	(6,927.57)	(7,807.43)
Actuarial loss / (gain) on obligations	727.67	3,210.78
DBO at the end of the year	40,842.97	42,433.19
Re-measurements		
Actuarial gain/(loss) due to changes in financial assumptions	(1,388.50)	7.32
Actuarial gain/(loss) on account of experience adjustments	(727.67)	(3,210.78)
Total actuarial gain/(loss) recognised in OCI	(2,116.17)	(3,203.46)
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	37,259.41	35,716.62
Adjustment to opening fair value of plan assets	-	-
Interest on plan assets	2,766.70	2,627.25
Contributions made	6,483.67	6,715.65
Benefits paid	(6,927.57)	(7,807.43)
Actuarial gain/(loss) on plan assets	(1,388.50)	7.32
Fair value of plan assets at the end of the year	38,193.71	37,259.41

(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
Discount rate		
Discount rate (CY +100 basis pts; PY +100 basis pts)	(1,815.52)	(1,960.98)
Discount rate (CY -100 basis pts; PY -100 basis pts)	2,042.68	2,212.50
Salary increase		
Salary growth (CY +100 basis pts; PY +100 basis pts)	1,112.69	1,402.84
Salary growth (CY -100 basis pts; PY -100 basis pts)	(1,250.78)	(1,488.17)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	40,842.97	42,433.19
Fair value of plan assets	38,193.71	37,259.41
(Surplus)/deficit in plan assets	2,649.26	5,173.78
Experience adjustment on plan liabilities	569.19	2,379.67
Actual return on plan assets less interest on plan assets	(1,388.50)	7.32

(v) Investment details

		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 2023	For the year ended 31 March 2022
Interest expense		
On Cash Credit & Short term loans	4,412.18	2,816.26
On Long Term Loans	-	-
On Commercial paper	-	933.60
On Non-convertible Debentures	118.98	1,042.98
On Inter Corporate Loans	-	-
On MSE vendors	-	-
Unwinding of discount on Interest free loan	-	50.00
Interest on RoU asset	91.00	76.91
Others	2.38	13.68
Total	4,624.55	4,933.43

Ind AS 23 (Borrowing Costs)

The amount of interest capitalized during the Year is ₹ Nil (Previous Year - ₹Nil).

Note 3 & 5: Depreciation and Amortization Cost

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Property, Plant & Equipment	5,475.28	5,710.46
Right of Use Assets	117.86	112.89
Intangible Assets	806.22	783.29
Total	6,399.36	6,606.64

Note 37: Other Expenses

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spare parts	668.72	799.38
Consumable Tools	463.10	596.49
Power and fuel	3,629.09	3,705.66
Rent	178.59	159.59
Hire Charges	956.37	787.30
Repairs & Maintenance		
Machinery & Equipment	547.45	415.28
Buildings	771.20	572.06
Others	1,169.95	1,131.14
Stationery	95.79	96.95
Insurance	892.75	803.50
Rates & Taxes	1,979.87	1,089.87
Bank guarantee fee and other charges	765.20	878.31
Communication expenses	334.44	332.08
Commission on sales	1,138.78	432.62
Remuneration to Auditors (refer note 'a' below)	28.00	28.50
Legal & Professional Charges	36.16	104.49
Interest on Gratuity Payment	299.95	1,542.16
Travelling Expenses	1,135.79	819.67
Publicity & Public Relations	576.04	309.18
Loss on sale of property, plant and equipment	149.67	1.51
Bad Debts written off	-	-
Defects & Spoilages	59.36	40.50
Works Contract Expenses	9,486.98	8,123.85
Expenses on Maintenance Contract	1,743.93	2,459.30
Sundry Direct Charges	3,841.46	7,357.44
Freight charges	7,083.04	4,710.86
Expenditure on CSR Activities	428.22	565.80
Provision for Obsolescence	332.45	955.39
Provision for Onerous contract	-	20.85
Provision for doubtful trade receivables & advances	391.16	9,632.27
Provision for Pending Legal cases	1.45	92.17
Warranty & Unexpired Obligations	1,528.91	1,931.44
Liquidated damages & Penalty w/off	5,805.96	14,463.48
Foreign exchange loss / (gain)	-	465.72
Miscellaneous expenses	9,239.96	9,159.12
Total	55,759.80	74,583.93

a. Break up of Remuneration to Auditors :

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) As Auditor	16.09	16.09
(b) for taxation matter	3.27	3.27
(c) Other Services - Certification Fees	7.49	8.64
(d) Reimbursement of Expenses	1.15	0.50
Total	28.00	28.50

Note 38: Exceptional Items

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income	-	-
Expenditure	-	-
Net Income / (Expenditure)	-	-

Note 39: Other Disclosures
A. Indian Accounting standard (Ind AS) 33 – Earning per Share

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net Profit / (Loss) after Tax (₹ in Lakhs)	15,878.22	13,459.21
Average Number of Shares	4,16,44,500	4,16,44,500
Earnings Per Share (Basic and Diluted) –	38.13	32.32
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. Indian Accounting standard (Ind AS) 24 – Related Party Disclosures

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
BLAL Land Assets Limited (Upto 24.08.2022)	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 Anil Jerath - Director (Finance)	Key managerial personnel
Shri G. Jawahar - Director (Human Resource)	Key managerial personnel
Shri Shantanu Roy - Director (Mining & Construction)	Key managerial personnel
Shri Jai Gopal Mahajan - 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 2023	31 March 2022
Transactions during the year ended		
Sales	-	-
Purchases	-	79.28
Salaries charged to VIL for BEML personnel deputed	-	66.72
Dividends Received	-	-
Equity Investment held as on 31st March (at cost)	252.60	252.60

All Recoverable amounts from M/s VIL 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 2023	31 March 2022
Equity Investment held as on 31 March (at cost)	5.00	5.00
Advances recoverable as on 31 March	603.97	603.66

iii. Name of the Subsidiary - M/s. BEML Land Assets Limited (upto 24.08.2022)

Details of Transactions

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Equity Investment held as on 31 March (at cost)	-	1.00
Advances recoverable as on 31 March	-	0.69

iv. Name of the Joint Venture Company – M/s. BEML Midwest Limited, Hyderabad. Shareholding 45%.

Details of Transactions

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Sales	-	-
Purchases	-	-
Equity Investment held as on 31 March (at cost)	542.25	542.25
Outstanding balances		
Amount payable towards supplies	94.49	94.49

2. Remuneration to Key managerial personnel

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Shri Amit Banerjee - Chairman and Managing Director	57.51	46.88
Shri M.V. Raja Sekhar - Director (Mining & Construction)**	45.64	49.30
Shri Suraj Prakash - Director (Finance)*	-	7.12
Shri Ajit kumar Srivastav - Director (Defence)	49.63	51.60
Shri Anil Jerath - Director (Finance)*	49.61	1.16
Shri G. Jawahar - Director (HR)**	14.75	-
Shri Shantanu Roy - Director (Mining & Construction)**	8.28	-
Shri S.V.Ravi Sekhar Rao - Company Secretary**	30.05	31.60
Shri Jai Gopal Mahajan - Company Secretary**	20.23	-

* For part of the year in FY 2021-22.

** For part of the year in FY 2022-23.

3. Details of remuneration of key managerial personnel comprises the following:

(₹ in Lakhs)

Shri Amit Banerjee - Chairman and Managing Director	31 March 2023	31 March 2022
Short-term benefits	50.76	41.82
Post-employment benefits	3.92	2.47
Other long-term benefits	2.83	2.59
Termination benefits	-	-

Shri M.V.Raja Sekhar - Director (Mining & Construction)**	31 March 2023	31 March 2022
Short-term benefits	41.94	43.56
Post-employment benefits	2.15	3.27
Other long-term benefits	1.55	2.47
Termination benefits	-	-
Shri Suraj Prakash - Director (Finance)*	31 March 2023	31 March 2022
Short-term benefits	-	5.03
Post-employment benefits	-	2.09
Other long-term benefits	-	-
Termination benefits	-	-
Shri Ajit Kumar Srivastav - Director (Defence)	31 March 2023	31 March 2022
Short-term benefits	43.23	46.03
Post-employment benefits	3.78	3.17
Other long-term benefits	2.62	2.40
Termination benefits	-	-
Shri Anil Jerath - Director (Finance)*	31 March 2023	31 March 2022
Short-term benefits	43.55	1.06
Post-employment benefits	3.59	0.04
Other long-term benefits	2.47	0.06
Termination benefits	-	-
Shri G. Jawahar - Director (HR)**	31 March 2023	31 March 2022
Short-term benefits	12.68	-
Post-employment benefits	1.22	-
Other long-term benefits	0.85	-
Termination benefits	-	-
Shri Shantanu Roy - Director (Mining & Construction)**	31 March 2023	31 March 2022
Short-term benefits	6.63	-
Post-employment benefits	0.85	-
Other long-term benefits	0.80	-
Termination benefits	-	-
Shri S.V. Ravi Sekhar Rao - Company Secretary**	31 March 2023	31 March 2022
Short-term benefits	28.37	27.84
Post-employment benefits	0.98	2.12
Other long-term benefits	0.70	1.64
Termination benefits	-	-
Shri Jai Gopal Mahajan - Company Secretary**	31 March 2023	31 March 2022
Short-term benefits	17.89	-
Post-employment benefits	1.53	-
Other long-term benefits	0.81	-
Termination benefits	-	-
Total	31 March 2023	31 March 2022
Short-term benefits	245.05	165.34
Post-employment benefits	18.02	13.16
Other long-term benefits	12.63	9.16
Termination benefits	-	-

* For part of the year in FY 2021-22.

** For part of the year in FY 2022-23.

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. Indian Accounting standard (Ind AS) 37 – Provisions, Contingent Liabilities and Contingent Assets

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.,) ₹51432.35 Lakhs (Previous Year ₹63048.13 Lakhs).
 - ii Other claims-legal cases etc., ₹14936.45 Lakhs (Previous Year ₹14196.86 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 accounts and not provided for ₹1838.33 Lakhs (Previous Year ₹625.95 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 2023	31 March 2022
Revenue Expenditure	7,104.63	10,049.86
Capital Expenditure	349.52	216.47

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 2023	For the year ended 31 March 2022
Material Cost	127.48	562.84
Employee Remuneration	5,519.03	5,700.85
Depreciation	929.56	987.08
Power and Fuel	120.38	144.83
Repairs and Maintenance	33.45	56.63
Consumable Tools	0.57	2.38
Travelling	89.80	58.01
Other Expenses	1,213.92	3,330.52
Payment to Technology Providers	-	193.80
Prototype held in WIP	-	-
Prototype held in FGI	-	-
Cost of Sales of Prototype sold	-	-
Total R&D Revenue Expenditure	8,034.19	11,036.94
Less: Depreciation	929.56	987.08
Net R & D Expenditure	7,104.63	10,049.86

The aggregate amount of Research & Development Expenditure recognised as Capital Expenditure till 31st March 2023 is as below.

b. Research & Development Capital Expenditure

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation, amortisation and impairment				Net Carrying value	
	As at 01.04.2022	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 01.04.2022	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Property, Plant and Equipment										
Land										
Free Hold	3.29	-	-	3.29	-	-	-	-	3.29	3.29
Lease Hold	-	-	-	-	-	-	-	-	-	-
Buildings	216.02	10.50	(47.98)	178.54	69.90	5.24	(3.13)	72.01	106.53	146.12
Plant and Equipment	1,633.30	34.08	113.05	1,780.43	772.74	142.39	21.02	936.15	844.28	860.56
Furniture & Fixtures	123.24	11.15	(3.83)	130.56	90.41	11.18	(11.17)	90.42	40.13	32.83
Vehicles										
Given on Lease	393.41	0.86	(245.00)	149.27	128.53	14.07	(54.78)	87.83	61.44	264.88
Own Use	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	5.03	27.21	32.24	-	3.22	1.20	4.42	27.82	-
Roads & Drains	1.64	-	-	1.64	1.64	-	-	1.64	-	-
Water Supply Installations	0.12	-	-	0.12	0.04	0.01	-	0.05	0.07	0.08
Electrical Installation	140.81	11.28	116.86	268.95	74.65	24.64	28.24	127.52	141.43	66.16
Computers and Data processing units	1,040.15	93.91	(225.87)	908.19	805.17	87.61	(155.22)	737.56	170.62	234.99
Intangible Assets										
Software	2,366.53	182.72	-	2,549.25	1,940.29	175.81	-	2,116.10	433.15	426.23
Technical Knowhow	5,758.27	-	-	5,758.27	3,720.94	465.38	-	4,186.32	1,571.95	2,037.33
Total	11,676.78	349.52	(265.56)	11,760.74	7,604.31	929.55	(173.84)	8,360.02	3,400.72	4,072.48
Previous Year	11,396.09	216.47	64.22	11,676.78	6,631.50	986.91	(14.10)	7,604.31	4,072.48	4,764.58

F. Indian Accounting standard (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 2023	31 March 2022	31 March 2023	31 March 2022
i. Loans and Advances in the nature of loans:				
A. To Subsidiary Companies*	1,354.30	1,679.77	1,354.30	1,679.77
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 have been converted into secured loan (see note 16) except investment.

J. Indian Accounting standard (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 2023	31 March 2022
Not later than one year	0.28	0.28
Later than one year but not later than five years	1.12	1.12
Later than five years	-	-
Total operating lease commitments	1.40	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 2023	31 March 2022
Carrying value of assets	685.24	795.12
Accumulated depreciation	218.48	190.21
Depreciation expense during the year	106.07	90.15

Future minimum lease receipts under non-cancellable operating leases in respect of leased cars are summarised below:

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Not later than one year	66.20	64.61
Later than one year but not later than five years	273.74	283.27
Later than five years	151.60	249.41
Total operating lease commitments	491.54	597.29

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 2023	31 March 2022
Lease income	73.43	104.45
Lease expenses	178.59	159.59

d) Impact of IND AS 116 - RoU Assets

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Depreciation on RoU Assets during the year	117.86	112.89
Finance Cost of Lease Liability	91.00	76.91
Gross value of RoU Assets	1,196.25	1,094.68
Net Book Value of Rou Assets	926.27	831.22
Lease Liability as of 31 st March	1,061.67	922.34
Impact on Profitability in the current year	(44.27)	(29.22)

k) Indian Accounting standard (Ind AS) 107 – Financial Instruments

a) The carrying value and fair value of financial instruments by category are as follows:

(₹ in Lakhs)

Particulars	31 March 2023		31 March 2022	
	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
Financial assets measured at fair value:				
Forward exchange contracts	-	-	-	-
	-	-	-	-
Financial assets not measured at fair value:				
Loans	-	1,367.64	-	1,691.88
Trade receivables	-	1,23,670.02	-	1,86,136.11
Cash and cash equivalents	-	907.28	-	1,645.38
Other financial assets	-	620.08	-	585.36
	-	1,26,565.02	-	1,90,058.74
Financial liabilities measured at fair value:				
Forward exchange contracts	-	-	-	-
	-	-	-	-
Financial liabilities not measured at fair value:				
Borrowings	-	37,083.50	-	82,257.40
Trade payables	-	67,825.95	-	56,057.31
Other financial liabilities	-	2,704.19	-	3,458.82
	-	1,07,613.65	-	1,41,773.53

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 2023			31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
Forward exchange contracts	-	-	-	-	-	-
	-	-	-	-	-	-
Financial liabilities measured at fair value:						
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 value 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 2022-23.

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	(₹ in Lakhs)	
	31 March 2023	31 March 2022
India	1,20,307.53	1,83,986.56
Other regions	3,812.12	2,149.55
Total trade receivables	1,24,119.65	1,86,136.11

At 31 March 2023, the Company's most significant customer, accounted for ₹28603.00 Lakhs of the trade receivables carrying amount (31 March 2022: ₹30682 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 2023 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		
31 March 2023					
Non-derivative financial liabilities					
Non-current Borrowings	-	-	-	-	-
Current Borrowings	37,083.50	-	-	-	37,083.50
Trade payables	67,825.95	-	-	-	67,825.95
Other financial liabilities	2,704.19	-	-	-	2,704.19
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	1,07,613.65	-	-	-	1,07,613.65
31 March 2022					
Non-derivative financial liabilities					
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
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	1,41,815.23	-	-	-	1,41,815.23

(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 2023, 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 2023

(₹ 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 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

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
31 March 2023										
Financial assets (A)										
Cash and cash equivalents	582.96	-	425.70	32.26	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-	-	-
Trade receivables	120,307.53	3,595.20	216.92	-	-	-	-	-	-	-
Financial liabilities (B)										
Trade payables	61,227.01	2,617.17	2,280.17	659.28	691.28	-	331.73	17.407	1.947	-
Other current financial liabilities	2,704.19	-	-	-	-	-	-	-	-	-
Current maturities of long term debt	-	-	-	-	-	-	-	-	-	-
Net exposure to currency risk (A-B)	56,959.28	978.02	(1,637.55)	(627.02)	(691.28)	-	(331.73)	(17.41)	(1.95)	-
31 March 2022										
Financial assets (A)										
Cash and cash equivalents	1,588.40	-	233.47	0.04	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-	-	-
Trade receivables	1,83,986.56	1,292.02	857.53	-	-	-	-	-	-	-
Financial liabilities (B)										
Trade payables	46,999.79	2,844.13	2,374.60	2,335.02	1,150.51	5.19	294	9.99	28.02	16.06
Other current financial liabilities	2,452.81	-	-	-	-	-	-	-	-	-
Current maturities of long term debt	10,000.00	-	-	-	-	-	-	-	-	-
Net exposure to currency risk (A-B)	1,26,122.37	(1,552.11)	(1,283.60)	(2,334.98)	(1,150.51)	(5.19)	(294.00)	(9.99)	(28.02)	(16.06)

The following significant exchange rates have been applied during the year.

Particulars	Average rate		Year-end spot rate	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD	-	-	82.7400	76.3300
EUR	-	-	90.8700	85.7600
JPY	-	-	0.6263	0.6280
GBP	-	-	103.2000	100.6400

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollar, Euro, Japanese Yen, the British Pound and other currencies at 31 March 2023 and 31 March 2022 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
31 March 2023				
1% movement				
USD	(9.78)	9.78	(6.36)	6.36
EUR	16.38	(16.38)	10.65	(10.65)
JPY	6.27	(6.27)	4.08	(4.08)
CNY	6.91	(6.91)	4.50	(4.50)
SEK	-	-	-	-
GBP	3.32	(3.32)	2.16	(2.16)
SGD	0.17	(0.17)	0.11	(0.11)
CHF	0.02	(0.02)	0.01	(0.01)
ZAR	-	-	-	-
31 March 2022				
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)

(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 2023	31 March 2022
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	-	(10,000.00)
	-	(10,000.00)
Variable-rate instruments		
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
31 March 2023				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
31 March 2022				
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 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 2023	31 March 2022
Total borrowings ¹	37,083.50	92,257.40
Less: Cash and bank balances ²	(907.28)	(1,302.72)
Adjusted net debt	36,176.22	90,954.68
Total equity	2,39,514.34	2,30,678.77
Less: Other components of equity	(1.44)	(2,501.44)
Adjusted equity	2,39,512.90	2,28,177.33
Adjusted net debt to adjusted equity ratio	0.15	0.40

¹Total borrowings comprises of long-term borrowings, short-term borrowing and bank overdraft facilities.

²Cash 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 2023: JPY Nil (INR Nil) [Previous Year - JPY Nil (INR Nil)]

31 March 2023: EUR Nil (INR Nil) [Previous Year - EUR Nil (INR Nil)]

31 March 2023: 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 2023	31 March 2022
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)	-	-
Foreign exchange forward contracts (USD)	-	-
Total	-	-

The Company has unhedged foreign currency exposure of ₹9931.16 Lakhs (31 March 2022: ₹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 /	Mar-23	426,647.86	178,617.53	2.39	0%	-
	Current liabilities	Mar-22	484,823.00	202,635.76	2.39		
(b) Debt-equity ratio	Total debt / Shareholder's equity	Mar-23	37,083.50	239,514.34	0.15	-58%	Due to improvement in Debtors realization, Borrowings have reduced. Hence the change in ratio.
		Mar-22	82,257.40	230,678.77	0.36		
(c) Debt service coverage ratio	Earnings available for debt service / Debt service	Mar-23	38,884.02	4,624.55	8.41	29%	EBITDA has improved over previous year due to reduction in costs . Also borrowings have reduced significantly due to improvement in Debtors realization. Hence there is significant improvement in DSCR over PY.
		Mar-22	32,114.12	4,933.43	6.51		
(d) Return on equity ratio ('ROE')	Net profits after taxes / Average shareholder's equity	Mar-23	15,878.22	235,096.55	0.07	17%	
		Mar-22	13,459.21	226,561.85	0.06		
(e) Inventory turnover ratio	Cost of goods sold /	Mar-23	383,919.33	206,712.85	1.86	-9%	-
	Average inventory	Mar-22	414,297.08	202,174.76	2.05		
(f) Trade receivables turnover ratio	Net credit sales / Average accounts receivable	Mar-23	454,932.79	154,903.07	2.94	15%	-
		Mar-22	479,623.13	187,293.51	2.56		
(g) Trade payables turnover ratio	Net credit purchases /	Mar-23	210,640.81	61,941.63	3.40	-13%	-
	Average trade payables	Mar-22	253,282.47	65,059.60	3.89		
(h) Net capital turnover ratio	Net sales /	Mar-23	383,919.33	265,108.78	1.45	-2%	-
	Average working capital	Mar-22	414,297.08	279,782.00	1.48		
(i) Net profit ratio	Net profit / Net sales	Mar-23	15,878.22	383,919.33	0.04	33%	Profitability has improved over PY due to reduction in Material consumption % , employee costs and Provisions for Expected credit loss.Hence there is significant improvement in Net profit ratio over PY.
		Mar-22	13,459.21	414,297.08	0.03		
(j) Return on capital employed ('ROCE')	Earning before interest and taxes /	Mar-23	32,484.65	298,129.45	0.11	38%	Profitability has improved over PY due to reduction in Material consumption , Employee costs and Provisions for Expected credit loss.Hence there is significant improvement in ROCE over PY
	Capital employed	Mar-22	25,507.48	337,325.53	0.08		
(k) Return on investment ('ROI')	Net Profit /	Mar-23	15,878.22	239,514.34	0.07	17%	
	Share capital	Mar-22	13,459.21	230,678.77	0.06		
(l) Asset turnover ratio	Total Income /	Mar-23	392272.85	498372.64	0.79	3%	
	Total Assets	Mar-22	434422.93	565855.59	0.77		
(m) EBITDA as a % of Revenue	EBITDA /	Mar-23	38884.02	392272.85	0.10	43%	EBITDA has improved over previous year due to reduction in Material consumption , Employee costs & provisions . Hence there is significant improvement in this ratio over PY.
	Revenue	Mar-22	32114.12	434422.93	0.07		
(n) Trade receivables as number of days of revenue from Operation	(Trade receivables/Revenue from Operation) * 365	Mar-23	123,670.02	454,932.79	99	-31%	Outstanding Debtors have reduced significantly due to improvement in Debtors realization, and hence average collection period has reduced (improvement) over PY
		Mar-22	186,136.11	479,623.13	142		
(o) Exports as a percentage of Revenue from Operation	(Exports/Revenue from Operation)	Mar-23	83,013.14	383,919.33	22%	57%	Exports have increased as a result of completion of supply of Equipment & spares to Cameroon & other countries. Hence the ratio has improved over PY.
		Mar-22	56,474.04	414,297.08	14%		
(p) Imports as a percentage of Revenue from Operation	(Imports/Revenue from Operation)	Mar-23	64,858.85	383,919.33	17%	13%	-
		Mar-22	62,406.51	414,297.08	15%		

Revenue from Operation includes Revenue from Sale of Products and Services ₹383919 Lakhs (Previous Year ₹414297 Lakhs) and Other operating income of ₹5979 Lakhs (Previous Year ₹19452 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 in not applicable.
- ii. The company does not fall under the willful defaulter category, hence the reporting clause on willful defaulter in 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	215.07
(b) amount of expenditure incurred	428.22
(c) shortfall at the end of the year	-
(d) total of previous years shortfall	-
(e) reason for shortfall	-

(f) nature of CSR activities,

1. Eradication of Hunger-Mid day Meal Scheme Donation to The Akshaya Patra Foundation, Bengaluru
2. Donation to Matru Chaya, Vijayawada for promotion of Health, welfare and all-round development of orphan and poor children.
3. Donation to The United Orphanage for providing Mid-day meals to specially challenged and elders.
4. Donation to My Home India for better health status of women and children.
5. Contribution to Armed Forces Flag Day Funs.
6. Free Mobile Medical Service.
7. Providing education to local population.
8. Distribution of solar LED tube lights to parichay Foundation.

(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 SUNDARAM & SRINIVASAN,
Chartered Accountants
Firm Registration Number: 004207S

For and on behalf of the Board of Directors

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: 26.05.2023

Sd/-
JAI GOPAL MAHAJAN
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the members of **BEML LIMITED**

Report on the Audit of Standalone Indian Accounting Standards (Ind AS) Financial Statements

Pursuant to the observations arising from the Audit by the Comptroller and Audit General of India, our earlier report dated 26-05-2023, Emphasis of matter has been revised by making changes in the Emphasis of matter para c) and adding para i). This report supersedes our earlier report. Our opinion has not been modified in this regard.

Opinion

We have audited the accompanying Standalone Quarterly/Annual Ind AS Financial Statements of **BEML LIMITED** ("the Company"), for the quarter & year ending 31st March 2023 which comprise the standalone Balance Sheet as at March 31, 2023, the standalone Statement of Profit and Loss (including Other Comprehensive Income) for Quarter/Year ending 31st March 2023, the standalone Cash Flow Statement for quarter/year ending 31st March 2023, the standalone Statement of Changes in Equity for the quarter/year ended 31st March 2023, 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") for the quarter/year ended 31st March 2023.

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 March 31, 2023 and its Profit and total comprehensive income, its cash flows and the changes in equity for the quarter & 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) 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.

- b) Note No. 12 – Inventories includes a provision for shortage of stock of Spares amounting to ₹5.90 Lakhs, which is pending to be adjustment in the books of accounts and under reconciliation.
- c) We draw attention to Note no. 14 – Trade Receivables amounting to ₹1,23,670.02 Lakhs, Note no. 14a – Contract Assets amounting to ₹61,265.72 Lakhs, Note no. 18 – Claims Receivable (net) (Other current Assets) amounting to ₹3,488.79 Lakhs of the notes forming part of the Financial statement which includes various contracts which could be onerous 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 are to be arrived at in the future.

Hence, no provision for onerous contracts has been created in respect of these contracts.

- d) 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.

- e) 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, companies engaged in Defence Production are exempted from segmental disclosure as required under Ind AS 108, accordingly the disclosure requirements under Ind AS 108 have not been made.
- f) 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
- g) We draw attention to Note No.7 – Non-current Investments amounting to ₹252.60 Lakhs and Note No. 16 - Current Loans amounting to ₹1,250,76 Lakhs relating to Investment in Subsidiary M/s. Vignyan Industries Limited (VIL) and ₹103.54 lakhs relating to inter corporate loan to BLAL.

Based on the explanation and information as furnished to us, we were given to understand that As per the approval of the CCEA dtd 8th 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 have been disposed off and disposal of immovable assets (land) is under process.

Land (factory, helipad, guest house) have been revalued at fair value amounting to ₹4,266.47 lakhs in line with latest reserve price fixed by NBCC India Limited and a sum of ₹2,285.97

lakhs had been given credit in Property, Plant and Equipment with suitable adjustment in other equity.

There are no employees under the rolls of VIL. Hence, no actuarial valuation under IND AS 19 (employee benefits) has been done.

- 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 ₹7,197.70 Lakhs (Previous Year - ₹6,827.18 Lakhs)
- i) During the year the Company has transferred the following assets at book value to M/s BEML Land Assets Ltd(BLAL) under the MCA approved Scheme of Arrangement for demerger filed with ROC on 25th August 2022. The same has been disclosed under Note-3 B(i) -PPE of the Financial Statements

Land = ₹636.58 Lakhs

Buildings = ₹327.89 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 Quarter & financial year ended March 31, 2023. 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 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 account 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 in place 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 ₹NIL Lakhs for Onerous contract (PY ₹20.85 Lakhs) (Refer Note 37).
 - iii. There are no amounts which are 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; and
- (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.
- vi. As proviso to Rule 3(1) of Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.
2. 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.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 004207S

Place : Chennai
Date : 17-07-2023
UDIN : 23217914BGWPG5598

Sd/-
CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914

Annexure - A to the Independent Auditor's 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 Quarter & year ended 31 March 2023, we report that,

- i) In respect of its Property, Plant and Equipment:
 - 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;
 - c. 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 assets once in three years. As informed, no material discrepancies have been 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 assets.

- d. 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:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lakhs)	Whether title deed holder is a promoter, director or relative# of promoter/director or or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, Plant & Equipment	Building				
	Flat at Sarovar Enclave, Ranchi	10.87	No	23-12-87	Under dispute with state authorities.
	Flat at Ashadeep, Delhi	2.80	No	01-05-77	Obtaining Title deeds in the name company is under progress.
	Land				
	Land at Mysore	144.34	No	01-03-85	Possession certificate is in the name of BEML, execution of sale deed is under process.

e. The company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets.

b. 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 thereunder.

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 material, have been properly dealt with in the books of account **Except for the effects of the matter described in the Emphasis of Matter (b) 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 banks on the basis of security of current assets. Quarterly returns or statements

filed by the company with banks 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 granted secured loans to one of its subsidiary companies under liquidation.

During the year, a net sum of ₹418.03 lakhs has been repaid and interest amounting ₹88.56 lakhs had been accounted. Balance outstanding as at the end of March 2023 was ₹1,250.76 lakhs (PY ₹1,679.77 lakhs) including interest of ₹88.56 lakhs (PY ₹99.54 lakhs) Refer Note: 16

(b) The Investment made & the loans and Advances in the nature of loan provided 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 ₹1,250.76 lakhs including interest receivable of ₹88.56 lakhs (Total value of loan provided is ₹1,250.76 lakhs – Refer Note : 16) (100%). Inter-corporate loan to BEML Land Assets Ltd was ₹103.54 lakhs)

iv) In respect of loan and investments, provisions of sections of 185 and 186 of the companies Act are not applicable for the company. Accordingly 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 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 GST, 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, 2023.
- 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, 2023 as given here in below:

Name of the Statute	Nature of Disputed Tax	Amount including interest & penalty (in ₹ Lakhs)	Period to which the amount relates	Forum where Dispute is Pending
Central Excise Act 1944	Excise Cases other than NCCD	21,901.55	Aug 2007 to Feb 2013	CESTAT
	National Calamity Contingency Duty (NCCD)	11,977.90	Apr 2006 to Jun 2017	CESTAT
Sub Total		33879.45		
Service Tax Act, 1944	Service Tax Cases	3,508.14	Apr 2009 to Jun 2017	Commissioner & CESTAT
The Customs Act, 1962	Customs Duty	3,050.30	Jan 2004 to Aug 2016	Commissioner & CESTAT
The Customs Act, 1962	Customs Duty	1,025.93	Mar 2016 to Mar 2020	CESTAT
CGST Act, 2017	GST	64.36	2020-21	Appeallate Authority
Sub Total		7,648.73		
Sub Total - Excise, Service Tax & Customs		41,528.18		
The Karnataka Municipal Corporation Act, 1976	Municipality Taxes KGF	2,618.45	2002-03 to 2021-2022	City Municipality Council - KGF
	Property Tax	109.11	1995-96 to 2005-06	City Civil Judge, Bangalore
Sub Total - Municipal Taxes		2,727.56		
Sales Tax Act of Various States	Sales Tax / CST / VAT	5,821.46	2010-11 to 2017-18	Karnataka Commercial Tax
	Sales Tax / CST / VAT	34.54	2010-11 to 2017-18	Kerala Commercial Tax
	Sales Tax / CST / VAT	286.32	2007-08 to 2008-09	Maharashtra Commercial Tax
	Sales Tax / CST / VAT	473.66	2008-09 to 2010-11	West Bengal Commercial Tax
	Sales Tax / CST / VAT	406.25	2006-07 to 2017-18	Jharkhand Commercial Tax
	Sales Tax / CST / VAT	53.26	2005-06 to 2006-07	Odisha Commercial Tax
	Sales Tax / CST / VAT	101.12	2014-15 to 2017-18	Madhya Pradesh Commercial Tax
Sub Total - Sales Taxes		7,176.61		
Grand Total		51,432.35		
Amount Deposited Under Protest	Central Excise / Customs	208.19		
	Sales Tax / VAT	2,326.54		
Total	Total	2,534.73		

- 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 that 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 a declared 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, associates or joint ventures.
- (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- 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 any fraud on the company has been noticed or reported during the year.
- b. We have not filed any report under sub-section (12) of section 143 of the Companies Act 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) 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 Auditors reports 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 them. 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 and accordingly this clause is 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, the company 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.

There is a qualification to report in the consolidated audit report.

For SUNDARAM & SRINIVASAN

Chartered Accountants
Firm Registration Number: 004207S

Place : Chennai
Date : 17-07-2023
UDIN : 23217914BGWPGB5598

Sd/-
CA. 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, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the company for the Quarter & 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 were operating effectively as at March 31, 2023, 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 : Chennai
Date : 17-07-2023
UDIN : 23217914BGWPGB5598

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 004207S

Sd/-
CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914

Annexure - C to the Independent Auditor's 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 Revised Directions under Section 143(5) of Companies Act, 2013		
	DIRECTIONS	AUDITOR'S COMMENTS
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 Registration Number: 004207S

Place : Chennai
Date : 17-07-2023
UDIN : 23217914BGWPGB5598

Sd/-
CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

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क्रमांक: 1/BEML Accs 22-23/ 2023-24/ 127

प्रधान निदेशक याणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड का कार्यालय, बंगलूर - 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and ex-Officio MEMBER, AUDIT BOARD,
BENGALURU - 560 001.

दिनांक/ DATE. 25.07.2023

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 2023.

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 2023.

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,

(J N Perumal)
Director(Admn)

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बंगलूर - 560 001.
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

दूरभा./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 2023

The preparation of financial statements of **BEML Limited, Bengaluru** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory 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 him vide his Revised Audit Report dated 17 July 2023 which supersedes his earlier Audit Report dated 26 May 2023.

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 2023 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the Statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to statutory auditor's report under section 143(6) (b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**


(Rajesh Ranjan)

Principal Director of Audit (Defence-Commercial)

Place: Bengaluru
Date: 25 July 2023

BEML LIMITED

BEML Soudha, 23/1, 4th Main road, SR Nagar, Bangalore - 560 027.

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 (upto 24.08.2022), and MAMC Industries Ltd (referred collectively as the 'Group') and the Groups interest in associates and Joint ventures for the year ended 31 March 2023. 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 **26.05.2023**.

Note no. 2: 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 2023 with comparatives of year ended 31 March 2022 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 recognized, 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 recognized 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 recognizes 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 recognized 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 is 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 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 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 recognized 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)

Date: 26.05.2023

Sd/-
JAI GOPAL MAHAJAN
Company Secretary

CONSOLIDATED BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	51,323.70	58,514.52
(b) Right of Use Asset	3A	926.27	831.22
(c) Capital work-in-progress	4	886.38	591.50
(d) Other Intangible assets	5	2,546.54	2,784.93
(e) Intangible assets under development	6	1,384.94	789.80
(f) Financial assets			
(i) Investments	7	0.04	0.04
(ii) Loans	8	13.34	12.11
(iii) Other financial assets	9	88.42	62.54
(g) Deferred tax assets (net)	10	10,828.00	16,362.78
(h) Other non-current assets	11	7,562.97	7,213.27
Total non-current assets		75,560.61	87,162.71
(2) Current assets			
(a) Inventories	12	2,06,140.93	2,07,277.26
(b) Financial Assets			
(i) Investments	13	-	-
(ii) Trade receivables	14	1,23,670.02	1,86,136.11
(iii) Contract Assets	14a	61,265.72	59,217.26
(iv) Cash and cash equivalents	15	909.89	2,200.16
(v) Bank Balance Other than (iv) above	15a	3,024.54	1,194.31
(vi) Loans	16	102.55	-
(vii) Other financial assets	17	531.77	522.82
(viii) Current tax assets (Net)	17a	6,470.13	3,575.95
(c) Non-Current Assets held for demerger		-	350.17
(d) Other current assets	18	23,301.98	23,266.53
Total current assets		4,25,417.53	4,83,740.57
Total Assets		5,00,978.14	5,70,903.28
II. Equity and Liabilities			
Equity			
(a) Equity share capital	19	4,177.22	4,177.22
(b) Other Equity		2,37,970.86	2,31,491.83
Equity attributable to equity holders of the parent		2,42,148.08	2,35,669.05
Non-controlling interests		(39.86)	(37.13)
Total Equity		2,42,108.22	2,35,631.92
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	-	-
(a) Lease Liability		980.97	880.64
(ii) Other financial liabilities	21	112.63	125.37
(b) Provisions	22	24,619.66	24,432.64
(c) Other non-current liabilities	23	54,527.51	1,07,102.41
Total non-current liabilities		80,240.78	1,32,541.05
(2) Current liabilities			
(a) Financial liabilities			
(i) Short term Borrowings	24	37,083.50	82,257.40
(a) Lease Liability		83.05	43.85
(ii) Trade payables	25		
(A) Micro & Small Enterprises		9,928.23	8,235.92
(B) Other than Micro & Small Enterprises		57,902.48	47,880.28
(iii) Other financial liabilities	26	1,530.62	2,423.73
(b) Other current liabilities	27	37,093.78	33,477.79
(c) Provisions	28	28,468.68	24,894.14
(d) Current tax liabilities (Net)	29	6,538.79	3,517.20
Total current liabilities		1,78,629.13	2,02,730.32
Total Equity and Liabilities		5,00,978.14	5,70,903.28

Note nos. 1 to 39 include Significant Accounting Policies and Other Notes to Accounts annexed herewith form part of the financial statement.

As per our report of even data attached

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 0042075

Sd/-
CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914
Place: Mangaluru (Through VC)

Date : 26.05.2023

For and on behalf of the Board of Directors

Sd/-
ANIL JERATH
Director (Finance)
(DIN 09543904)

Sd/-
AMIT BANERJEE
Chairman & Managing Director
(DIN 08783660)

Sd/-
JAI GOPAL MAHAJAN
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS

(₹ in Lakhs)

Particulars	Note No	For the year ended 31 March 2023	For the year ended 31 March 2022
I Revenue from operations	30	3,89,894.69	4,33,748.77
II Other income	31	2,359.29	569.79
III Total Income (I+II)		3,92,253.98	4,34,318.55
IV Expenses:			
Cost of materials consumed	32	2,09,885.35	2,26,868.06
Purchase of stock-in-trade	33	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	3,767.65	15,069.99
Employee benefits expense	35	83,976.04	86,146.87
Finance costs	36	4,624.55	4,933.43
Depreciation and amortization expense	3,5	6,408.37	6,645.43
Other expenses	37	55,821.03	74,681.09
Total Expenses (IV)		3,64,482.99	4,14,344.88
V Profit / (Loss) before exceptional items and tax (III-IV)		27,770.99	19,973.68
VI Add/ (Less) : Exceptional items	38	-	-
VII Profit / (Loss) before tax (V-VI)		27,770.99	19,973.68
VIII Tax expense:			
(1) Current tax	10 a	6,997.40	4,484.52
(2) MAT credit entitlement	10 a	-	(967.33)
(3) Deferred tax	10 a	4,984.49	3,597.65
IX Profit / (Loss) for the year from continuing operations (VII-VIII)		15,789.10	12,858.84
X Profit / (Loss) from discontinuing operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit / (Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII Profit / (Loss) after tax for the year (IX+XII)		15,789.10	12,858.84
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss Re-measurement of defined benefit (liability)/asset		(1,822.06)	(2,885.25)
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 b	(91.68)	236.62
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		-	-
Other Comprehensive Income for the year		(1,913.74)	(2,648.63)
XV Total Comprehensive Income for the year (XIII+XIV)		13,875.36	10,210.21
Profit for the year		15,789.10	12,858.84
Attributable to:			
Equity holders of the Group		15,791.83	12,879.46
Non-controlling interests		(2.73)	(20.62)
Total Comprehensive Income for the year		13,875.36	10,210.21
Attributable to:			
Equity holders of the Group		13,878.09	10,230.83
Non-controlling interests		(2.73)	(20.62)
XVI Earnings per equity share: (₹10/- each) in `			
Basic and diluted	39(A)	37.91	30.88

Note nos. 1 to 39 include Significant Accounting Policies and Other Notes to Accounts annexed herewith form part of the financial statement.

As per our report of even data attached

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 004207S

Sd/-
CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914
Place: Mangaluru (Through VC)

Date : 26.05.2023

For and on behalf of the Board of Directors

Sd/-
ANIL JERATH
Director (Finance)
(DIN 09543904)

Sd/-
AMIT BANERJEE
Chairman & Managing Director
(DIN 08783660)

Sd/-
JAI GOPAL MAHAJAN
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
	Sub items	Main items	Sub items	Main items
A. Cash flow from operating activities				
Net profit before tax and extraordinary items		27,770.99		19,973.68
Adjustments for				
Depreciation and amortization expense	6,408.37		6,645.43	
(Gain)/loss on disposal of property, plant and equipment	(1,312.59)		(54.44)	
Financing Cost	4,624.55		4,933.43	
Interest income	(37.66)		(104.29)	
Allowance for bad and doubtful Trade receivables	(2,218.49)		(5,339.33)	
Allowance for bad and doubtful Advances	(286.21)		369.58	
Movement in Provision	3,761.58		2,444.28	
Movement in Allowance for Inventory	(684.37)		(517.93)	
Actuarial gain / (loss) on Gratuity & PRMS	(1,822.06)		(2,885.25)	
		8,433.12		5,491.49
Operating Profit / (Loss) before changes in working capital		36,204.11		25,465.17
Adjustment for				
Inventories	1,820.69		(9,224.71)	
Trade receivables	64,684.58		7,654.13	
Other current assets	2,541.67		10,569.34	
Trade payables	11,714.51		(18,059.25)	
Other payables - Finance cost	339.22		339.22	
Other payables	(49,725.22)		(12,358.23)	
Contract Assets	(2,048.46)		4,213.46	
Loans	(103.78)		(1.09)	
Other financial assets	(34.83)		10.69	
Income tax & Deferred tax adjustment	(9,051.98)	20,136.39	(3,515.58)	(20,372.03)
Net cash flow from / (used in) operating activities		56,340.50		5,093.13
B. Cash flow from investing activities				
Purchase of property, plant and equipment	(3,096.89)		(3,457.34)	
Purchase of intangible assets	(1,162.97)		(404.18)	
Sale of property, plant and equipment	4,295.61		1,745.06	
Revaluation of property, plant and equipment	-		-	
(Gain)/loss on disposal of property, plant and equipment	1,312.59		54.44	
Investments in subsidiaries	-		-	
Interest Received	37.66		104.29	
Asset held for De-merger	(614.30)		(350.17)	
FDRs maturity beyond 3 months	(2,780.51)		(177.45)	
Net cash flow from / (used in) investing activities		(2,008.81)		(2,485.34)
C. Cash flow from financing activities				
Proceeds/(Repayments) from/of Non-Convertible Debentures	(10,000.00)		(10,149.48)	
Proceeds from Bill discounting	4,896.57		-	
Proceeds/(Repayments) of export credit	(17,933.00)		17,933.00	
Financing Cost	(4,963.77)		(5,272.64)	
Adjustment in retained earnings	(2,270.15)		5.22	
Dividend & Tax paid for equity shares	(3,214.16)		(3,510.93)	
Net cash flow from / (used in) financing activities		(33,484.51)		(994.83)
Net increase/(decrease) in cash and cash equivalents		20,847.19		1,612.96
Cash and Cash Equivalents, Beginning of the year		(52,124.24)		(53,737.19)
Cash and Cash Equivalents, Ending of the year		(31,277.04)		(52,124.24)

Notes:

- Cash and cash equivalents consist of cash and bank balances including FDs having maturity within 3 months from the date of acquisition.
- The above statement of cash flows has been prepared under the indirect method as set out in Ind AS 7 statement of cash flows notified u/s133 of companies act, 2013 ("act") read with rule 4 of the Companies (Indian accounting standards) rules 2015 and the relevant provision of the act.

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration Number: 004207S

Sd/-

CA. P MENAKSHI SUNDARAM

Partner

Membership No.: 217914

Place: Mangaluru (Through VC)

Date : 26.05.2023

For and on behalf of the Board of Directors

Sd/-

ANIL JERATH

Director (Finance)

(DIN 09543904)

Sd/-

AMIT BANERJEE

Chairman & Managing Director

(DIN 08783660)

Sd/-

JAI GOPAL MAHAJAN

Company Secretary

Consolidated Statement of Changes in Equity for the year ended 31.03.2023

A. Equity share capital

Particulars	No. of shares	Amount (₹ in Lakhs)
Balance as on 01.04.2022	4,16,44,500	4,164.45
Changes in equity share capital during the year	-	-
Balance as on 31.03.2023	4,16,44,500	4,164.45

B. Other equity

(₹ in Lakhs)

Particular	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 01.04.2022	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
Reinstatement Adjustment on account of prior period items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reinstated Balance as on 01.04.2022	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
Revaluation Adjustment of Assets/Liabilities	-	-	-	-	-	(2,271.15)	-	-	-	-	-	(2,271.15)	-	(2,271.15)
Profit / (Loss) for the year	-	-	-	-	-	15,792.83	-	-	-	-	-	15,792.83	(2.73)	15,790.10
Other Comprehensive Income for the year	-	-	-	-	-	-	(1,913.74)	-	-	-	-	(1,913.74)	-	(1,913.74)
Total comprehensive income for the year	-	-	-	-	-	15,792.83	(1,913.74)	-	-	-	-	13,879.09	(2.73)	13,876.36
Transfer to														
- General Reserve/ Retained Earnings	-	-	-	-	-	2,500.00	-	-	-	-	(2,500.00)	-	-	-
Transaction with owners														
- Dividend	-	-	-	-	-	(4,164.45)	-	-	-	-	-	(4,164.45)	-	(4,164.45)
- Demerged assets	-	-	-	-	-	(964.47)	-	-	-	-	-	(964.47)	-	(964.47)
Balance as on 31.03.2023	105.66	26.60	61,204.07	1,18,997.02	-	84,742.25	(27,106.18)	-	1.44	-	-	2,37,970.86	(39.86)	2,37,931.00

As per our report of even data 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)

Date : 26.05.2023

Sd/-

ANIL JERATH

Director (Finance)

(DIN 09543904)

Sd/-

AMIT BANERJEE

Chairman & Managing Director

(DIN 08783660)

Sd/-

JAI GOPAL MAHAJAN

Company Secretary

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	-	-
Balance as on 31.03.2022	4,16,44,500	4,164.45

B. Other equity

(₹ in Lakhs)

Particular	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 01.04.2022	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/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)
- Demerged assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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 data 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)

Date : 26.05.2023

Sd/-

ANIL JERATH

Director (Finance)

(DIN 09543904)

Sd/-

AMIT BANERJEE

Chairman & Managing Director

(DIN 08783660)

Sd/-

JAI GOPAL MAHAJAN

Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 3: Consolidated Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment				Net Carrying value	
	As at 01.04.2022	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 01.04.2022	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 31.03.2023	As at 01.04.2022
Land										
Free Hold	8,182.42	101.21	(2,618.75)	5,664.89	-	-	-	-	5,664.89	8,182.42
Lease Hold	7,910.02	-	(1,504.85)	6,405.17	197.15	47.34	(174.74)	69.74	6,335.43	7,712.87
Buildings	15,968.92	267.62	(434.79)	15,801.75	4,466.60	569.69	(109.90)	4,926.40	10,875.35	11,502.32
Plant and Equipment	45,804.41	1,249.44	615.58	47,669.43	20,402.78	3,332.80	103.64	23,839.22	23,830.21	25,401.63
Furniture and Fixtures	802.43	93.58	13.56	909.56	516.90	48.52	(0.81)	564.61	344.95	285.53
Vehicles										
Given on Lease	795.11	5.75	(115.62)	685.24	190.21	106.07	(77.79)	218.48	466.77	604.91
Own Use	1,323.42	14.90	(774.56)	563.76	491.40	68.02	(174.02)	385.40	178.36	832.02
Office Equipment	649.05	51.78	16.62	717.46	420.75	82.14	(3.07)	499.81	217.64	228.30
Roads and Drains	1,860.80	69.73	-	1,930.53	1,646.70	52.20	-	1,698.90	231.62	214.12
Water Supply Installations	376.85	15.57	(8.09)	384.33	141.41	22.57	(1.19)	162.79	221.54	235.43
Railway sidings	1,011.40	-	-	1,011.40	605.61	55.35	-	660.95	350.45	405.79
Electrical Installation	2,503.19	202.38	98.31	2,803.88	1,660.03	224.08	9.73	1,893.84	910.04	843.16
Jigs and Fixtures	2,767.59	9.43	(9.29)	2,767.72	2,563.41	96.04	(0.06)	2,659.39	108.33	204.18
Special Tools	2,686.65	327.54	(0.02)	3,014.17	2,142.87	320.00	(0.01)	2,462.86	551.31	543.78
Computers and Data processing units	3,237.24	180.17	(712.05)	2,705.36	1,919.15	459.50	(710.10)	1,668.55	1,036.81	1,318.08
Total Tangible Assets	95,879.50	2,589.09	(5,433.95)	93,034.64	37,364.97	5,484.29	(1,138.32)	41,710.94	51,323.70	58,514.52
Previous Year	88,633.93	3,508.89	(2,815.20)	89,327.62	32,773.28	5,749.25	(1,157.54)	37,364.99	51,962.63	55,860.65

Note 3a: Consolidated Right of use Assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment				Net Carrying value	
	As at 01.04.2022	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 01.04.2022	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 31.03.2023	As at 01.04.2022
ROU Assets										
Buildings	1,094.68	212.91	(111.34)	1,196.25	263.46	117.86	(111.34)	269.98	926.27	831.22
Total Right of use Assets	1,094.68	212.91	(111.34)	1,196.25	263.46	117.86	(111.34)	269.98	926.27	831.22
Previous Year	984.39	269.35	(159.06)	1,094.68	222.21	112.89	(71.65)	263.46	831.22	762.18

A. Carrying value of vehicles own use includes equipment offered to customers for trials on No Cost No Commitment (NCNC) basis ₹318.28 Lakhs (Previous Year - ₹510.76 Lakhs).

B. Property, Plant and Equipment

i) Book Value of Land ₹636.58 Lakhs and Buildings ₹327.89 Lakhs have been transferred to M/s BEML Land Assets Ltd (BLAL), a PSU company, as per MCA approved Scheme of Arrangement for demerger filed with ROC on the appointed date i.e. 25.08.2022. The same has been adjusted against retained earnings. Summary of the Land and buildings transferred is as under:

Details of Demerged assets:

Land Assets at Bengaluru, Mysore, New Delhi, Ranchi, Asansol & Bilaspur:

₹636.58 Lakhs

Building Assets at Bengaluru, Mysore, New Delhi, Ranchi, Kolkata, Goa, Bhopal, Mumbai, Chennai & Kochi:

₹327.89 Lakhs.

ii) Buildings include carrying value of building at Ranchi pending registration / khatha transfer at ₹10.49 Lakhs (Previous Year ₹10.87 lakhs)

iii) The group has 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 ₹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 - ₹769.48 Lakhs) on Buildings (Previous Year - ₹814.27 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, since BEML is under strategic Disinvestment, 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 modalities of completeing the surrender & purchase/transfer process of the aforesaid land parcels are under consideration by BEML & BGML

- iv) Lease-hold Land includes 147.95 acres at Palakkad under lease from Kerala Industrial Infrastructure Development Corporation (KIIDC). During the current year, land measuring 226.21 acres out of 374.16 acres has been surrendered to KIIDC against consideration of ₹2759.02 Lakhs. The book value of Lease hold land has been adjusted accordingly.
- v) Lease Hold Land includes land measuring 101175.92 Sq. Mtrs taken on perpetual lease from KIADB (Bangalore Aerospace, SEZ Park) at a cost of ₹5126.00 Lakhs (Previous Year - ₹5126.00 Lakhs).
- 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 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.

- viii) The group has taken action to obtain title documents in respect of flat at Ashadeep, New Delhi - ₹2.80 Lakhs.
- ix) For information on estimated capital contracts pertaining to the acquisition of property, plant and equipment, refer Note no. 39 D II a.
- xii) Free hold at KGF does not include 114 Acres which is under reconciliation with DC, Kolar.
- xiii) Since M/s VIL is under voluntary liquidation, assets have been revalued at Fair Value in line with the latest Reserve Price fixed by M/s NBCC India Limited.

xiv) Non current assets held for demerger not included in PPE:

	(₹ in Lakhs)	
	<u>2022-23</u>	<u>2021-22</u>
1) Land carrying value	-	304.39
2) Building carrying value	-	45.78
Total	-	350.17

- C. Amount of borrowing cost capitalised on addition of assets during the year: Nil
- D. Since there is no investment property in the Company as on 31.03.2023, fair value of investment property is Nil (Previous Year - Nil)

E. Title deeds of Immovable Properties not held in name of the Company:

Relevant line item in the Balance sheet	Description of item of property	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	Building					
	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 company is under progress.
	Land					
	Land at Mysore	144.34		No	01-03-1985	Possession certificate is in the name of BEML, execution of sale deed is under process.

There has been no revaluation of Property, Plant and Equipment .

Note 4: Capital work-in-progress

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Building	153.32	87.28
Machinery	673.31	358.83
Others	59.75	145.38
Total	886.38	591.50

Capital work in progress (CWIP) - As at 31 March 2023

a) Ageing Schedule for Capital-work-in progress:

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Projects in progress	769.32	3.10	-	40.05	812.47
Projects temporarily suspended	-	14.16	-	59.75	73.91
Total	769.32	17.26	-	99.80	886.38

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				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

c) Capital-work-in progress completion schedule:

Particulars	To be completed in				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Panel Painting Hangar/Shed (L-2)	-	-	-	-	-
Total	-	-	-	-	-

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				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Projects in progress	324.00	38.78	-	39.66	402.44
Projects temporarily suspended	-	-	-	189.06	189.06
Total	324.00	38.78	-	228.72	591.50

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				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Panel Painting Hangar/Shed (L-2)	-	-	-	39.66	39.66
Total	-	-	-	39.66	39.66

c) Capital-work-in progress completion schedule:

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Panel Painting Hangar/Shed (L-2)	39.66	-	-	-	39.66
Total	39.66	-	-	-	39.66

Note 5: Consolidated Other Intangible assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment				Net Carrying value	
	As at 01.04.2022	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 01.04.2022	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 31.03.2023	As at 01.04.2022
Computer software	3,065.92	567.83	(0.21)	3,633.54	2,325.32	340.84	(0.22)	2,665.94	967.60	740.61
Technical Know how	5,771.17	-	-	5,771.17	3,733.85	465.38	-	4,199.24	1,571.93	2,037.32
TDR against Land	7.01	-	-	7.01	-	-	-	-	7.01	7.01
Total Intangible Assets	8,844.10	567.83	(0.21)	9,411.72	6,059.18	806.22	(0.22)	6,865.18	2,546.54	2784.93
Previous Year	8,726.17	117.84	0.09	8,844.10	5,275.80	783.29	0.08	6,059.17	2,784.93	3,450.38

Note 6: Intangible assets under development (internally generated)

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Transfer of Technology for CABIN	1,384.94	789.80
Total	1,384.94	789.80

Intangibles under development - As at 31 March 2023

a) Ageing Schedule for intangibles under development:

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Projects in progress	595.14	-	789.80	-	1,384.94
Projects temporarily suspended	-	-	-	-	-
Total	595.14	-	789.80	-	1,384.94

b) Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Transfer of Technology for CABIN	-	-	-	-	-
Total	-	-	-	-	-

Intangibles under development - As at 31 March 2022

a) Ageing Schedule for intangibles under development:

(₹ in Lakhs)

Particulars	Amount of CWIP 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	-	789.80	-	-	789.80
Projects temporarily suspended	-	-	-	-	-
Total	-	789.80	-	-	789.80

b) Intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan:

(₹ in Lakhs)

Particulars	Amount of CWIP for the period of				
	Less than 1 year	1-2 years	2 - 3 years	More than 3 years	Total
Transfer of Technology for CABIN	-	-	-	-	-
Total	-	-	-	-	-

Note 7: Non-Current Investments

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Investments in equity instruments - unquoted at cost		
In Equity Shares of Joint Venture Company:		
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)
	-	-
Investment in Ordinary Shares of Co-operative Societies - unquoted at cost		
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, Bangalore, 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.	-	-
	0.04	0.04
Total - Unquoted at cost	0.04	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 31st March, 2023 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. MCA approved Scheme of Arrangement for demerger has been filed with ROC. The effective date of demerger was 25.08.2022 (the appointed date). M/s BLAL has ceased to be a subsidiary of BEML from the appointed date. As per the scheme of arrangement of demerger the Equity share capital of ₹1 Lakh of BLAL has been cancelled and the corresponding investment of ₹1 Lakh in BEML books has been written off.

d. 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 31.03.2023 there are no employees on the rolls of M/s VIL.

In respect of BEML Brazil Industrial Ltda , an associate the company has written to RBI through authorized dealer SBI, Overseas Branch, Bangalore for closure of Unique Identification Number (UIN) issued in respect of BBIL.

The movement in the allowance for impairment of investment is as follows: (₹ in Lakhs)

Particulars	2022-23	2021-22
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 2023	As at 31 March 2022
Unsecured, considered good		
Lease Deposits	13.34	12.11
Inter Corporate Loan	-	-
Total	13.34	12.11

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 2023	As at 31 March 2022
Security Deposit with Customers	-	-
Deposit with service providers	88.42	62.54
Total	88.42	62.54

Note 10: Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred Tax Liabilities (DTL)		
Property, plant and equipment	4,279.00	4,973.39
Total DTL (A)	4,279.00	4,973.39
Deferred Tax Assets (DTA)		
Timing differences under the Income Tax Act, 1961	15,107.00	21,336.17
Total DTA (B)	15,107.00	21,336.17
Net Total (B-A)	10,828.00	16,362.78

Note 10: Income Taxes

The substantively enacted tax rate as on 31 March 2023 is **25.17%** and as on 31 March 2022 was **34.94%** for deferred tax purposes.

a) Amount recognised in profit or loss

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Current tax expense:		
Current tax	6,997.40	4,484.52
MAT credit entitlement	-	(967.33)
Adjustment of tax related to earlier years	-	-
	6,997.40	3,517.19
Deferred tax (income)/expense:		
Origination and reversal of temporary differences	4,984.49	3,597.65
Total deferred tax (income)/expense	4,984.49	3,597.65
Tax expense	11,981.89	7,114.84

b) Amount recognised in OCI

(₹ in Lakhs)

Particulars	31 March 2023			31 March 2022		
	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	(1,822.06)	(91.68)	(1,913.74)	(2,885.25)	236.62	(2,648.63)
Total	(1,822.06)	(91.68)	(1,913.74)	(2,885.25)	236.62	(2,648.63)

c) Reconciliation of effective income tax rate

(₹ in Lakhs)

Particulars	31 March 2023		31 March 2022	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operation		27,770.99		19,973.68
Tax using the Group's domestic tax rate (Income tax)	25.17%	6,989.96	34.94%	6,979.60
Tax effect of:				
Carry Forward Loss	0.00%	-	0.00%	-
Weighted Deduction for R and D Expenditure	0.00%	-	-0.48%	(96.48)
Non deductible expenses	0.03%	7.44	-15.16%	(3,027.90)
Minimum Alternate Tax	0.00%	-	-1.69%	(338.02)
Tax incentive	0.00%	-	-	-
Deferred tax	17.95%	4,984.49	18.01%	3,597.65
Total income tax expense for the year	43.15%	11,981.89	35.62%	7,114.84

Notes:

- Current tax assets of ₹ NIL (previous year ₹ NIL) offset against current tax liabilities of ₹ NIL (Previous year ₹ NIL).
- Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As on 1st April 2021	Recognised in profit or loss during 2021-22	As at 31 March 2022	Recognised in profit or loss during 2022-23	As at 31 March 2023
Property, plant and equipment	(4,469.64)	(503.75)	(4,973.39)	694.39	(4,279.00)
Allowance for doubtful trade receivables	13,909.04	(1,739.88)	12,169.16	(4,030.16)	8,139.00
Allowance for impairment of Investments	189.48	(0.00)	189.48	(53.48)	136.00
Provision for Property Tax	124.93	0.00	124.93	393.07	518.00
Provision for Leave Salary	5,229.33	164.19	5,393.52	(1,258.52)	4,135.00
Provision for Performance Related Pay	-	-	-	-	-
Provision for Contributory medical Scheme	1,859.37	(529.82)	1,329.55	(183.55)	1,146.00
Provision for pending legal cases	745.54	(709.06)	36.48	(6.48)	30.00
Provision for Onerous Contract	1.87	5.42	7.29	(7.29)	-
Provision for Unpaid Expenditure	51.88	260.36	312.24	(110.24)	202.00
MAT Credit related to prior period	967.33	(545.11)	422.22	(422.22)	-
DTA related to Provision for Gratuity & Contributory Medical Scheme (OCI)	1,114.68	236.62	1,351.30	(550.30)	801.00
Net deferred tax assets / (liabilities)	19,723.80	(3,361.03)	16,362.78	(5,534.78)	10,828.00

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 2023		31 March 2022	
	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 2023	Expiry date	31 March 2022	Expiry date
Expire				
Carry forward business loss	-	-	-	-
	-	-	-	-
Never expire				
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 to adopt the Revised Tax Structure u/s 115BAA w.e.f FY 2022-23. Accordingly, the tax liability for the current year and deferred tax assets/liabilities have been restated in line with the new tax structure. The impact due to adoption of new tax regime is ₹2,180.69 Lakhs savings in current tax and tax expenses of ₹4,206.00 Lakhs due to re-statement of deferred tax assets at lower tax rates.

Note 11: Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Capital Advances	121.55	121.55
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]	7,197.70	6,827.18
Employee Advance	189.50	207.01
Prepayments	65.65	68.97
Gold coins on Hand	10.11	10.11
Total	7,562.97	7,213.27
Due by officers of the company	0.00	0.67

- 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 ₹2397.10 Lakhs (Previous Year - ₹2027.18 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 ₹7197.10 Lakhs (Previous Year - ₹6827.18 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 ₹603.97 Lakhs (Previous Year - ₹603.66 Lakhs) on account of MIL, which is included under the head 'Advances to related parties'.

Note 12: Inventories (At Lower of cost and Net realisable value) (₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials & Components	76,958.76	77,991.83
Less: Allowance for obsolescence - Raw Material	(2,721.35)	(2,410.07)
Raw materials & Components in Transit	3,289.14	1,067.38
Stores and Spares	2,474.46	1,994.88
Work-in-Progress	75,204.24	78,398.87
Less: Allowance for obsolescence - WIP	(981.27)	(1,383.89)
Finished Goods	19,946.79	20,857.62
Less: Allowance for obsolescence - Finished Goods	(1,328.21)	(1,909.46)
Finished Goods in Transit	1,342.25	1,929.40
Less: Allowance for obsolescence - Finished Goods in transit	-	-
Stock of Spares	33,163.32	31,845.17
Less: Allowance for obsolescence - Stock of Spares	(4,674.79)	(4,653.62)
Less: Allowance for shortages - Stock of Spares	(5.90)	(38.83)
Stock of Spares in Transit	221.70	70.88
Hand tools	1,999.93	2,206.35
Scrap	1,251.83	1,310.75
Total	2,06,140.94	2,07,277.26

- Raw materials & Components include materials lying with sub contractors ₹2612.23 Lakhs (Previous Year - ₹2783.11 Lakhs). Out of these, confirmation from the parties is awaited for ₹226.54 Lakhs (Previous Year ₹214.86 Lakhs).
- Raw materials in transit include ₹1962.66 Lakhs (Previous year ₹751.82 Lakhs) of materials received in the factory/depot for which quality clearance is pending.
- 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.

Note 13: Current Investments (₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Investments - quoted/unquoted	-	-
Total	-	-

Note 14: Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
Outstanding for period exceeding six months *	42,022.73	37,743.77
Others	1,02,968.87	1,71,932.42
Sub-Total		
Allowance for Expected Credit Loss	(21,321.58)	(23,540.07)
Total	1,23,670.02	1,86,136.11

Trade Receivables Ageing Schedule - As at 31 March 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	50611.13	52357.74	10017.52	13295.43	2604.22	11995.61	140881.65
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	4109.95	4109.95
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – Credit impaired	-	-	-	-	-	-	-
Sub - total	50611.13	52357.74	10017.52	13295.43	2604.22	16105.56	144991.60
(vii) Provisions	109.17	1517.06	414.13	4283.85	1542.09	13455.27	21321.58
Net Trade Receivables	50501.95	50840.68	9603.39	9011.59	1062.13	2650.28	123670.02

Trade Receivables Ageing Schedule - As at 31 March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(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	-	-	-	-	-	-	-
Sub - total	87644.32	84288.09	10241.53	6544.60	4750.72	16191.33	209660.59
(vii) Provisions	634.27	2614.51	1550.65	2764.12	2937.05	13023.88	23524.48
Net Trade Receivables	87010.06	81673.58	8690.88	3780.48	1813.67	3167.45	186136.11

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.

Movement in the allowance for bad and doubtful trade receivables/Expected credit loss is as follows:

(₹ in Lakhs)

Particulars	2022-23	2021-22
Balance at the beginning of the year	23,524.48	28,879.40
Expected Credit loss recognised	391.16	9,632.27
Written off during the year	(2,108.53)	(14,247.20)
Credited to profit or loss	(485.53)	(285.59)
Transfers to allowance for doubtful claims (note 18)	-	(454.40)
Balance at the end of the year	21,321.58	23,524.48

Note 14a: Contract Assets

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Rail & Metro	60,836.52	58,326.53
Mining & Construction	-	-
Defence	429.20	890.74
Total	61,265.72	59,217.26

Note 15: Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with Banks	909.89	2,200.16
Cash on hand	-	-
Total	909.89	2,200.16

Note 15a: Bank Balance Other than (Note 15) above

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with Banks - Unclaimed/Unpaid Dividend	66.57	1,016.86
FDRs maturity beyond 3 months	2,957.96	177.45
Total	3,024.54	1,194.31

- a. The Group earns no interest on balances with banks in current accounts.
- b. Balances with banks include the following on which there were restrictions placed on use and / or held on behalf of third parties:
 - (i) ESCROW account balance to be distributed among consortium members ₹532.01 Lakhs (Previous Year ₹341.74 Lakhs).
- c. Out of the Cash Credit Limit of ₹120000 Lakhs sanctioned to the company by Consortium Bankers, the amount drawn by the company as on 31st March 2023 is ₹32183.68 Lakhs (Previous Year ₹54324.40 Lakhs)

- d. FDRs include ₹133.63 Lakhs being proceeds from surrender of 4706 Sqm of lease hold land at Hyderabad to TSIIC, ₹2759.02 Lakhs from surrender of 226.21 acres of Leasehold Land to M/s. KIIDC(KINFRA) Kerala and ₹50.31 Lakhs against vendor dues forming part of Short Term Deposits.
- e. For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with Banks	909.89	2,200.16
Less: Bank overdraft/Cash credit facility	(32,186.93)	(54,324.40)
Total	(31,277.04)	(52,124.24)

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 2023	As at 31 March 2022
Unsecured, considered good		
Lease Deposits	-	-
Inter Corporate Loan	-	-
Secured Loans		
Loan to sub sy - VIL	-	-
Interest Receivables on loan to sub sy	-	-
Inter Corporate Loan - BLAL	102.55	-
Total	102.55	-

Note 17: Current - Other Financial Assets

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Security Deposit with Customers	82.67	103.39
Earnest Money Deposit	62.87	47.33
Deposit with service providers	384.71	372.09
Interest accrued on bank deposits	1.52	0.01
Derivative asset	-	-
Total	531.77	522.82

Note 17a: Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance Income Tax	4,000.00	1,000.00
Income Tax Refund	2,056.00	2,056.00
Tax Deducted at Source	414.13	519.95
Total	6,470.13	3,575.95

Note 18: Other Current Assets

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Advances to Related Parties	135.51	134.82
Less: Allowance for doubtful advances to Vendors	(135.51)	(135.51)
Advances to Related Parties - BLAL	-	0.69
Balances with Public Utility concerns	628.05	668.40
Less: Allowance for doubtful Balances with Public Utility concerns	(165.91)	(165.91)
Balances with Govt. departments for Customs Duty, Excise Duty, GST etc.,	32.16	112.43
Advance to Vendors	12,263.68	14,907.33
Less: Allowance for doubtful advances to Vendors	(3,526.47)	(3,546.42)
Employee Advance	291.35	270.44
Duties and Taxes	2,190.12	2,288.85
Indirect Taxes - Pre GST	-	-
Less: Allowance for doubtful Indirect Taxes-GST	-	-
Indirect Taxes -GST	6,506.90	2,231.38
Prepayments	1,376.20	1,774.27
Claims receivable	10,674.49	10,944.85
Less: Allowance for doubtful claims	(7,185.69)	(7,451.95)
GST on stock transfers	217.11	1,232.87
Total	23,301.98	23,266.53
Due by Officers of the Company	25.13	26.57

Note 19: Equity Share Capital

Particulars	31 March 2023		31 March 2022	
	Number	Amount (₹ in Lakhs)	Number	Amount (₹ in Lakhs)
Authorised :				
Equity Shares of ₹10 each	100000000	10,000.00	100000000	10,000.00
Issued :				
Equity Shares of ₹10 each	41900000	4,190.00	41900000	4,190.00
Subscribed :				
Equity Shares of ₹10 each	41644500	4,164.45	41644500	4,164.45
Paid-up :				
Equity Shares of ₹10 each, fully paid-up	41644500	4,164.45	41644500	4,164.45
Forfeited Shares (amount originally paid):				
Equity Shares of Paid-up value ₹5 each	255500	12.77	255500	12.77
Total		4,177.22		4,177.22

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.

Disclosure requirements for 5 years	Number of Shares				
	2022-23	2021-22	2020-21	2019-20	2018-19
Shares allotted as fully paid up pursuant to contracts without payment being received in cash	Nil	Nil	Nil	Nil	Nil
Shares allotted as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil
Shares bought back	Nil	Nil	Nil	Nil	Nil

Reconciliation of shares outstanding at the beginning and at the end of the period :

Particulars	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	Amount (₹ in Lakhs)	No. of Shares	Amount (₹ in Lakhs)
Outstanding as at Opening Date	4,16,44,500	4,164.45	41,644,500	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	41,644,500	4,164.45

Equity Shares held by shareholders having 5% or more	As at 31 March 2023		As at 31 March 2022	
	No. of Shares	% held	No. of Shares	% held
President of India	2,25,00,000	54.03	2,25,00,000	54.03
HDFC Trustee Company Limited	37,78,760	9.07	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 have approved payment of an Interim Dividend of ₹5/- per equity share i.e., 50% on equity shares of ₹10/- each on 10.02.2023 which was paid to Government of India on 15.02.2023 and to other eligible shareholders.

Shares held by promoters at the end of the year		As at 31st March 2023		% Change during the year
Sl. No.	Promoters Name	No. of Shares	% of Total Shares	
1	President of India	2,25,00,000	54.03	NIL

Note 20: Non-Current Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Non-Current	Current	Non-Current	Current
Debentures				
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
Term Loans				
(a) Secured from Banks	-	-	-	-
(b) Unsecured from other parties				
i. Soft Loan - Interest Free Loan from Govt of Kerala	-	-	-	-
Total	-	-	-	10,000.00
i (a) Lease Liability	980.97		880.64	

During May'22, the last tranche of ₹10000 lakhs of Non-Convertible Debentures were redeemed by the Company. With this the entire amount of NCDs have been fully redeemed.

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 2023	As at 31 March 2022
Deposit from vendors	112.63	125.37
Total	112.63	125.37

Note 22: Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
for Leave Salary	13,053.62	12,276.18
for Post retirement medical scheme	5,542.05	6,143.58
Provision-others		
for warranty	100.00	115.00
for unexpired obligations	5,923.99	5,897.88
Total	24,619.66	24,432.64

1. For movement in the provisions during the year refer Note no. 28
2. The provision for employee benefits represents annual leave and vested long service entitlements accrued.
3. 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.
4. 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 2023	As at 31 March 2022
Advances from customers	54,493.27	1,07,069.32
Staff related	34.24	33.09
Statutory Dues	-	-
Total	54,527.51	1,07,102.41

Note 24: Current Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Repayable on demand from banks		
Secured		
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)	32,186.93	54,324.40
Borrowings 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
Bill Discounting	4,896.57	-
Unsecured borrowings	-	-
Commercial Paper	-	-
Export Packing Credit & Unsecured Short Term Loans	-	17,933.00
Lease Liability	83.05	43.85
Total	37,166.55	82,301.25

Note 25: Trade Payables

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro & small enterprises	9,928.23	8,235.92
Total outstanding dues of creditors other than micro & small enterprises	57,902.48	47,880.28
Total	67,830.71	56,116.20

Trade payables due for payment - As at 31 March 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due payment of payment					
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	9,724.69	-	-	-	-	9,724.69
(ii) Others	28,336.62	17,673.63	6,049.91	109.95	3,391.13	55,561.24
(iii) Disputed dues - MSME	-	194.78	6.42	0.35	2.00	203.54
(iv) Disputed dues - Others	-	6.50	59.97	102.09	2,172.68	2,341.24
Grand Total	38,061.31	17,874.90	6,116.30	212.39	5,565.80	67,830.71

Trade payables due for payment - As at 31 March 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due payment of payment					
	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	7,980.30	0.00	0.00	0.00	0.00	7,980.30
(ii) Others	16,608.28	17,095.82	444.90	898.07	9,843.24	44,890.29
(iii) Disputed dues - MSME	0.00	252.79	0.51	1.38	0.94	255.62
(iv) Disputed dues - Others	0.00	81.25	95.19	322.92	2,490.62	2,989.98
Grand Total	24,588.58	17,429.86	540.60	1,222.37	12,334.80	56,116.20

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 2023	As at 31 March 2022
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 2023	As at 31 March 2022
Deposit from vendors	1,301.34	812.14
Earnest Money Deposit from vendors	162.53	310.09
Service vendors	0.16	0.20
Derivative liabilities	-	-
Interest accrued but not due on borrowings	-	339.22
Interest accrued and due on borrowings	-	-
Unclaimed dividend	66.59	59.63
Dividend payable	-	902.44
Total	1,530.62	2,423.73

Note 27: Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Other payables		
a. Staff related dues	2,344.86	3,070.64
b. Statutory dues	9,366.74	12,767.82
c. LMA & Auctioning Agency Fees (Net of Advance)	-	9.40
d. Advances from customers	15,142.44	11,640.00
e. Service vendors	7,669.45	3,049.65
f. Civil contractors and Capital payments	2,570.29	2,940.28
Total	37,093.78	33,477.79

Note 28: Provisions

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
for Gratuity	3,917.91	5,173.78
for Leave Salary	3,376.04	3,158.58
for Performance Related Pay	2,659.91	1,548.30
for Post retirement medical scheme	2,947.25	2,246.24
for Officers Pension	1,754.21	1,676.67
for Wage revision	-	-
Provision-others		
for pending legal cases	121.00	104.40
for warranty	8,707.00	8,167.19
for unexpired obligations	2,310.57	589.56
for onerous contract	-	20.85
for Unpaid Exp	2,674.78	2,208.57
Total	28,468.68	24,894.14

Movement in Provisions

(₹ in Lakhs)

Particulars	As at 01.04.2022			Additions	Utilization	Reversal	As at 31 March 2023		
	Non-current	Current	Total				Non-current	Current	Total
Gratuity	-	5,173.78	5,173.78	4,254.78	5,510.65	-	-	3,917.91	3,917.91
Leave Salary	12,276.19	3,158.58	15,434.76	6,133.91	5,138.98	-	13,053.62	3,376.04	16,429.66
Post retirement medical scheme	6,143.58	2,246.24	8,389.82	1,155.42	1,055.94	-	5,542.05	2,947.25	8,489.30
Performance Related Pay	-	1,548.30	1,548.30	1,300.00	195.58	-	-	2,659.91	2,659.91
Officers Pension	-	1,676.67	1,676.67	1,777.53	1,699.99	-	-	1,754.21	1,754.21
Wage revision	-	-	-	-	-	-	-	-	-
Pending legal cases	-	104.40	104.40	16.60	-	-	-	121.00	121.00
Warranty	115.00	8,167.19	8,282.19	4,406.67	3,881.85	-	100.00	8,707.00	8,807.00
Unexpired Obligation	5,897.88	589.56	6,487.44	1,747.12	-	-	5,923.99	2,310.57	8,234.56
Onerous contract	-	20.85	20.85	-	-	20.85	-	-	-
Unpaid Expenditure	-	2,208.57	2,208.57	2,423.15	946.42	1,010.52	-	2,674.78	2,674.78
Total	24,432.64	24,894.14	49,326.77	23,215.18	18,429.42	1,031.37	24,619.66	28,468.68	53,088.35

Note 29: Current Tax Liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for Income tax	6,538.79	4,484.52
Less: MAT credit entitlement	-	(967.33)
Total	6,538.79	3,517.19

Note 30: Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) Sale of products:		
Castings	-	-
Earth Moving Equipment	1,16,962.76	1,09,627.79
Rail & Metro Products	96,551.62	1,39,935.48
Defence Products	62,174.19	66,202.31
Traded Goods	-	-
Spare Parts	90,696.77	78,439.82
Wind Energy	1,679.71	1,628.42
Sale of Scrap	2,266.63	2,890.57
Sub-total - sale of products	3,70,331.69	3,98,724.38
(b) Sale of services:		
Equipment Servicing	13,587.64	15,572.70
Sub-total - sale of services	13,587.64	15,572.70
Sub-total - sale of products & services	3,83,919.33	4,14,297.08
(c) Other operating revenues:		
Provisions written back :	-	-
- Doubtful trade receivables & advances	2,676.19	14,614.41
- Onerous contract	20.85	5.36
- Inventory	38.83	1,015.35
- Warranty and unexpired obligation	-	666.99
- Others	171.15	1,818.36
Export incentives	192.37	111.18
Liabilities written back	1,482.44	113.91
Insurance claims	194.59	66.73
Recovery from Suppliers	1,198.94	1,039.39
Others	-	-
Sub-total	5,975.36	19,451.69
(d) Inter Segment Sales	-	-
Revenue from operations	3,89,894.69	4,33,748.77

- A. 1. Revenue from operations does not include GST on sale of products and services up to March 2023 amounting to ₹71,013.46 Lakhs (Previous Year ₹65326.05 Lakhs).
2. Revenue from sale of products include ₹540.00 Lakhs (Previous Year ₹1014.00 Lakhs) on account of Sale of 2 Nos. of equipment and ₹2064.42 Lakhs for spares (Previous year ₹ NIL Lakhs) on "Bill and hold" basis recognised in accordance with Ind AS-115. This does not bear any custodian charges.
3. Revenue from sale of products and services includes ₹83013.14 (Previous Year ₹56474.04 Lakhs) towards export sales (including deemed exports).

- B.1. Revenue is recognized "over the period of time" on the 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 ₹78442.64 Lakhs, ₹15663.66 lakhs and ₹5.42 lakhs (Previous Year - ₹91651.13 Lakhs, NIL and ₹122.47 Lakhs) recognised "over the period of time" in respect of (a) Contracts entered with Metro Corporations for design, manufacture, supply, testing & commissioning of metro cars, (b) Contract with M/s LORAM for supply of Rail Grinding Machines and (c) 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, Rail Grinding Machine and Equipment Rehabilitation, Mining Aggregates Repairs and overhauling contract, for determination of transaction price for the purpose of recognizing revenue "over the period of time", Input Cost Method has been considered.
 4. Following are the closing and opening balances of Receivables, Contract Assets and Contract liabilities (which are measured under Input Cost Method);

(₹ in Lakhs)

Details	Balance as on 31.03.2023	Balance as on 01.04.2022
Receivables	30,132.25	66,348.27
Contract Assets	61,265.72	59,217.26

5. Payments under the Metro Supply Contracts and Rail Grinding Machine Contract 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 from the date of taking over of Train sets by the Customers. 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. ₹150278.84 Lakhs for Metro and Rail Grinding Machine contracts and ₹37.76 Lakhs for Defence Equipment (Previous Year - ₹204734.69 Lakhs and ₹43.19 Lakhs respectively) are 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	2022-23	2021-22
Contract Asset as on 01.04.2022	59,217.26	63,430.72
Add: Recognised During the Year	94,111.72	91,773.60
Total	1,53,328.98	1,55,204.32
Contract Assets Billed During the year	(92,063.26)	(95,987.06)
Contract Assets as on 31.03.2023	61,265.72	59,217.26

Note 31: Other Income

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Other Income		
Interest Income		
- From Deposits	6.23	-
- From Inter Corporate Loans	3.67	-
- From Loans to Subsidiary	-	-
- From Income tax refund	-	48.33
- Finance income on lease deposits	1.23	14.16
- Others	30.21	41.80
Government grant income	-	50.00
Dividend Income		
- Dividend Received from Subsidiary	-	-
- Other Dividends	-	-
Net gain on sale of property, plant and equipment	1,462.25	55.95
Foreign exchange gain	576.67	-
Other non-operating income	279.04	359.54
Total	2,359.29	569.79

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 2022-23.

a. Tax Deducted at Source on Income

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Interest on Loans to Subsidiary - VIL	8.86	2.45
b) Inter Corporate Loans - BLAL	0.37	-
c) Others	-	-

Note 32: Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cost of materials consumed	2,09,885.35	2,26,868.06

Note 33: Purchase of Stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
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 2023	For the year ended 31 March 2022
Opening Stock		
Finished goods	20,877.56	27,400.61
Work-in-progress	77,014.97	85,392.16
Scrap	1,310.75	1,414.88
	99,203.29	1,14,207.64
Closing Stock		
Finished goods	19,960.83	20,877.56
Work-in-progress	74,222.97	77,014.97
Scrap	1,251.83	1,310.75
	95,435.64	99,203.29
(Increase) / Decrease		
Finished goods	916.73	6,523.04
Work-in-progress	2,792.00	8,377.19
Scrap	58.92	104.12
Total	3,767.65	15,069.99

Note 35: Employee Benefits Expenses

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, Wages & Bonus	59,986.37	61,092.17
Leave Salary	6,133.91	5,934.50
Contribution to:		
- Gratuity Fund	2,099.01	3,182.20
- Provident Fund and Other Funds	7,466.43	7,683.62
Post retirement medical scheme	1,155.42	1,407.41
Staff welfare expenses	7,777.02	7,532.80
- Less receipts	642.12	685.82
Net staff welfare expenses	7,134.90	6,846.97
Total	83,976.04	86,146.87

A. Indian Accounting standard (Ind AS) 19, Disclosures on Employee Benefits are as follows:
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	2006-08 (IALM)	2006-08 (IALM)
	(Ultimate)	(Ultimate)
Discount rate	7.52%	7.47%
Rate of escalation in salary	5.00%	5.00%
Attrition rate	1.25%	0.53%

Changes in present values of Benefit Obligations are as follows:

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Present Value of Obligation at the beginning of the year	15,434.76	14,964.90
Interest Cost	977.70	917.28
Current service cost	1,977.37	1,501.00
Benefits paid	(5,139.00)	(5,438.13)
Actuarial (Gain)/Loss on Obligation	3,178.84	3,489.70
Present Value of Obligation at the end of the year	16,429.66	15,434.75

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
Principal actuarial assumptions		
Discount rate	7.52%	7.47%
Range of compensation increase	5.00%	5.00%
Attrition rate:	1.25%	0.53%
Components of income statement charge		
Current Service Cost	110.66	109.72
Interest Cost	576.88	579.12
Total income statement charge	687.54	688.84

(₹ in Lakhs)

Movements in net defined benefit liability		
Net obligation at the beginning of the year	7,671.25	7,752.63
Employer contributions	(327.20)	(452.01)
Total expense recognised in profit or loss	687.54	688.84
Total amount recognised in OCI	(294.10)	(318.21)
Net obligation at the end of the year	7,737.50	7,671.25

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Reconciliation of benefit obligations		
Obligation at start of the year	7,671.25	7,752.63
Current service cost	110.66	109.72
Interest cost	576.88	579.12
Benefits paid directly by the company	(327.20)	(452.01)
Extra payments or expenses / (income)	-	-
Obligation of past service cost	-	-
Actuarial loss / (gain) on obligations	(294.10)	(318.21)
DBO at the end of the year	7,737.50	7,671.25
Re-measurements		
Actuarial gain/(loss) due to changes in financial assumptions	-	-
Actuarial gain/(loss) on account of experience adjustments	(294.10)	(318.21)
Total actuarial gain/(loss) recognised in OCI	(294.10)	(318.21)

(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
Discount rate		
+ 1.00% discount rate	(328.88)	(329.54)
- 1.00% discount rate	370.15	370.98
Premium cost		
+ 1.00% premium growth	384.94	388.44
- 1.00% premium growth	(347.72)	(350.80)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	7,737.50	7,671.25
Experience adjustment on plan liabilities	(630.09)	(678.47)

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 ₹ 751.81 Lakhs during FY 2022-23 (Previous year ₹ 718.57 Lakhs) 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 done.

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	Previous Year
	(Funded)	(Funded)
Discount rate	7.52%	7.47%
Rate of escalation in salary	5.00%	5.00%
Interest Rate Guarantee on Provident Fund	8.15%	8.10%

d. Officers Pension Scheme

Based on the guidelines of Ministry of Defence, Group has implemented "BEML Executive Superannuation (Pension) Scheme" for Officers of the Group. 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:

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Principal actuarial assumptions		
Discount rate	7.52%	7.47%
Range of compensation increase	5.00%	5.00%
Attrition rate	1.25%	0.53%
Expected rate of return on plan assets	7.52%	7.47%

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Components of income statement charge		
Current Service Cost	1,698.67	1,722.48
Interest Cost	144.32	247.84
Recognition of past service cost	-	-
Settlement / curtailment / termination loss	-	-
Total income statement charge	1,842.98	1,970.32
Movements in net liability/(asset)		
Net liability / (asset) at the beginning of the year	5,173.78	6,715.65
Employer contributions	(6,483.67)	(6,715.65)
Total expense recognised in profit or loss	1,842.98	1,970.32
Total amount recognised in OCI	2,116.17	3,203.46
Net liability / (asset) at the end of the year	2,649.26	5,173.78
Reconciliation of benefit obligations		
Obligation at start of the year	42,433.19	42,432.27
Current service cost	1,698.67	1,722.48
Interest cost	2,911.02	2,875.09
Benefits paid directly by the company	(6,927.57)	(7,807.43)
Actuarial loss / (gain) on obligations	727.67	3,210.78
DBO at the end of the year	40,842.97	42,433.19
Re-measurements		
Actuarial gain/(loss) due to changes in financial assumptions	(1,388.50)	7.32
Actuarial gain/(loss) on account of experience adjustments	(727.67)	(3,210.78)
Total actuarial gain/(loss) recognised in OCI	(2,116.17)	(3,203.46)
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	37,259.41	35,716.62
Adjustment to opening fair value of plan assets	-	-
Interest on plan assets	2,766.70	2,627.25
Contributions made	6,483.67	6,715.65
Benefits paid	(6,927.57)	(7,807.43)
Actuarial gain/(loss) on plan assets	(1,388.50)	7.32
Fair value of plan assets at the end of the year	38,193.71	37,259.41

(iii) Sensitivity analysis of significant assumptions

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
Discount rate		
Discount rate (CY +100 basis pts; PY +100 basis pts)	(1,815.52)	(2,048.35)
Discount rate (CY -100 basis pts; PY -100 basis pts)	2,042.68	2,305.17
Salary increase		
Salary growth (CY +100 basis pts; PY +100 basis pts)	1,112.69	1,495.16
Salary growth (CY -100 basis pts; PY -100 basis pts)	(1,250.78)	(1,575.70)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	40,842.97	42,433.19
Fair value of plan assets	38,193.71	37,259.41
(Surplus)/deficit in plan assets	2,649.26	5,173.78
Experience adjustment on plan liabilities	569.19	2,379.67
Actual return on plan assets less interest on plan assets	(1,388.50)	7.32

(v) Investment details

The plan assets under the fund are deposited under approved securities as follows: (₹ in Lakhs)

	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 2023	For the year ended 31 March 2022
Interest expense		
On Cash Credit & Short term loans	4,412.18	2,816.26
On Long Term Loans	-	-
On Commercial paper	-	933.60
On Non-convertible Debentures	118.98	1,042.98
On Inter Corporate Loans	-	-
On MSE vendors	-	-
Unwinding of discount on Interest free loan	-	50.00
Interest on RoU asset	91.00	76.91
Others	2.39	13.68
Total	4,624.55	4,933.43

Ind AS 23 (Borrowing Costs)

The amount of interest capitalized during the Year is ₹ Nil (Previous Year - ₹ Nil).

Note 3,5: Depreciation and Amortization Cost

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Property, Plant & Equipment	5,484.29	5,749.25
Right of Use Assets	117.86	112.89
Intangible Assets	806.22	783.29
Total	6,408.37	6,645.43

Note 37: Other Expenses

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spare parts	668.72	799.38
Consumable Tools	463.10	596.49
Power and fuel	3,629.48	3,750.67
Rent	178.79	159.78
Hire Charges	956.37	787.30
Repairs & Maintenance		
Machinery & Equipment	547.45	415.28
Buildings	771.20	572.09
Others	1,169.95	1,131.17
Stationery	95.82	97.16
Insurance	892.75	804.95
Rates & Taxes	1,994.08	1,099.94
Bank guarantee fee and other charges	765.25	878.33
Communication expenses	334.44	332.31
Commission on sales	1,138.78	432.62
Remuneration to Auditors (refer note 'a' below)	28.45	30.57
Legal & Professional Charges	39.75	110.98
Interest on Gratuity Payment	299.95	1,542.16
Travelling Expenses	1,135.79	822.29
Publicity & Public Relations	576.23	313.26
Loss on sale of property, plant and equipment	149.67	1.51
Provision for Obsolescence	332.45	955.39
Provision for Onerous contract	-	20.85
Defects & Spoilages	59.36	40.50
Works Contract Expenses	9,489.98	8,128.24
Expenses on Maintenance Contract	1,743.93	2,459.30
Sundry Direct Charges	3,841.46	7,357.44
Freight charges	7,083.04	4,710.86
Expenditure on CSR Activities	428.22	565.80
Provision for doubtful trade receivables & advances	391.16	9,632.27
Provision for Pending Legal cases	1.45	92.17
Warranty & Unexpired Obligations	1,528.91	1,931.44
Liquidated damages & Penalty w/off	5,805.96	14,463.48
Foreign exchange loss / (gain)	-	465.72
Miscellaneous expenses	9,279.08	9,179.39
Total	55,821.03	74,681.09

a. Break up of Remuneration to Auditors

(₹ in Lakhs)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
(a) As Auditor	16.54	17.56
(b) for taxation matter	3.27	3.42
(c) Other Services - Certification Fees	7.49	9.09
(d) Reimbursement of Expenses	1.15	0.50
Total	28.45	30.57

Note 38 : Exceptional Items

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Income		
MSE Interest written back	-	-
Warranty provision written back	-	-
Liability written back	-	-
sub-total	-	-
Expenditure	-	-
sub-total	-	-
Net Income / (Expenditure)	-	-

Note 39 : Other Disclosures

A. Indian Accounting standard (Ind AS) 33 – Earning per Share		
Particulars	Current Year	Previous Year
Net Profit / (Loss) after Tax (₹ in Lakhs)	15,789.10	12,858.84
Average Number of Shares	4,16,44,500	4,16,44,500
Earnings Per Share (Basic and Diluted) – Face Value ₹10/- Per Share (Amount in ₹)	37.91	30.88

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. Indian Accounting standard (Ind AS) 24 – Related Party Disclosures
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
BLAL Land Assets Limited (Upto 24.08.2022)	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 G. Jawahar - Director (Human Resource)	Key managerial personnel
Shri. Anil Jerath - Director (Finance)	Key managerial personnel
Shri Jai Gopal Mahajan - 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. Shareholding 45%.

Details of Transactions

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Transactions during the year ended		
Sales	-	-
Purchases	-	-
Equity Investment held as on 31 March (at cost)	542.25	542.25
Outstanding balances		
Amount payable towards supplies	94.49	94.49

2. Remuneration to Key managerial personnel

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Shri Amit Banerjee - Chairman and Managing Director	57.51	46.88
Shri M.V.Raja Sekhar - Director (Mining & Construction)**	45.64	49.30
Shri Suraj Prakash - Director (Finance)*	-	7.12
Shri Ajit kumar Srivastav - Director (Defence)	49.63	51.60
Shri Anil Jerath - Director (Finance)*	49.61	1.16
Shri G. Jawahar - Director (HR)**	14.75	-
Shri Shantanu Roy - Director (Mining & Construction)**	8.28	-
Shri S.V.Ravi Sekhar Rao - Company Secretary**	30.05	31.60
Shri Jai Gopal Mahajan - Company Secretary**	20.23	-

* For part of the year in FY 2021-22.

** For part of the year in FY 2022-23.

3. Details of remuneration of key managerial personnel comprises the following:

(₹ in Lakhs)

Shri Amit Banerjee - Chairman and Managing Director	31 March 2023	31 March 2022
Short-term benefits	50.76	41.82
Post-employment benefits	3.92	2.47
Other long-term benefits	2.83	2.59
Termination benefits	-	-
Shri M.V.Raja Sekhar - Director (Mining & Construction)**	31 March 2023	31 March 2022
Short-term benefits	41.94	43.56
Post-employment benefits	2.15	3.27
Other long-term benefits	1.55	2.47
Termination benefits	-	-
Shri Suraj Prakash - Director (Finance)*	31 March 2023	31 March 2022
Short-term benefits	-	5.03
Post-employment benefits	-	2.09
Other long-term benefits	-	-
Termination benefits	-	-
Shri Ajit Kumar Srivastav - Director (Defence)	31 March 2023	31 March 2022
Short-term benefits	43.23	46.03
Post-employment benefits	3.78	3.17
Other long-term benefits	2.62	2.40
Termination benefits	-	-
Shri Anil Jerath - Director (Finance)*	31 March 2023	31 March 2022
Short-term benefits	43.55	1.06
Post-employment benefits	3.59	0.04
Other long-term benefits	2.47	0.06
Termination benefits	-	-

Shri Anil Jerath - Director (Finance)*	31 March 2023	31 March 2022
Short-term benefits	43.55	1.06
Post-employment benefits	3.59	0.04
Other long-term benefits	2.47	0.06
Termination benefits	-	-
Shri G. Jawahar - Director (HR)**	31 March 2023	31 March 2022
Short-term benefits	12.68	-
Post-employment benefits	1.22	-
Other long-term benefits	0.85	-
Termination benefits	-	-
Shri Shantanu Roy - Director (Mining & Construction)**	31 March 2023	31 March 2022
Short-term benefits	6.63	-
Post-employment benefits	0.85	-
Other long-term benefits	0.80	-
Termination benefits	-	-
Shri S.V. Ravi Sekhar Rao - Company Secretary**	31 March 2023	31 March 2022
Short-term benefits	28.37	27.84
Post-employment benefits	0.98	2.12
Other long-term benefits	0.70	1.64
Termination benefits	-	-
Shri Jai Gopal Mahajan - Company Secretary**	31 March 2023	31 March 2022
Short-term benefits	17.89	-
Post-employment benefits	1.53	-
Other long-term benefits	0.81	-
Termination benefits	-	-
Total	31 March 2023	31 March 2022
Short-term benefits	245.05	165.34
Post-employment benefits	18.02	13.16
Other long-term benefits	12.63	9.16
Termination benefits	-	-

* For part of the year in FY 2021-22.

** For part of the year in FY 2022-23.

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. Indian Accounting standard (Ind AS) 37 – Provisions, Contingent Liabilities and Contingent Assets

I. Contingent liabilities

- a. Claims against the Group not acknowledged as debts
- i Disputed statutory demands (Customs Duty, Central Excise, Service Tax, Sales tax/VAT, etc.,) ₹51432.35 Lakhs (Previous Year ₹63048.13 Lakhs)
- ii Other claims-legal cases etc., ₹14936.45 Lakhs (Previous Year ₹14196.86 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 accounts and not provided for ₹1838.33 Lakhs (Previous Year ₹625.95 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 Group 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 2023	31 March 2022
Revenue Expenditure*	7,104.63	10,049.86
Capital Expenditure**	349.52	216.47

* 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 2023	For the year ended 31 March 2022
Material Cost	127.48	562.84
Employee Remuneration	5,519.03	5,700.85
Depreciation	929.56	987.08
Power and Fuel	120.38	144.83
Repairs and Maintenance	33.45	56.63
Consumable Tools	0.57	2.38
Travelling	89.80	58.01
Other Expenses	1,213.92	3,330.52
Payment to Technology Providers	-	193.80
Prototype held in WIP	-	-
Prototype held in FGI	-	-
Cost of Sales of Prototype sold	-	-
Total R&D Revenue Expenditure	8,034.19	11,036.94
Less: Depreciation	929.56	987.08
Net R & D Expenditure	7,104.63	10,049.86

The aggregate amount of Research & Development Expenditure recognised as Capital Expenditure till 31st March 2023 is as below.

b. Research & Development Capital Expenditure

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation, amortisation and impairment				Net Carrying value	
	As at 01.04.2022	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 01.04.2022	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2023	As at 31.03.2023	As at 31.03.2022
Property, Plant and Equipment										
Land										
Free Hold	3.29	-	-	3.29	-	-	-	-	3.29	3.29
Lease Hold	-	-	-	-	-	-	-	-	-	-
Buildings	216.02	10.50	(47.98)	178.54	69.90	5.24	(3.13)	72.01	106.53	146.12
Plant and Equipment	1,633.30	34.08	113.05	1,780.43	772.74	142.39	21.02	936.15	844.28	860.56
Furniture & Fixtures	123.24	11.15	(3.83)	130.56	90.41	11.18	(11.17)	90.42	40.13	32.83
Vehicles										
Given on Lease	393.41	0.86	(245.00)	149.27	128.53	14.07	(54.78)	87.83	61.44	264.88
Own Use	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	5.03	27.21	32.24	-	3.22	1.20	4.42	27.82	-
Roads & Drains	1.64	-	-	1.64	1.64	-	-	1.64	-	-
Water Supply Installations	0.12	-	-	0.12	0.04	0.01	-	0.05	0.07	0.08
Electrical Installation	140.81	11.28	116.86	268.95	74.65	24.64	28.24	127.52	141.43	66.16
Computers and Data processing units	1,040.15	93.91	(225.87)	908.19	805.17	87.61	(155.22)	737.56	170.62	234.99
Intangible Assets										
Software	2,366.53	182.72	-	2,549.25	1,940.29	175.81	-	2,116.10	433.15	426.23
Technical Knowhow	5,758.27	-	-	5,758.27	3,720.94	465.38	-	4,186.32	1,571.95	2,037.33
Total	11,676.78	349.52	(265.56)	11,760.74	7,604.31	929.5	(173.84)	8,360.02	3,400.72	4,072.48
Previous Year	11,396.09	216.47	64.22	11,676.78	6,631.50	986.91	(14.10)	7,604.31	4,072.47	4,764.58

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 and reconciliation. 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 2023	31 March 2022	31 March 2023	31 March 2022
i. Loans and Advances in the nature of loans:				
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	-	-	-	-
ii. Investment by the loanee (as detailed above) in the shares of BEML and its subsidiaries	-	-	-	-

J. Indian Accounting standard (Ind AS) 116 – Leases

a. The Group as a lessee

The Group's significant leasing arrangements are in respect of operating leases and in respect of its 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 2023	31 March 2022
Not later than one year	0.28	0.28
Later than one year but not later than five years	1.12	1.12
Later than five years	-	-
Total operating lease commitments	1.40	1.40

b. The Group as a lessor

The Group provides cars to employees who are eligible and enrol 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 2023	31 March 2022
Carrying value of assets	685.24	795.12
Accumulated depreciation	218.48	190.21
Depreciation expense during the year	106.07	90.15

Future minimum lease receipts under non-cancellable operating leases in respect of leased cars are summarised below:

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Not later than one year	66.20	64.61
Later than one year but not later than five years	273.74	283.27
Later than five years	151.60	249.41
Total operating lease commitments	491.54	597.29

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 2023	31 March 2022
Lease income	73.43	104.45
Lease expenses	178.79	159.78

(₹ in Lakhs)

d) Impact of IND AS 116 - RoU Assets	31 March 2023	31 March 2022
Depreciation on RoU Assets during the year	117.86	112.89
Finance Cost of Lease Liability	91.00	76.91
Gross value of RoU Assets	1,196.25	1,094.68
Net Book Value of Rou Assets	926.27	831.22
Lease Liability as of 31 st March	1,061.67	922.34
Impact on Profitability in the current year	(44.27)	(29.22)

K. Indian Accounting standard (Ind AS) 107 – Financial Instruments

(₹ in Lakhs)

The carrying value and fair value of financial instruments by category are as follows:

Particulars	31 March 2023		31 March 2022	
	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
Financial assets measured at fair value:				
Forward exchange contracts	-	-	-	-
	-	-	-	-
Financial assets not measured at fair value:				
Loans	-	115.89	-	12.11
Trade receivables	-	1,23,670.02	-	1,86,136.11
Cash and cash equivalents	-	909.89	-	2,200.16
Other financial assets	-	620.19	-	585.36
	-	1,25,315.99	-	1,88,933.75
Financial liabilities measured at fair value:				
Forward exchange contracts	-	-	-	-
	-	-	-	-
Financial liabilities not measured at fair value:				
Borrowings	-	37,083.50	-	82,257.40
Trade payables	-	67,830.71	-	56,116.20
Other financial liabilities	-	2,707.27	-	3,473.59
	-	1,07,621.49	-	1,41,847.19

* 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:

(₹ in Lakhs)

Particulars	31 March 2023			31 March 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
Forward exchange contracts	-	-	-	-	-	-
	-	-	-	-	-	-
Financial liabilities measured at fair value:						
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 value 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 2022-23.

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 2023	31 March 2022
India	1,19,857.90	1,83,986.56
Other regions	3,812.12	2,149.55
Total trade receivables	1,23,670.02	1,86,136.11

The maximum exposure to credit risk for trade receivables by geographic region was as follows.

At 31 March 2023, the Company's most significant customer, accounted for ₹28603.00 Lakhs of the trade receivables carrying amount (31 March 2022: ₹30682 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 2023 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 requirements 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		
31 March 2023					
Non-derivative financial liabilities					
Non-current Borrowings	-	-	-	-	-
Current Borrowings	37,166.55	-	-	-	37,166.55
Trade payables	67,830.71	-	-	-	67,830.71
Other financial liabilities	2,707.27	-	-	-	2,707.27
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	1,07,704.54	-	-	-	1,07,704.54
31 March 2022					
Non-derivative financial liabilities					
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
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	1,41,847.19	-	-	-	1,41,847.19

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity / commodity prices that 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 2021, 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 are as below:

31 March 2023

(₹ 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 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

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
31 March 2023										
Financial assets (A)										
Cash and cash equivalents	451.94	-	425.70	32.26	-	-	-	-	-	-
Trade receivables	119,857.90	3,595.20	216.92	-	-	-	-	-	-	-
Financial liabilities (B)										
Trade payables	61,231.73	2,617.17	2,280.17	659.28	691.28	-	331.73	17.41	1.95	-
Other current financial liabilities	1,613.67	-	-	-	-	-	-	-	-	-
Current maturities of long term debt	10,000.00	-	-	-	-	-	-	-	-	-
Net exposure to currency risk (A-B)	47,464.44	978.02	(1,637.55)	(627.02)	(691.28)	-	(331.73)	(17.41)	(1.95)	-
31 March 2022										
Financial assets (A)										
Cash and cash equivalents	1,966.65	-	233.47	0.04	-	-	-	-	-	-
Trade receivables	183,986.56	1,292.02	857.53	-	-	-	-	-	-	-
Financial liabilities (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	-	-	-	-	-	-	-	-	-
Net exposure to currency risk (A-B)	126,426.95	(1,552.11)	(1,283.60)	(2,334.98)	(1,150.51)	(5.19)	(294.00)	(9.99)	(28.02)	(16.06)

The following significant exchange rates have been applied during the year. (values in ₹)

Particulars	Average rate		Year-end spot rate	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
USD	-	-	82.7400	76.3300
EUR	-	-	90.8700	85.7600
JPY	-	-	0.6263	0.6280
GBP	-	-	103.2000	100.6400

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollar, Euro, Japanese Yen, the British Pound and other currencies at 31 March 2023 and 31 March 2022 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
31 March 2023				
1% movement				
USD	(9.78)	9.78	(6.36)	6.36
EUR	16.38	(16.38)	10.65	(10.65)
JPY	6.27	(6.27)	4.08	(4.08)
CNY	6.91	(6.91)	4.50	(4.50)
SEK	-	-	-	-
GBP	3.32	(3.32)	2.16	(2.16)
SGD	0.17	(0.17)	0.11	(0.11)
CHF	0.02	(0.02)	0.01	(0.01)
ZAR	-	-	-	-
31 March 2022				
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)

(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 Group to fair value interest rate risk. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(₹ in Lakhs)

Particulars	Carrying amount	
	31 March 2023	31 March 2022
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	-	(10,000.00)
	-	(10,000.00)
Variable-rate instruments		
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
31 March 2023				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
31 March 2022				
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 Group 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 Group's adjusted net debt to equity ratio is as follows.

(₹ in Lakhs)

Particulars	31 March 2023	31 March 2022
Total borrowings ¹	37,083.50	92,257.40
Less: Cash and bank balances ²	(909.89)	(1,858.42)
Adjusted net debt	36,173.61	90,398.98
Total equity	2,42,108.22	2,35,631.92
Less: Other components of equity	(38.42)	2,464.31
Adjusted equity	2,42,146.64	2,33,167.61
Adjusted net debt to adjusted equity ratio	0.15	0.39

¹Total borrowings comprises of long-term borrowings, short-term borrowing and bank overdraft facilities.

²Cash 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 Group 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 Group has following outstanding forward contracts as on:

31 March 2023: JPY Nil (INR Nil) [Previous Year - JPY Nil (INR Nil)]

31 March 2023: EUR Nil (INR Nil) [Previous Year - EUR Nil (INR Nil)]

31 March 2023: 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 2023	31 March 2022
	INR	INR
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)	-	-
Foreign exchange forward contracts (USD)	-	-
Total	-	-

The Group has unhedged foreign currency exposure of ₹9931.16 Lakhs (Previous Year - ₹18807.94 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	Mar-23	425,417.53	178,629.13	2.38	0%	-
		Mar-22	483,740.57	202,730.32	2.39		
(b) Debt-equity ratio	Total debt / Shareholder's equity	Mar-23	37,083.50	242,108.22	0.15	-57%	Due to improvement in Debtors realization, Borrowings have reduced. Hence the change in ratio.
		Mar-22	82,257.40	235,631.92	0.35		
(c) Debt service coverage ratio	Earnings available for debt service / Debt service	Mar-23	38,803.91	4,624.55	8.39	31%	EBITDA has improved over previous year due to reduction in costs. Also borrowings have reduced significantly due to improvement in Debtors realization. Hence there is significant improvement in DSCR over PY.
		Mar-22	31,552.54	4,933.43	6.4		
(d) Return on equity ratio ('ROE')	Net profits after taxes / Average shareholder's equity	Mar-23	15,789.10	238,870.07	0.07	17%	
		Mar-22	12,858.84	228,528.15	0.06		
(e) Inventory turnover ratio	Cost of goods sold / Average inventory	Mar-23	383,919.33	206,709.10	1.86	-9%	-
		Mar-22	414,297.08	202,405.94	2.05		
(f) Trade receivables turnover ratio	Net credit sales / Average accounts receivable	Mar-23	454,932.79	154,903.07	2.94	15%	-
		Mar-22	479,623.13	187,293.51	2.56		
(g) Trade payables turnover ratio	Net credit purchases / Average trade payables	Mar-23	210,640.81	61,973.46	3.4	-13%	-
		Mar-22	253,192.93	65,145.83	3.89		
(h) Net capital turnover ratio	Net sales / Average working capital	Mar-23	383,919.33	263,899.33	1.45	-3%	-
		Mar-22	414,297.08	278,646.34	1.49		
(i) Net profit ratio	Net profit / Net sales	Mar-23	15,789.10	383,919.33	0.04	33%	Profitability has improved over PY due to reduction in Material consumption % , employee costs and Provisions for Expected credit loss. Hence there is significant improvement in Net profit ratio over PY
		Mar-22	12,858.84	414,297.08	0.03		
(j) Return on capital employed ('ROCE')	Earning before interest and taxes / Capital employed	Mar-23	32,395.54	301,584.91	0.11	57%	Profitability has improved over PY due to reduction in Material consumption, Employee costs and Provisions for Expected credit loss. Hence there is significant improvement in ROCE over PY.
		Mar-22	24,907.10	343,140.93	0.07		
(k) Return on investment ('ROI')	Net Profit / Share capital	Mar-23	15,789.10	242,108.22	0.07	40%	Profitability has improved over PY due to reduction in Material consumption, Employee costs and Provisions for Expected credit loss. Hence there is significant improvement in ROI over PY. Hence ROI has improved significantly over PY.
		Mar-22	12,858.84	235,631.92	0.05		
(l) Asset turnover ratio	Total Income	Mar-23	392253.98	500978.14	0.78	3%	
	Total Assets	Mar-22	434318.55	570903.28	0.76		
(m) EBITDA as a % of Revenue	EBITDA	Mar-23	38803.91	392253.98	0.10	43%	EBITDA has improved over previous year due to reduction in Material consumption, Employee costs & provisions. Hence there is significant improvement in this ratio over PY.
	Revenue	Mar-22	31552.54	434318.55	0.07		
(n) Trade receivables as number of days of revenue from	(Trade receivables/ Revenue from Operation) * 365	Mar-23	123,670.02	454,932.79	99	-31%	-
		Mar-22	186,136.11	479,623.13	142		
(o) Exports as a percentage of Revenue from Operation	(Exports/Revenue from Operation)	Mar-23	83,013.14	383,919.33	22%	57%	Exports have increased as a result of completion of supply of Equipment & spares to Cameroon & other countries. Hence the ratio has improved over PY.
		Mar-22	56,474.04	414,297.08	14%		
(p) Imports as a percentage of Revenue from Operation	(Imports/Revenue from Operation)	Mar-23	64,858.85	383,919.33	17%	13%	-
		Mar-22	62,406.51	414,297.08	15%		

Revenue from Operation includes Revenue from Sale of products and Services ₹383919 Lakhs (PY ₹414297 Lakhs) and Other operating Income of ₹ 5975 Lakhs (PY ₹19452 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	215.07
(b) amount of expenditure incurred	428.22
(c) shortfall at the end of the year	-
(d) total of previous years shortfall	-
(e) reason for shortfall	-

- (f) 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
1. Eradication of Hunger-Mid day Meal Scheme Donation to The Akshaya Patra Foundation, Bengaluru
 2. Donation to Matru Chaya, Vijayawada for promotion of Health, welfare and all-round development of orphan and poor children.
 3. Donation to The United Orphanage for providing Mid-day meals to specially challenged and elders.
 4. Donation to My Home India for better health status of women and children.
 5. Contribution to Armed Forces Flag Day Funds.
 6. Free Mobile Medical Service.
 7. Providing education to local population.
 8. Distribution of solar LED tube lights to parishay Foundation

(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. For demerger of surplus assets of BEML, a wholly owned subsidiary- BEML Land Assets Limited (BLAL), was incorporated on 15-07-2021. MCA approved Scheme of Arrangement for demerger has been filed with ROC. The effective date of demerger was 25.08.2022 (the appointed date). M/s BLAL has ceased to be a subsidiary of BEML from the appointed date. As per the scheme of arrangement of demerger the Equity share capital of ₹ 1 Lakh of BLAL has been cancelled. BLAL has issued Equity shares to the shareholders of BEML in the ratio of 1:1, based on the record date 9th September 2022 as per the MCA approved Scheme of arrangement. The amounts paid by BEML on behalf of BLAL has been treated as Inter-Corporate Loan and interest on the same has been applied as approved by the BEML & BLAL Board. BLAL Equity shares have been listed in the Stock Exchanges viz BSE/NSE on 19th April 2023.

As per our report of even date attached
For SUNDARAM & SRINIVASAN,
Chartered Accountants
Firm Registration Number: 004207S

For and on behalf of the Board of Directors

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: 26.05.2023

Sd/-
JAI GOPAL MAHAJAN
Company Secretary

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	MAMC Industries Limited	BEML Land Assets Limited
1	Reporting period of the Subsidiary Company	31.03.2023	31.03.2023	upto 24.08.2022
2	Reporting currency of Foreign Subsidiary	-	-	-
3	Exchange rate as on 31.03.2022	-	-	-
4	Share Capital (₹ in Lakhs)	278.97	5.00	-
5	Reserves & Surplus (₹ in Lakhs)	2,749.05	(180.40)	(0.15)
6	Total Assets (₹ in Lakhs)	4,286.74	431.08	0.99
7	Total Liabilities (₹ in Lakhs)	1,258.72	606.48	1.14
8	Investments (₹ in Lakhs)	Nil	Nil	Nil
9	Turnover Gross (₹ in Lakhs)	-	Nil	Nil
10	Profit before taxation (₹ in Lakhs)	(79.38)	(9.49)	(0.24)
11	Provision for taxation (₹ in Lakhs)	-	-	-
12	Profit after taxation (₹ in Lakhs)	(79.38)	(9.49)	(0.24)
13	Proposed Dividend	₹Nil	₹Nil	₹Nil
14	% of Shareholding	96.56%	100.00%	100.00%

Note:

- MAMC Industries Ltd is yet to commence operation.
- 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.
- For demerger of surplus assets of BEML, a wholly owned subsidiary- BEML Land Assets Limited (BLAL), was incorporated on 15-07-2021. MCA approved Scheme of Arrangement for demerger has been filed with ROC. The effective date of demerger was 25.08.2022 (the appointed date). M/s BLAL has ceased to be a subsidiary of BEML from the appointed date. As per the scheme of arrangement of demerger the Equity share capital of ₹1 Lakh of BLAL has been cancelled and the corresponding investment of ₹1 Lakh in BEML books has been written off.

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.	5422500
	Amount of Investment in Associates / Joint Venture	₹542.25 Lakhs
	Extend of Holding %	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 i. Not Considered in Consolidation	Not Applicable Not Applicable

As per our report of even date attached
For SUNDARAM & SRINIVASAN,
 Chartered Accountants
 Firm Registration Number: 004207S

For and on behalf of the Board of Directors

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/-
JAI GOPAL MAHAJAN
 Company Secretary

Date: 26.05.2023

INDEPENDENT AUDITOR'S REPORT

To the members of BEML LIMITED

Report on the Audit of Consolidated Ind AS Financial Statements

Pursuant to the observations arising from the Audit by the Comptroller and Audit General of India, our earlier report dated 26-05-2023, Emphasis of matter has been revised by making changes in the Emphasis of matter para c) and adding para h). This report supersedes our earlier report. Our opinion has not been modified in this regard.

Qualified Opinion

We have audited the accompanying consolidated Quarterly/Annual 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, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income) for Quarterly/year ending 31st March 2023, the consolidated Statement of Changes in Equity for the quarter/year ended 31st March 2023, 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") for the quarter/year ended March 31, 2023.

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, 2023, of its Consolidated Profit and consolidated total comprehensive income, Consolidated position of change in equity and the consolidated cash flows for the Quarter and 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) 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.
- b) Note No. 12 – Inventories includes a provision for shortage of stock of Spares amounting to ₹5.90 Lakhs, which is pending to be adjusted in the books of accounts and under reconciliation.
- c) We draw attention to Note no. 14 – Trade Receivables amounting to ₹1,23,670.02 Lakhs, Note no. 14a – Contract Assets amounting to ₹61,265.72 Lakhs, Note no. 18 – Claims Receivable (net) (Other current Assets) amounting to ₹3488.78 Lakhs of the notes forming part of the Financial statement which includes

various contracts which could be onerous 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.

Hence, no provision for onerous contracts has been created in respect of these contracts.

- d) 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.
- e) 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.
- f) 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.
- g) 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 ₹7197.70 Lakhs (Previous Year - ₹6827.18 Lakhs

- h) During the year the Group has transferred the following assets at book value to M/s BEML Land Assets Ltd(BLAL) under the MCA approved Scheme of Arrangement for demerger filed with ROC on 25th August 2022.The same has been disclosed under Note-3 B(i)-PPE of the Financial Statements.

Land = ₹636.58 lakhs

Buildings = ₹327.89 lakhs

Our Opinion is not qualified in respect of these matters.

We draw attention to the following in respect of the Subsidiary Companies:

- i) In the books of MAMC Industries Limited, The Company has taken the land on lease from Urban development dept. Govt of West Bengal for a period of 60 (sixty) years on March 7, 2011. This has been capitalised in the books of company. As per the stipulations mentioned in the said lease deed in point no.25 and subsequent clauses, the company has not started the factory within two years w.e.f. March 7, 2011, it is liable to return the possession of leased land back to U D Dept. Govt of West Bengal and there is open right of the Govt of West bengal to cancel the lease and re-enter the premises so leased to the company. If the objection is raised from the Government regarding the starting of the factory, then the company will have to surrender the Land, since it has already been more than 2 years of taking the possession. However there is no demand from Govt of West Bengal in this regard till date.

- j) In the books of Vignyan Industries limited, Land (factory, helipad, guest house)I have been revalued at fair value amounting to ₹4266.47 lakhs in line with latest reserve price fixed by NBCC India Limited and a sum of ₹2,285.97 lakhs had been given credit in Property, Plant and Equipment with suitable adjustment in other equity.

In respect of Guest House Land, one bidder viz, M/s Gold Brick Realty LLP who had submitted a bid, (rejejected by company), have filed a Writ Petition in High Court of Karnataka against M/s BEML to execute the registered sale deed in their favour by receiving the auctioned amount from them. Hon'ble High Court vide order dated 02.02.2023 directed the parties to maintain the status quo. Once the writ petition is disposed off, further action for disposal of Guest House Land will be taken up in line with the directives of the High Court of Karnataka.

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 Quarter and year ended March 31, 2023. 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:

- 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 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

- 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.
- 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. BEML LAND ASSETS LIMITED [BLAL] (up to August 24, 2022) and M/s. MAMC INDUSTRIES LTD, whose Financial Statements reflect Group's

share of total assets of ₹4,718.81 Lakhs as at March 31, 2023, Group's share of total revenue of ₹69.69 Lakhs, ₹0.00 (Nil) Lakhs and ₹ 0.00 (Nil) Lakhs and Group's share of total net profit/(loss) after tax of ₹(79.38) Lakhs, ₹(0.24) Lakhs and ₹(9.49) Lakhs for the Quarter and year ended March 31, 2023, 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, Bangalore 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 account 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 reports on the accounts of the Holding Company, Subsidiaries, Associate and Jointly Controlled

- Companies incorporated in India, audited under Section 143(8) of the Act by other auditors have been sent to us/ other auditors as applicable and have been properly dealt with in preparing this report;
- d) 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;
- e) 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;
- f) 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;
- g) As per notification No. GSR 463(E) dated 5th 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.
- h) With respect to the adequacy of internal financial controls with reference to financial statements in place and the operating effectiveness of such controls refer to our separate Report in **Annexure – A**, which is based on the auditors' reports of the Holding Company, subsidiary companies, associate and jointly controlled entities incorporated in India. Our report expresses an Unqualified opinion on the adequacy of (internal financial controls with reference to financial statements) in place and operating effectiveness of such controls of the Holding Company/ subsidiary companies / associate company/ jointly controlled companies incorporated in India;
- i) 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, its subsidiary, its associate company and jointly controlled entities [Refer Note No. 39 (D)(I)(a)(ii)];
- b. The Group its associates and jointly controlled entities did not have any derivative contracts but have

provided material foreseeable losses of ₹NIL (PY ₹20.85 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, its subsidiary companies and jointly controlled 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.

(d) As proviso to Rule 3(1) of Companies (Accounts) Rules, 2014 is applicable for the holding company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 004207S

Place : Chennai
Date : 17-07-2023
UDIN : 23217914BGWPGB7248

Sd/-
CA. 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 associate and its jointly controlled entities as of March 31, 2023 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group for the Quarter and year ended on that date.

In our opinion, the Group, its associate and jointly controlled entities, 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, 2023, 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, its associate and its jointly controlled entities 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, its associate and jointly controlled entities 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, its associate and jointly controlled entities 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.

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 reports 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, associate and Jointly

Controlled Entities which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 004207S

Place : Chennai
Date : 17-07-2023
UDIN : 23217914BGWPGB7248

Sd/-
CA. 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.



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

By Speed Post
Confidential

क्रमांक: 1/BEML Accs 22-23/ 2023-24/ 127

प्रधान निदेशक याणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड का कार्यालय, बंगलूर - 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and ex-Officio MEMBER, AUDIT BOARD,
BENGALURU - 560 001.

दिनांक/ DATE. 25.07.2023

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 2023.

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 2023.

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,

(J N Perumal)
Director(Admn)

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बंगलूर - 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 2023

The preparation of consolidated financial statements of **BEML Limited, Bengaluru** for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by him vide his Revised Audit Report dated 17 July 2023 which supersedes his earlier Audit Report dated 26 May 2023.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of **BEML Limited, Bengaluru** for the year ended 31 March 2023 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of BEML Limited, Bengaluru, Vignyan Industries Limited, Tarikere and 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.

In view of the revisions made in the Statutory auditor's report, to give effect to some of my audit observations raised during supplementary audit, I have no further comments to offer upon or supplement to statutory auditor's report under section 143(6) (b) read with section 129(4) of the Act.

For and on behalf of the
Comptroller & Auditor General of India


(Rajesh Ranjan)

Principal Director of Audit (Defence-Commercial)

Place: Bengaluru
Date: 25 July 2023

Corporate Data

BOARD OF DIRECTORS:

FUNCTIONAL DIRECTORS:

Shri Shantanu Roy
Chairman &
Managing Director

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:

Shri Arun Daga
Shri Vikas Kakatkar
Shri Siva Makutam
Shri Bipin Kumar Gupta

COMPANY SECRETARY:

Shri Jai Gopal Mahajan

CHIEF VIGILANCE OFFICER:

Shri Venkateswara Reddy

EXECUTIVE DIRECTORS:

1. Shri Umashankar
2. Shri Sanjay Som
3. Shri Pawan Kumar
4. Shri Basudev Mishra

CHIEF GENERAL MANAGERS:

6. Shri Srinivasan G
7. Shri Jai Gopal Mahajan
8. Shri Debi Prasad Satpathy
9. Shri Sekar V
10. Shri Shashikanth KC
11. Shri Ishwara Bhat V
12. Shri Thamilselvan.AS
13. Shri Sasi Kumar K
14. Shri Sunil R Kharad

GENERAL MANAGERS:

15. Shri Paritosh Pandey

16. Shri Subramanyam S M
17. Shri Praveen Kumar Mathpal
18. Shri Chandra Gopal Raju K
19. Shri Vikas Chandra Kureel
20. Shri Prasanna Kumar Ballal
21. Shri Ganesh Govinda Raju Macharla
22. Shri Abenezzer Samir Khess
23. Gp Capt. Chakrapani Mandela (Retd)
24. Shri Hadubandhu Sahu
25. Shri Patil R A S
26. Shri Shekhar K
27. Shri Idaya Kumar R
28. Shri Ramaswamy K S
29. Shri Sudharshan M
30. Shri Channappa Dyamappa Madar
31. Shri Ranvir Singh Chopra
32. Smt Neena Singh
33. Shri Rajaiah G
34. Shri Narendra K.B
35. Shri Yogananda H R
36. Shri Nagendra Datta S
37. Shri Ramesh N
38. Shri Shivakumar HG
39. Shri Debasish Nag
40. Shri Yogananda G
41. Shri Basavaraj N Navalgund
42. Shri Raghavendra Swamy H S
43. Shri Lingaraj V Viraktamath
44. Shri Mallikarjuna Reddy C V
45. Shri Vidhyadharan M.K
46. Smt Gayathri P V
47. Shri Bhupinder Singh
48. Shri Sandeep Manohar Matey
49. Shri Aparup Sinha
50. Shri Ganesh D S
51. Shri Srinivasa T N
52. Shri Mahadevan B
53. Shri Sanjay Patil
54. Shri Manohar Motagi
55. Shri Hemant Kumar T
56. Shri Sujit Kumar Bhuniya
57. Shri Subramani R
58. Shri Gopinatha BR
59. Shri Asok Ram

60. Shri Anbazhagan P

61. Shri Anuj Kumar Goel

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

CIN No:

L35202KA1964GOI001530

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

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 Office:

Kenya

Providing Battlefield All-Terrain Mobility & Support to Armed Forces



REPAIR & RECOVERY VEHICLES



ARMOURED VEHICLES

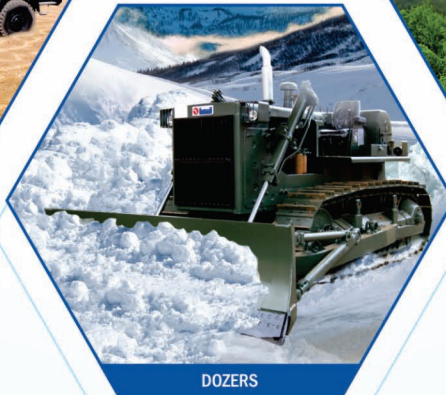


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