

ಬಿಇಎಂಎಲ್ ಲಿಮಿಟೆಡ್
बीईएमएल लिमिटेड
BEML LIMITED



Schedule 'A' Company under Ministry of Defence, Govt. of India
Defence & Aerospace | Mining & Construction | Rail & Metro

Ref: CS/57AGM/ 136

02.09.2021

Listing Compliance Department National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex Bandra (East), MUMBAI - 400 051	Listing Compliance Department The BSE Limited P.J. Towers, 26 th Floor, Dalal Street, MUMBAI - 400 001
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Dear Sir / Madam,

Sub: Notifying the date of AGM, Book Closure / Record date and Annual Report for the year 2020-21 along with notice of AGM - Reg.

1. We wish to bring to your kind notice the schedule of the 57TH Annual General Meeting of the Company for the financial year 2020-21 as under:

Subject	Details
Date and time of 57 th AGM	Friday, September 24, 2021 at 11:30 hours (IST)
Mode	Video Conferencing / Other Audio Visual Means
Participation through video - conferencing	As provided in Notice to AGM
Cut-off date for e-voting	September 17, 2021
E-voting start date and time	September 20, 2021 at 9:00 AM
E-voting end date and time	September 23, 2021 at 5:00 PM
E-voting website	www.evoting.nsdl.com

2. Intimation of Record date / Cut-off date:

BSE Scrip Code	NSE Symbol	Type of security	Book Closure both days inclusive		Record Date / Cut-off Date	Purpose
			From	To		
500048	BEML	Equity	18.09.2021	24.09.2021	17.09.2021	For the purpose of 57 th AGM and Payment of final dividend, if approved.

3. Further, in terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Notice of AGM along with Annual Report of the Company for the Financial Year 2020-21 for your kind reference and records.

Thanking you.

For BEML Limited


21/9/21

S V Ravisekhar Rao
Company Secretary & Compliance Officer
Encl : As above



ಪ್ರಧಾನಕಛೇರಿCorporate Office:

'ಬೆಂಪಲ್ಸಿಡ್', ೨೩/೧, ೪ನೇಮುಖ್ಯರಸ್ತೆ, ಸಂಪಂಗಿರಾಮನಗರ, ಬೆಂಗಳೂರು - ೫೬೦೦೨೬. ದೂರವಾಣಿ ಸಂಖ್ಯೆ: +೯೧೮೦೨೨೯೬೩೨೧೦ / ೨೨೨೨೪೪೫೬

BEML Soudha, 23/1, 4th. Main, S R Nagar, Bangalore - 560027, Tel. +91 80 22963210 / 22224457

e-mail: corpcomm@beml.co.in @cmdbeml @BEMLHQ

CIN: L35202KA1964GOI001530, GST NO. 29AAACB8433D1ZU

www.bemlindia.in

ಬಿಇಎಂಎಲ್ ಲಿಮಿಟೆಡ್
बी ई एम एल लिमिटेड
BEML LIMITED



Schedule 'A' Company under Ministry of Defence, Govt. of India
Defence & Aerospace | Mining & Construction | Rail & Metro

CC :

1. The National Securities Depository Limited,
Trade World, 5th Floor,
Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel,
MUMBAI – 400 013
2. The Central Depository Services (India) Limited,
Phiroze Jeejeebhoy Towers, 28th Floor,
Dalal Street,
MUMBAI – 400 023.
3. M/s. Kfin Technologies Private Limited
Selenium Building, Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally,
HYDERABAD - 500 032.
4. M/s. SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor,
122 Dinshaw Vachha Road, Churchgate,
MUMBAI – 400 020



ಪ್ರಧಾನಕಛೇರಿCorporate Office:

'ಬೆಮಲ್ ಸೌಧ', ೨೩/೧, ೪ನೇ ಮುಖ್ಯರಸ್ತೆ, ಸಂಪಂಗಿರಾಮನಗರ, ಬೆಂಗಳೂರು - ೫೬೦೦೨೭. ದೂರವಾಣಿ ಸಂಖ್ಯೆ : +೯೧೮೦೨೨೯೬೩೨೧೦ / ೨೨೨೨೪೪೫೭

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CIN: L35202KA1964GOI001530, GST NO. 29AAACB8433D1ZU

www.bemlindia.in

BEML LIMITED

(CIN: L35202KA1964GOI001530)

(A Government of India Schedule-A Company under Ministry of Defence)

"BEML SOUDHA" 23/1, 4TH Main, S.R. Nagar, Bengaluru 560027

Phone: 080 22963142 / 22963211. FAX: 080 22963142

Email : cs@beml.co.in Website : www.bemlindia.in

NOTICE

NOTICE is hereby given that the 57th Annual General Meeting of BEML Limited will be held on **Friday, the 24th September, 2021 at 11.30 hours** through **Video Conferencing (VC)**, to transact the following business:

I. ORDINARY BUSINESS

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statement of the Company for the Financial Year ended 31st March 2021, together with the Reports of the Board of Directors and the Auditors thereon; and
 - (b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended 31st March 2021 and the Report of the Auditors thereon.
2. To confirm the payment of Interim Dividend on Equity Shares and declare Final Dividend on Equity Shares for the Year ended 31.03.2021.
3. To appoint a Director in place of Shri Ajit Kumar Srivastav (DIN: 08741858), Director (Defence Business), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass the following resolution for fixation of remuneration of Statutory Auditors for the year 2021-22:

"RESOLVED that pursuant to the provisions of Section 142 of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to fix the remuneration and other terms and conditions of the Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India for the financial year 2021-22."

II. SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following resolution for Appointment of Shri Amit Banerjee, Director (Rail and Metro business) and as Chairman & Managing Director as an Ordinary Resolution:

"RESOLVED that the appointment of Shri Amit Banerjee (DIN: 08783660), as Director (Rail and Metro Business) of the Company with effect from 09.10.2020 and subsequently appointed as Chairman and Managing Director of the Company with effect from 27.08.2021, on the terms and conditions as stipulated by the Government of India, be and is hereby approved."
6. To consider and if thought fit, to pass the following resolution for Ratification of Remuneration payable to Cost Auditors as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration of 1,27,050, inclusive of out-of-pocket expenses and GST will be extra, payable to M/s. R M Bansal and Co., Cost Auditors, as duly appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the FY 2021-22, be and is hereby ratified and confirmed."

By order of the Board
For BEML Limited

Bengaluru
02.09.2021

S V Ravi Sekhar Rao
Company Secretary

NOTES

- In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Ministry of Corporate Affairs ("MCA") has permitted conducting Annual General Meeting through video conferencing ("VC") or other audio-visual means ("OAVM"). In this regard, MCA vide General Circular No.02/2021, dated 13.01.2021 has extended the requirements provided in paragraphs 3 and 4 of the General Circular No.20/2020 dated 05.05.2020. As per the said General Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements along with notice of the meeting shall be sent only by email to the members, trustees for the debenture-holder of any debentures issued by the company, and to all other persons so entitled. With this facility Companies are allowed to conduct their AGM through VC / OAVM.*
- Further, the Securities and Exchange Board of India ("SEBI") vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated 15.01.2021 while extending the relaxations in Paragraphs 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), 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 2021 (i.e. till December 31, 2021) through VC / OAVM.*
- In view of the above, Members can attend and participate in the ensuing AGM through VC. The Members can join the meeting through VC 15 minutes prior to scheduled time of the commencement of the meeting or during the meeting. The attendance of the Members attending the AGM through VC will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.*
- Pursuant to the Circulars issued by MCA and SEBI, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at AGM and cast their votes through e-voting. The letter of appointment of representative(s) of the President of India or the Governor of a State; or the authorisation in respect of representative(s) of the Corporations shall be received by the Scrutinizer / Company on or before close of remote e-voting. The said Resolution / Authorization shall be sent to the Company by e-mail to cs@beml.co.in.*
- The documents relating to Registers of Directors and KMP and their shareholding maintained under Section 170 of the Companies Act, 2013 and Register of contracts and arrangements in which directors are interested under Section 189 of the Companies Act, 2013 will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to cs@beml.co.in.*
- Members may visit the website of the Company www.bemlindia.in for more information on the Company.*
- Members are requested to address all correspondence in relation to share matters to the Company's RTA, M/s. Kfin Technologies Private Limited at the following address:*

M/s. Kfin Technologies Private Limited

Selenium Tower B, Plot 31-32,

Gachibowli, Financial District,

Nanakramguda, Serilingampally,

Hyderabad - 500 032.

Ph: 040-67161526, Fax: 040-23001153

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

Website: www.kfintech.com

8. **Investor Grievance Redressal:**

The Company has an exclusive page for lodging complaints online through 'Online Investor Complaints' at <https://www.bemlindia.in/complain.aspx?type=investor> which enables investors to register their complaints. The Company endeavour to reply to the said complaints within a period of 3 working days.

9. Pursuant to SEBI circular ref SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20.04.2018, shareholders whose ledger folios do not have or having incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the details to the RTA / to the Company for registration in the folio, so that investments held by the shareholders will be fully protected with proper KYC compliance.
10. Further, pursuant to provisions in the Listing Regulations, except in case of transmission, transposition or deletion of name of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
11. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the AGM is annexed hereto.
12. Pursuant to Regulation 36(3) of the Listing Regulations, the brief resume / profile of the Director eligible for appointment / re-appointment is attached hereto.
13. The dividend declared at the AGM will be paid on or after 30.09.2021, in respect of shares held in physical form to those members who are entitled to the same and whose names appear in the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company at the end of business hours on 17.09.2021. In respect of shares held in the electronic form to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as at the closure of that date.
14. Pursuant to the Finance Act 2020, dividend income will be taxable in the hands of the Members w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and/or update their Residential Status, Permanent Account Number ("PAN"), category as per the IT Act with their Depository Participants ('DPs') or in case shares are held in physical form, with the Company by sending documents on or before 17.09.2021.

15. **Unclaimed / Unpaid Dividend:**

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, has to 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 up to 31.03.2013 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 as per the procedure laid down in IEPF authority's website at www.iepf.gov.in.

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

Dividend for the financial year	Date of Declaration	Unclaimed as on 31.03.2021 (₹ in lakhs)	Due for transfer on
2013-14	18.09.2014	2.00	24.10.2021
2014-15	15.09.2015	1.60	21.10.2022
2015-16	15.09.2016	6.20	21.10.2023
2016-17	21.09.2017	10.72	27.10.2024
2017-18	26.09.2018	11.80	01.11.2025
2018-19 (Interim)	21.03.2019	6.57	26.04.2026
2018-19 (Final)	26.09.2019	3.47	01.11.2026
2019-20 (Interim)	13.03.2020	7.18	18.04.2027
2019-20 (Final)	25.09.2020	8.08	31.10.2027
2020-21 (Interim)	10.02.2021	29.90	20.03.2028
Total		87.52	--

Members who have not encashed their dividend warrants pertaining to the aforesaid year/s may approach the Company/RTA of the company, for obtaining payments thereof at least 20 days before they are due for transfer to the IEPF.

16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs and SEBI, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
17. In line with the MCA and SEBI Circulars, the 57th Annual Report including Notice is sent in electronic form to the shareholders whose registered e-mail IDs are available with the Company / Registrar and Share Transfer Agent (RTA). For those members who have not registered their email IDs, can obtain the Notice and Annual Report at website of the Company www.bemlinda.in. The Notice and Annual Report can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. Further, the Notice and Annual Report is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.
18. In terms of Regn. 42 of the Listing Regulations, the Register of Members and Share Transfer Book will remain closed from 18.09.2021 (Saturday) to 24.09.2021 (Friday) both days inclusive for the purpose of AGM.
19. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Monday, the 20.09.2021 at 09.00 A.M. and ends on Thursday, the 23.09.2021 at 5.00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on

the record date (cut-off date) i.e. 17.09.2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17.09.2021.

How do I vote electronically using NSDL e-Voting system?





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e -Voting services under Value added services. Click on "Access to e -Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e -Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDEAS e -Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDEAS Portal" or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e -Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e -Voting period or joining virtual meeting & voting during the meeting. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <div style="text-align: center;"> <p>NSDL Mobile App is available on</p> <p> App Store  Google Play</p> <div style="display: flex; justify-content: space-around;">   </div> </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/ Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	Members can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e -Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022 - 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 117505 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - (c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?
(If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to vijay@velichetyandco.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to cs@beml.co.in.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to cs@beml.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 **(A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@beml.co.in. The same will be replied by the company suitably.
6. Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker during the period starting from 20th September 2021 (from 9.00 a.m.) to

23rd September 2021 (upto 5.00 p.m.) by sending the requests to cs@beml.co.in and a link will be provided to the registered speakers. Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that only questions of the members holding the shares as on cut-off date will be considered.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013

Item No. 5: Appointment of Director (Rail & Metro Business) and subsequently as Chairman & Managing Director

In terms of Article 97 of the Articles of Association of the Company, the President of India is vested with the power to appoint the Directors of the Company from time to time and also shall determine the terms of office of such Directors. Accordingly, Shri Amit Banerjee (DIN: 08783660), Director (Rail & Metro Business) has been appointed as Director (Rail & Metro Business) of the Company vide MoD letter No. 8(2)/2019-D(BEML), Dated 08.10.2020 and took charge on the Board of your Company w.e.f. 09.10.2020. Further, Shri Amit Banerjee has been appointed as Chairman & Managing Director of the Company vide MoD Letter no.8(3)/2019-D(BEML), dated 27.08.2021.

The Brief profile of Shri Amit Banerjee is provided in the Annexure to this notice.

Item No. 6: Ratification of Remuneration to Cost Auditors:

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment of M/s. R M Bansal & Co., Cost Accountants, at annual remuneration of ₹ 1,27,050/- inclusive of out-of-pocket expenses and GST will be paid extra, to conduct the audit of the cost records of the Company for the financial year 2021-22.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, the Members are requested to consider and ratify the remuneration payable to the Cost Auditors for the year 2021-22 as set out in the resolution for the aforesaid services.

The Board recommends the proposed Ordinary Resolution for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested in the above proposed resolutions.

By order of the Board
For BEML Limited

Bengaluru
02.09.2021

S V Ravi Sekhar Rao
Company Secretary

Profile of Directors being appointed / re-appointed

[As required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard - 2 on General Meetings]

Name of Director	Shri Ajit Kumar Srivastav	Shri Amit Banerjee
Director Identification Number	08741858	08783660
Date of Birth	10.02.1965	10.07.1963
Date of Appointment	01.06.2020	Director (Rail & Metro Business) – 09.10.2020 Chairman & Managing Director – 27.08.2021
Qualification	Graduate in Mechanical Engineering from IIT Kharagpur	Graduate in Mechanical Engineering from IIT (BHU), Varanasi
Expertise in specific functional areas	Quality Assurance, International business division head and held several other managerial positions.	R&D, Manufacturing, design & development of various products like SSEMU, Metro cars, Catenary Maintenance Vehicle etc.
Experience	He joined BEML as an Engineer Trainee in the year 1988. Prior to assuming the charge as Director, he served as Chief General Manager (Defence Marketing). In his professional career spanning over three decades in BEML, he played a significant role in phased indigenization of key products and import substitution. He also created a vendor ecosystem incorporating MSMEs and set up the Regional Quality Assurance Wing covering entire Northern India. As a District / Regional Manager, he has set up the first ever dealer network for construction equipment. As Head of International Business Division, he effectively used buyer's credit opportunities to enhance exports.	He joined BEML as Asst Engineer in the year 1984. Presently, he is the Chairman and Managing Director w.e.f. 27.08.2021. Prior to assuming the charge as Director (Rail & Metro Business) on 09.10.2020, Shri Amit Banerjee was Executive Director (Rail & Metro Business). He joined BEML as Asst. Engineer and has a vast experience of over 37 years in R&D and manufacturing functions. He has worked for indigenous development of Metro cars for Delhi, Jaipur, Kolkata, Bengaluru & Mumbai, Stainless Steel EMUs, Catenary Maintenance Vehicles, PMS Bridge for Indian Army etc.,
Directorships held in other Companies.	(i) M/s Vignyan Industries Limited (ii) M/s MAMC Industries Limited (iii) M/s BEML Midwest Limited (iv) M/s BEML Land Assets Limited	(i) M/s MAMC Industries Limited (ii) M/s BEML Midwest Limited (iii) M/s BEML Land Assets Limited
Chairmanship / Membership of Committees held in other companies	NIL	NIL
Relationship with other Directors and Key Managerial Personnel	Shri Ajit Kumar Srivastav is not having any inter - se relationship among the Directors of the Company.	Shri Amit Banerjee is not having any inter-se relationship among the Directors of the Company.
Number of Equity shares held in the Company	NIL	NIL
Number of Board Meetings attended during financial year 2020-21	9/9	5/5
Terms and conditions of Appointment	(i) Terms and conditions for appointment and remuneration are stipulated by Government of India. (ii) Executive, Non -Independent Director, liable to retire by rotation	(i) Terms and conditions for appointment and remuneration are stipulated by Government of India. (ii) Executive, Non -Independent Director, liable to retire by rotation

57th ANNUAL REPORT



2020-21



Pioneering **Atmanirbharta**
through Innovation & Indigenization

BEML LIMITED

DEFENCE & AEROSPACE | MINING & CONSTRUCTION | RAIL & METRO

www.bemlindia.in

CORPORATE VISION, MISSION AND VALUES

A) Vision:

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

B) Mission:

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

C) Values:

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

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

Chairman's Message



Dear Shareowners,

I am pleased and feel honoured to share the Annual Report for Financial Year 2020-21.

The FY 2020-21 has been a predominantly challenging one for India and its people. The events of the last few months have caused unimaginable grief for many who have lost their family members, close friends and valued colleagues. It has also put tremendous burden on the Nation's healthcare infrastructure which is vital for saving lives and reducing the impact of the pandemic. In these challenging times, the most noteworthy and satisfying feat of the Company has been its philanthropical efforts in strengthening the nation's fight against the pandemic. From supplying food packets and drinking water to the needy people, supporting hospitals by manufacturing & supplying Medical Oxygen Plants are one of the few but remarkable support provided by your Company.

Your Company's resilient performance is a testimony to the untiring efforts of our talented pool of dedicated workforce, who left no stone unturned

to bounce back from the crisis despite all adversities. I am overwhelmed to share that company has accomplished yet another year of excellent performance and has set new benchmark adhering to the Company's tagline 'New Frontiers New Dreams'. From managing growth in all business verticals to managing slowdown, your company has steadily strengthened its inherent competitiveness as reflected from sustained market leadership and continued focus on innovation and enhanced customer satisfaction.

The Government's endeavours to accelerate vaccination brings optimism for the future. This undoubtedly is most critical to restore normalcy, and collectively, all efforts are made to increase the pace. The crisis, however, is far from over. The distress caused by the pandemic continues to be of concern for lives and livelihoods as well as for economic growth. Despite near-term uncertainties, the Indian economy holds immense promise.

The Hon'ble Prime Minister of India, Shri Narendra Modi Ji while giving the clarion call to

'Aatmanirbharta' said, "Self-reliance is the only way forward, but also does not mean a self-centric approach. We have to be stronger. We have to save ourselves and keep moving forward at the same time. Also, we have been hearing that 21st century will belong to India, but this is not just a dream but our responsibility too. But how to achieve it. The current world situation shows, there is only one way: 'Self-Reliant India'. Crisis has taught us the importance of local manufacturing, local market and local supply chains. All our demands during the crisis were met 'locally'. Now, it's time to be vocal about the local products and help these local products become global. When India speaks of becoming self-reliant it doesn't advocate a self-centred system. In India's self-reliance; there is a concern for the whole world's happiness, cooperation and peace." These words capture the crux of the ardour of 1.3 Billion Indians joining hands together to create an 'Aatmanirbhar Bharat'.

I, on behalf of the Board of Directors as well as 6,053 dedicated human assets of BEML Limited, present to you the Company's Annual Report for the financial year 2020-21 for your consideration and adoption at the ensuing Annual General Meeting.

Performance Highlights:

Your Company has recorded its highest ever revenue from operations of ₹3,557 crores during FY 2020-21 with a growth of 17% over previous year.

“
First time, the company has breached the ₹3500 crores mark.
”

Mining & Construction Business has also realized its highest ever turnover and registered a growth of 16.06% over the previous year. Defence Business has registered an impressive growth of 23.61% over the previous year. Rail & Metro Business registered a growth of 16.91% over the previous year. This achievement becomes more significant considering the fact that the pandemic forced total shutdown of operations in the initial one and half months.

With increased business and continued focus on cost control, Your Company

“
registered a Profit before Tax of ₹93 crores
”

as against Profit before Tax of ₹24 crores in the previous financial year, increased by 285.74%.

Your company is continuously working on options for maximizing profitability. Various optimization and technological measures are being taken for resource utilization and keeping expenses under control.

During the year ₹5,125 crores worth orders have been booked. The Order Book of your Company as on 1st April, 2021 stood at ₹11,363 crores, highest ever as against ₹9,795 crores in the previous year, a growth of over 16%. Employee strength from 6,602 to 6,053, down by 549 (8.31%) and increased VoP per employee of ₹59 lakhs by adopting system integration model through increased outsourcing. Value added per employee is ₹25 lakhs as against ₹22 lakhs in the previous year, a jump of 14%.

The Year passed.....

Competition:

Amidst stiff competition, 74% of sales was achieved from orders obtained through competition mode. Maintained a major market share in Dozers and Dumpers market of Mining & Construction equipment.

“
Defence & Aerospace Business bagged highest ever orders worth ₹2453 crores
”

from MoD & Defence Services during the year.

Research & Development:

During the year, Company has designed and developed products such as 180 Ton Diesel Excavator with new Engine to meet tier 2 norms, AI Based 360° Surrounding View Monitoring System for Mining equipment, Mobile Standby Command Post Vehicle (MSCPV), Mine Field Marking Equipment Mk-II on BEML HMV 6x6 in Defence Business, Mumbai Metro MRS1 contract (Line #2 &

#7) 6 car trainset, Mainline Electrical Multiple Unit (MEMU) for Indian Railways in Rail & Metro business.

Towards protecting the Intellectual property of the Company, the Innovation Cell has succeeded in filing 55 IPRs during 2020-21 covering innovations in product design, manufacturing and operations. Eight patents have been awarded so far.

Company has spent highest ever ₹ 133 crores on R&D during 2020-21 which is about 3.73% of sales turnover.

“
69% of sales turnover achieved was from in-house R&D developed products.
”

Self-Reliance:

Your Company has achieved level of indigenization over 90% in the mainline M&C products, 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.

Continuing journey towards achieving the goal of "Aatmanirbhar Bharat", during the year under this initiative, Company has designed and developed products such as India's first driverless Metro car, Mainline Electrical Multiple Unit (MEMU) in Rail & Metro, Minefield Marking equipment MK-II, 117 HP HeliPortable Dozer (BD50HST) in Defence and 150 Ton Dump Truck (BH150E), BE1800D Excavator in Mining & Construction.

To further enhance indigenization levels in High mobility vehicles, ToT has been signed for manufacture of cabins and one proto type has been developed. Development POs have since been placed for 214 items for Indigenization under Atmanirbhar Bharat out of which

“
107 items have been indigenized during 2020-21.
”

Support to MSME is vital in improving the flexibility, cost reduction, speedier response. Your Company has procured ₹513 crore out of ₹1727 crore

“
Local procurement which constitutes about 30% from MSE's, which is the highest ever.
”

Digital Transformation Initiatives:

IT department has been renamed as DT department (Digital Transformation) in sync with emerging digital implementations across business vertical eco-system and external competitive world. Company is embarking implementing digital transformative initiatives for the business processes covering all 3 business verticals.

Some of the initiatives viz. Cyber Security, Setting up Cyber Security Operation Center (SOC), Implementation of Patching Automation & Asset Management, Implementing CSG-MoD Guidelines, Implementation of AIRGAP Network, Net based in-house Application Developments, RPA (Robotic Process Automation) Solution for Medical direct bill processing, CRM Solution (Customer Complaint Management), ANALYTICS Platform with Data Lake, AI/ML based BEML Equipment, FLM Improvements, SRM Improvements, SAP ERP ECC6 Critical Improvements, Industry4.0 for manufacturing shop floor, etc. were taken during 2020-21.

Human Resources and Administrative Initiatives:

Your Company, pioneer of indigenously manufactured equipment & a flag-bearer of India's Engineering Sector, supplies global standard products to multi-sectors such as Defence & Aerospace, Mining & Construction, Rail & Metro, is known for its competitiveness, in-house R&D, cost effective & creative solutions to the Customers. In this journey, BEML considers 'Skill Development initiatives' as the key to promote Company's economic growth & competitiveness. Through multi-dimensional Skill Trainings, BEML ensures absorption of sophisticated technology in its business areas by its workforce towards making the state-of-the-art Products in-line with the India's needs for self-reliance ('Atmanirbharata').

During 2020-21, amidst Coronavirus & challenging situation, BEML rapidly transitioned from the traditional class-room based Skill-Training & development sessions to the on-line Programmes,

across the Company locations. In-line with the Covid & Employee safety protocols, BEML adapted to the new Learning & collaboration technology for virtual delivery of various programmes.

BEML implemented a series of Skill Development Initiatives (SDI) spanning across various Functions & organizational levels. During the year,

“
104 External and 333 Internal Training and Skill Development Programmes
”

on various technical, functional, behavioural areas were conducted covering 6113 Executives and 7800 Employees encompassing all manufacturing Complexes, Marketing Division & Corporate Office, equivalent to 14,212 Man-days, surpassing the Target by 7%, in spite of the Covid scenario.

Vigilance Initiatives:

During the year, New SOPs have been released for Reverse Auction, Proprietary Certificate, conducting negotiation in special cases and Physical Stock Verification at Regional Offices. BEML Vigilance Department has been accredited with ISO 9001:2015 Certification after scrutiny of all procedures in the Vigilance department by a third-party agency. This is the first time in BEML that Vigilance department is accredited with the latest version of ISO 9001:2015 at all BEML locations.

Corporate Governance:

Your Company always strives to attain highest standard of Corporate Governance practice and is complying with Government Guidelines on Corporate Governance framed by Department of Public Enterprises (DPE) for CPSEs in letter and spirit. A report on Corporate Governance compliances has been made part of the Board's report. Your company has been getting

“
“Excellent” rating from DPE for complying various norms of Corporate Governance.
”

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

CSR & Sustainable Development:

CSR has been synonymous with your Company's core businesses. Your Company's spirit of caring and sharing is embedded in its CSR & SD Policy.

In the preface of outbreak of COVID-19 and to support this critical phase of Social and Economic crisis, your Company has taken up the numerous relief activities viz. Contributed 50 Lakhs voluntarily to PM CARES Fund, frequently conducting awareness campaign on COVID appropriate behavior norms at all Complex/ Divisions, establishment of Covid care centers with 20 beds at KGF complex and with 10 beds at Bengaluru Complex, is planning to set-up one No. of Medical Oxygen Plant at Government General Hospital, KGF, Kolar District at an approximate cost of ₹ 1.10 crore, under CSR Activity.

It is heartening to mention that, Medical Oxygen Plant (GO 960) was manufactured and successfully rolled out through ToT from DEBEL, DRDO for supplying to the hospitals to cater to the rising needs of Covid patients. Full order of 79 oxygen plants have been dispatched to various hospitals across India.

“
94% of energy requirement of your Company was met through “Green Energy”
”

projects viz. 23MW Windmill Projects and 250KWp Solar Power, resulting in mitigation of 25381 tons of carbon during the year 2020-21.

Customer Satisfaction:

Resolving after-sales-service requests by the customer is a continuous process and BEML has dedicated service team to attend the same and to make sure that the down time is minimal. Implementation of customer complaint handling system is in progress.

The Year Ahead....

Defence & Aerospace:

In Defence & Aerospace segment, major chunk of orders are available for execution during current year. Further orders are expected for High Mobility Vehicles for various programmes, 50T Trailers, Overhauling of Tanks and aggregates, Aggregates & Structures for National programmes, etc.

Your Company is taking up new design & development programmes to meet the acquisition needs of the Indian Army such as Development of High Mobility Vehicle (8x8 Cross Country Vehicle), Self-propelled mine burrier 8x8, Bar mine layer 8x8, Guided Pinaka Variants for Launcher, Command post, Loader Cum Replenishment (LCR), Replenishment vehicle (RV), Upgrading of Axles for higher load carrying capacity with ABS feature for use on chassis for special projects, Indigenous manufacture of cabins for HMV 8x8 and 6x6 vehicles, Upgradation/Overhauling of ARV WZT-3 pilot project, Development of TRAWL Roller & TWMP for de-mining operation and HMV 8x8 chassis with 155 mm / 52 Cal Mounted Gun System. Your Company is developing India's first High Powered 1500HP Engine for Defence Application.

On Export front, your Company is exploring opportunities for supply of Bridging Systems (Sarvatra, PMS), Medium Bullet Proof Vehicle, AI based Medical Health & Diagnostics Systems (MHDS), Engineering Plant equipment (Dozers & Motor Graders) for friendly neighbouring countries and other countries under Indian Line of Credit.

In Aerospace segment, your Company is supplying structures and aggregates for various Missile and National programmes. Also, plans are afoot for supply of various aerospace components and parts for global requirements from its newly established facilities at Bengaluru. Possible tie-ups with renowned OEM's are also underway and will help in adding revenue and propelling its growth.

Rail & Metro:

In Rail segment, supply of Main Line Electric Multiple Units has commenced and it will be completed during current year. Manufacturing and supply of Rail Grinding Machines will commence from current year. Maintenance equipment requirements are also increasing for Overhead Inspection Cars, Track

Laying, Rail Grinding & Track Cleaning Machines. Your Company is confident of getting additional orders.

On Metro Cars, Supply of Driverless Metro Car for Mumbai Metro has started from FY 2020-21. Order for supply of 80 nos. of Metro cars to Delhi Metro will be executed during current year. Your Company is optimistic about getting orders for upcoming Metro Car projects. Further, Metro Rail is extending to Tier-II cities in the Country. Light Rail Metro is also catching up as a revenue line which is expected to emerge from tier-II & tier-III cities.

Further prospects:

Chennai Metro, Bangalore Metro, Bhopal-Indore Metro.

R&D is working towards development of Metro Neo MRTS system which is making headway in the country, working with IIT, Kharagpur, for Bogie design under the Uchathar Aavishkar Yojana (UAY) project to develop medium / high speed bogies, Chennai Metro (Phase II) and RS17 tender by DMRC.

Your Company is also pursuing tie-ups to cater the requirement of upcoming Semi High-Speed Rail Medium / High speed Coaches / LHB Coaches.

Mining & Construction:

On Mining front, your Company is executing orders for indigenously designed & developed high end 190 Ton Dumper. Your Company is also working on design & development of 240T Dump Truck and 21 Cum. Rope shovels.

Government plans to reduce the coal imports by increasing the domestic coal production, increasing coal production of Coal India Limited (CIL), Singareni Collieries Company Limited (SCCL) and through commercial coal mining.

To cater the growing demand for coal production in India, coal companies are planning for higher capacity opencast mining projects; which obviously requires deployment of higher capacity mining equipment with latest technology. Towards embarking on new technologies, your Company is developing Autonomous Dozer; huge mining equipment like Rope Shovel and Walking Drag Line- trial order from Coal India are expected.

Keeping in view of future technology trends with changing business scenario, R&D has taken up initiatives to launch new products and upgrade existing products in line with the latest emission norms as mandated by the government, DGMS and safety features as per IS17055 / ISO20474 in the areas of Dump Trucks, Dozers, Excavators, Wheel Loaders and Underground Mining Equipment apart from up gradation of existing Products with innovative and new features in line with major global competitors.

Exports:

On export front, your Company has bagged major order from Ministry of Economy, Planning & Regional Development (MOEPRD), Government of Cameroon for supply of 71 units of construction equipment consisting of Bulldozers, Excavators, Wheel Loaders, Motor graders and Compactors for their Cassava Farm Project.

Your Company is also working on various business opportunities in Defence, Mining & Construction and Rail & Metro segments in SAARC and Africa. Your Company is in continuous discussion with Indian Embassies / Defence Attaches w.r.t. business promotion / engaging local representative and has already appointed representatives in Bangladesh, Tunisia, Cameroon, Thailand and is in the process of appointing more representatives across the globe. Kenya region has been allocated to BEML by MoD. BEML has registered its branch office at Kenya during January 2021.

HR and Administrative Initiatives:

Human Resource Management in your Company has been constantly re-inventing the HR practices, policies & procedures to cater to the changing needs of the Workforce. In line with the philosophy that a dedicated and motivated workforce is the foundation of any organization a number of initiatives have been taken towards leadership development reform of performance management system strengthening of internal communication training/ retraining for continued learning through e-based platforms simplifying policies for making them employee centric etc.

With the Covid 3rd wave looming large, all precautionary measures like social distancing, wearing mask, vaccination drives in-house for self and family members, restriction on inter division

movements, following of SoPs in case of testing positive etc..arranging lecture sessions from eminent doctors both inhouse and external, are put in place.

Awards:

Your Company has achieved many accolades and awards and a few of them are as follow:

- Company received awards for 'Best Seller in Crawler Dozers' & 'Best Seller in Rigid Dump Trucks' category during 8th Annual Equipment India Awards 2020.
- On 28th October 2020, Company received the prestigious SKOCH Award in Gold Category for outstanding work in response to contain COVID-19.
- BEML has been awarded with 'Digital PSU Award 2020' in the 7th Governance Now PSU 2020 for various digital initiatives implemented by BEML.
- Innovation Award for excellence in Research & Development for "Design and Development of Mobile Stand by command Post Vehicle (MSCPV)"

Acknowledgements:

Before I conclude, I would like to thank the Government of India, Administrative Ministry, the Ministry of Defence, the Department of Defence Production and other allied Administrative Departments of the Government of India in steering the Company, for its constant support and encouragement.

I wish to take this opportunity to thank all my fellow Directors on the Board for their invaluable guidance and support rendered for running the operations of your Company.

I would like to extend my grateful appreciation to all unions, associations, employees and executives for their untiring efforts and contribution. I am also thankful for our valuable customers, suppliers and other stakeholders for their trust and support.

Through this message, I also assure every stakeholder of our whole-hearted commitment and efforts towards creating a more self-reliant ecosystem within the country, while creating more value for our shareholders. Success is the sum of

many small efforts. With renewed vigour, great confidence and relentless determination, we look forward to an exciting future ahead.

Let me also take this opportunity to wish you and your families the very best for a safer and healthier tomorrow. I would also urge you to continue following all precautions, be it proper usage of masks, safe distancing or other hygiene protocols. These are steps that we can and must take to

contribute to this fight against the pandemic.

Stay Safe, Stay Healthy.

Amit Banerjee

Chairman & Managing Director
Bengaluru

Board of Directors



Shri Amit Banerjee
Chairman & Managing Director



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



Shri MV Rajasekhar
Director (Mining & Construction Business) & Director (HR) (I/c)



Shri Ajit Kumar Srivastav
Director (Defence Business) & Director Finance (I/c)



Shri Arvind Kumar Arora
Independent Director



Smt Balmuri Vanitha
Independent Director

Profile of Board of Directors



Shri Amit Banerjee
Chairman & Managing Director

Shri Amit Banerjee (DIN:08783660) is a Mechanical Engineering Graduate from IIT (BHU), Varanasi. He has taken charge of CMD post from 27-08-2021. Prior to assuming the present position, Shri Amit Banerjee was Director (Rail & Metro business).

He started his career in BEML in 1984 as Assistant Engineer. In his professional career spanning over three decades in BEML he has worked in various capacities in R&D and Manufacturing functions on design, development & manufacture of products for all 3 business verticals. He played a lead role in design & development of various products like Stainless Steel EMU, Metro cars, Catenary Maintenance Vehicle, special wagons, PMS Bridge, heavy duty trucks, trailers, Aircraft towing tractor, etc.

His significant contribution includes establishing the design & engineering capability for metro & rail rolling stock. Computer aided design and engineering facilities and testing capabilities were established.

The developed products were successfully productionised and delivered to various Metro Corporations and Indian Railways. He has successfully guided his team for developing & supplying state of art stainless steel metro cars to Delhi, Jaipur, Kolkata and driverless metro cars for Mumbai.

The Rail & Metro business contribution has increased to more than a third of the company's turnover. Today BEML is a leading player in metro rolling stock in the country.

He has played a significant role in phased indigenization of Rolling Stock aggregates. Local vendor base has been established leading to increased indigenization levels.

Under his guidance, his team received the Raksha Mantri award for design effort towards Design & Development of Austenitic Stainless Steel EMU for Indian Railways & Intermediate metro cars for Delhi Metro.



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

Shri Puneet Agarwal (DIN:07192938) is a B.Tech in Electrical Engineering from IIT, Kanpur and also holds Masters in Public Administration from Syracuse University, New York Maxwell School of Citizenship and Public Affairs, USA. He belongs to the Indian Administrative Service of 1998 batch (Tripura Cadre). Shri Agarwal has been appointed as Government Nominee Director on the Board of BEML Limited w.e.f. 27.07.2020. Presently posted as Joint Secretary (Land System), Department of Defence Production, Ministry of Defence and had a wide experience in the area of land revenue system, rural development, IT, e-governance and finance in a career span of 22 years. He handled the Charge of JS (Coord) & CAO from November, 2019 to January, 2020 in the Department of Defence and served as Joint Secretary in the Ministry of Textiles, Government of India, from October, 2016 to November, 2019. Besides various important Cadre Postings, Shri Agarwal also worked as Director in the Department of Economic Affairs and as Deputy Secretary, Cabinet Secretariat in the Government of India.



Shri M V Rajasekhar
Director (Mining & Construction
Business) & Director (HR) (I/c)

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

After assuming additional charge of post of Chairman and Managing Director from 01.02.2021 to 26.08.2021, he focused primarily on Order Execution, New Products Development, Indigenization, Cost Control and Manpower Optimization to gain competitive edge in the intensely competitive business environment across all its three Business Verticals.



Shri Ajit Kumar Srivastav
Director (Defence Business) &
Director Finance (I/c)

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.



Shri Arvind Kumar Arora
Independent Director

Shri Arvind Kumar Arora (DIN: 08741858) is graduate civil engineer from NIT Surat, MTech from IIT Delhi and M.Phil from National Defence College (University of Madras) and is a practicing dispute resolution professional. Shri Arora assumed charge as Independent Director of the Company w.e.f. 10.07.2019. He has served in various positions in Military Engineer Services, Government of India for more than 36 years and is former Director General (Personnel). His area of specialization in Public Works, Infrastructure Planning and Management, Public Admin, Strategic Works and HR Management. He is also an Independent External Monitor (IEM) for Department of Telecom and Central Public works Department.



Smt Balmuri Vanitha
Independent Director

Smt. Balmuri Vanitha (DIN: 08679028) is B.A. and LL.B from Kakatiya University. Smt. Vanitha assumed charge as Independent Woman Director on the Board of the Company w.e.f. 24.01.2020. Smt. Vanitha has started Advocate Practice in the year 1998 at Godavarikhani and has been practicing for the last 23 years.

VIP VISITS



Hon'ble Raksha Mantri,
Shri Rajnath Singh being briefed
on BEML equipment

Hon'ble Raksha Mantri,
Shri Rajnath Singh witnessing
inside the Metro Car facilities



Shri Eknath Shinde, Hon'ble Urban
Development Minister Maharashtra,
inspecting the salient features of
driverless metro car for Mumbai Metro

Shri David Rasquinha, MD EXIM Bank
seen with BEML Management during
his visit to BEML



MAJOR ORDERS



Bagged order from MoD for supply of 1512 Track Width Mine Ploughs (TWMP) for T90 Tanks



Received order from MoD for supply of 330 High Mobility Vehicles for Pinaka Project



Received contract for supply of additional 72 coaches for line 2B and line 7 of Mumbai Metro Rail Project



Bagged export order for supplying construction equipments to Cameroon and Bangladesh

INDIGENIZATION / LAUNCHING OF PRODUCTS



Shri Hardeep Singh Puri, Hon'ble Civil Aviation Minister inaugurating BEML made passenger Aero Bridge at Chandigarh Airport



Shri Raj Kumar, Secretary Defence Production, launched 'BEML Product Visualization' coinciding with 75th years of India Independence Anniversary Celebrations



Under Aatmanirbharta mission BEML supplied BH205E-190 Ton Rear Dump Truck to NCL



BEML supplied BE1800E Electro Hydraulic Excavator to for SECL



First time in India BEML has indigenously designed & developed Catenary Maintenance Vehicle for Rail routes of Metro



Indigenously designed & developed Mainline Electric Multiple Unit that serve short and medium distance routes

AERO SHOW 2021



BEML pavilion at Aero Show 2021



Hon'ble Raksha Mantri, Shri Rajnath Singh going around BEML pavilion at AERO INDIA 2021



CMD BEML greeting Chief of Army staff on arrival at BEML stall



Chief of Defence Staff being briefed on BEML activities at Aeroshow 2021



BEML 25 kg Class Tactical Unmanned Aerial Vehicle (UAV).



Transponder Landing System (TLS) ground base precision system.



BEML Primoco UAV - 'One 150'-LOW.

MEMORANDUM OF UNDERTANDINGS



Shri MV Rajasekhar CMD (I/c), Shri A K Srivastav, Director (Defence Business) are seen after signing MoU with several Companies under Bandhan in the presence of Hon'ble Raksha Mantri, Shri Rajnath Singh & Shri Raj Kumar, Secretary Defence

Shri A K Srivastav, Director (Defence Business), exchanging the copies of MoU with Shri Ashish Rajvanshi, Managing Director, Adani Defence Systems & Technologies Limited in the presence of Shri MV Rajasekhar CMD (I/c) BEML



Shri MV Rajasekhar CMD along with Shri A K Srivastav Director (Defence Business) and Shri R Venkatesh, Director (Business Development), NAL (CSIR-NAL) displaying with the copies of the MoUs

CORPORATE SOCIAL RESPONSIBILITY



Covid critical care centre



Covid Hospital



Covid vaccination drive



Distribution of food during Covid pandemic

OTHER EVENTS



Celebration of International Women's Day



Tree plantation during Vigilance Awareness Week

CONTENTS

Page No.

Financial Highlights	...001
Board's Report	...004
Report on Corporate Governance	...038
Management Discussion & Analysis Report	...064
Business Responsibility Report	...074
Significant Accounting Policies	...094
Balance Sheet	...102
Statement of Profit and Loss	...103
Statement of Cash Flows	...104
Statement of Changes in Equity	...105
Notes to Financial Statement	...106
Independent Auditors' Report	...157
Comments of the C&AG on Standalone Financial Statement	...172
Consolidated Significant Accounting Policies	...174
Consolidated Balance Sheet	...182
Consolidated Statement of Profit and Loss	...183
Consolidated Statement of Cash Flows	...184
Consolidated Statement of Changes in Equity	...185
Notes to Consolidated Financial Statement	...186
Statement of Subsidiaries & Joint Venture Company	...239
Independent Auditors' Report on Consolidated Financial Statement	...241
Comments of the C&AG on Consolidated Financial Statement	...253
Corporate Data	...255



BEML BD50 Dozer in rescue & relief operations at Uttarakhand



Tree plantation coinciding with World Environment Day



Medical Oxygen Plant

FINANCIAL HIGHLIGHTS

S. No.	PARTICULARS	UNITS	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
A	Our earnings											
	Gross Revenue (Domestic)	₹ Lakhs	309407	296731	346186	327728	280682	314769	264532	318115	309164	350432
	Physical Export	₹ Lakhs	2824	1450	1920	2814	2018	3466	10678	7678	18635	12701
	Deemed Export	₹ Lakhs	43490	4701	0	0	998	24057	37755	427	1178	1704
	Total Gross Revenue	₹ Lakhs	355721	302882	348106	330542	283698	342292	312965	326220	328977	364837
	Less: Value of Consortium supplies	₹ Lakhs	0	0	0	0	232	13859	13048	14203	29090	72779
	Revenue net of Consortium Supplies	₹ Lakhs	355721	302882	348106	330542	283466	328433	299917	312017	299887	292058
	Less: Excise Duty	₹ Lakhs	0	0	0	5987	33585	30372	18998	20866	18996	19409
	Revenue from operations	₹ Lakhs	355721	302882	348106	324555	249881	298061	280919	291151	280891	272649
	Change in WIP/SIT	₹ Lakhs	(86)	29194	(1422)	(1866)	12509	(24371)	(20926)	(9706)	6992	42882
	Value of Production (with Revenue from Operations)	₹ Lakhs	355635	332076	346684	322689	262390	273690	259993	281445	287883	315531
	Value of Production (with Gross Revenue)	₹ Lakhs	355635	332076	346684	328676	296207	317921	292039	316514	335969	407719
	Other Income**	₹ Lakhs	6016	4855	2311	2490	6245	4216	5950	6339	10359	4509
B	Our outgoings											
	Cost of materials	₹ Lakhs	203825	189051	197062	172544	134573	147724	137368	161734	172427	184633
	Employee Remuneration & Benefits	₹ Lakhs	84865	84387	80193	80850	78072	75453	76911	71676	73940	72508
	Interest	₹ Lakhs	3912	4050	5939	4809	4780	4903	7051	11046	14099	8843
	Depreciation & amortisation exp	₹ Lakhs	7068	7130	6958	6424	6198	5577	5214	5356	5025	4392
	Other Expenses	₹ Lakhs	52700	49907	45747	50160	68768	66829	57720	59520	64992	65310
C	Our savings											
	PBDIT	₹ Lakhs	20261	13586	25993	27612	20807	18272	12956	17310	6891	19881
	PBIT	₹ Lakhs	13193	6456	19035	21188	14609	12695	7742	11954	1866	15489
	PBT	₹ Lakhs	9281	2406	13096	16379	9829	7792	691	908	(12233)	6646
	PAT	₹ Lakhs	7480	6838	6349	12945	8444	6366	676	468	(7987)	5725
	Other Comprehensive Income (net of tax)	₹ Lakhs	(7559)	(4358)	(1321)	(7066)	(1189)	(1,051)	-	-	-	-
	Total Comprehensive income	₹ Lakhs	(79)	2480	5028	5879	7255	5315	676	468	(7,987)	5,725
D	Own capital											
	Equity	₹ Lakhs	4177	4177	4177	4177	4177	4177	4177	4177	4177	4177
	Other Equity	₹ Lakhs	218268	221538	214547	215846	213978	208728	203914	203807	203826	213031
E	Loan capital											
	Loans from Banks	₹ Lakhs	54185	3620	9751	13502	11285	19245	24553	54110	85181	83335
	Other loans	₹ Lakhs	20149	30299	30445	31055	32286	37515	39498	41481	40959	12525

FINANCIAL HIGHLIGHTS

S. No.	PARTICULARS	UNITS	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
F	Financial Statistics											
	Net worth	₹ Lakhs	222445	225715	218724	220023	218155	212905	208091	207984	208003	217208
	Property, Plant & Equipment and Intangible assets (at cost)	₹ Lakhs	96853	91955	85900	75597	68294	59789	47230	120062	118377	112845
	Accumulated depreciation & amortisation	₹ Lakhs	37706	30862	23913	17312	11208	5344	-	70193	65303	59923
	Net Block	₹ Lakhs	59147	61093	61987	58285	57086	54445	47230	49869	53074	52922
	Inventories	₹ Lakhs	197065	200272	170227	179951	197446	169628	192117	215210	245620	242241
	Trade Receivables	₹ Lakhs	188451	150813	161305	164223	144137	124043	124182	115671	122452	100598
	Working capital	₹ Lakhs	277377	273011	216523	207781	212666	202534	202954	198422	206756	205462
	Capital Employed	₹ Lakhs	336524	334104	278510	266066	269752	256979	250184	248291	259830	258384
	Value added	₹ Lakhs	151810	143025	149622	150145	127817	125966	122625	119711	115456	130898
	Final Dividend-Excl. Tax *	₹ Lakhs	1458	1041	3332	3332	1666	416	416	1041	2082	4164
	Interim Dividend-Excl. Tax	₹ Lakhs	1999	1041	1874	-	-	-	-	-	-	-
	R&D Expenditure	₹ Lakhs	13266	10354	7072	10204	7808	6663	8292	8623	9436	9779
	No. of Employees	Nos	6053	6602	7185	7722	8221	8827	9599	10328	11005	11644
G	Financial Ratios											
	Revenue from operations per Employee	₹ Lakhs	58.77	45.88	48.45	42.03	30.40	33.77	29.27	28.19	25.52	23.42
	Value Added per Employee	₹ Lakhs	25.08	21.66	20.82	19.44	15.55	14.27	12.77	11.59	10.49	11.24
	PBT to Revenue from operations	%	2.61	0.79	3.76	5.05	3.93	2.61	0.25	0.31	(4.36)	2.44
	PBIT to Capital employed	%	3.92	1.93	6.83	7.96	5.42	4.94	3.09	4.81	0.72	5.99
	PAT to Net worth	%	3.36	3.03	2.90	5.88	3.87	2.99	0.32	0.23	(3.84)	2.64
	Debt Equity ratio	Times	0.33	0.15	0.18	0.20	0.20	0.27	0.31	0.46	0.61	0.44
	EPS	₹	17.96	16.42	15.25	31.08	20.28	15.29	1.62	1.12	(19.18)	13.75
	Final Dividend *	%	35.00	25.00	80.00	80.00	40.00	10.00	10.00	25.00	50.00	100.00
	Interim Dividend	%	48.00	25.00	45.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Revenue from operations to Capital employed	%	105.70	90.66	124.99	121.98	92.63	115.99	112.28	117.26	108.11	105.52

* For F.Y 2020-21, Board has recommended a dividend of ₹ 1.20/- per equity share (i.e., 12%), this would result in a cash outflow of approximately ₹ 499.73 Lakhs in F.Y 2021-22, subject to the approval of shareholders at the Annual General Meeting.

** Other Income includes Provision Withdrawn of ₹ 2661 Lakhs (Previous Year -₹ 204 Lakhs) against receivables written-off. The amounts are shown under Note 37-Other Expenses and also in Note 31-Other Income as 2 contra entries for availing Income Tax benefit. These are purely related to operations and hence excluded from computation of Operating Profit.



Driverless Metro Car unveiled by Hon'ble Raksha Mantri Shri Rajnath Singh

BOARD'S REPORT

Your Board of Directors has pleasure in presenting 57th Annual Report of the Company along with Audited Financial Statement for the year ended 31.03.2021 as under:

Financial results:

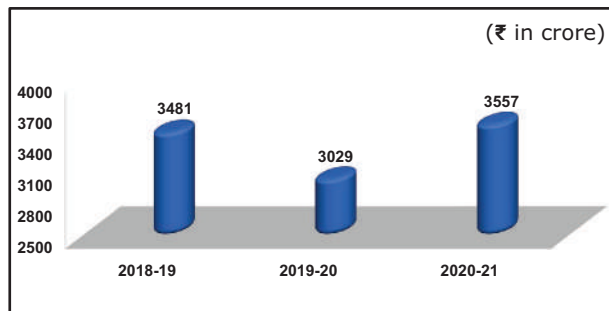
(₹ in Crores)

Particulars	2020-21	2019-20
Revenue from Operations	3557	3029
Value of Production	3556	3321
Profit before Depreciation, Interest and Tax	203	136
Finance costs	39	41
Depreciation and amortization expense	71	71
Profit Before Tax	93	24
Tax Expense	18	(44)
Other Comprehensive Income	76	43
Total Comprehensive Income	(1)	25
Profit available for appropriation	329	337
Net worth	2224	2257

Revenue from Operations & Profitability:

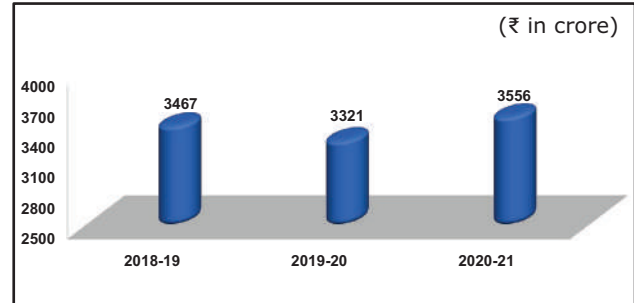
Your Company achieved highest ever Revenue from Operations of ₹3557 crore as against ₹3029 crore in the previous year, increased by 17.45%.

Revenue from Operations:



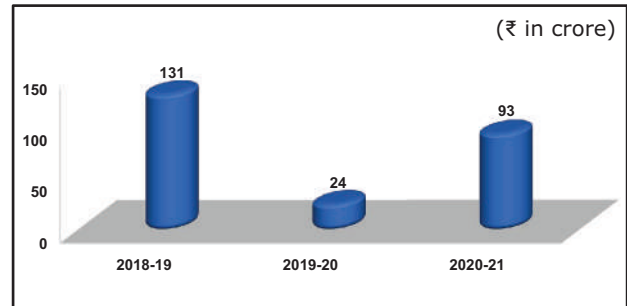
Achieved highest ever Value of Production of ₹3556 crore as against ₹3321 crore in the previous year, increased by 7.09%.

Value of Production



With increased business and continued focus on cost control, your Company registered a Profit before Tax of ₹93 crore as against Profit before Tax of ₹24 crore in the previous financial year, increased by 285.74%.

Profit Before Tax



Improvements in other financial / operational parameters are provided hereunder:

- Defence Business registered a growth of 23.61% over the previous year.
- Rail & Metro Business registered a growth of 16.91% over the previous year.
- Mining & Construction Business achieved highest ever revenue from operations and registered a growth of 16.06% over the previous year.
- Palakkad Complex has achieved highest ever Revenue from Operations ₹283 crore registering a growth of 23.29% over the previous year.
- M&C and Defence spare parts business has achieved highest ever Revenue from Operations ₹734 crore & ₹182 crore

registering a growth of 8.26% & 25.52% respectively over the previous year.

- Revenue from operations per employee increased by 28%.
- Value added per employee is ₹25 lakhs as against ₹22 lakhs in the previous year, a jump of 13.64%.
- Employee cost to revenue from operations, down by 4%.
- Inventory down by about 2%.

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

There was no change in the nature of business of the Company during the year. Further, there was no material change / commitment occurred affecting the financial position of the Company subsequent to the financial year ended 31.03.2021 till the date of this report.

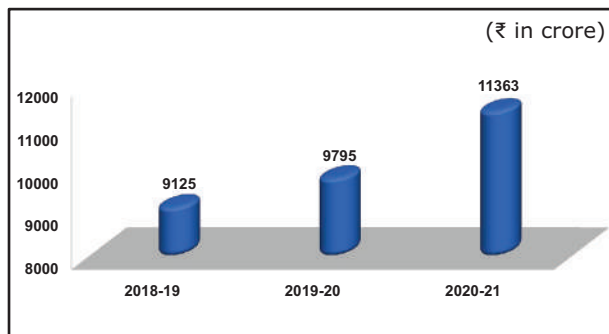
Exports:

During 2020-21, your Company made exports aggregating ₹463.63 crore which includes physical exports of ₹28.24 crore, deemed exports of ₹434.90 crore and export incentive of ₹0.49 crore as against ₹62.34 crore which includes physical exports of ₹14.50 crore, deemed exports of ₹47.01 crore and export incentive of ₹0.83 crore during the previous year.

Order Book Position:

Your Company recorded highest ever order book position of ₹11,363 crore as on 01.04.2021 as against ₹9,795 crore orders in the previous year, a growth of over 16.01%. The Order book comprises

Order Book Position



of three business verticals, i.e., Mining & Construction, Defence & Aerospace and Rail & Metro, and in particular, Defence & Aerospace Business bagged highest ever orders worth ₹2453 crore from MoD & Defence Services during the year.

Performance vis-à-vis MoU:

Performance of your Company, in terms of the Memorandum of Understanding (MoU) signed with the Department of Defence Production, Ministry of Defence (MoD), Government of India, was rated as 'Good' for the financial year 2019-20 and the rating for the financial year 2020-21 is under self-evaluation.

Dividend:

Your Board of Directors approved an interim dividend of ₹4.80/- per equity share i.e., 48% on equity shares of ₹10 each at its Board Meeting held on 10.02.2021, which was distributed among the eligible shareholders. Further, the Board of Directors has recommended a final dividend of ₹1.20 per equity share i.e., 12% on equity share of ₹10 each, aggregating to a total dividend of ₹6.00/- (i.e. 60% on equity share capital) for FY 2020-21 keeping in view the future prospects of the Company and at the same time meeting the aspirations of the shareholders.

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

Strategic Disinvestment:

Ministry of Defence (MoD) vide its letter dated 01.12.2016 communicated that Cabinet Committee on Economic Affairs (CCEA) had accorded "in-principle" approval for strategic disinvestment of 26% equity in the Company out of Government of India shareholding of 54.03% along with management control. Inter-Ministerial Group (IMG) was constituted by the competent authority. Department of Investment & Public Asset Management (DIPAM) has appointed M/s. SBI Capital Markets Limited as Transaction Advisor (TA)

& M/s. Crawford Bayley as Legal Advisor (LA), and Ministry of Defence (MoD) has appointed M/s. RBSA Valuation Advisers LLP, Ahmedabad as Asset Valuer (AV) 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 evaluation process by TA is under progress.

MoD advised to hive-off identified surplus / non-core assets separately and excluded them from the process of strategic disinvestment of BEML. DIPAM has appointed two Consultants, M/s. CBRE South Asia Private Limited, Gurgaon and M/s. JLL Property Consultants (India) Private Limited, Gurugram, for monetization of identified surplus / non-core assets and the same is under process.

Based on IMG advice, BEML had appointed M/s. Deloitte Haskins & Sells LPP, as consultant for advising, undertaking and implementing the Demerger of identified surplus / non-core assets of the Company which are not part of BEML strategic disinvestment.

For demerger of identified surplus / non-core assets a separate Wholly Owned Subsidiary (WOS) of BEML by name "BEML Land Assets Limited" has been incorporated on 15.07.2021.

Finance:

The working capital requirements were met from the internal accruals and credit facilities availed from banks. There was no overdue installment of principal and/or interest to the banks. ICRA has reaffirmed the long-term rating of [ICRA]A+ and the short-term rating of [ICRA]A1+ for ₹4,500 crore raised towards fund-based cash credit and non-fund-based bank guarantee & letter of credit facilities. The outlook on the long-term rating is Negative due to covid pandemic prevalent across India.

Further, the Company had issued Non-convertible Debentures (NCDs) of ₹300 crore during 2012, out of which the first tranche of ₹100 crore was redeemed on 18.05.2020 and the second tranche of ₹100 crore was redeemed on 18.05.2021. The Company has paid the redemption amount along with interest to the debenture holders. ICRA has affirmed the rating of long term NCDs of ₹200 crore

with [ICRA]A+. Brickwork Rating has also affirmed the rating for NCDs with BWR AA/Stable. These ratings are considered to have a high degree of safety regarding timely servicing of financial obligations.

Your Company has raised funds through Commercial Paper (CP) within the sanctioned limits on four occasions i.e., (i) 2000 units valuing ₹100 crore on 24.06.2020 and matured on 22.09.2020, (ii) 3000 units valuing ₹150 crore on 22.09.2020 and matured on 23.12.2020, (iii) 3000 units valuing ₹150 crore on 23.12.2020 and matured on 23.03.2021, and (iv) 4000 units valuing ₹200 crore on 19.05.2021 and matured on 17.08.2021. ISIN numbers have been generated through NSDL/CDSL and listed with BSE. ICRA has affirmed the rating of [ICRA]A1+ for CP which is considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk. Any change in the credit ratings is being communicated to Stock Exchanges and the same are placed on Company's website https://www.bemlindia.in/Credit_Rating.aspx.

Pursuant to SEBI notification and BSE Circular, BEML is identified as Large Corporate (LC) for the year 2020-21 as per the framework provided.

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended 31.03.2021 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 31.03.2021.

The Company's contribution to Central and State Exchequers were in the order of ₹333 crore during the year by way of Customs Duty, GST, Dividend, etc.

Internal Financial Controls:

Your Company has various manuals such as, manual for Accounts, Cost Accounting & Pricing, Stores, Purchase, Audit, Shop etc., and the same are being periodically updated, circulated and also uploaded in 'BEML Bulletin Board' for viewing and compliance by employees and officers concerned

for carrying out various activities in a transparent manner and in line with the delegation of powers and no instances of material weakness in the operations 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. Hence, there was no default in payment of deposits / interest thereon.

Foreign Exchange Earnings and Outgo :

During the year, the Company's foreign exchange earnings stood at ₹280 crore and the total foreign exchange utilized was ₹327 crore.

Further, a sum of ₹0.12 crore was incurred towards deputation of personnel abroad for business/ export promotion, after-sales-services and training purposes.

Particulars of Loans, Guarantees or Investments :

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

Quality :

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

All manufacturing divisions have been certified for

Quality Management System (QMS) to ISO 9001-2015 Standard and also for Environmental Management System (EMS) to ISO-14001-2015 Standard. Further, Bengaluru Complex is certified for Occupational Health & Safety standard, as per BS OHSAS 18001-2007. BEML Aerospace manufacturing division (ASMD), Mysuru complex is certified to AS9100D Aerospace standard. For the current year, Rail & Metro division, Bengaluru complex is also certified to ISO-3834, Welding Standard Level-1 Qualification. This is a pre-requisite to welding certification for EN15085 Rolling stock welding management system for which final certification is awaited. This has helped Company to bid against stringent RFQ qualification during International Bidding process. Further, BEML Aerospace is accredited with NADCAP quality management system certification for Fluorescent Penetrant Inspection (FPI) and Heat Treatment of Aluminium components. These certifications will facilitate BEML to associate with global OEM's / Tier-1 & Tier-2 firms.

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

- By entering into MOU with M/s WRI, Trichy, many Welding Quality issues of Rail and Metro verticals were resolved. Independent Audit carried out by M/s. WRI team on BMRCL / MRS-1 Bogie Frame and recently delivered MEMU Coaches, has helped the Division to overcome weld distortion & other Quality issues, and thus, resulted in overall improvement of Welding Quality.
- Vendor development remains the "focus area" to improve quality of vendors supplies. During the year, focus was given to upgrade the Quality system of vendors by extending technical support and encouraging vendors to improve their Quality Control mechanism, which resulted in increase of ISO 9000 certified vendors to around 90%.
- Process of Self-certification for Defence Spares was initiated during previous year and Self Certification status was awarded by DGQA during August, 2020. With this, BEML can supply over 6700 identified parts with self-certification.

- 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) 585 Kaizen projects were implemented across the Divisions.
 - (ii) 148 Quality Improvement projects were implemented to reduce rejection and overcome field issues.
 - (iii) 36 Design and Process improvement to enhance reliability of products were implemented during the year.
 - (iv) 229 nos. Jigs & Fixture were added and upgraded to improve manufacturing Quality.
 - (v) 152 Vendor visits and Vendor process Audits were carried out to improve Incoming Material Quality.
 - (vi) Continuous training through Centre of Excellence established at all Complexes is being carried out for skill upgradation.
- To encourage Quality Improvement initiatives at Divisions, Quality Circle activities are promoted in the organization. Inter divisions Quality Circle competition known as BEML "NONIMARA AWARD" was conducted during Nov-2020. Subsequently the winning teams were nominated to participate in National and International level Quality Circle competition. In National level, two teams from BEML, won Par-Excellence / Excellence award and now they are eligible for international level Quality Circle Competition ICQCC – 2021.

Make in India Initiative and Indigenization:

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 over 90%

in the mainline M&C products, 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.

During the year under this initiative, Company has designed and developed products such as India's first driverless Metro car, Mainline Electrical Multiple Unit (MEMU) in Rail & Metro, Minefield Marking Equipment MK-II, 117 HP HeliPortable Dozer (BD50HST) in Defence and 150 Ton Dump Truck (BH150E), BE1800D Excavator, AI based 360° Surrounding View Monitoring System for mining equipment in Mining & Construction.

To further enhance indigenization levels in High Mobility Vehicles, ToT has been signed for manufacture of cabins and one proto type has been developed. Development POs have since been placed for 214 items for Indigenization under Atmanirbhar Bharat out of which 107 items have been indigenized during 2020-21.

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

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

(i) Renewable Energy Development:

Your Company had installed 23MW Windmill

Projects and 250KWp Solar Power units in realizing the goal of 'Go Green'. With this and other initiatives, Green Energy for Captive Consumption stood at 94%, which is highest ever and registered an increase of 8% over the previous year resulting in mitigation of 25,381 tons of carbons during the year 2020-21.



A view of BEML Windmill Project



A view of BEML eco-friendly solar panels

(ii) Energy Conservation:

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

(iii) Research & Development and Technology Absorption:

With an objective to meet Global Standard in Design, your Company has set-up 'Innovation Centre: Industrial Design' during the year. The basic purpose of setting up "Innovation Centre : Industrial Design" is to:

- Bring in requisite competitive edge in product design for the national/ international markets.
- Promote a culture of Industrial Design, innovation and creative problem solving for BEML products.
- Promote knowledge sharing and collaboration amongst industry, academia and Government Institutions.

It will also provide an ecosystem to support introduction of world class products with unique styling which will assist the growth of the Company in all three business verticals. BEML's Industrial Design Centre located at its Bengaluru Complex was inaugurated by Hon'ble Defence Minister, Shri Rajnath Singh on 10th August, 2020.



Hon'ble Raksha Mantri, Shri Rajnath Singh going around Industrial Design Centre during his visit to BEML

Your Company has given special focus to spread the awareness about innovation culture and intellectual property rights (IPRs) in the Company. During the year, 55 IPRs, which includes 13 patents, 9 designs, 18 copyrights and 15 trademarks were registered which was 110% of the MoD target (50). Further, 8 technical papers were published by R&D engineers in national / international journals / conferences during the year 2020-21.

R&D center at KGF is fully equipped with facilities for design, simulation and testing of Earth Moving & Construction and Defence equipment and is one of the biggest development centers in India and it is supported by R&D centers located at Truck and Engine Divisions in Mysuru and at Rail & Metro division in Bengaluru. R&D Centers at KGF, Mysuru & Bengaluru are recognized by the Department of Science & Technology, Government of India.

During the year 2020-21, R&D test facilities have been upgraded with latest testing equipment. The R&D set-up of Mining & Construction, Defence & Aerospace and Rail & Metro is engaged in development / up-gradation of various products in their respective segments. All R&D set-ups are also engaged in indigenization and development of import substitution products.

About 69% of sales turnover achieved was from in-house R&D developed products.

In terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the information on energy conservation and technology absorption including the products developed by the Company during the year is placed at **Annexure-I**.

Vigilance:

Your Company has a Vigilance Department headed by an independent, full-time Chief Vigilance Officer (CVO) till 03.01.2021 and part-time CVO from 04.01.2021 to 15.08.2021. A full-time CVO has been appointed w.e.f. 16.08.2021. 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' by CVO. The registered complaints are disposed after detailed investigation. During the year 2020-21, 02

registered complaints were carried forward from 2019-20 and 12 fresh complaints were received, out of which 13 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, 07 CTE type of in-house inspections and 11 system studies were conducted during the fiscal year 2020-21. 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, engagement of advisors/consultants, quality of products/aggregates etc.

From April 2020 to March 2021, 4390 vigilance clearances have been processed on-line (and some special cases off-line) for executives and employees of BEML on the 'SAMPARK' Portal.

Based on Vigilance recommendations:

- (a) New SOPs have been released for Reverse Auction, Proprietary Certificate, conducting negotiation in special cases and Physical Stock Verification at Regional Offices.
- (b) Major IT initiatives in 2020-21:
 - Linking of SAP and SRM
 - Linking of Weighbridge to SAP
 - Vendor Bill/Payment Tracking and Alert System as per CVC guidelines
 - Online receipt and auto return of Tender fee & EMD in Tenders
 - New SAP T-Code to effectively monitor Performance Bank Guarantee
 - Medicine issues at Medical centre

BEML Vigilance Department has been accredited with ISO 9001:2015 Certification after scrutiny of all procedures in the Vigilance department by a third party agency. This is the first time in BEML that Vigilance department is accredited with the latest version of ISO 9001:2015 at all BEML locations.

Vigilance Awareness Week-2020 (VAW-2020) with the theme "Satark Bharat, Samridh Bharat" was observed in the Company during 27th October 2020

to 2nd November 2020 in line with the directives by Central Vigilance Commission (CVC). Citizens Integrity pledge was also administered to the Staff of BEML Limited as well as students & staff at schools and colleges where the Company had organized events as part of observance of VAW-2020. Also, considering the pandemic situation, many Guest Lectures by eminent personalities in relevant field with topics of current relevance were organized by Vigilance Department virtually.



*Vigilance Awareness Week was inaugurated by former CMD
FD's and CVO were present on the occasion*

A 'Vendor Meet' was organised at Corporate Office of BEML on 21st October 2020 virtually & simultaneously across all divisions of BEML through Video Conferencing facility. Presentations were made regarding Vendor Development initiatives and vendor oriented IT initiatives like receipt of Tender fee & EMD through SRM and Auto return of EMD through SRM, display of technical compliance sheets, display of quotation details, on-line bill tracking & alert system, etc. Vendors evinced keen interest in BEML initiatives and a very active interaction session was observed. The grievances aired were addressed & suggestions for improvement were noted.

On account of systemic improvements, there is substantial increase in Open Tender percentage in total procurement.

During 2020-21, CVO inspected Regional/District offices of BEML Limited and recommendations on systemic improvements were made such as improving stores activities, streamlining supplies to Stores, inventory management, clearing of bills, customer complaint handling as well as management of BEML land, good practices to be adopted, etc.

Whistle Blower Policy:

Your Company has formulated "Vigil Mechanism / Whistle Blower Policy" for directors and employees to report genuine concerns as per the provisions of Section 177(9) of the Companies Act, 2013, Regulation 22 of the Listing Regulations and Para 4.3 of the DPE Guidelines. The said policy provides for adequate safeguards against victimization of director/s or employee/s or any other person who avail the said mechanism and also provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. Further, pursuant to Schedule II (A)(18) of Listing Regulations and as per 4.2.12 of DPE Guidelines, the Audit Committee reviews the functioning of the whistle blower mechanism periodically. As per the said policy, none of the employees have been denied access to Audit Committee and Competent Authority. In terms of Regulation 46(2)(e) of the Listing Regulations, the said policy is placed on the Company's website https://www.bemlindia.in/writereaddata/Downloads/202102251405Whistle_Blower_Mechanism.pdf.

Integrity Pact:

Pursuant to the directives from Central Vigilance Commission and Ministry of Defence, Integrity Pact (IP) is being adopted with all Vendors / Supplier's / Contractor's / service providers for all orders / contracts of value ₹1 crore and above. The IP 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. IP 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 2020-21, ₹2746 crore worth of purchase orders were entered into IP.

Procurement:

Your Company has implemented "Online Vendor

Payment Tracking Option" to suppliers/ partners as part of continuous improvement towards transparency and convenience 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.

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. During the year about 87% of the total requirement was sourced through e-procurement.

Procurement through GeM:

Government e-Marketplace (GeM) is implemented by the Government with the aim to transform the way in which procurement of goods and services is done by the Government Ministries and Departments, Public Sector Undertakings and other apex autonomous bodies of the Central Government. The portal was launched on 9th August 2016 by the Commerce & Industry Minister. Procurement on 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 inter face. During the year 2020-21, your Company has procured materials & services worth ₹106.36 crore (₹1.06 crore for FY 2019-20) through GeM constituting 6.15% over the total domestic procurement value, and further efforts are being made to improve the procurement through GeM.

Micro and Small Enterprises :

Your Company has systematically developed extensive vendor base covering most of the outsourcing requirements. As per the directive of Government, minimum 25% (from 9th November, 2018) of procurements have to be procured from Micro & Small Enterprises (MSEs) amended from 20% earlier and provide a minimum 3% reservation for Women owned MSEs and 4% for SC/ST Enterprises. During the year 2020-21, Company has procured ₹513 crore out of ₹1727 crore local procurement which constitutes about 30% from

MSE's, which is the highest ever. Further, Company is procuring materials required for production & for other requirements through MSEs. 358 items which are reserved are being procured exclusively from MSEs. Appropriate weightage has been given for MSEs in the MoU from the year 2015-16 onwards.

Your Company is making the payments through Trade Receivable e-Discounting System (TReDS) platform for registered MSME Vendors with TReDS platform service providers, M/s Receivables Exchange of India Ltd and M/s Mynd Solutions Pvt Ltd, thereby reducing the working capital cost of MSME vendors. As on 31.03.2021, 51 BEML vendors registered in TReDS platform and ₹20 crore approx. transacted through this platform.

In order to encourage MSEs vendor meet had been organized and list of components that could be sourced from MSEs are placed on Company's website for the information of MSE Vendors. Further MSE procurement data is uploaded on "MSME SAMBANDH" portal on monthly basis.

Vendor Development:

Vendor development is a continuous process to identify and develop new vendors to bring in competition among the vendors and to reduce costs. The methods generally followed to identify potential new vendors are; Publication of Expression of Interest (EoI) in BEML Website for registration of new vendors, development of critical items and import substitute items, Participation in exhibitions and seminars and Organize Vendor meets including virtual. Accordingly, 75 vendors have been included through EoIs published during the year 2020-21.

Your Company 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 has established itself as a system integrator by outsourcing a substantial part of manufacturing activities from domestic vendors. Policies, procedures and guidelines are put in place to facilitate outsourcing and the Company has established Vendor Development Cell as a single window help desk:

- New vendors can register through Online/ Manual.
- New vendors are supported by way of imparting knowledge on manufacturing

processes, specifications, quality plans, etc.

- Company also extends its testing facilities to its vendors wherever required.
- To attract new vendors, Company resorts to publishing of open ended EoI, participation in all vendor development programs organized by MoD, MSMEs, CII, FICCI, CODISSIA, NSIC, PIA, NSSH and other agencies.
- To enhance transparency in all its procurement processes, Company 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. 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. The procurements from Single source are being reviewed by the Audit Committee and Board periodically.

Rajbhasha :

During 2020-21, your Company has achieved various targets prescribed in the Annual Program 2020-21 issued by Department of Official Language, Ministry of Home Affairs, and Government of India to transact official work in Hindi. Company is committed to adhere to the Official Language (OL) policy of the Government of India. The efforts made towards implementation of OL include:

- Online Half yearly meeting by various Town Official Language Implementation Committees (TOLICs): A total of 10 Online Hindi meetings on OL conducted during the year under review by TOLIC, Bengaluru, Singrauli, Nagpur, Mumbai, Mysuru, Kolkata, Hyderabad, Dhanbad, New Delhi and Chennai.
- Bilingualisation: A comprehensive

document of bilingual standard correspondence (pre-recruitment to post-retirement) of HR Department was prepared and issued by OL Department for usage in all Units/Offices of the Company. Section 3(3) documents, replies to the letters received in Hindi, correspondence, Rule 11 items (stationary, codes and manuals, procedural literature) are being issued in bilingual in all Units and offices of company in accordance with OL rules.

- Hindi Fortnight Celebrations: Hindi Fortnight was observed with great zeal in the Corporate Office, all Complexes and all Regional/District offices from September 14, 2020 to September 28, 2020. During this period officers and employees were motivated to do their maximum work in Hindi and competitions such as Hindi Quiz, Hindi Crossword, Administrative Terminology, Hindi calligraphy, Antakshari, Noting & Drafting, etc. were organized in virtual manner. Pledge was taken on Hindi Day i.e. on September 14, 2020 across the Company in accordance with the guidelines issued by the Ministry of Defence and Department of Official Language, Ministry of Home Affairs.
- Hindi Training: A total of 213 executives/employees were trained in various courses of Hindi under Hindi Teaching Scheme of Government of India during the period under review.
- Hindi workshops: A total of 19 Hindi workshops have been convened, among which some of the workshops have been arranged online and a total of 454 executives/employees were trained in these workshops across BEML.
- 3 Issues of "BEML Journal" in Hindi have been brought out during the year.

Company's website is also available in Hindi and being updated simultaneously. Efforts are in progress to ensure OL Implementation and achieving progressive usage of Hindi across BEML.

Awards & Recognitions:

- On 15th October 2020, Company received the prestigious 8th Annual Equipment India Awards 2020 in 'Best Seller in Crawler Dozers' & 'Best Seller in Rigid Dump Trucks' categories.
- On 28th October 2020, Company received the prestigious SKOCH Award in Gold Category for outstanding work in response to contain COVID-19.
- BEML has been awarded with 'Digital PSU Award 2020' in the 7th Governance Now PSU 2020 for various digital initiatives implemented by BEML.

Manpower :

The number of employees of the Company as on 31.03.2021 stood at 6053 as against 6602 of the previous year resulting in over 8.31% reduction.

The category-wise number of SC/ST and Ex-Servicemen employees as on 01.01.2021 and recruitment made are as under:

Category / Group	Total Strength As on		No. of SC/ST and Ex-servicemen					
	1.1.2021	1.1.2020	Scheduled Caste		Scheduled Tribe		Ex-Service Men	
Group-A	1977	2049	367	382	108	107	23	25
Group-B	61	71	10	12	2	4	0	0
Group-C	4112	4595	941	1038	235	248	215	223
Group-D	8	15	5	8	1	3	0	0
Total	6158	6730	1328	1440	346	362	238	248

The Company has recruited 2 candidates in Group A i.e., 1 each from General category and Scheduled Tribe during the year under review.

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.

Human Resource Development & Industrial Relations:

Your Company, pioneer of indigenously manufactured equipment & a flag-bearer of India's Engineering Sector, supplies global standard

products to multi-sectors such as Defence & Aerospace, Mining & Construction, Rail & Metro, is known for its competitiveness, in-house R&D, cost effective & creative solutions to the Customers. In this journey, BEML considers 'Skills Development initiatives' as the key to promote Company's economic growth & competitiveness. Through multi-dimensional Skill Trainings, BEML ensures absorption of sophisticated Technology in its business areas by its workforce towards making the state-of-the-art Products in-line with the India's need for self-reliance ('Atmanirbharata').

During 2020-21, amidst Corona virus & challenging situation, BEML rapidly transitioned from the traditional class-room based Skill-Training & development sessions to the on-line Programmes, across the Company locations. In-line with the Covid & Employee safety protocols, BEML adapted to the new Learning & collaboration technology for virtual delivery of various programmes.

During the year, 104 External and 333 Internal Training & Skill Development Programmes on various technical, functional, behavioural areas were conducted covering 6113 Executives and 7800 Employees encompassing all manufacturing Complexes, Marketing Division & Corporate Office, equivalent to 14,212 Man-days, surpassing the Target by 7%, in spite of the Covid scenario. In line with the Govt of India directives, under 'Mission Raksha Gyan Shakti (MRGS)', BEML has imparted IPR Training Programmes to 293 BEML Personnel against the Target of 250 of Ministry of Defence. IPR training was also extended to 169 Vendors covering across locations.



Training on Skill requirement and its benefits for Trade Apprentice (TA) and how to achieve them in the context of 'Aatmanirbhar Bharat' conducted during April 2021

During the year 2020-21, BEML implemented a series of Skill Development Initiatives (SDI) spanning across various Functions & organizational levels. A Certificate programme for Senior Executives namely 'Creating High Resilient Boards that deliver' was conducted in collaboration with CII, as part of Succession Planning Process. As 'Coaching' signifies very high importance in an organization, BEML continued to focus on 'Group Coaching' Skill Development. Multiple Technical Programmes like 'Metallurgical Failure Analysis of industrial Components', 'Autonomous Maintenance as a Tool to enhance productivity', 'Virtual series on Emerging Technologies', 'Executive Diploma in Project Management (EDPM)' etc., were imparted to enhance our Employees Skill level.

BEML acknowledges the support of Department of Public Enterprises (DPE) for sponsoring BEML Executives to important Training Programmes namely 'Procurement Policy Procedure', 'High Impact on Corporate Governance', 'MoU Guidelines'.

BEML ensured to provide Skill & Knowledge Programmes on contemporary areas of Ethics (PRAYAAS) & Preventive Vigilance, Corporate Governance, Emotional Intelligence, Arbitration Techniques, Strategic Planning & Decision Making, Risk Management, Artificial Intelligence, Industry 4.0, Emergency/Crisis Management, Contract Management, Reliability Engineering etc., to its R&D, IT & Manufacturing teams.

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 given to participatory culture which was instrumental in maintaining a constructive harmonious relationship between the management and the unions / associations. Regular meetings with the representatives of the recognized unions / officers associations at the Divisional, Complex and Corporate levels were held and resolved employee related issues amicably. The functioning of various bi-partite committees at Complex level focused on improvement of overall performance of the Company by resolving issues mutually in production related matters.

Skill Development Initiatives (SDI):

Your Company is committed to Skill & Competency

development of Employees, Contract Workmen, Vendors, Customers, Local Youth etc., as an integral part of the Govt of India Policy. The umbrella framework for Skill Development activities are as detailed below:

(a) Centre of Excellence (CoE):

All the major Manufacturing Complexes of BEML located at Kolar Gold Fields (KGF), Bengaluru, Mysuru & Palakkad have Centre of Excellence (CoE) to support Skill Development:

KGF Complex:

- School of Hydraulics & Welding, specialized in Hydraulic System and Structural Welding used in equipment like Dozers, Hydraulic Excavators, Hydraulic Cylinders & Pumps. Both practical training & theory classes for skill up-gradation of Employees & Contract Operators are deployed.

Bengaluru Complex:

- CoE at Bengaluru Complex focuses on Training on Stainless Steel Welding and Wire-Harnessing to support the High-tech Metro Car manufacturing.
- It also provides Training on Mild Steel Welding & provides Welders' Certification Training, conduct Tests to meet the requirement as per EN15085 Standards.
- This CoE also provides Skill Training on Crane operations to Contract Operators & BEML Employees.

Mysuru Complex:

- Mysuru Complex houses specialized CoE in Electrical & Electronics devices used for heavy equipment like Dumper, Motor Grader etc.
- The Centre provides intensive practical & theoretical Training on Calibration, Wire-Harnessing, Trouble Shooting of Equipment to Service personnel & Customers representatives.
- It also provides Certification programme on Electrical & Electronics Trade Apprentices.

- Various Trouble Shooting Projects for Service Engineers & Employees are undertaken which also supports skill & Knowledge building process.

Palakkad Complex:

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

(b) Service Training Centers:

At BEML, Service Training Centers at KGF and Mysuru Complexes provide systematic & customized training on new equipment, sub-systems, trouble shooting, efficient operations, etc., for BEML personnel, Defence officials & employees of major Customers like Coal India & its subsidiaries, NLC, NMDC, SAIL, NALCO etc.

During the year 2020-21, these Service Training Centers at KGF & Mysuru have trained 318 & 1196 personnel from Customers Organizations and BEML, respectively.

(c) Apprenticeship Training:

BEML, as a responsible Corporate citizen, supports national priority of building vocational & technical training on a large scale to the sections of the youth, in and around the states of Karnataka, Kerala, Tamil Nadu, Andhra Pradesh etc.

These Trainings for various types of Apprentices are imparted for various Trades/areas, such as Fitter, Machinist, Welder, Turner, Electrician, Automobile, Electronics & Communication, Civil, Computer & Information Science etc., as per the guidelines of Regional Directorate of Skill Development & Entrepreneurship (RDSDE).

BEML Apprenticeship Training Centers located at its four Manufacturing Complexes. It provides one-year & six-month duration

Industrial Training to the respective groups of Graduate Engineering Students, Technician Trainees & Trade Apprentices. All Trainees are allotted different manufacturing shops/areas to gain the hands-on skills & experience, followed by theoretical & Practical examination leading to acquiring the proficiency certificates by the Regional Directorate Board. They are also provided inputs on Best practices on Industrial Safety, Kaizen, 5S, ISO Systems etc.

BEML has been ensuring the mandatory compliance of Trade Apprentice strength as minimum 2.5% of total manpower of the Company. As at the end of 31.03.2021, the average Trade Apprentice strength is 7.97% for the three financial years.

(d) Technology Tie-up with Industry Leaders & Academia:

As a strategic initiative to provide the impetus towards the adoption of future technology, during 2020-21, BEML has entered into an MoUs & ToT with world's leading Technology partners/ Organizations like Council of Scientific and Industrial Research (CSIR), National Aeronautics Laboratory (NAL)-Bengaluru, UP Expressway Industrial Development Authority (UPEIDA)-Lucknow, Advance Navigation Positioning Company (ANPC)-USA, Primoco UAV SE-Czech Republic, Torus Robotic Pvt. Limited-Chennai, OutduMediatech Pvt. Limited-Bengaluru, SKAT Systems-Russia, Hacklab Solutions Pvt Limited-Bengaluru, JSC 'Rosoboron' export-Russia, S'YOMKA S VOZDUHA (Shooting from Air)-Russia, Adani Defence Systems & Technologies Limited-Ahmedabad. In order to leverage the cutting-edge technology to build the future people capability to remain ahead of the competition, BEML also has tie-ups with IIT-Kanpur & NASSCOM.

Compliance under the Right to Information Act, 2005:

The requisite information for citizens pursuant to Section 4(1)(b) of Right to Information Act, 2005 (RTI) is provided on Company website, i.e., www.bemlindia.in. It contains general information of the Company, functions, duties, powers of employees / executives, decision making process,

rules, regulations, manuals & records held by BEML, directory of the Company's executives, pay scales of executives / 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 queries and appeals. Further, during the year 2020-21 the Company received 121 Applications seeking information pertaining to human resources, recruitment, contracts, tenders, business related matters etc., and the same were disposed of.

Compliance under Persons with Disabilities Act, 1995:

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

Prohibition of Sexual Harassment of Women at Workplace :

An Internal Complaints Committee (ICC) has been constituted and is functional in all Complexes / Divisions for receiving complaints of Sexual Harassment, if any, under the provisions of the Sexual Harassment of Women at a Workplace (Prevention, Prohibition & Redressal) Act, 2013, and it has been displayed in all the prominent locations for the information of all women employees. No cases have been filed under this Act during the year 2020-21. Further, 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.

Grievance Redressal System for SCs/STs:

Your Company has constituted SC/ST Cell at all Complexes / Divisions in terms of Department of Personnel & Training guidelines, wherein the HR heads, being Liaison Officers of the respective Complex / Division are conducting periodical meetings with respective representatives of SC / ST Employees Welfare Associations to redress the

grievances / issues appropriately. Further, the Chief Liaison Officer who is in the rank of Executive Director / Chief General Manager meets all the Cell Officers, Liaison Officers and Office Bearers of SC/ST Welfare Associations periodically and monitor the status on redressal of grievances.

Public Grievance Redressal through CPGRAMS:

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

Environment and Pollution Control:

Your Company in association with the State Forest Department had undertaken planting of saplings at its Manufacturing Complexes and Townships on a regular basis. During the period from April, 2020 to March, 2021 a total of 11,104 Nos. of Tree Saplings have been planted at Corporate Office, KGF, Bengaluru, Mysuru and Palakkad Complexes.



Distribution of saplings by Shri MV Rajasekhar, CMD (I/c) BEML, at Head-quarters.

The Company's 5MW Windmill at Gadag and 18 MW Windmill at Bagalkot Districts in Karnataka have contributed towards ensuring clean energy by mitigating 25,381 Tons (approx) of Carbon up to

March, 2021. In order to conserve energy, the Company has undertaken to replace all its office light fittings with LED Lighting in a phased manner. At Corporate Office, 100% achievement has been made in replacement of light fittings with Energy efficient LED Lights. At other Divisions / Complexes, the same are being done in a phased manner.

The Company in association with the Local Authorities and the Communities of the adopted villages has facilitated Desilting & Rejuvenation of Ajjappanahalli Village Lake, Kodi Kannur Village Pond, Bethmangala and Ramasagar Lake by providing BEML Dozers. These Lakes have sustained the adopted village with the required water facilities especially during Covid.

Swachh Bharat Abhiyan:

The Company has joined hands in the National Mission towards 'Clean India'. In this endeavor, the Company has undertaken Swachh Bharat initiatives during the year 2020-21 are as hereunder:

a) Swachh Bharat Initiatives:

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

b) Celebration of Sixth Anniversary of Swachh Bharat Campaign & 150th Birth Anniversary of Mahatma Gandhi (Swachhta Hi Seva):

In addition to the regular Swachh Bharat Activities, as precursor to Birth Anniversary of Mahatma Gandhi, BEML had organized "Celebration of 150th Birth Anniversary of Mahatma Gandhi" from 28.09.2020 to

02.10.2020. Various programs were organised in all the Divisions / Complexes viz. Bengaluru, KGF, Mysuru, Palakkad, Regional & District Offices and also at its Subsidiary Unit-VIL, Tarikere of the Company, such as Swachhta pledge taking ceremony, Lecture Programs on Life of Mahatma Gandhi, Cleanliness of the work place and periphery of the factory premises, Competitions viz., Essay / Painting / Drawing on Mahatma Gandhi, Planting & Distribution of tree saplings, Swadeshi Abhiyaan - Promotion of Indian products and Handicrafts, Celebration of Gandhi Jayanti with campaign on replacing plastic bags with jute / cotton bags, and distribution of prizes to winners of the Competitions.

c) Annual Action Plan for Swachh Bharat Activities:

BEML has undertaken various activities as per the Annual Action Plan based on the recommendations of the Group of Secretaries on 'Swachh Bharat & Ganga Rejuvenation' (GoS) for the year 2020-21. The main activities are conducting awareness programmes, Construction of Toilets, Tree plantation, Renovation of Toilets, Maintenance and Up-keeping of buildings etc.

d) Celebration of Swachh Bharat Pakhwada:

BEML had organized 'Swachh Bharat Pakhwada' from 1st December, 2020 to 15th December, 2020. Various activities in line with the Action plan was held at Corporate Office, Manufacturing Complexes, Townships, District & Regional Offices and also at VIL-Tarikere. Various events / activities like Oath taking ceremony and March Past, Display of Posters and Banners, Disposing of scrap material in the factory premises and storage in organized manner, Cleanliness Drive in the public places, Organising Plogging like activities and collection of plastic waste, Weeding out of old files and offices equipment, Cleaning of Furniture and almirah of offices, Tree plantation in township area, residential complexes and Factory premises etc., Organising seminars on cleanliness, Display of Banners/Posters to create awareness among the people, Painting /

Essay competitions on importance of cleanliness for the children of the employees, Fumigation of insecticides in the township for prevention of mosquitoes and other insects, Making of plastic free zone in Factory premises and residential complexes, Disposal of e-wastes in Administrative offices, Cleanliness drive in drainage systems in Factory premises and residential complexes, Branding and Publicity of Pakhwada activities in electronic and print media platforms at both field and central level, make use of social media such as MyGov, Twitter and Facebook extensively for the purpose.

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., has 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 Ltd., 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 Fund (LWF) functioning in the production units for the benefit 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.
- A full-fledged Medical Centers for employees and dependent family members at all the three Manufacturing Units viz., Bengaluru, Mysuru and KGF, Medical facilities are also extended to the villagers in Company adopted Dasarahosahalli, Ajjapalli village near KGF. Out-patient Department (OPD) 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.

- BEML runs one Junior College and two Nursery Schools at KGF and one at Bengaluru which is administered through separate Management. 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 2020-21, the Company is providing education to 2924 students, out of which 1937 non-BEML Students have enrolled at BEML Schools for their education during the current academic year and have availed online education.

COVID-19 relief activities:

Keeping in view the hardship faced by the Employees, Local Communities and the Covid Frontline workers / victims during the Covid-19 pandemic, your Company has taken up the following relief activities –

- Contributed ₹50 Lakhs voluntarily to PM CARES Fund during the FY2020-21.
- Carried out frequently awareness campaign on COVID appropriate behaviour norms at all Complexes/Divisions and various preventive measures including washing of hands/sanitization, wearing mask/face cover, thermal screening, digital mode of operation etc., and observing social distancing.
- The Nodal Doctors and Chief Medical Officers are continuously liaising with the Government Officials towards providing vaccines, beds, oxygen etc., for our Employees / Officers and their dependents.
- Covid care centers with 20 beds at KGF Complex and with 10 beds at Bengaluru Complex were established.

- Distributed Food packets to Construction labour, Police personnel, slum dwellers and Gram Panchayat at its Complexes located in Bengaluru, KGF, Mysuru and Palakkad towards mitigating hardship during the pandemic.
- The Company has also distributed Covid kits to all the Employees / Officers and Contract personnel as precautionary measures to contain the Covid.
- Setting-up of one No. of Medical Oxygen Plant at Government General Hospital, KGF, Kolar District at an approximate cost of ₹1.10 crore, under CSR Activity, which is likely to be done by November, 2021.
- First Independent Medical Oxygen Plant (GO 960) was manufactured and successfully rolled out through ToT from DEBEL, DRDO for supplying to the hospitals to cater to the rising needs of Covid patients. As on date, 64 nos. of MoP have been despatched to district hospitals across India.
- As directed by Hon'ble Raksha Mantri on 24.04.2021, the Company joined hands and contributed ₹50 Lakhs to DRDO for establishing 500-Bed Covid Care Hospital at Lucknow.
- The vaccination drive has been carried out vigorously towards ensuring Employees / Officers safety. As on 02.08.2021, 17,752 employees / Officers, Contract workers, their dependent family members and others are vaccinated.

Digital Transformation Initiatives :

BEML IT department has been renamed as DT department (Digital Transformation) in sync with emerging digital implementations across business vertical eco-system and external competitive world. Company is embarking implementing digital transformative initiatives for the business processes covering all 3 business verticals. Digital strategy envisaged for 3 years is in advanced progress. In BEML, currently the following initiatives are in progress and all these projects have positive impact on business top-line and bottom-line, improving manufacturing areas, logistics areas, sales, marketing, procurement processes, financial processes, MIS, and dashboard to top management.

A. Cyber Security Initiatives:

1. Implementing CSG-MoD Guidelines: As we must continuously comply with MoD guidelines, we are in the process of implementing all CSG-MoD (Cyber Security Group-Ministry of Defense) requirements strictly. Executing CIRA (Cyber Information Research Agency) incident guidelines on day today basis. Carrying out cyber security Audits as per guidelines. Remediating every area of IT continuously so as to stay safe & secure from vulnerabilities.
2. Setting up Cyber Security Operation Center (SOC): As part of CSG guidelines we are in the process of setting up SOC for monitoring of all security incidents and remediating the same. RSA product has been selected & implementation is in progress. This will be to protect our network & devices from any data leakage and online monitoring & analysis of all kinds of system logs, security logs and users' activity logs from routers, switches servers, endpoints & firewalls.
3. Implementation of Patching Automation & Asset Management : Implemented patching automation system using tool called Manage Engine. Patching server distributes latest patches for every BEML end point (desktop/laptop) from time to time as required. Asset management tool collects IT inventories of software's and hardware's in the entire BEML connected network. By bringing every endpoint device to the latest patch level makes it secure from vulnerability. Setting up of various security measures is in progress by implementing Endpoint security, Microsoft Bitlocker, Firewall-Checkpoint, and Multi-factor authentication, refreshing of windows OS, PCs, Servers, and Networking active components.
4. Implementation of AIRGAP Network: This project is one of the requirements of CSG-MoD as to separate Business network from Internet network (airgap). Business network is physically isolated from internet, hence protecting BEML business data including R&D from external world or any data leakage. Implemented a Airgap (separate network) for internet users where staff will connect with

separate pc for internet browsing and external emailing. All external communication takes place from these PC's. Robust firewall's with rules, have been installed to protect airgap network from cyber-attacks.

B. Digital Initiatives:

1. Net based in-house Application Developments: Aim is to digitalize all processes in use eliminating paperwork across BEML. Have developed in-house self-service portal to handle business processes with workflow automation like – executive/employee self-service portal includes pay-slip delivery, attendance management, leave management, exit permits, gate entries, complaint handling, maintenance logs, travel requests, HR activities, attendance, BEML connect, e-connect, etc. Alerts are being sent via SMS / email for those in the workflow sequence. One can approve from the link in the alerts. This portal is integrated with SAP ERP. Enhancing of user experience for productivity is in progress.
2. RPA (Robotic Process Automation) Solution for Medical direct bill processing: This is one of the most advanced technologies being adopted by business houses for solving complex process & labour issues. For Complex and repetitive data entry of business processes, it will be handled by means of software bot. Any data entry to be made by human being / company staff, in this case it will be done by software bot. BoT is nothing but a DIGITAL WORKER who does data entry job much efficient, faster and accurate way. One bot can do jobs of more than 100 data entry staff. In BEML, we are automating the full life cycle of “hospital direct medical billing processes”. Simple process goes like this - staff who wants to visit hospital, he/she requests referral letter thru system(portal), HR/CMO will validate and issue referral letter to the requester and hospital thru email. After treatment is over, hospital sends bills to BEML thru email in the form of PDF. BoT will check the mailbox, processes the bill by applying business rules or validates rate cards against each category.

It will be sent to HR/CMO for review, after review this will be entered into SAP screen. This will bring speed and accuracy in bill processing eliminating paper work and delay.

3. CRM Solution (Customer Complaint Management): Implementation of customer complaint handling system is in progress. The system will have functions like call center to receive to process customer calls arising thru telephones, emails, mobile APP, & Portal. Calls get logged creating auto tickets for every incident. This ticket gets closed after the resolution for the incident. Service engineer at field will scan the QR code on the equipment to check the service history and helps speed up service calls resolution. Every ticket undergoes CRM life-cycle like incident, problem resolution, & closure thru workflow approval cycle. The calls will be handled thru interactive Mobile APP for field, service staff, and customer. This is integrated with SAP inventory module for issuing spare-parts during service incident fulfillments. This application speeds up complaint resolution turn-around time and saving service costs and leading to increased customer satisfaction. Also, service staff will able to create quotation from this application. Finally, all kinds of reports & analytics are available at various executives involved in the business.
4. ANALYTICS Platform with Data Lake: In the process of setting up of Analytics platform for entire BEML business. Data lake will be built on which analytics engine runs to produce various results with descriptive, predictive & prescriptive analytics. Also, alerts shall be triggered for top executives in exception business rules.
5. AI/ML based BEML Equipment: Strategy in place to embed AI/ML in BEML products. Possible JV with leading AI/ML providers partnership is in progress. Also, in the month of March, 2021, we conducted IoT week inviting leading IoT providers for our products. This initiative will bring our products at par with international market, helps in acquiring market share. Also to serve customers better by adding these features to existing equipment at customer places.

6. FLM Improvements: FLM system is being used heavily in the organization for approval workflow and also for full cycle of procurement processes approvals. Whereas the existing system provides basic workflow approvals, we are in the process of improving entire file cycle by introducing various features like SMS triggering, cascading individual processes in the PR-PO conversion flow. Developing track & trace features. Introducing proactive alerts as reminders. Improving user interface and easy navigation and dashboard statistics to be made available for every user.
 7. 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 on boarding. Enabled auto selection of vendors. Tracking & Protecting tender documents while downloading from public.
 8. SAP ERP ECC6 Critical Improvements: (1) Quality Rejection Automation – In SAP, whenever quality rejection takes place, system will intimate to supplier thru SMS/Email about rejected items along with reason. (2) Weighbridge automation – weighbridge is integrated with SAP. (3) Dynamic QR codes in Invoicing – This has been made mandatory by taxation, for every invoice information should be included in QR Code. (4) Audit Trail logs requirement from Ministry of Corporate Affairs – we are in the process of developing provisioning for audit trails in SAP.
 9. Vigilance Suggestions & Compliance Implementation: (1) SRM improvements & integration, (2) Attendance system integration and improvements, (3) New Vendor registration thru BEML website, (3) Quality rejection automation, (4) Alerts and statistics on Website content updates on weekly basis.
 10. VMS Software: All the paper work being handled at all security gates across all complexes will be digitalized. Paper works like in/out movement passes, vehicles, courier entries, keys management, visitor invites, etc. will be automated implementation is in progress.
 11. Collaboration Platform: New Email system for both business and airgap separately. System includes features like audio/video/text chatting, email handling, security of emails. Also, we are setting up Files sharing facility for users and department levels. These facilitate digital workspace productivity improvements.
- C. Manufacturing Automation:
1. Industry 4.0 for manufacturing shop floor: In KGF H&P division, we have identified 25 nos of CNC machines & 2 test rings for data acquisition & process analytics. Wireless IoT devices are being mounted on each CNC machine to capture process/maintenance data. Each operator will be given tablet where he/she will check drawings before loading onto CNC machine. Drawing parameters shall be downloaded to each machine. Operator will be able to view production information, Quality rejection info and Maintenance information from tablet. This data will then be collected in the server. From server it will be viewed by all management staff about accurate production, Quality rejection, Visual inspection, Machine uptime and also arrive at OEE (Overall Equipment's Effectiveness). This information can be accessed from Mobile Application. This project brings more accurate results in reporting and better efficiency in the process. Downtime alerts, Track & trace.
- D. Infrastructure Setup:
1. IT Infrastructure Implementation:
Building BEML's Private Cloud in our DC (data center) is in progress. Setting up this private cloud platform using HP servers farm, Cisco switches and VM Ware virtualization & management software's. This brings high availability, stable hardware environment for all our software applications like eConnect, CRM, VMS, Email, Intranet, File sharing server, Antivirus server, Active directory server, Patch management server, Cyber SOC server, etc.
Polycom VCs are installed for video

conferencing and integrated with Microsoft teams for facilitating individual PC/Laptop to connect with Polycom VCs. Also using Webex for external world collaborations. New email servers are being implemented for business and airgap network separately. Microsoft AD is being implemented enabling latest features such as SSO, Multi factor authentication integrating with 3rd party tools.

Refreshing of windows XPOS, Old PCs, Old Servers, and old Networking active components is in progress. Remote troubleshooting tool is being implemented for IT service support engineers.

Enhancing of Bandwidth: Upgradation of Internet & MPLS bandwidths & setting up SDWAN; Load balancing between primary line and secondary are in progress.

Firewalls: Introduced firewalls for all DO's/RO's and at the HQ.

BEML infra is now ready for WFH (work from home) leverage at any point of time. Secured VPNs features have setup for higher level management to operate from anywhere.

Licensing of Microsoft S/Ws: Microsoft software licensing enterprise direct agreement with Microsoft, is being executed for office, teams, windows client and server OS, SQL server, AD, Bitlocker. This is to facilitate better support services from Microsoft and be compliant.

DR site has been setup in Mysuru for DC facility is in Bengaluru HQ. DR covers both SAP and non-sap applications.

Smart Interactive Classroom Projector HR Training Halls: All HR training halls across BEML are being equipped with smart digital interactive classroom projector featuring like –Audio, Visual presentation, Virtual writing wall.

Thin Client PC'S for Airgap: All 350 airgap PCs are being replaced with thin client PCs facilitating cost efficiency.

Enhancement of Website Visitor Experience: Present website is static in nature. Work is in progress to build an interactive, dynamic, video/photo rich, user experience website.

Related Party Transactions :

Your Company has formulated a "Policy on Related Party Transactions" pursuant to Regulation 23 of the Listing Regulations, 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 web-site of the Company at https://www.bemlindia.in/writereaddata/Downloads/202003301756Related_Party_Transactions_Policy.pdf.

During the year 2020-21, all transactions that were entered into with the related parties were fair, transparent and at arm's length basis and also in the ordinary course of business of the Company. The said related party transactions were also duly considered and noted by the Audit Committee. Information as required under section 188 in Form AOC-2, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is attached to this report as **Annexure-II**.

Compliance of applicable Secretarial Standards:

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

Corporate Governance Report:

A report on Corporate Governance (CG) compliance is included in the Board's Report in terms of Regulation 34 of the Listing Regulations and Chapter 8 of the DPE Guidelines. M/s Velichety & Co., Chartered Accountants have issued a Compliance Certificate on the same. In terms of Para 8.2.3 of the DPE Guidelines of CPSEs, the Company's compliance level as per the grading report on Corporate Governance is rated at 'Excellent' with 95.41% (average for 4 quarters) for FY 2020-21 based on self-evaluation. The aforesaid report on Corporate Governance along with Compliance Certificate is placed at **Annexure-III**.

Management Discussion and Analysis Report:

A report on Management Discussion and Analysis in terms of Regulation 34(2)(e) of Listing Regulations and Para 7.5.1 of the DPE Guidelines is placed at **Annexure-IV**.

Business Responsibility Report:

A Business Responsibility Report (BRR) for FY 2020-21 in terms of Regulation 34(2)(f) 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**.

Committees of the Board:

The following mandatory Committees required under the 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, terms of reference, number of meetings held and attendance at the meetings are provided in the Corporate Governance Report.

Composition of Audit Committee:

Your Company has constituted the Audit Committee in terms of Section 177 of the Companies Act, 2013, Regulation 18 of the Listing Regulations and Chapter 4 of the DPE Guidelines. The Committee comprises of Shri Arvind Kumar Arora, Independent Director as Chairman, Smt Balmuri Vanitha, Independent Director and Shri M V Rajasekhar, Director (Mining & Construction Business) & CMD (I/c) as its members. All the recommendations made by the Audit Committee were accepted by the Board.

Enterprise Risk Management:

Your Company has constituted Risk Management Committee (RMC) and implemented Board approved "Risk Management Policy" (RMP) pursuant to Section 134(3)(n) of the Companies Act, 2013, Regulation 17(9) & 21 of the Listing Regulations, and Para 7.3 of DPE Guidelines. 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 amended SEBI Listing Regulations on 05.05.2021. 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, one meeting of RMC was held on 17.03.2021.

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 and it recommends 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://www.bemlindia.in/writereaddata/Downloads/202003302233Risk_Management_Policy.pdf.

Corporate Social Responsibility & Sustainability Committee :

Your Company has constituted Corporate Social Responsibility & Sustainability (CSR) Committee and implemented Board approved "CSR Policy" pursuant to Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility policy) Rules, 2014 as amended from time to time and DPE Guidelines on MoU. Further, the composition, reconstitution and enhanced terms of reference as duly approved by the Board are incorporated in the CSR Policy as per the MCA circular dated 21.01.2021.

The Committee comprises Dr. Gurmohinder Singh, Independent Director as Chairman, Shri MV

Rajasekhar, Director (Mining & Construction Business) and Chairman and Managing Director (I/c) and Shri Ajit Kumar Srivastav, Director (Defence Business) as members. During 2020-21, the CSR Committee met once on 26.06.2020. An amount of ₹4.04 crore was spent during FY 2020-21 towards CSR activities which was more than 2% that is ₹2.13 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) (I/c). Further your Company has proposed to spend ₹599.60 lakhs towards long term and new projects in FY 2021-22. Annual Report on CSR activities undertaken during FY 2020-21 is placed at **Annexure-VI**.

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

Subsidiary Companies:

(I) M/s Vignyan Industries Limited (VIL)

VIL has achieved Revenue from Operations of ₹1.45 crore and Value of Production (VOP) of ₹1.44 crore for the year ended 31.03.2021 as against ₹14.68 crore of Revenue from Operations and ₹14.20 crore of VoP during the corresponding period in the previous year. VIL incurred a loss of ₹5.72 crore for the year ended 31.03.2021 as against loss of ₹4.70 crore in the corresponding period in previous year. However, the figures of FY 2020-21 are not comparable with the figures of 2019-20 since production was stopped with effect from 10.10.2020 as VIL is under closure.

MoD vide letter dated 27.02.2019 has constituted Inter-Ministerial Group (IMG) and Evaluation Committee (EC) for disinvestment of BEML shares in VIL. Accordingly, Transaction Advisor (TA), Legal Advisor (LA) and Asset Valuer (AV) were appointed by BEML. By following due process, Expression of Interest (EoI) / Public Information Memorandum (PIM) was published on 04.09.2019 for seeking probable bidders. Since no response was received, MoD accorded 'in-principle' approval on 07.07.2020 for closure of VIL in accordance with the provisions of DPE Guidelines on time

bound closure of sick/loss making CPSEs. Further, M/s KPMG has been appointed as Consultant for closure of VIL and the recommendations of KPMG had been sent to MoD for CCEA approval. Requisite approvals are under progress.

(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. MAMC Industries Limited (Formerly known as 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 2020-21, the Company has incurred a sum of ₹16.87 crore (Previous Year-₹12.54 crore), towards maintenance, security and other related expenditure. The total sum of ₹64.87 crore (Previous Year ₹60.54 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 is not materialized due to exorbitant fee quoted by the consultant firms.

Further, it was proposed to register all properties in the name MAMC and accordingly, M/s. Fox & Mondal Advocates & Solicitors have prepared the final draft sale deed of the MAMC properties at different

locations for registration purpose. The same shall be submitted to the Official Liquidator for his concurrence. During the meeting of Interim Board of Management (IBM) of Consortium was held on 19.02.2021, BEML informed that based on earlier discussions with CIL, BEML visualized manufacturing of Longwall, Continuous and surface miners at MAMC plant and accordingly, published EOI for the said equipment. Also, it was informed that BEML is in advance stage of finalization with FAMUR Poland for manufacturing of Longwall & responses from prospective manufacturing partners for surface miners and continuous miners is still awaited. However, to proceed for collaboration agreement, CIL support on partnership basis or assured orders on nomination basis was requested. Further, CIL informed that the scope of Power Support Long Wall (PSLW) equipment are limited in CIL. Also, BEML informed that GoI has taken up strategic disinvestment of BEML and it is in advance stage.

(iii) M/s BEML Land Assets Ltd. (BLAL)

BEML has incorporated a Wholly Owned Subsidiary in the name of "BEML Land Assets Limited" on 15.07.2021 for transfer of identified surplus / non-core assets as part of demerger under strategic disinvestment of BEML initiated by Government of India.

Joint Venture Company –

M/s BEML Midwest Limited (BMW):

BMW 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 SumberMitra Jaya of Indonesia as partners holding the balance 55% share. The Company has been established to capitalize on the growing business opportunities in the contract mining segment. However, due to certain unauthorized transactions and the oppression and mismanagement by the nominees of MGPL, your Company had filed an application before Hon'ble Company Law Board (CLB) seeking for suitable relief. As a counter measure, MGPL had also filed a petition on the matter. CLB vide its common

order dated 01.06.2012 directed the Central Government to appoint an inspector to investigate the affairs of BMW 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. The Company has filed an application with CLB praying for necessary directions to Regional Director (RD), Ministry of Corporate Affairs, Hyderabad for time bound completion of investigation so that the matter could effectively be heard by 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. Based on the order of NCLT dated 22.12.2017 consequent to the request from the landlord to vacate the premises of Registered Office (RO) of BMW for his bonafide use, it has been shifted to a suitable place in the city on 30.03.2018 and the communication in this regard has been sent to MCA, NCLT & MGPL. Regular hearings are taking place at NCLT. However, RD-MCA is yet to submit the investigation report for deciding the matter.

In the meanwhile, State Bank of India (SBI) had offered One Time Settlement (OTS) of ₹182.91 Lakhs against the total liability of ₹2151.90 lakhs as full and final settlement of BEML liability towards the corporate guarantee issued in favour of SBI in the credit limits availed by BMW, which was settled by the Company on 23.11.2020. The Corporate Guarantee had got discharged and the case pending before Debt Recovery Tribunal (DRT) has been closed.

There was no company which became or

ceased to be a subsidiary, joint venture or associate of the Company during the year under review.

A separate section on report on the performance and financial position of each of the subsidiaries, Joint Venture Company are placed under Form AOC-1 provided in the consolidated financial statement of the Company, in terms of section 129(3) of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014.

Consolidated Financial Statement:

Your Company has prepared the Consolidated Financial Statement of its subsidiaries in terms of Section 129(3) of the Companies Act, 2013, excepting consolidation with respect to JV Company, M/s BEML Midwest Limited due to complete cessation of activities as the matter is subjudice, which is attached to this report.

Statutory Auditors:

M/s. Sundaram & Srinivasan, Chartered Accountants, Bengaluru, were appointed as the Statutory Auditors for the financial year 2020-21 by the Comptroller & Auditor General of India.

Observations made in the Independent Auditors' Report on the consolidated financial statement and the reply of the Board of Directors there to are given by way of an addendum at page No. 252 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 2020-21 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 2020-21 was ratified by the members in the 56th Annual General Meeting held on 25.09.2020.

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, Practising Company Secretaries (PCS), Bengaluru, to undertake the Secretarial Audit of the Company for the year 2020-21. The Secretarial Audit Report given 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 2020-21.

C&AG Audit:

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

Extract of Annual Return:

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

Directors & Key Managerial Personnel:

(1) Appointment / re-appointment of Independent Directors

During the year 2020-21, no Independent Director (ID) was appointed on the Board of the Company. In terms of section 149 of the Companies Act, 2013, the provisions of section 152(6) and (7) in respect of retirement of directors by rotation shall not be applicable to IDs. Pursuant to Schedule IV of the Companies Act, 2013, the appointment/ re-appointment of the Independent Directors would be formalized through a letter of appointment setting out the terms and conditions in case of their appointment, which is also available 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 / Directors

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 2020-21 as per the directives of the President of India:

- (i) Shri Ajit Kumar Srivastav (*DIN: 08741858*), Chief General Manager (Defence Marketing) has been appointed as Director (Defence Business) of the Company vide MoD letter No.8(1)/2019-D(BEML), dated 16.03.2020 in place of Shri RH Muralidhara. He took charge on 01.06.2020.
- (ii) Shri Amit Banerjee (*DIN: 08783660*), Executive Director (Rail & Metro Business) has been appointed as Director (Rail & Metro Business) of the Company vide MoD letter No.8 (2)/2019-D (BEML), dated 08.10.2020 in place of Shri Suresh S Vastrad. He took charge on 09.10.2020.

Shri MV Rajasekhar (*DIN-08467141*), Director (Mining & Construction Business) has been given additional charge of the post of Chairman & Manager Director, w.e.f. 01.02.2021 in place of Dr. Deepak Kumar Hota who had since superannuated on 31.01.2021. Further, Shri Ajit Kumar Srivastav, Director (Defence Business) has been given additional charge of the post of Director (Finance) w.e.f. 09.04.2021, in place of Shri Suraj Prakash, who had since resigned on 08.04.2021.

Shri MV Rajasekhar (*DIN-08467141*) retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Shri RH Muralidhara, Shri Suresh S Vastrad, Shri R Panneer Selvam, Dr. Deepak Kumar Hota, ceased to be Directors / Chairman and Managing Director

consequent upon attaining the age of superannuation and Shri Suraj Prakash ceased to be Director of the Company consequent upon tendering the resignation. Dr. Gurmohinder Singh, Independent Director ceased to be Director w.e.f. 10.08.2021 consequent upon end of his tenure as per MoD letter dated 10.08.2018. The Board placed on record its deep appreciation for invaluable services rendered by the aforesaid Directors / CMD on the Board whose term of office ended during the year.

(4) Remuneration of Key Managerial Personnel:

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

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

Independent Directors are paid sitting fee of ₹20,000 per meeting of the Board / Committee of the Board attended by them. Further, if there are more than one such meeting on the same day, a sitting fee @ ₹10,000 is paid for the second and subsequent meeting/s.

Neither there was payment of commission to the Board of Directors nor any stock option scheme offered to them during the year. Further, none of the Directors had any pecuniary relationship nor entered into any related party transactions with the Company during the year.

Pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration paid to the Directors during 2020-21 are provided under the 'Report on Corporate Governance' annexed to this report.

(5) Number of meetings of Board:

During the year, eleven meetings of the Board were held on 01.05.2020, 27.05.2020, 27.06.2020, 07.08.2020, 24.09.2020, 01.10.2020, 06.11.2020, 21.11.2020, 16.12.2020, 10.02.2021 and 05.03.2021. 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)© and 134(5) of the Companies Act, 2013, your Directors state that;

- (a) in the preparation of the annual accounts for the year ended 31.03.2021, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2020-21 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 Director 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 Director 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 is being undertaken by the Department of Public Enterprises through Administrative Ministry periodically.

Acknowledgements:

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

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

The Directors wish to thank the Comptroller & Auditor General of India, the Principal Director of Commercial Audit & Ex-officio Member, Audit Board

and Statutory Auditors for their valued co-operation.

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

grateful to the Government of Karnataka and Kerala for the support and co-operation extended to the Company.

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

For and on behalf of the Board of Directors

Bengaluru
18.08.2021

MV Rajasekhar
Chairman & Managing Director (I/c)

MBPV Mk-II 'GAUR'

Medium Bullet Proof Vehicle



Annexure to Board's Report for the Financial Year 2020-21

Annexure-I

CONSERVATION OF ENERGY

(a) Steps taken or impact on conservation of energy

- (i) Replacement of office lighting, street lighting, shop high bay lighting and perimeter lighting system with LED lights & retrofit tubes in place of conventional lights like HPMV/HPSV/fluorescent tube lights and introduction of energy saver units & timer circuits for lighting system.
- (ii) Reduction of thermal Loss of revamping / replacement of Insulation of Unitherm EGG.
- (iii) Replacement of plate type heat exchanger in place of 5HP Radiator Cooling System for Wester work SQF.
- (iv) Procured latest 3Ph VSD Control 63KW Screw Air compressor for plant compressor & to avoid use of conventional 180KW Air compressor for energy conservation.
- (v) For optimizing DG sets efficiency premixed engine coolant being continued to be used including material handling Equipment for fuel conservation & maintenance cost effectiveness.
- (vi) Reconditioning of BTC-7 Furnace at HT shop to reduce heat loss and to improve thermal efficiency & achieve energy conservation.
- (vii) Reconditioning of Wester works Bogie Hearth, Wellman spray quench High Heat back to back Furnaces to achieve the Energy conservation by minimizing heat loss and to improve thermal efficiency.
- (viii) Installation & Commissioning Automatic Power Factor Control System (APFC) at 11kV sub-station to achieve the Energy Conservation by improving Power Factor to optimum level (0.95).

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

- (i) Green energy from 23MW Wind Mill Projects and Solar Power Plant used for captive consumption stood at 94%, which is highest ever and registered an increase of 8% over the previous year.
- (ii) For further details, please refer para (i) of the 'Renewable Energy Development, Energy Conservation, Research & Development and Technology Absorption' of Board's Report.

(c) Capital investment on energy conservation equipment

During the year under review, your Company has invested ₹236.22 Lakhs for implementing various energy saving measures.

TECHNOLOGY ABSORPTION

Research & Development (R&D):

1 Efforts made towards Technology Absorption:

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

(a) New products:

(i) Mining & Construction

- Development and testing of BE1800D with new Engine to meet tier 2 norms.
- Design & Development of BEML Torque Converter Assembly for BH60M Dump Truck.
- Engineering of Proportional Steering, Brake Valve assembly & Emergency Brake Valve on BD475 Dozer.
- Development of ATGEM transmission with Danfoss controller for BH35-2/BH60M dumpers.
- Development of BE300LC excavator

cabin with ROPS & FOPS to meet DGMS & IS17055-1&5 / ISO safety norms.

- Design and engineering of hydraulic brake system as alternate to air over hydraulic brake system for BL14TH Tyre Handler.
- Engineering of ROPS/FOPS AC cabin, Emergency steering system, Operator fatigue monitoring system, rear view camera and operator seat belt for meeting DGMS safety features for BL14TH.
- Design and development of ROPS/ FOPS cabin with ABS interiors for BL30-1 wheel loader.
- Design of alternate braking system for BL200-1 wheel loader to eliminate dependency on import.
- Engineering of BEML ATGEMS transmission with Cummins engine BH35-2 / WS28 Dump Truck / Water Sprinkler.
- Engineering of BEML EG engine with BEML transmission on WS28-2 Water Sprinkler.
- Development of Proximity Warning system, Rear View Camera system, Drivers Fatigue Monitoring system, Automatic Head light Dimmer and Seat Belt reminder system as per new DGMS circular 06 of 2020.

(ii) **Defence**

- Mobile Standby Command Post Vehicle (MSCPV).
- Mine Field Marking Equipment Mk-II on BEML HMV 6x6.
- Design & Development of Special Trailer structure for a large Antenna.
- BEML HMV 8x8 Chassis with platform & Hydraulic Outriggers for ASCON Project.
- Development of IN-TEST to check the functioning of Indigenous ECU (Regulation Test) associated electrical wire Harness installation test on the BEML HMV vehicle.
- Design & Development of BEML HMV

8x8 Chassis with side mounted Hydraulic Winch for MML-SP project.

- Design and development of Digital Driver's Display Panel with Electrical Control System for ARV WZT-3.
- Design & development of BEML HMV 8x8 Chassis with max. GVW of 36 T for Akash project.

(iii) **Rail & Metro**

- Mainline Electrical Multiple Unit (MEMU) for Indian Railways.
- Bengaluru Metro 3RS-DM 42 Cars (6 car trainset).
- Mumbai Metro MRS1 contract (Line #2 & #7) 6 car trainset.

(b) **Patents:**

During the year, 55 IPRs which includes 13 patents, 9 designs, 18 copyrights and 15 trademarks were registered which was 110% of the MoD target (50).

(c) **Publishing of Technical papers:**

08 technical papers were published by R&D engineers in national / international journals / conferences during the year 2020-21.

(d) **Awards:**

Innovation Award for excellence in Research & Development for "Design and Development of Mobile Standby Command Post Vehicle (MSCPV)"

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

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

Further as a result of successful completion and commercialization of the projects, the turnover of the company increased. 69% of

sales turnover achieved was from in-house R&D developed products. The skill sets, knowledge & expertise of R&D personnel has enhanced and induced confidence in taking up future challenges.

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

Nil.

4. **Future plan of action:**

Keeping in view of emerging trends in technology and also in line with the unfolding business scenario, R&D has put in place, plan of action to take up a number of projects with enhanced allocation of resources. To achieve this, R&D infrastructure and resources are being continuously strengthened / upgraded, to handle and cope up with the latest technologies effectively.

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

Mining & Construction:

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

existing Products with innovative and new features in line with major global competitors.

Defence:

Keeping in view of emerging trends in technology and also in line with the unfolding business scenario, R&D has put in place, plan of action to develop series of products / aggregates such as Development of High Mobility Vehicle (8x8 Cross Country Vehicle), Self-propelled mine burrier 8x8, Bar mine layer 8x8, Guided Pinaka Variants for Launcher, Command post, Loader Cum Replenishment (LCR), Replenishment Vehicle (RV), Upgrading of Axles for higher load carrying capacity with ABS feature for use on chassis for special projects, Indigenous manufacture of cabins for HMV 8x8 and 6x6 vehicles, Upgradation / Overhauling of ARV WZT-3 pilot project, Development of TRAWL Roller & TWMP for demining operation and HMV 8x8 chassis with 155 mm / 52 Cal Mounted Gun System.

Rail & Metro:

R&D is working towards development of Metro Neo MRTS system which is making headway in the country, working with IIT, Kharagpur, for Bogie design under the Uchathar Aavishkar Yojana (UAY) project to develop medium / high speed bogies, Chennai Metro (Phase II) and RS17 tender by DMRC.

5. **Expenditure on R&D:**

Company has spent ₹132.66 crore on R&D during 2020-21 which is about 3.73% of Revenue from Operations.

For and on behalf of the Board of Directors

Bengaluru
18.08.2021

MV Rajasekhara
Chairman & Managing Director (I/c)

BH205E

Electric Dump Truck



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]

Disclosure of particulars of contracts / agreements entered into by the Company with related parties referred to in sub-section (i) of section 188 of the Companies Act, 2013 during FY 2020-21 including certain arm's length transactions under third proviso thereto:

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
18.08.2021

MV Rajasekhar
Chairman & Managing Director (I/c)



MRS1

Driverless Metro Car

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

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

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

2. BOARD OF DIRECTORS

(i) Composition:

As on 31.03.2021, the Board consisted of 4 Whole-time Directors including the Chairman & Managing Director (I/c), 1 Government Nominee Director and 3 Independent Directors. There are 2 vacancies for Independent Directors on the Board. The Ministry of Defence (MoD) vide letter No. 8(2)/2015-D(BEML) dated 01.02.2021 assigned the additional charge of the post of Chairman & Managing Director to Shri MV Rajasekhar, Director (Mining & Construction Business). However, the composition did not comply with the requirements under Regulation 17 of the Listing Regulations. There is no inter-se relationship among the directors.

(ii) Meetings and Attendance:

During the year, eleven meetings of the Board were held on 01.05.2020, 27.05.2020, 27.06.2020, 07.08.2020, 24.09.2020, 01.10.2020, 06.11.2020, 21.11.2020, 16.12.2020, 10.02.2021 and 05.03.2021. 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.

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 31.03.2021 are given below:

Sl. No	Name of the Director (Director Identification No.)	Attendance at board meetings / Total meetings after appointment as Director	Whether attended last AGM (Yes/No/NA)	No. of other director -ships held	Number of Committee Memberships across all companies	Listed entities where the person is a director and the category of directorship
Functional Directors:						
1	Shri MV Rajasekhar Director (Mining & Construction Business) & Chairman & Managing Director (I/c) (DIN 08467141)	11/11	Yes	3	3	--
2	Shri Ajit Kumar Srivastav ¹ Director (Defence Business) (DIN 08741858)	9/9	Yes	3	3	--
3	Shri Amit Banerjee ² Director (Rail and Metro Business) (DIN 08783660)	5/5	Yes	--	--	--
4	Shri R H Muralidhara ³ Director (Defence Business) (DIN 07363484)	2/2	NA	--	--	--
5	Shri Suresh S Vastrad ⁴ Director (Rail and Metro Business) (DIN 06725629)	3/3	NA	--	--	--
6	Shri R Panneer Selvam ⁵ Director (Human Resources) (DIN 08075917)	6/6	Yes	--	--	--
7	Shri D K Hota ⁶ Chairman & Managing Director (DIN 06600812)	9/9	Yes	--	--	--
8	Shri Suraj Prakash Director (Finance) (DIN 08124871)	11/11	Yes	2	2	--
Government Nominee Director:						
9	Shri Puneet Agarwal ⁷ (DIN 07192938)	8/8	Yes	--	--	--
10	Dr. Md. Nazmuddin ⁸ (DIN 08377468)	3/3	NA	--	--	--
Independent Directors:						
11	Dr. Gurmohinder Singh (DIN 08199586)	11/11	No	--	3	--
12	Shri Arvind Kumar Arora (DIN 07409509)	11/11	Yes	--	3	--
13	Smt. Balmuri Vanitha (DIN 08679028)	11/11	Yes	--	1	--

1. Appointed w.e.f. 01.06.2020
2. Appointed w.e.f. 09.10.2020
3. Ceased to be Director on 31.05.2020
4. Ceased to be Director on 30.06.2020

5. Ceased to be Director on 31.10.2020
6. Ceased to be Director on 31.01.2021
7. Appointed w.e.f. 27.07.2020
8. Ceased to be Director on 26.07.2020

(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 or debt securities in your Company as on 31.03.2021.

(v) CEO / CFO Certification:

The Chairman and Managing Director (I/c) and Director-Finance (I/c) [Additional charge of the post assigned to Director (Defence

Business)], have issued necessary certificate to the Board of Directors with respect to the financial statement for the year 2020-21 in terms of Regulation 17(8) of the Listing Regulations. The said certificate was reviewed and recommended by the Audit Committee in terms of Para 4.5(vi) of the DPE Guidelines and will be taken on record by the Board in its 374th meeting held on 11.06.2021.

(vi) Review of Compliance of Laws:

The Board reviewed the compliance reports relating to various laws applicable to the Company for the year 2020-21 in terms of Regulation 17(3) of the Listing Regulations, Para 3.3.3 of the DPE Guidelines and applicable provisions of the Companies Act, 2013, 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.

(vii) Familiarization/Training of Board Members:

A 'Policy on Familiarization / Training Programs to Board Members' was formulated in terms of Regulation 25(7) of the Listing Regulations, Para 3.7 of the DPE Guidelines and applicable provisions of the Companies Act, 2013, and approved by the Board of Directors.

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

Further, the aforesaid policy along with familiarization and training programs imparted to the Independent Directors are placed on the Company's web-site https://www.bemlindia.in/documents/Training_IDs.pdf in terms of Regulation 46(2)(i) of the Listing Regulations.

(viii) Code of Conduct:

The Board of Directors of your Company has laid down a 'BEML Code of Conduct and Business Ethics for Board Members and Senior Management' in terms of Regulation

17(5) of the Listing Regulations and Para 3.4 of the DPE Guidelines and the same is also placed on the Company's web-site, https://www.bemlindia.in/writereaddata/Downloads20170807074332BEML_CoC.pdf as required under Regulation 46(2)(d) 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 (I/c) is produced hereunder:

To the Members of BEML Limited,

I, MV Rajasekhar, Chairman & Managing Director (I/c) 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 31.03.2021.

On behalf of the Board of Directors

Sd/-

Bengaluru

MV Rajasekhar

01.06.2021 Chairman & Managing Director (I/c)

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

The Board of Directors of your Company had approved "Code of Conduct and Fair Disclosure for Regulating, Monitoring and Report trading by Insiders in BEML Securities" in the securities of the Company on the basis of unpublished price sensitive information, pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, and the same is placed on the Company's website https://www.bemlindia.in/writereaddata/Downloads/202105111712BEML_PIT_CoC-23042021.pdf. The insiders as defined under the Code should obtain permission from the Competent Authority to deal in securities during the trading window / restriction period beyond the specified limits. Periodical

disclosures are also made as provided under the Code through the Digital Database system designed internally, for keeping the track of the flow of Unpublished Price Sensitive Information (UPSI) and simultaneously maintaining the record of the nature of UPSI and name of the executives sharing the same to prevent the instance of insider trading.

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

(x) Whistle Blower Policy:

Your Company has formulated "Vigil Mechanism / Whistle Blower Policy" for directors and employees to report genuine concerns in terms of the provisions of Section 177(9) of the Companies Act, 2013, Regulation 22 of the Listing Regulations and Para 4.3 of the DPE Guidelines. The said policy is placed on the Company's website https://www.bemlindia.in/writereaddata/Downloads/202102251405Whistle_Blower_Mechanism.pdf, in terms of Regulation 46(2)(e) of the Listing Regulations. The policy provides for adequate safeguards against victimization of director/s or employee/s or any other person who avail the said mechanism and also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. The Audit Committee reviews the functioning of the whistle blower mechanism periodically as per Schedule II (A)(18) of Listing Regulations and 4.2.12 of DPE Guidelines. As per the said policy, none of the employees have been denied access to Audit Committee.

3. BOARD COMMITTEES

The constitution / reconstitution of various Board Committees together with their terms of reference by the Board of Directors are detailed hereunder. Further, the composition of the said Committees is also placed on the Company's web-site https://www.bemlindia.in/Investors_Board_Committee.aspx, in terms of Regulation 46(2)(c) 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 there on before submission to the board for approval, with particular reference to (a) matters required to be included in the director's responsibility statement forming part of the board's report in terms of Section 134(5) of the Companies Act, 2013; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major accounting entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements; (f) disclosure of any related party transactions; and (g) modified opinion(s) in the draft audit report;*
- (e) *to recommend to the Board, fixation of remuneration to statutory auditors and to approve payment to statutory auditors for*

- services rendered other than statutory audit as may be permitted under law;*
- (f) *to recommend to the Board the fixation of remuneration, re-imbusement of out-of-pocket expenses and other allowances, if any, to cost auditors and transaction auditors;*
- (g) *to evaluate internal financial controls and risk management systems;*
- (h) *to review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;*
- (I) *to review the adequacy of internal audit function of the Company, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;*
- (j) *to discuss with internal auditors of any significant findings and follow up there on; and to review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and make suitable recommendation to the board;*
- (k) *to review the functioning of the Whistle Blower Mechanism;*
- (l) *to meet compulsorily at least once every two months and inter-alia look at all cases of procurements which are made from single 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	Dr. Gurmohinder Singh	Independent Director	6/6
<i>Members:</i>			
2	Shri Arvind Kumar Arora	Independent Director	6/6
3	Shri MV Rajasekhar	Director (Mining & Construction Business) & Chairman and Managing Director (I/c)	6/6

During the year, the Audit Committee met Six times on 26.05.2020, 26.06.2020, 06.08.2020, 05.11.2020, 27.01.2021 and 10.02.2021. Accordingly, the Audit Committee complied with the requirements on number and frequency of meetings in terms of Regulation 18 of the Listing Regulations and Para 4.4 of the DPE Guidelines. Further, the Board accepted all the recommendations made by the Audit Committee during the year in terms of section 177(8) of the Companies Act, 2013.

The Company Secretary acts as Secretary of the Audit Committee. The Chairman of the Audit Committee due to pre-occupation authorized a Member and Independent Director of the Committee, who had attended the 56th AGM of the Company held on 25.09.2020 for answering the securities holder's queries.

(ii) Nomination and Remuneration Committee:

A Committee by name and style "Nomination and Remuneration Committee" was constituted pursuant to the provisions under Section 178(1) of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

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 from the Ministry of Defence. Performance evaluation of Independent Directors is being 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	Dr. Gurmohinder Singh	Independent Director	1/1
<i>Members:</i>			
2	Shri Arvind Kumar Arora	Independent Director	1/1
3	Smt. Balmuri Vanitha	Independent Director	1/1
4	Dr. Md. Nazmuddin*	Non-Executive Director	NA

* Part of the year

The Nomination and Remuneration Committee met once during the year on 31.03.2021. 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:

The Board of Directors has constituted the "Stakeholders Relationship Committee" in terms of Section 178(5) of the Companies Act, 2013 and Regulation 20(1) of the Listing Regulations.

The terms of reference would include, resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc., review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent, review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee consists of following Directors / Compliance Officer:

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

* Part of the year

During the year, the Stakeholders Relationship Committee met once on 04.11.2020. 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 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. The said e-mail ID and other relevant details are placed on the Company's web-site <https://www.bemlindia.in/complain.aspx?type=investor>, in terms of Regulation 46(2) of the Listing Regulations.

Further pursuant to SEBI Circulars, M/s. Kfin Technologies Pvt. Ltd. (formerly M/s. Karvy Fintech Pvt. Ltd.), 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 34 complaints placed and there was no complaint pending as on 31.03.2021. 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(4) of the Listing Regulations, are placed before the Board for information. Accordingly, the status of total investor complaints and redressal thereon during the year are as under:

No. of complaints pending beginning of the year	:	0
No. of complaints received during the year	:	40
No. of complaints resolved during the year	:	40
No. of complaints pending at the end of the year	:	0

(iv) Risk Management Committee:

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

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

- Review and approve the risk management policy and associated practices of the company.
- Ensure that appropriate systems are in place to manage the identified risks, so that the organizations assets and reputation are suitably protected.
- Ensure that responsibility and authorities are clearly defined and adequate resources are assigned to implement the Risk Management Policy.
- Review the key risks reported by the Corporate Risk Committee (CRC) and approve remedial mitigation decided by CRC for key risks.

The Committee consists of following Directors:

Sl.No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Shri Suraj Prakash	Director (Finance)	1/1
<i>Members:</i>			
2	Shri MV Rajasekhar	Director (Mining & Construction Business)	1/1
3	Shri Ajit Kumar Srivastav	Director (Defence Business)	1/1
4	Shri Amit Banerjee	Director (Rail & Metro Business)	1/1
5	Shri R Panneer Selvam*	Director (Human Resources)	—

* Part of the year

The Risk Management Committee met once during the year on 17.03.2021. Further, the Committee complied with the requirements on number of meetings in terms of Regulation 21 of the Listing Regulations.

Your Company has formulated "Risk Management Policy" in terms of Section 134(3)(n) of the Companies Act, 2013, Regulation 17(9) of the Listing Regulations, and para 7.3 of DPE Guidelines. The objective of the Policy is to ensure sustainable business growth with stability and to promote a proactive approach in identifying, evaluating, reporting and managing or mitigating risks associated with the business. In order to achieve the key business objectives, the policy establishes a structured and disciplined approach to risk management in order to mitigate the risk related issues. The CRC consolidates the key risks along with mitigation plans and report to the Risk Management Committee for review and apprising the Board. The Audit Committee reviews and monitors the key risks along with mitigation plans and status of risk management and recommend to the Board for approval. The said policy is placed on the Company's website https://www.bhelindia.in/writereaddata/Downloads/202003302233Risk_Management_Policy.pdf.

(v) Share Certificate Committee:

The Board of Directors has constituted a Committee with the nomenclature as "Share Certificate Committee" in terms of Regulation 39(2) of the Listing Regulations.

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

The Committee consists of following Directors / Compliance Officer:

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

* Part of the year

The Share Certificate Committee met once during the year on 19.03.2021.

(vi) Corporate Social Responsibility & Sustainability Committee:

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

The terms of reference of CSR Committee would include -

- to formulate and recommend to the Board CSR Policy of the Company which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act.
- to recommend CSR projects /programs / activities along with the estimated budgets, and
- to monitor the implementation of CSR projects / programs / activities of the Company and expenditure thereon.

The Committee consists of the following Directors:

S.No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Dr. Gurmohinder Singh	Independent Director	1/1
<i>Members:</i>			
2	Shri MV Rajasekhar	Director (Mining & Construction Business)	1/1
3	Shri Ajit Kumar Srivastav	Director (Defence Business)	1/1
4	Shri R H Muralidhara*	Director (Defence Business)	NA

* Part of the year

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

The CSR Committee met once during the year on 26.06.2020. Annual report on CSR activities undertaken during the year 2020-21 is enclosed at **Annexure-VI**.

(vii) Procurement Committee:

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

The Committee consists of following Directors:

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

The Procurement Committee met 30 times on 06.04.2020, 22.04.2020, 25.04.2020, 11.05.2020, 23.05.2020, 02.06.2020, 10.06.2020, 17.06.2020, 04.07.2020, 13.07.2020, 20.07.2020, 27.07.2020, 03.08.2020, 05.08.2020, 12.08.2020, 24.08.2020, 07.09.2020, 28.09.2020, 20.10.2020, 05.11.2020, 24.11.2020, 10.12.2020, 07.01.2021, 25.01.2021, 02.02.2021, 11.02.2021, 22.02.2021, 25.02.2021, 10.03.2021 & 26.03.2021 during the year under review.

(viii) Independent Directors Meeting:

In terms of the provisions under the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, the Independent Directors met on 27.01.2021 and reviewed the action taken on the minutes of the previous meeting on 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 Three Independent Directors have attended the meeting.

Further, pursuant to Regulation 34(3) 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.

(4) REMUNERATION OF DIRECTORS:

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

Pursuant to Schedule IV of the Companies Act, 2013, the appointment of Independent Directors was formalized through a letter of appointment setting out the terms and conditions of their appointment, which inter-alia, includes remuneration and re-imbursment of expenses for participation in the meetings of Board and Committees of Board. Further, the said terms and conditions are placed on the web-site of the Company https://www.bemlindia.in/documents/BEML_Ind_Director_TnC.pdf, in terms of Schedule IV and Regulation 46(2) of the Listing Regulations.

(i) Details of Remuneration paid to Functional Directors (Key Managerial Personnel) during the year 2020-21:

(₹ in Lakhs)

Name Dr / Shri	Salary	Benefits	PF Contri- bution	Perqui- -sites	Pension	Total amount 2020-21	Total amount 2019-20
MV RAJASEKHAR	26.23	3.47	3.06	7.27	0.09	40.12	43.51
SURAJ PRAKASH	29.81	3.93	3.58	5.50	0.00	42.82	44.84
AJIT KUMAR SRIVASTAV*	21.32	2.80	2.43	7.25	0.13	33.93	--
AMIT BANERJEE*	13.17	1.65	1.51	4.36	0.08	20.77	--
D K HOTA*	30.37	4.02	3.64	6.48	0.00	44.51	68.67
R PANNEER SELVAM*	14.98	2.00	1.80	2.34	0.00	21.12	23.98
R H MURALIDHARA*	5.13	0.43	0.62	0.67	0.00	6.85	64.15
SURSH S VASTRAD*	6.60	0.55	0.79	1.91	0.00	9.85	47.12
BR VISWANATHA*	--	--	--	--	--	--	25.09
TOTAL	147.61	18.85	17.43	35.78	0.30	219.97	317.36

* Part of the year

(ii) Government Nominee / Independent Directors compensation:

(a) Government Nominee Director is not entitled for any remuneration including sitting fee for attending Board / Committee meetings. Further, the Government Nominee Director had no any pecuniary relationship or transactions with the Company during the year.

(b) None of the Independent Directors had pecuniary relationship or transaction with the Company excepting receipt of sitting fee of ₹20,000/- per meeting of the Board / Committee of the Board attended by them. Further, if there is more than one such meeting on the same day, a sitting fee @ ₹10,000/- is paid for the second and subsequent meeting/s. Details of sitting fees paid to the Independent Directors during the year 2020-21 are given below:

Name of the Director Dr. / Shri / Smt.	Sitting fee for the meeting(s) of		Total (₹ in lakhs)
	Board	Committees	
Gurmohinder Singh	2.20	1.20	3.40
Arvind Kumar Arora	2.10	1.20	3.30
Balmuri Vanitha	2.20	0.20	2.40
Total	6.50	2.60	9.10

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

(5) GENERAL BODY MEETINGS

Details of last three Annual General Meetings are as follows:

<i>Year</i>	<i>Location</i>	<i>Date & Time</i>
2019-20	BEML Soudha' 23/1, 4th Main Road, Sampangi Rama Nagara, Bengaluru-560027 through VC	25.09.2020 at 11:30 hrs
2018-19	'Grand Ball Room', Taj West End, #25, Race Course Road, High Grounds, Bengaluru - 560001	26.09.2019 at 11:30 hrs
2017-18	'Grand Ball Room', The Chancery Pavilion, No.135, Residency Road, Opp. Bengaluru Club, Shanthala Nagar, Ashok Nagar, Bengaluru - 560025	27.09.2018 at 11:30 hrs

There was no special resolution passed in the previous three Annual General Meetings. Further, no special resolution was put through postal ballot during the year under review and no special resolution is proposed to be conducted through postal ballot.

(6) SUBSIDIARY COMPANIES

Your Company has formulated a "Policy for Determining Material Subsidiaries" and the same is placed on the Company's web-site https://www.bemlindia.in/documents/Material_Subsidiaries.pdf, as required under Regulation 46(2) of the said 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(3) 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(2) of the Listing Regulations, the said policy is placed on the web-site of the Company at https://www.bemlindia.in/writereaddata/Downloads/202003301756Related_Party_Transactions_Policy.pdf. During the year 2020-21, all related party transactions that were entered into with the related parties were fair, transparent and at arm's length basis and also in the ordinary course of business of the Company. The said related party transactions were duly considered and noted by the Audit Committee. Further, details of related party transactions as required under Ind-AS 24 issued by the Institute of Chartered Accountants of India is given in Note No.39(C) of the Notes forming part of Accounts. It may be noted that no related party transaction was reported during the year involving the Directors, Key Managerial Personnel and other Designated Executives under Related Party Transactions Policy.
- b) The Company has prepared the financial statement, including consolidated financial statement based on the applicable Ind-AS issued by the Institute of Chartered Accountants of India from time to time excepting the accounts of JV, M/s BEML Midwest Limited, which are not consolidated

due to complete cessation of activities as the matter is sub-judice.

- c) The Company has complied with Presidential Directives, if any, issued by the Central Government during the year and also in the last three years.
- d) There were no cases of non-compliance by the Company and no penalties, strictures were imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities, on any matter related to capital markets during last three years.
- e) A certificate was issued by the Company Secretary in practice that 'None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by SEBI or the Ministry of Corporate Affairs or any such statutory authorities. However, disqualification of appointment of directors shall not apply to Government companies under the Companies Act, 2013.
- f) Total fees for all services paid by the Company, on a consolidated basis, to the statutory auditor of the Company and all entities in the network firm/network entity of which the statutory auditor is a part is ₹24.42 lakhs.
- g) The Company has not entered into any contract or arrangement in which the Directors are interested in terms of section 184(2) and 188 of the Companies Act, 2013.
- h) Senior management personnel have affirmed to the Board that their personal interest in all material financial and commercial transactions had no potential conflict with the interest of the Company at large.
- i) There were no transactions of the Company with any person or entity belonging to the promoter / promoter group which hold(s) 10% or more shareholding in the Company.
- j) The expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management were – NIL.
- k) There were no items of expenditure debited in books of accounts, which are not for the purposes of the business.
- l) Finance cost decreased by 3.41% for the year 2020-21 as compared to previous year mainly due to decrease in interest on cash credit and short-term loans.
- m) Details of Administrative and Office expenses as a percentage of total expenses vis-a-vis financial expenses and reasons for increase.
- 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 2020-21.
- 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) MEANS OF COMMUNICATION

- a) The Quarterly, Half-yearly and Annual financial results of the Company are submitted to NSE and BSE through on-line platform immediately after the same are approved by the Board in terms of Regulation 33 of the Listing Regulations. Further, the said results are simultaneously posted on the Company's website https://www.bemlindia.in/Quarterly_Results_Investors.aspx.

- 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 newspaper published in Kannada, being the regional language in terms of Regulation 47 of the Listing Regulations.
- c) BEML NEWS - a House Journal brought out periodically is posted on the Company's web-site https://www.bemlindia.in/beml_journals.aspx.
- d) All material events and information including corporate announcements and press releases are promptly notified to NSE and BSE and the same are placed on the Company's web-site https://www.bemlindia.in/beml_videos.aspx#.
- e) The notice along with the audited financial statement form part of the Annual Report is sent to the members within the statutory period for the Annual General Meeting.
- f) The presentations made to Institutional Investors / Analysts giving an analysis of the performance and performance highlights of the Company are sent to NSE and BSE and also placed on the Company's website https://www.bemlindia.in/Information_For_Investors_Analysts.aspx 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.

(9) RECONCILIATION OF SHARE CAPITAL AUDIT

'Reconciliation of Share Capital Audit Report' was submitted on quarterly basis to BSE and NSE within 30 days of end of each quarter pursuant to Regulation 76 of SEBI (Depositories & Participants) Regulations, 2018, and also placed on the website of the Company at https://www.bemlindia.in/Reconciliation_Financials.aspx. The said report is issued by a Practicing Company Secretary, after reconciliation, confirming that the share capital issued in physical and demat form tally with the issued, paid-up, listed and admitted share capital of the Company and also the Register of Members is up-to-date and that the de-materialization requests, transfers, transmissions etc., are completed within the stipulated period. Further, in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002, dt.31.12.2002, 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.

(10) HALF-YEARLY COMPLIANCE CERTIFICATE [REG.7(3)]

Half-yearly compliance certificates for the year 2020-21 were submitted to BSE & NSE within the stipulated time in terms of Reg.7 (3) of Listing Regulations and also placed on the website of the Company https://www.bemlindia.in/Compliance_Certificates.aspx. As per the said compliance certificate, your Company has ensured all activities in relation to transfer facilities maintained by M/s. KFin Technologies Private Limited, a SEBI registered Category-I Registrar & Share Transfer Agent.

(11) HALF-YEARLY COMPLIANCE CERTIFICATE [REG.40(9)&(10)]

Your Company has ensured that the RTA has issued the half-yearly compliance certificate within thirty days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange etc. Accordingly, the said half-yearly certificates for the year 2020-21 were submitted to BSE & NSE within the stipulated time and also placed on the website of the Company https://www.bemlindia.in/Compliance_Certificates.aspx.

(12) GENERAL SHAREHOLDER INFORMATION

- i. Corporate Identification Number (CIN) of your Company: LA35202KA1964GOI001530
- ii. The 57th Annual General Meeting for the year 2020-21 is scheduled on 24th day of September 2021 at 11.30 Hours at the Registered of the Company in Bengaluru through Video Conferencing.

MCA vide General Circular No.02/2021, dated 13.01.2021 while extending the relaxations provided in General Circulars dated 05.05.2020 and 31.12.2020, intimated that in view of the prevailing situation due to COVID-19 pandemic, owing to the difficulties involved in dispatching of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements along with notice of the meeting shall be sent only by email to the members, trustees for the debenture-holder of any debentures issued by the company, and to all other persons so entitled. With this facility Companies are allowed to conduct their AGM through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) during the calendar year 2021.

SEBI vide Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11, dated 15.01.2021 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 SEBI 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 2021 (i.e. till December 31, 2021) through VC / OAVM. Accordingly, your Company will despatch the annual reports through electronic mode.

- iii. Tentative calendar for declaration of results for 2021-22 is given as below:

<i>Quarter / Year ending</i>	<i>On or before</i>
30.06.2021	06.08.2021
30.09.2021	11.11.2021
31.12.2021	10.02.2022
31.03.2022	30.05.2022
58th Annual General Meeting	30.09.2022

- iv. The Register of Members and Share Transfer Books shall remain closed from 18.09.2021 to 24.09.2021 (both days inclusive).
- v. Your Board of Directors had declared an interim dividend of ₹4.80 per share, i.e., 48% of the equity share capital on 10.02.2021, which was distributed among the eligible shareholders. Further, your Board of Directors has recommended final dividend of ₹1.20/- per share, i.e., 12% on the equity shares of ₹10 each (par value) for the year ended 31.03.2021 and the Dividend, if approved at the 57th 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, 26thFloor,
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 2020-21 was paid to BSE and NSE during May, 2020.

- vii. Stock Code:

BSE	500048
NSE	BEML

- viii. Custody / Issuer charges to Depositories:

Your Company has paid custody / issuer charges for the year 2020-21 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

- ix. Details for non-compliances:

The Board of Directors of the Company is duly constituted with requisite balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no adequate number of Independent Directors (IDs) appointed as per the provisions of the Listing Regulations. As of now, there are 2 vacancies in respect of Independent Directors. In this connection, the Company has received penalty notices from the Stock Exchanges. BSE had waived of the fine up to 31.12.2020 and NSE intimated that first to comply with the requirement and then request for waiver. Request is also made to BSE and NSE to waive off the fine levied for the quarter ended 31.03.2021 for not having appointed the requisite Independent Directors on the Board. Further, it was replied by the Company to the SEs that the said appointments are under the consideration of Government of India and regular follow up is being made with Administrative Ministry in this regard.

- x. Compliance with discretionary requirements:

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

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

- xi. Commodity price / Foreign exchange risk and hedging activities:

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

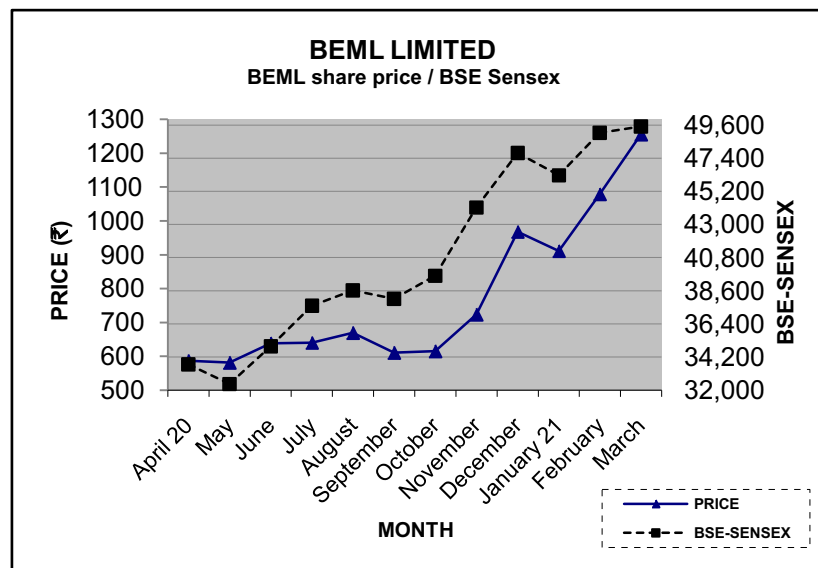
xii. Market Price Data:

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

(a) BEML Share price on BSE vis-a-vis BSE Sensex from April 2020 to March 2021.

Month	BSE Sensex	BSE (₹ per share)		
	Close	High	Low	Close
April, 2020	33,718	755	435	587
May	32,424	638	534	581
June	34,916	675	570	638
July	37,607	701	606	640
August	38,628	738	630	669
September	38,068	706	584	611
October	39,614	649	596	615
November	44,150	738	602	723
December	47,751	1,054	711	968
January, 2021	46,286	1,050	888	911
February	49,100	1,098	899	1,079
March	49,509	1,544	1,080	1,255

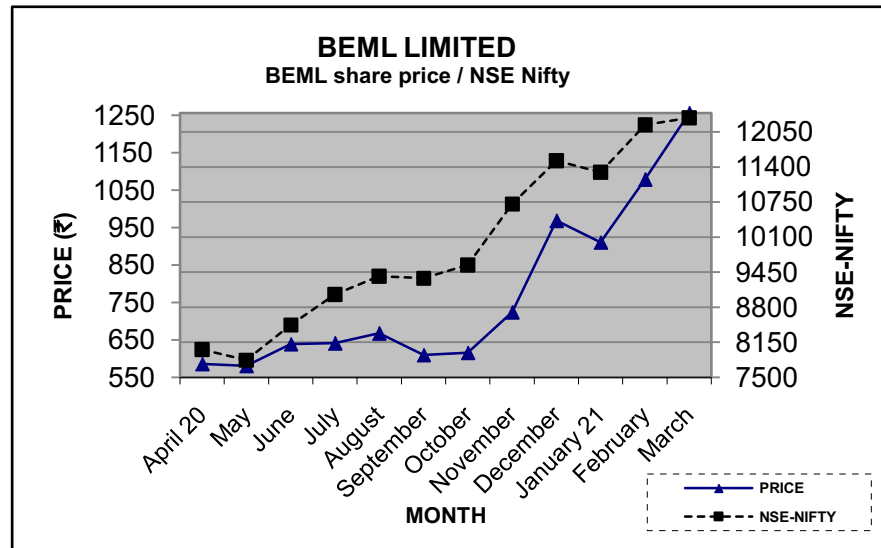
Performance in comparison to broad-based BSE Index based on last trading day of each month is as under:



(b) BEML Share price on NSE vis-a-vis NSE NIFTY from April 2020 to March 2021:

Month	NSE Nifty	NSE (₹ per share)		
	Close	High	Low	Close
April, 2020	8,013	756	435	586
May	7,822	638	540	581
June	8,475	675	553	639
July	9,036	702	606	641
August	9,372	738	630	668
September	9,342	700	584	610
October	9,582	649	596	616
November	10,719	739	596	724
December	11,518	1,053	710	969
January, 2021	11,302	1,051	888	911
February	12,181	1,098	898	1,079
March	12,314	1,542	1,080	1,256

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



xiii Registrar and Share Transfer Agent (RTA):

M/s. KFin Technologies Private Limited (Formerly M/s. Karvy Fintech 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 Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad - 500 032.

Ph: 040 - 67161526, Fax: 040 - 23001153

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

Website: www.kfintech.com

xiv. Share Transfer System:

For shares transferred in electronic form, after confirmation of sale/purchase transaction from the broker, shareholders should approach their respective depository participant (DP) with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for separate communication either to the Company or STA. For matters regarding shares transferred in physical form, share certificates, dividends, change of address, etc., the shareholders should communicate with the RTA/Company.

xv. Shareholding pattern as on 31.03.2021:

Sl. No	Description	No. of Cases	Total Shares	% Equity
1	Government of India	1	2,25,00,000	54.03
2	Resident Individuals	98,415	75,37,469	18.10
3	Mutual Funds	20	67,23,831	16.15
4	Qualified Institutional Buyer	26	21,35,651	5.13
5	Bodies Corporate	468	12,05,419	2.89
6	Foreign Portfolio Investors	32	5,67,062	1.36
7	Non-Resident Indians	1,134	3,50,781	0.84
8	Clearing Members	253	2,23,556	0.54
9	H U F	2,025	2,15,286	0.52
10	Non-Resident Indian Non Repatriable	613	1,12,372	0.27
11	Trusts / Banks / NBFC / I E P F	17	73,073	0.17
Total		1,03,004	4,16,44,500	100.00

xvi. Top 10 shareholders excluding Promoter (President of India) as on 31.03.2021 based on PAN:

Sl. No.	Name of the shareholder	No. of shares	% holding
1	HDFC Trustee Company Ltd - HDFC Equity Saving Fund	36,73,834	8.82
2	Kotak Equity Opportunities Fund	16,72,451	4.02
3	LIC of India Health Plus Fund	9,15,435	2.20
4	Nippon Life India Trustee Ltd -A/C Nippon India Mul	7,55,180	1.81
5	Mukul Mahavir Agrawal	6,00,000	1.44
6	TATA AIA Life Insurance Co Ltd -Whole Life Mid Cap	5,76,406	1.38
7	National Insurance Company Ltd	4,93,094	1.18
8	Aditya Birla Sun Life Trustee Private Limited A/C	4,63,309	1.11
9	ASG Trading Pvt Ltd.	2,42,873	0.58
10	Government Pension Fund Global	2,18,784	0.54
Total		96,11,366	23.08

xvii. Distribution of shareholding as on 31.03.2021:

Range of equity shares held	No. of Shareholders	% to total holders	No. of Shares	% to total equity
1-5000	99,033	98.06	43,10,552	10.35
5001- 10000	1,208	1.20	9,16,766	2.20
10001- 20000	410	0.41	6,02,999	1.45
20001- 30000	116	0.11	2,92,802	0.70
30001- 40000	59	0.06	2,14,686	0.52
40001- 50000	37	0.04	1,70,401	0.41
50001- 100000	51	0.05	3,71,315	0.89
100001 & Above	78	0.08	3,47,64,979	83.48
Total	1,00,992	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(4) 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.

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 31.03.2021, 4,15,41,507 equity shares of the Company constituting 99.75% are in electronic form leaving a balance of 1,02,993 shares constituting 0.25% 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 are 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. Holding shares in electronic form helps Members to achieve immediate transfer of shares. No stamp duty is payable on transfer of shares held in electronic form and risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries are avoided.

- (b) Consolidate your multiple folios
Members are requested to consolidate their shareholdings held under multiple folios. 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
To receive all communications and corporate actions promptly including dividends, please update your address with the Company, STA 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, 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) PAN requirement for transfer of shares in Physical Form
SEBI has mandated the submission of Permanent Account Number (PAN) for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form. It is, therefore, mandatory for any transferee(s) to furnish a copy of the PAN card and other documents to RTA for registration of such transfers. Members are, therefore, requested to make note of the same and submit their PAN card copy and other documents to RTA.
 - (j) Mode of Postage
Share certificates and high value dividend warrants/cheques/demand drafts should not be sent by ordinary post. It is recommended that Members should send such instruments by registered post or courier.
- xxi. There are no outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact thereon on equity shares.

xxii. Listing of Debt Securities:

3000 Secured Redeemable Non-Convertible Debentures (NCDs) of face value of ₹10 lakh each aggregating to ₹300 crore, as approved by the Board on 18.05.2012, allotted on private placement basis to M/s. Axis Bank Limited are listed on BSE Debt Segment with effect from 02.07.2012. Your Company is servicing the interest charges on half-yearly basis to the security holders. The NCDs issued are to be redeemed in three tranches of ₹100 crore each on 18th May, 2020, 2021 and 2022 respectively. Accordingly, the first tranche of ₹100 crore was redeemed in 18th May, 2020 and the second tranche of ₹100 crore was redeemed on 18th May, 2021. The redemption amount along with interest was paid to NCD holders. The details of Debenture Trustee are as under:

M/s SBICAP Trustee Company Limited,
Debenture Trustee,
Mistry Bhavan, 4th Floor, 122, Dinshaw Vachha Road,
Churchgate, Mumbai - 400 020

xxiii. Listing of Commercial Paper:

Company has raised funds through Commercial Paper (CP) within the sanctioned limits on four occasions i.e., (i) 2000 units valuing ₹100 crore on 24.06.2020 and matured on 22.09.2020, (ii) 3000 units valuing ₹150 crore on 22.09.2020 and matured on 23.12.2020, (iii) 3000 units valuing ₹150 crore on 23.12.2020 and matured on 23.03.2021, and (iv) 4000 units valuing ₹200 crore on 19.05.2021, which will mature on 17.08.2021. ISIN numbers have been generated through NSDL/CDSL for all CPs and listed with BSE.

xxiv. Credit Rating on Working Capital facilities, Debt Securities & Commercial Paper:

- (a) ICRA has reaffirmed the long-term rating of [ICRA] A+ and the short-term rating of [ICRA] A1+ for ₹4500 crore towards fund-based cash credit and non-fund-based bank guarantee & letter of credit facilities. The outlook on the long-term rating is Negative.
- (b) ICRA has affirmed the rating of long term non-convertible debenture of ₹200 crore with [ICRA] A+ (Negative outlook). Further, Brickwork Rating has affirmed the rating for NCDs with BWR AA/Stable outlook. These ratings are considered to have a high degree of safety regarding timely servicing of financial obligations.
- (c) ICRA has affirmed the rating of [ICRA]A1+ for Commercial paper which is considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

Any change in the credit ratings is being communicated to Stock Exchanges and the same are placed on Company website https://www.bemlindia.in/Credit_Rating.aspx.

xxv. Plant Locations

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

xxvi. Address for correspondence with the Company:

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), Government of India, has 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 1,03,004 shareholders, there are about 92,263 shareholders constituting about 90% have registered their e-mail IDs with the depositories for communication purpose as on 31.03.2021 to whom the notice, annual reports 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, has to 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 up to 31.03.2013 along with shares are transferred to IEPF. Any shareholder whose shares are transferred to the IEPF may approach STA / Company for claiming back the shares along with the unpaid dividend amount.

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 31.03.2021 (₹ in lakhs)</i>	<i>Due for transfer on</i>
2013 -14	18.09.2014	2.00	24.10.2021
2014 -15	15.09.2015	1.60	21.10.2022
2015 -16	15.09.2016	6.20	21.10.2023
2016 -17	21.09.2017	10.72	27.10.2024
2017 -18	26.09.2018	11.80	01.11.2025
2018 -19 (Interim)	21.03.2019	6.57	26.04.2026
2018 -19 (Final)	26.09.2019	3.47	01.11.2026
2019 -20 (Interim)	13.03.2020	7.18	18.04.2027
2019 -20 (Final)	25.09.2020	8.08	31.10.2027
Total		57.62	--

xxx. Compliance with Corporate Governance:

- (i) Your Company submitted quarterly compliance report on Corporate Governance as per prescribed format to the Ministry of Defence (MoD), BSE and NSE and also on half-yearly/yearly basis to BSE and NSE, within the stipulated period from the close of each quarter.
- (ii) Further, your Company submitted quarterly grading reports on the compliance with the Corporate Governance with MoD. In addition, annual grading report for the FY 2020-21 (average of four quarters) is submitted to MoD with a copy to Department of Public Enterprises. As per the grading report for the year 2020-21, your Company was rated as 'Excellent' in adhering to the corporate governance standards with a score of about 95.41%.

For and on behalf of the Board of Directors

Bengaluru
18.08.2021

MV Rajasekhar
Chairman & Managing Director (I/c)

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No. : L35202KA1964GOI001530

Nominal Capital : ₹100 Crores

To the Members of M/s. BEML Limited

I have examined all the relevant records of M/s. BEML Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and DPE Guidelines on Corporate Governance for CPSEs-2010 for the year ended 31st March, 2021. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

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

For Velichety & Co.,
Chartered Accountants

CA. V. Vijaya Raghava Rao
Partner
M.No.: 028453
FRN.: 004588S
UDIN: 21028453AAAAABR9572

Bengaluru
1st June, 2021



MMME - MKII

Mine Field Marking Equipment

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 6,053 as on 31.03.2021.

Production Units

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

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

KGF Complex: KGF Complex encompasses *Earth Movers Division, Hydraulics and Power line Division, Rail Unit-II* and *Heavy Fabrication Unit*. *Earth Movers Division* produces a wide range of equipment such as Bulldozers, Electrical & Hydraulic Excavators, Wheel Loaders and Dozers, Pipe Layers, Tyre Handlers, Engineering Mine Ploughs, Trailers,

Hulls for Battle Tanks and Armoured Recovery Vehicles. Also, the *Earth Movers Division* has infrastructure to manufacture Electric Rope Shovels and Walking Draglines. *Hydraulic & Powerline Division* produces Transmissions, Axles, Hydraulic aggregates and allied assemblies required for the manufacturing units of BEML, Transmissions for Infantry Combat Vehicles and aggregates for battle tanks to the OFB. *Rail Unit -II* manufactures Rail Coaches, aggregates for Railway EMUs and structures for Aero-bridges. *Heavy Fabrication Unit* manufactures fabrication of structures, assembly of equipment and manufacture of components for Mining & Construction and Defence business verticals.

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

Palakkad Complex: Palakkad Complex manufactures ground support equipment such as High Mobility Heavy Duty Trucks of various combinations 12X12, 10X10, 8x8 & 6x6 as transport equipment and as Platform for Bridge Systems, Missile Carriers, Missile Launchers, Warhead Carriers, MAST System and Surveillance Radars. Also, the Company manufactures and supplies Mechanical and Pontoon Bridge Systems and aggregates for Rail & Metro Products.

Marketing: BEML's products are sold and serviced through its wide marketing network comprising 12 Regional Offices, 14 District Offices, and 5 Service Centres across the Country. The Company also establishes temporary Activity Centres at customer locations to support and service equipment.

Further, the Company has established full-fledged 'Service Training Centres' at KGF Complex and Mysuru Complex for offering variety of programs, scheduled round-the-year. All the three business segments are equipped with a dedicated marketing setup which undertakes business development, tender participation and oversees project management related activities under its ambit.

International Business Division: Company exports its products through its International Business Division. The major markets are Middle East countries, African countries and South East Asian countries. As part of the globalization strategy, Company's products have been exported to about 68 countries over the years.

Developments & Performance during 2020-21:

As per the 2nd advance estimates of Central Statistical Organization, the growth in GDP during 2020-21 is estimated at -8 percent as compared to 4.0 percent in 2019-20.

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

Mining & Construction

- Contract signed with Coal India Limited for supply of India's biggest indigenously Design & Developed 150T (7 nos.) and 190T (8 nos.) Dump Trucks valued at ₹398 crore. All 7 nos. of 150T and 1 no. of 190T supplied during 2020-21.
- BEML bagged major order from Ministry of Economy, Planning & Regional Development (MOEPRD), Government of Cameroon for supply of 71 units of construction equipment consisting of Bulldozers, Excavators, Wheel Loaders, Motor graders and Compactors for their Cassava Farm Project.
- Hon'ble Raksha Mantri launched Indigenously designed & developed products 150 Ton Dump Truck (BH150E) and 180 Ton Electrical Excavator (BE1800E) thru VC coinciding with Atmanirbharta Saptah.

- Company received awards for 'Best Seller in Crawler Dozers' & 'Best Seller in Rigid Dump Trucks' category during 8th Annual Equipment India Awards 2020.
- BEML has completed supply of all 5 nos. BE1800E Electric Hydraulic Excavator to South Eastern Coal Fields Limited (SECL) for development in their Open cast mine projects at Kushmanda and Dipka.
- Design & Developed AI Based 360° Surrounding View Monitoring System for Mining equipment.

Defence

- Bagged order from MoD for supply of 1512 Track Width Mine Ploughs for T-90 tanks of Indian Armoured Corps Project valued at ₹498 crore.
- Bagged order from MoD for supply of 330 High Mobility Vehicles 8x8 for Pinaka Project valued at ₹715 crore.
- Bagged order from MoD for supply of 200 High Mobility Vehicles 8x8 and 200 High Mobility Vehicles 6x6 valued at ₹592 crore.
- Bagged order from ITI, Ltd for supply of 86 High Mobility Vehicles 8x8 for ASCON Project valued at ₹173 crore.
- Hon'ble Raksha Mantri launched Indigenously designed & developed products 117 HP HeliPortable Dozer (BD50HST) and Medium Bullet Proof Vehicle 'GAUR' (MBPV) thru VC coinciding with Atmanirbharta Saptah.
- Hon'ble Raksha Mantri virtually launched the Aerospace Assembly Hangar, situated within BEML's Bengaluru Complex, and unveiled first indigenously manufactured Tatra Cabin by BEML Limited.
- ToT agreement was signed with Tatra Trucks a.s. for indigenisation of High Mobility Vehicle cabin.
- MoUs signed with IIT – Kanpur in the field of UAV and with NASSCOM – CoE for AI & IoT related areas in the presence of the Hon'ble Raksha Mantri

coinciding with Atmanirbharta Saptah.

- From 3rd February to 5th February, 2021, BEML participated in the Aero India 2021 and signed various MoUs as a part of Bandhan with:
 - Council of Scientific and Industrial Research (CSIR) - National Aeronautics Laboratory (NAL), Bengaluru
 - UP Expressway Industrial Development Authority (UPEIDA), Lucknow
 - Advance Navigation Positioning Company (ANPC), USA
 - Primoco UAV SE, Czech Republic
 - IIT Kanpur
 - Torus Robotic Pvt Ltd, Chennai
 - Outdu Mediatech Pvt. Ltd., Bengaluru
 - SKAT Systems, Russia
 - Hacklab Solutions Pvt Ltd, Bengaluru
 - JSC 'Rosoboron' export, Russia
 - S'YOMKA S VOZDUHA (Shooting from Air), Russia
 - Adani Defence Systems & Technologies Limited, Ahmedabad

Rail & Metro

- BEML received order for additional 72 cars valuing about ₹502 crore from Mumbai Metro.
- Sub contract purchase order was received from M/s. LORAM, USA for manufacture of 10 sets of Rail Grinding Machines valued at ₹349 crore.
- Hon'ble Raksha Mantri unveiled state-of-the-art 'Driverless Metro Car' for Mumbai Metropolitan Region Development Authority (MMRDA) at Bengaluru.
- Hon'ble Chief Minister of Maharashtra unveiled the First Train on Mumbai Metro Lines for 7 & 2A designed and supplied by BEML Limited at Mumbai.
- Mainline Electrical Multiple Unit

(MEMU) developed & manufactured with 3-phase Propulsion including Regenerative Braking System was flagged off.

- BEML Flagged off the last train set for Kolkata Metro (East-West) Project from Bengaluru Complex. With this the supplies of all 84 cars completed.
- BEML has supplied indigenously designed and developed Catenary Maintenance Vehicle (CMV) for Metro Corporations.

General

- Covid care centers with 20 beds at KGF complex and with 10 beds at Bengaluru Complex were virtually inaugurated.
- Hon'ble Raksha Mantri inaugurated Industrial Design Centre thru Video Conference coinciding with Atmanirbharta Saptah.

(ii) Strengths and Weakness:

(a) Strengths

- Established manufacturing infrastructure and knowledge base.
- Established R&D base with dedicated test facilities. Over 65% of Sales is thru R&D developed products.
- Capability to design & manufacture of high-end Mining equipment.
- Expertise in Heavy Fabrication and Machining manufacturing Stainless Steel Coaches, Metro Cars, EMUs, etc.
- More than 85% of Sales is achieved on Competition mode.
- Extensive Sales and Service infrastructure – Established Regional, District Office & Activity centers across India.
- Major Market Share in High Capacity Dozers and Metro Cars in India.
- Strong relationship with Services, Defence Labs and Government agencies.

- Green Company – Use of Renewable energy sources.
- Good Brand value, Large Customer base and Work Ethics Culture.

(b) Weakness

- Depletion of Skilled Manpower & Ageing Workforce
- No assured business from GoI unlike some of the other DPSUs.
- Uncertainty in orders for Rolling stock.
- Low Exports
- Low Market Share in Construction Equipment

(iii) Opportunities and Threats:

(a) Opportunities

Mining & Construction:

- Coal India Limited has earmarked Capex of ₹17,000 crore during FY 2021-22.
- Increased thrust by Government in infrastructure development and reforms in coal sector driving the Mining & Construction equipment market.
- The total capital expenditure in infrastructure sectors in India during fiscals 2020 to 2025 is projected at ~ ₹111 Lakh crore. The Sectors includes:
 - Energy Sector
 - Roads
 - Railways
 - Urban (Smart Cities, MRTS, Affordable Housing)
 - Ports
 - Airport
 - Irrigation

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

Rail & Metro:

- Capex of ₹2,15,058 crore earmarked by Indian Railways during 2020-21 towards capacity augmentation and Maintenance.
- As per the National Rail Plan, there is a requirement of passenger rolling stock worth approx. ₹121,276 crore between the FY 2021-26.
- Extension of existing Metro networks in Tier-1, Tier 2 cities and new metro projects are planned. Light Rail Metro / Trolley Buses are also catching up as a revenue line which is expected to emerge from Tier-II & Tier-III cities.
- Indian Railways is graduating to LHB Coaches and Stainless-Steel EMUs.
- Thrust on GoI Public Procurement (Preference to Make in India), Order 2017.

Defence:

- 'Make in India' policy of Government of India and 'promulgation of negative list' would benefit Indian defence industry boosting Indigenous production.
- MoD is embarking on procurement of major weapon platforms / equipment for which BEML has requisite capability.
- Growing opportunities in Maintenance, Repair, Overhaul and Upgrade programs.
- Thrust on Exports thru LoC for Defence Products.
- Increased impetus on modernization of central paramilitary forces.

New Areas:

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

- Medium speed EMUs and High-speed trains.
- Emerging business opportunity for Light Rail.
- New opportunities in Maintenance equipment viz. Rail Grinding machines, Track Cleaning Machine, etc.

(b) Threats

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

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

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

(v) Outlook:

Mining & Construction:

Due to ongoing second wave of pandemic Covid-19, the forecast for Mining & Construction business is expected to grow only from third quarter of current fiscal year 2021-22.

Government plans to reduce the coal imports by increasing the domestic coal production, increasing coal production of Coal India Limited (CIL), Singareni Collieries Company Limited (SCCL) and through commercial Coal Mining.

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

Defence & Aerospace :

The move towards 'Aatmanirbhar Bharat' and reforms in MSME Sector will give impetus for indigenous manufacture and Self-Reliance in Defence sector. BEML has entered into MoUs with various Global OEMs / entities for emerging Defence procurement opportunities. Also new areas of Business viz. overhauling of Recovery/ High Mobility Vehicles will also add numbers in top-line.

BEML is making all efforts to pick up business in the areas related to its product portfolio and in overhauling business. The Company is also working with other DPSUs/ Private Sectors for supply of High Mobility Vehicles and aggregates for various Missile Programmes and Aerospace components.

Rail & Metro:

With increased Capex earmarked by Indian Railways and upcoming Kerala Semi High-Speed Rail, Coach manufacturing is graduating to Medium / High speed Coaches/ LHB Coaches. BEML is pursuing tie-ups to address this requirement.

Supply of first set of Main Line Electric Multiple Units is commencing during current year. Maintenance equipment requirements are also increasing for Overhead Inspection Cars, Track Laying, Rail Grinding & Track Cleaning Machines.

Further, Metro Rail is extending to Tier-II cities in the Country. Light Rail Metro / Metro Neo are also catching up as a revenue line which is expected to emerge from tier-II & tier-III cities. BEML is optimistic about getting orders for upcoming Metro Car projects. Supply of Driverless Metro Car for Mumbai Metro has started from FY 2020-21.

Exports:

For improving the geo-strategic reach and

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

BEML is in continuous discussion with Indian Embassies / Defence attaches w.r.t. business promotion / engaging Local Representative and has already appointed representatives in Bangladesh, Tunisia, Cameroon, Thailand and in the process of appointing more representatives across the globe. Also, BEML is conducting various webinars and e-meetings through Indian Mission abroad to promote BEML Products. Webinars have been conducted through Indian Mission in countries such as Kenya, Senegal, Zambia, Sri Lanka, Saudi Arabia, Abu Dhabi, Oman.

KENYA region has been allocated to BEML by MoD. BEML has registered its branch office at Kenya during January 2021.

With above strategy, in addition to export of Mining & Construction equipment, High Mobility Vehicles, Aircraft towing tractor in the area of Defence and Rail coaches, EMUs, Metro Cars, Maintenance vehicles in the area of Rail & Metro business.

(vi) Challenges, Risks and Concerns:

The major challenges to the Company are:

- The continued pandemic and disruption in Supply Chain.
- Bridging the technology gap and meeting the emerging demand for higher capacity equipment in line with global market trend.
- Maintaining cost competitiveness.
- Sustaining the market share in view of entry of more MNCs.
- Support in terms of Orders from Indian Railways.
- Long process in release of Defence sale orders & clearances.
- Defence business opening up to private sector.

(vii) Internal control systems and their adequacy:

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

The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the company's operations. The internal audit department performs risk-based audits, based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and the Audit Committee. The Audit Committee reviews audit reports submitted by the internal auditors and follow up on the implementation of corrective actions in subsequent meeting(s). 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, is subject to audit by Comptroller and Auditor General of India also. A comprehensive delegation of power exists for smooth decision making which is being periodically reviewed to align it with changing business environment and for speedier decision making.

Your Company has implemented an enterprise-wide ERP. This will accompany by re-engineering and simplification of business processes to improve agility and customer service. Further, it has end-to-end SAP platform that provides a robust foundation to address several emerging business needs. Further, your Company implemented cyber security measures in the Company.

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

(₹ in Crores)

Particulars	2020-21	2019-20
a. Revenue from Operations	3557	3029
b. Value of Production (VoP)	3556	3321
c. Profit before Depreciation, Interest and Tax	203	136
d. Finance costs	39	41
e. Depreciation and amortization expense	71	71
f. Profit Before Tax	93	24
g. Tax Expense	18	(44)
h. Profit after Tax	75	68
i. Other Comprehensive Income	(76)	(43)
j. Total Comprehensive Income	(1)	25
k. Networth	2224	2257
l. Inventory	1971	2003
m. Trade Receivables (Net)	1885	1508
Total Inventory in no. of days of VoP (l/b)	202	220
Trade Receivables/Revenue from Operations in days (m/a)	166	154
Profit before Tax to Revenue from Operations (f/a) (%)	2.61%	0.79%
Profit after Tax to Networth (h/k) (%)	3.37%	3.01%

* GST on Revenue from Operations in FY 2020-21 is ₹591 crore and in FY 2019-20 is ₹549 crore.

Your Company achieved highest ever Revenue from Operations of ₹3557 crore as against ₹3029 crore in the previous year, increased by 17.45%. Further, achieved highest ever Value of Production of ₹3556 crore as against ₹3321 crore in the previous year, increased by 7.09%. With increased business and continued focus on cost control, your Company registered a Profit before Tax of ₹93 crore as against Profit before Tax of ₹24 crore in the previous financial year, increased by 285.74%.

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

There was no change in the nature of business of the Company during the year. Further, there was no material change / commitment occurred affecting the financial position of the Company subsequent to the financial year ended 31.03.2021 till the date of this report.

(ix) 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.

- (x) 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:

	<i>Key Financial ratio</i>	<i>2020-21</i>	<i>2019-20</i>	<i>%age Change</i>	<i>Explanation</i>
(i)	Debtors Turnover	2.20 times	2.37 times	(7.17)	--
(ii)	Inventory Turnover	1.80 times	1.51 times	19.21	Decrease in inventory and increase in turnover.
(iii)	Interest Coverage Ratio	3.38	1.59	112.58	Increase in turnover with consequential increase in profits.
(iv)	Current Ratio	2.33	2.91	(19.93)	Increase in other current assets.
(v)	Debt Equity Ratio	0.33	0.15	120.00	Increase in borrowings.
(vi)	Operating Profit Margin (%)	5.71	4.49	27.17	Increase in Turnover with consequential increase in operating profit.
(vii)	Net Profit Margin (%)	2.10	2.26	(7.08)	--

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

<i>Key Financial ratio</i>	<i>2020-21</i>	<i>2019-20</i>	<i>%age Change</i>	<i>Explanation</i>
Return on net worth	160%	134%	19.40	--

- (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
18.08.2021

MV Rajasekhar
Chairman & Managing Director (I/c)

BE 1800D

Hydraulic Excavator



BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L35202KA1964GOI001530
2. Name of the Company: BEML Limited
3. Registered address: BEML Soudha, No.23/1,
4th Main, S.R. Nagar,
Bengaluru - 560 027
4. Website: www.bemlindia.in
5. E - mail id: cs@beml.co.in
6. Financial Year reported: 2020-21
7. Sector(s) that the Company is engaged in (industrial activity code - wise):
 - (a) 28243 - Mining & Construction
 - (b) 30400 - Defence
 - (c) 30203 - Rail & Metro
8. List three key products/services that the Company manufactures/provides (as in balance sheet):
 - (i) Mining Equipment - Dozers, Dumpers, Excavators, Loaders, Shovels, etc.
 - (ii) Defence Products - Heavy Duty Trucks, Bridge Systems, Recovery Vehicles.
 - (iii) Rail & Metro Products - Metro Cars, Electric Multiple Units, Maintenance Vehicles.
9. Total number of locations where business activity is undertaken by the Company:
 - (a) Number of International Locations (Provide details of major five):
KENYA region has been allocated to BEML by MoD. Accordingly, BEML has registered its branch office at Kenya during January 2021.
 - (b) Number of National Locations:
Manufacturing Units at : Bengaluru (Karnataka), Mysuru (Karnataka), Kolar Gold

Fields (Karnataka) and Palakkad (Kerala).

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

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

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

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

Spare Parts Warehouse for Defence at: Pune and Jodhpur.

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

National and International

Section B: Financial Details of the Company

1. Paid up Capital (₹): 41.64 crore
2. Total Turnover (₹): 3557 crore
3. Total Comprehensive Income (₹) : (0.79) crore
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 5.40%

During the financial year 2020-21, Company has incurred an expenditure of ₹4.04 crore as against CSR obligation of ₹2.13 crore, constituting 3.80% of average net profit of the Company.

5. List of activities in which expenditure in 4 above has been incurred:
 - (a) Education
 - (b) De-silting & Rejuvenation of Lakes in KGF by providing BEML Dozers
 - (c) Distribution of food packets

Section C: Other Details

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

Yes, the Company has the following three Subsidiary Companies:

(a) M/s. Vignyan Industries Limited (VIL) : CIN-U51101KA1963PLC001510

(b) M/s. MAMC Industries Limited (MIL): CIN-U29253WB2010GOI152567

(C) M/s. BEML Land Assets Limited (BLAL): CIN-U70109KA2021GOI149486

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

No.

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

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

Section D: Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

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

S.No.	Particulars	BR Heads		
1	DIN (if applicable)	08467141	08741858	08783660
2	Name	M V Rajasekhar	Ajit Kumar Srivastav	Amit Banerjee
3	Designation	Director (Mining & Construction Business)	Director (Defence Business)	Director (Rail & Metro Business)
4	Telephone No.	080-22963216	080-22963114	080-25244952
5	e-mail id	dmhq@beml.co.in	office@dd.beml.co.in	droffice@beml.co.in

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

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

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

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

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

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

3. Governance related to BR

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

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

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

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

Section E: Principle-wise performance

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

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

Yes. In addition, the Company has adopted Integrity Pact with all vendors / suppliers/ contractors / service providers for all orders / contracts of value ₹1 crore and above. The pact essentially envisages an agreement between the prospective vendors / bidders and the Company, committing the persons / officials of both sides, not to resort to any corrupt practices in any aspect / stage of the contract. Only those vendors / bidders, who commit themselves to such a pact with the principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would

be operative from the stage of invitation of bids till the completion of contract. Any violation of the same would entail disqualification of the bidders and exclusion for future business dealings. Two Independent External Monitors (IEMs) have been appointed to review the cases on monthly basis. During the year, ₹2746 crore worth of purchase orders were entered into Integrity pact.

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

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

In BEML, there is constant effort to enhance stakeholders' satisfaction level. Accordingly, many initiatives have been taken to redress the complaints effectively. During the year, the Company has received about 40 complaints from shareholders and all of them were successfully resolved.

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

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
- (a) Metro Cars and Electrical Multiple Units
 - (b) Heavy Duty Trucks
 - (c) High End Dump Trucks and Excavators
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

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

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

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

Yes.

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

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

Necessary steps have been taken to protect the environment which addresses conservation of natural resources. Substantial efforts have been made in sourcing energy efficient equipment, also in identifying and replacing energy in-efficient equipment to enhance energy conservation. More and more renewable energy systems are being implemented. During the year 2020-21, 94% of energy requirement was met thru Green Energy.

4. Has the company taken any steps to procure

goods and services from local & small producers, including communities surrounding their place of work?

Yes.

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

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

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

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

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

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees:6,053

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:4,662
3. Please indicate the Number of permanent women employees:246
4. Please indicate the Number of permanent employees with disabilities:133
5. Do you have an employee association that is recognized by management: Yes
6. What percentage of your permanent employees is members of this recognized employee association: The total strength of employees and executives as on 31.03.2021 is 6,053 of which 4,032 are employees which is 66.61% of total strength who are members of this registered employee association.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

Sl. No.	Category	Total Employees	% of persons trained on Safety Aspects	% of persons trained for Skill Upgradation
1	Permanent Employees	5,674	43.32	100.76
2	Permanent Women Employees	246	42.68	67.07
3	Casual/Temporary/Contractual Employees	4,608	23.68	6.64
4	Employees with Disabilities	133	24.81	6.77

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

1. Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders which includes

- (i) Government & Regulatory authorities.
- (ii) Customers
- (iii) Investors
- (iv) Employees
- (v) Local Community and other stakeholders

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, the Company has identified the aforesaid stakeholders as part of its CSR policy objectives and Swachh Bharat Abhiyan initiatives.

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

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

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

Principle 5: Businesses should respect and promote human rights

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

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

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

NIL

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

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

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

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

Yes. The Company addresses the issues such as climate change, global warming through energy conservation measures, like energy efficient chillers, lighting management system, building management systems. There is a thrust to use renewable energy resources such as wind and solar for energy generation and captive consumption. During the year 2020-21, 94% of energy

requirement was met through Green Energy.

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

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

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

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

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

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

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

Yes. This is being closely monitored and reported.

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

Nil

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

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

- (a) Confederation of Indian Industry (CII)
- (b) Engineering Export Promotion Council (EEPC)
- (c) Federation of Indian Chambers of Commerce & Industry (FICCI)

- (d) Federation of Indian Export Organisations (FIEO)
- (e) Federation of Karnataka Chambers of Commerce and Industry (FKCCI)
- (f) Indian Construction Equipment Manufacturer's Association (ICEMA)
- (g) Society of Defence Technologists (SODET)
- (h) Standing Conference of Public Enterprises (SCOPE)
- (i) Institute of Directors (IOD)
- (j) Society of Indian Defence Manufactures (SIDM)
- (k) National Institute of Personal Management (NIPM)
- (l) National Safety Council
- (m) Palakkad Association Management

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

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

Principle 8: Businesses should support inclusive growth and equitable development

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

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

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

All the CSR initiatives in the company are taken up through in-house team. The CSR

initiatives being pursued by the Company are broadly in the following areas:

- (i) Education.
- (ii) De-silting & Rejuvenation of Lakes in KGF by providing BEML Dozers.
- (iii) Distribution of food packets.

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

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

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

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

During the year 2020-21, an amount of ₹4.04 crore was spent by the Company on various CSR programmes / projects. Some of the key programmes undertaken during the year are given in Sl. No.2 above and also in the Annexure VI: Annual Report on CSR activities.

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

Consequent to the implementation of our new initiatives on CSR programmes in Karnataka State, various community development programmes in the areas of education, health care, environment protection and rural development have already been implemented in association with the District Administration and local communities. These programmes have an impact on the lives of the rural people and accelerated development of the District.

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

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

Resolving after-sales-service requests by the customer is a continuous process and BEML has dedicated service team to attend the same and to make sure that the down time is minimal. There are no complaints pending as on the end of financial year.
2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)

Yes.

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

No.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?

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

For and on behalf of the Board of Directors

MV Rajasekhar
Chairman & Managing Director (I/c)

Bengaluru
18.08.2021

ATO URBAN TRANSPORT

Metro Car



ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

(1) Brief outline on CSR policy of the Company:

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

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

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

(2) The Composition of the CSR Committee:

Sl. No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Dr. Gurmohinder Singh	Independent Director	1/1
<i>Members:</i>			
2	Shri M.V. Rajasekhar	Chairman and Managing Director (I/c) & Director (Mining & Construction Business)	1/1
3	Shri Ajit Kumar Srivastav	Director (Defence Business) & Director (Finance) (I/c)	1/1

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

Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on www.bemlindia.in

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

NA

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

Sl.No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1	2021 -22	Nil	Nil
TOTAL		Nil	Nil

(6) Average net profit of the company as per section 135(5): ₹10627 Lakhs

- (7) (a) Two percent of average net profit of the company as per section 135(5): ₹213 Lakhs
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (c) Amount required to be set off for the financial year, if any: Nil
- (d) Total CSR obligation for the financial year(7a+7b-7c): ₹213 Lakhs
- (8) (a) CSR amount spent or unspent for the financial year:

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

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

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

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

Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency	
				State.	District			Name	CSR registration number
1	Providing of Education to local population at KGF	Item(ii) of Schedule VII	Yes	Karnataka	Kolar	393.90	Yes	NA	NA

Sl. No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation	Mode of implementation - Through implementing agency	
				State.	District			Direct (Yes/No)	Name
2	De-silting & Rejuvenation of Lakes in KGF by providing BEML Dozers		Yes	Karnataka	Kolar	1.35	No	In Association with Local Govt Authorities	NA
3	Distribution of Food packets to Construction labourers, Police Personnel, slum dwellers and Gram Panchayat at its Complexes located in Bengaluru, KGF, Mysuru and Palakkad towards mitigating hardship during the pandemic. Any other welfare activity undertaken to mitigate hardship due to COVID-19.		Yes	Karnataka & Kerala	Bengaluru, KGF & Mysuru in Karnataka Palakkad in Kerala	8.34	Yes		
TOTAL						403.59			

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹403.59 Lakhs

(g) Excess amount for set off, if any

Sl.No.	Particular	Amount (in ₹ Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	213
(ii)	Total amount spent for the Financial Year	403.59
(iii)	Excess amount spent for the financial year[(ii)-(i)]	190.59
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

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

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the Reporting Financial Year (₹ in lakhs)	Amount transfer red to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	2019-20	Nil	432.18	NA	Nil	NA	Nil
2	2018-19	Nil	310.18	NA	Nil	NA	Nil
3	2017-18	Nil	334.65	NA	Nil	NA	Nil
	TOTAL		1077.01				

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

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

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

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

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

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

Bengaluru
18.08.2021

MV Rajasekhar
Chairman & Managing Director (I/c)

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To the Members of BEML Limited

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BEML Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, and subject to our separate letter attached hereto as the Annexure, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2021 according to the provisions of:
 - (a) The Companies Act, 2013 (the Act) and the Rules made there under;
 - (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - iii. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - iv. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; [Not applicable]
 - v. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with client. [Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the Financial Year];
 - vi. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
 - (f) The Electricity Act, 2003 and the Rules made there under.
 - (g) Indian Copyright Act, 1957.
 - (h) The Patent Act, 1970.

- (i) The Trade Marks Act, 1999.
- (j) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India – as relates to composition and appointment of Directors.
- (k) Guidelines issued by the Department of Investment and Public Asset Management, Ministry of Finance – as applicable to Central Public Sector Enterprises.
4. We have also examined compliance with the Listing Agreements entered into by the Company and compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
5. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
6. We further report that, there were no events / actions in pursuance of:
- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
- b. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, and
- c. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018.
- requiring compliance thereof by the Company during the Audit period.
7. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.
8. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the qualifications mentioned in paragraph 10 below.
9. Subject to the qualifications mentioned in paragraph 10, we further report as below:
- 9.1 that, -
- (a) Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice; the Company adopts a system to enable Directors to seek and obtain required information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (b) the Company followed proper Board processes in convening and conduct of Meetings Members and Directors; the Company has maintained proper Books to record Proceedings of General Meetings of Members, Minutes of Meetings of Board and Committee of Directors; resolutions passed by e-voting, if any, are recorded in the Minutes Book of General Meetings.
- 9.2 that, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;
- 9.3 During the year the Company redeemed Secured Non-convertible Debentures worth ₹100 crore. Except redemption of this debt, there were no instances of:
- (i) Public, Preferential Issue of Shares or Debentures or Sweat Equity.
- (ii) redemption buy-back of securities;
- (iii) major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013;
- (iv) merger, amalgamation, reconstruction etc.;

(v) foreign technical collaborations.

10. Qualification:

10.1 During the Financial Year, the Company did not comply with the Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 inasmuch as the strength of Independent Directors was less than 50% of the total strength of the Board of

Directors of the Company.

10.2 For the Financial Year 2020-21 the Company did not prepare financial statements consolidating its accounts with its joint venture company BEML Midwest Ltd, as required under Section 129(3) of the Companies Act, 2013.

Bengaluru
07th June, 2021
UDIN No. F003000C000430669

for VN & Associates
Company Secretaries

K N Nagesha Rao
FCS 3000 CP 12861
Partner

The Annexure to the Secretarial Audit Report for the Financial Year 2020-21

To the Members of BEML Limited

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

1. Maintenance of Secretarial records and compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records and compliance based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we obtained the management representation on the compliances of laws, rules and regulations as well on happening of events.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is not an assurance of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Bengaluru
07th June, 2021
UDIN No. F003000C000430669

for VN & Associates
Company Secretaries

K N Nagesha Rao
FCS 3000 CP 12861
Partner



BD-50
HST

BD 50 HST

117 HP HELIPORTABLE DOZER

Company's reply to the observations of the Secretarial Auditors:

Sl No.	Observation	Company's Reply
10.1	During the Financial Year, the Company did not comply with the Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 inasmuch as the strength of Independent Directors was less than 50% of the total strength of the Board of Directors of the Company.	In terms of Articles of association, the Directors are appointed by the President of India from time to time. Accordingly, the matter has been taken up with the Government of India and persistent follow-up is being made for filling up the vacancies for Independent Directors and same is under the consideration of Government of India.
10.2	For the Financial Year 2020-21 the Company did not prepare financial statements consolidating its accounts with its joint venture company BEML Midwest Ltd, as required under Section 129(3) of the Companies Act, 2013.	There was complete cessation of activities in M/s. BEML Midwest Ltd., the JV company since September 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.

For and on behalf of the Board of Directors

Bengaluru
18.08.2021

MV Rajasekhar
Chairman & Managing Director (I/c)

MEDICAL OXYGEN



SIGNIFICANT ACCOUNTING POLICIES :

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 2021. 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 Mini Ratna Category – I 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 11-06-2021.

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 2021 with comparatives of year ended 31 March 2020 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 recognises the revenue at a point in time when it satisfies the performance obligations.
- b. The performance obligation is satisfied when the customer obtains control of the asset. The indicators for transfer of control include the following:
 - the company has transferred physical possession of the asset
 - the customer has legal title to the asset
 - the customer has accepted the asset
 - when the company has a present right to payment for the asset
 - the customer has the significant risks and rewards of ownership of the asset. The transfer of significant risks and rewards ownership is assessed based on the Inco- terms of the contracts.
- c. Bill and hold Sales
Bill and hold sales is recognised when all the following criteria are met:
 - the reason for the bill and hold sales is substantive
 - the product is identified separately as belonging to the customer
 - the product is currently ready for physical transfer to the customer
 - the company does not have the ability to use the product or to direct it to another customer

Escalation :

Escalation in prices are recognized as revenue as per the escalation formula provided in the contract. In the absence of such a clause in the contract, any claim for the same is recognized on acceptance by the customer.

Duty Drawback :

Duty drawback claims on exports are accounted on preferring the claims.

Revenue from wind energy:

Revenue from generation of electricity from wind mill is recognized when the electricity is supplied to industrial electricity distribution license holder as per the terms of agreement.

Other Income

(i) Interest income:

Interest Income is recognized using the effective interest rate (EIR) on a time proportion basis and as per the terms of the relevant instrument.

(ii) Dividends:

Dividend income is recognized when the Company's right to receive the payment is established.

(iii) Rental income:

Rental income arising from operating leases is accounted for on a straight-line basis over the non-cancellable lease term unless increases in rentals are in line with expected inflation.

B. Investments in associates and joint venture

The Company accounts for its interests in associates and joint ventures in the separate financial statements at cost.

C. Foreign Currencies:

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognized in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

D. Fair value measurement:

The Company measures certain financial

instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

E. Discontinued operation:

Classification of an operation as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit and loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

F. Government Grants:

Government Grants are recognized as follows when there is reasonable assurance that the grant will be received and all attached terms and conditions will be complied with.

- (i) Grant towards meeting expenditure is recognized as income as and when the expenditure for which the grant is sanctioned is incurred.
- (ii) Grant towards procurement of an asset is recognized as income in equal amounts over the expected useful life of the related asset.
- (iii) Grant towards non-monetary assets are recognized at fair value and released to Statement of profit and loss over the expected useful life.
- (iv) The subsidized portion of interest rate provided by the Government on loans or similar financial assistance is recognized as grant.

G. Income Taxes:

Current income tax:

Current tax assets and liabilities are measured at the amount to be recovered from or paid to the taxation authorities as per the applicable tax laws at the reporting date in Statement of profit and loss.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their

carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

For the items directly recognized in Equity, the current and deferred tax pertaining to such item is recognized through Equity.

H. Property, Plant & Equipment:

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Cost includes expenditure on acquisition of asset, present value of expected cost for the decommissioning of an asset, cost of replacing part of Plant and Equipment and borrowing costs.

Depreciation is calculated on a straight line basis over estimated useful lives as prescribed in schedule II of the companies Act 2013. In respect of the following assets, useful lives are different than the useful lives indicated in Schedule II of Companies Act 2013, based on technical assessment and management estimates depending on the nature and usage of the respective assets.

- (a) Special tools up to the unit value of ₹5,000 are charged off in the year of incurrence and Special tools to the unit value above ₹5,000 are amortised over a period of 3 years.
- (b) Jigs and fixtures up to the unit value of ₹5 Lakhs are charged off in the year of incurrence and Jigs and fixtures of unit value above ₹5 Lakhs are amortised over a period of 3 years.

When parts of an item of property, plant and equipment have different useful lives, they are treated as separate components and depreciated over their estimated useful lives.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

Any gain or loss arising out of derecognizing of an asset is included in statement of Profit and Loss of the relevant period.

Products given under No Cost No Commitment are capitalised appropriately under the relevant asset category and amortised over the useful life of that asset.

They are also tested for impairment periodically.

Expenditure incurred on Developmental Projects for participating in trials, based on Request from customers, are carried forward till conclusion of the trials and will be amortised over the orders to be received. In case customer order does not forthcoming or on discontinuation of project, the balance amount will be either capitalised if further economic benefit is expected from its use or will be charged off.

I. Investment Property:

Investment properties are stated at cost less accumulated depreciation and accumulated impairment loss if any. The fair value of the Investment property is disclosed in the notes.

J. Intangible Assets:

- (i) Intangible assets acquired are stated at acquisition cost, less accumulated amortization and accumulated impairment losses if any
- (ii) Research costs are expensed as incurred
- (iii) Development expenditure is recognized as Intangible assets and tested for impairment annually during the period of development
- (iv) Expenditure on development of products intended for sale is included in inventory.
- (v) Intangible Assets referred above includes the cost of materials, direct labour, overhead costs, borrowing costs that are directly attributable to the respective asset for its intended use.

Amortization

Intangible assets are amortized over useful economic life and assessed for impairment if any. Where it is not possible to assess the useful economic life of an intangible asset, the same is not amortized and reviewed annually for impairment if any.

K. Borrowing Cost:

Borrowing costs directly attributable to creation of an asset are capitalized as part of the cost of the asset. General borrowing costs are capitalized by apportioning the same to qualifying assets.

L. Lease:

Contracts with third party, which give the company the right of use in respect of an identified Asset, are accounted in line with the provisions of Ind AS 116 – Leases, if the recognition criteria as specified in the Accounting standard are met.

A lease is classified at the inception date as a finance lease or an operating lease by lessor whereas lessee will follow the Single lease accounting (i.e. same as finance lease).

Company as a lessee:

Lessee will recognize right-of-use asset and lease liability, for all leases, except short term lease and leases for which underlying asset is of low value.

Short term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not contain a purchase option.

An underlying asset can be of low value only if:

- (a) the lessee can benefit from use of the underlying asset on its own or together with other resources that are readily available to the lessee; and
- (b) The underlying asset is not highly dependent on, or highly interrelated with, other assets.

The initial value of lease liability shall be determined at the present value of the lease payments due. The interest rate implicit in the lease or lessee's incremental borrowing may be used to arrive at the present value of the lease payments due. The lease liability is subsequently measured by **increasing** the carrying amount to reflect interest on the lease liability and **reducing** the carrying amount to reflect the lease payments made.

Leases will be recognised where the value of new individual asset is more than 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 and on behalf of the Board of Directors

For SUNDARAM & SRINIVASAN,
Chartered Accountants
Firm Registration Number: 004207S

CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914

AJIT KUMAR SRIVASTAV
Director (Finance) (I/c)
(DIN 08741858)

M V RAJASEKHAR
Chairman & Managing Director (I/c)
(DIN 08467141)

Place: Bengaluru
Date: 11-06-2021

S V RAVI SEKHAR RAO
Company Secretary

STANDALONE FINANCIAL STATEMENT 2020-21

BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
I. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	54,934.40	55,937.31
(b) Right of Use Asset	3a	762.18	874.59
(c) Capital work-in-progress	4	879.98	1,528.30
(d) Intangible assets	5	3,450.38	4,281.20
(e) Intangible assets under development	6	503.46	-
(f) Financial assets			
(i) Investments	7	257.64	257.64
(ii) Loans	8	10.99	9.96
(iii) Other financial assets	9	45.64	54.32
(g) Deferred tax assets (net)	10	19,723.80	20,799.68
(h) Other non-current assets	11	7,501.37	6,980.47
Total non-current assets		88,069.84	90,723.46
(2) Current assets			
(a) Inventories	12	197,064.75	200,271.88
(b) Financial Assets			
(i) Investments	13	-	-
(ii) Trade receivables	14	188,450.91	150,812.72
(iii) Contract Assets	14a	63,430.72	30,384.85
(iv) Cash and cash equivalents	15	438.86	2,734.15
(v) Bank Balance Other than (iv) above	15a	87.52	50.59
(vi) Loans	16	1,184.14	-
(vii) Other financial assets	17	544.97	607.23
(viii) Current tax assets (Net)	17a	2,804.27	7,152.98
(c) Other current assets	18	31,879.02	23,711.81
Total current assets		485,885.17	415,726.21
Total Assets		573,955.01	506,449.67
II. Equity and Liabilities			
Equity			
(a) Equity share capital	19	4,177.22	4,177.22
(b) Other Equity		218,267.70	221,537.92
Total Equity		222,444.92	225,715.14
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	10,000.00	20,149.48
(ii) Other financial liabilities	21	796.08	877.91
(b) Provisions	22	20,770.62	18,634.91
(c) Other non-current liabilities	23	111,434.98	98,356.62
Total non-current liabilities		143,001.69	138,018.93
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	54,184.87	3,619.65
(ii) Trade payables	25		
(A) Micro & Small Enterprises		3,884.02	2,972.02
(B) Other than Micro & Small Enterprises		70,177.87	62,932.30
(iii) Other financial liabilities	26	12,355.49	12,453.64
(b) Other current liabilities	27	41,924.99	39,675.49
(c) Provisions	28	25,826.60	21,062.49
(d) Current tax liabilities (Net)	29	154.56	-
Total current liabilities		208,508.40	142,715.60
Total Equity and Liabilities		573,955.01	506,449.67

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

As per our report of even date attached

For and on behalf of the Board of Directors

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration Number: 004207S

CA. P MENAKSHI SUNDARAM

Partner

Membership No.: 217914

AJIT KUMAR SRIVASTAV

Director (Finance) (I/c)

(DIN 08741858)

M V RAJASEKHAR

Chairman & Managing Director (I/c)

(DIN 08467141)

Place: Bengaluru

Date: 11-06-2021

S V RAVI SEKHAR RAO

Company Secretary

STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March 2021	For the Year ended 31st March 2020
I Revenue from operations	30	355,720.78	302,881.74
II Other income	31	6,016.45	4,854.57
III Total Income (I+II)		361,737.23	307,736.31
IV Expenses:			
Cost of materials consumed	32	203,824.78	189,050.72
Purchase of stock-in-trade	33	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	86.30	(29,194.47)
Employee benefits expense	35	84,864.65	84,386.62
Finance costs	36	3,912.08	4,050.18
Depreciation and amortization expense	3,5	7,068.27	7,129.92
Other expenses	37	52,699.72	49,906.98
Total Expenses (IV)		352,455.80	305,329.95
V Profit / (Loss) before exceptional items and tax (III-IV)		9,281.43	2,406.36
VI Add/ (Less) : Exceptional items	38	-	-
VII Profit / (Loss) before tax (V-VI)		9,281.43	2,406.36
VIII Tax expense:			
(1) Current tax	10 a	3,263.01	-
(2) MAT credit entitlement	10 a	-	-
(3) Deferred tax	10 a	(1,461.59)	(4,431.99)
IX Profit / (Loss) for the year from continuing operations (VII-VIII)		7,480.01	6,838.34
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) for the year (IX+XII)		7,480.01	6,838.34
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit (liability) / asset		(8,129.59)	(4,901.56)
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 b	570.97	543.70
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)		(78.61)	2,480.48
XVI Earnings per equity share: (₹10/- each) in ₹			
Basic and diluted	39(A)	17.96	16.42

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

As per our report of even date attached

For and on behalf of the Board of Directors

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration Number: 004207S

CA. P MENAKSHI SUNDARAM

Partner

Membership No.: 217914

AJIT KUMAR SRIVASTAV

Director (Finance) (I/c)

(DIN 08741858)

M V RAJASEKHAR

Chairman & Managing Director (I/c)

(DIN 08467141)

Place: Bengaluru
Date: 11-06-2021

S V RAVI SEKHAR RAO
Company Secretary

STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021		For the Year ended 31st March 2020	
	Sub items	Main items	Sub items	Main items
A. Cash flow from operating activities				
Net profit before tax and extraordinary items		9,281.43		2,406.36
<i>Adjustments for</i>				
Depreciation and amortization expense	7,068.27		7,129.92	
(Gain)/loss on disposal of property, plant and equipment	(22.69)		(23.32)	
Foreign exchange loss / (gain)	(165.48)		(64.94)	
Financing Cost	3,912.08		4,050.18	
Interest income	(760.10)		(82.85)	
Other Provisions / Allowances	(4,871.66)	5,160.42	(14,797.41)	(3,788.42)
Operating Profit / (Loss) before changes in working capital		14,441.85		(1,382.06)
<i>Adjustment for</i>				
Inventories	1,684.71		(32,076.84)	
Trade & other receivables	(67,961.53)		27,086.69	
Other current assets	(4,469.36)		(8,620.15)	
Trade payables	8,323.04		(10,239.91)	
Other payables	15,487.10	(46,936.04)	28,369.19	4,518.98
Cash generated from operations		(32,494.19)		3,136.93
Direct taxes (paid) / refunded		1,457.51		7,306.51
Net cash flow from / (used in) operating activities		(31,036.68)		10,443.45
B. Cash flow from investing activities				
Purchase of property, plant and equipment	(4,595.77)		(5,214.95)	
Purchase of intangible assets	(622.05)		(500.22)	
Sale of property, plant and equipment	263.25		502.45	
Sale of intangible assets				
Investments in subsidiaries	-		146.19	
Interest Received	760.10		82.85	
Net cash flow from / (used in) investing activities		(4,194.48)		(4,983.68)
C. Cash flow from financing activities				
Proceeds/(Repayments) from/of Non-Convertible Debentures	(10,000.00)		-	
Proceeds/(Repayments) of Soft loan	(149.48)		(146.06)	
Financing Cost	(4,251.31)		(4,050.19)	
Adjustment in retained earnings	264.88		7,020.23	
Dividend & Tax paid for equity shares	(3,456.50)		(2,510.24)	
Net cash flow from / (used in) financing activities		(17,592.42)		313.74
Net increase/(decrease) in cash and cash equivalents		(52,823.57)		5,773.51
Cash and Cash Equivalents, Beginning of the year		(834.92)		(6,608.42)
Cash and Cash Equivalents, Ending of the year (Refer Note 15 d)		(53,658.49)		(834.92)

For and on behalf of the Board of Directors

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration Number: 004207S

CA. P MENAKSHI SUNDARAM

Partner

Membership No.: 217914

AJIT KUMAR SRIVASTAV

Director (Finance) (I/c)

(DIN 08741858)

M V RAJASEKHAR

Chairman & Managing Director (I/c)

(DIN 08467141)

Place: Bengaluru

Date: 11-06-2021

S V RAVI SEKHAR RAO

Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2021

A. Equity share capital

(₹ in Lakhs)

Particulars	No. of shares	Amount
Balance as on 01.04.2020	41,644,500	4,164.45
Changes in equity share capital during the year	-	-
Balance as on 31.03.2021	41,644,500	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 01.04.2020	105.66	61,204.07	119,033.62	48,678.32	(14,985.18)	1.44	7,500.00	221,537.92
Reinstatement Adjustment on account of prior period items	-	-	-	264.88	-	-	-	264.88
Reinstated Balance as on 01.04.2020	105.66	61,204.07	119,033.62	48,943.20	(14,985.18)	1.44	7,500.00	221,802.80
Reversal of PPA adj	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	7,480.01	-	-	-	7,480.01
Other Comprehensive Income for the year	-	-	-	-	(7,558.62)	-	-	(7,558.62)
Total comprehensive income for the year	-	-	-	7,480.01	(7,558.62)	-	-	(78.61)
Transfer to								
- General Reserve/Retained Earnings	-	-	-	2,500.00	-	-	(2,500.00)	-
Transaction with owners								
- Dividend	-	-	-	(3,456.50)	-	-	-	(3,456.50)
- Tax on Dividend	-	-	-	-	-	-	-	-
Balance as on 31.03.2021	105.66	61,204.07	119,033.62	55,466.71	(22,543.80)	1.44	5,000.00	218,267.70

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

CA. P MENAKSHI SUNDARAM

Partner

Membership No.: 217914

AJIT KUMAR SRIVASTAV

Director (Finance) (I/c)

(DIN 08741858)

M V RAJASEKHAR

Chairman & Managing Director (I/c)

(DIN 08467141)

Place: Bengaluru

Date: 11-06-2021

S V RAVI SEKHAR RAO

Company Secretary

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 01.04.2020	Additions during the year	Deduction / Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2021	As at 01.04.2020	For the Year	Deduction / Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Land												
Free Hold	1,285.69	347.93	-	-	1,633.62	0.01	-	-	-	0.01	1,633.61	1,285.68
Lease Hold	8,039.15	-	-	-	8,039.15	160.55	33.24	0.63	-	194.42	7,844.73	7,878.60
Buildings	15,542.13	255.83	(16.93)	-	15,781.03	3,346.39	580.79	(17.69)	-	3,909.49	11,871.54	12,195.74
Plant and Equipment	41,923.22	2,694.78	(22.15)	-	44,595.85	13,769.52	3,348.93	(22.49)	-	17,095.96	27,499.89	28,153.70
Furniture and Fixtures	670.49	107.34	(1.00)	-	776.83	400.18	60.33	(0.22)	-	460.29	316.54	270.31
Vehicles												
Given on Lease	532.27	11.85	(104.17)	-	439.95	154.57	67.91	(69.04)	-	153.44	286.51	377.69
Own Use	1,770.01	332.76	(276.76)	-	1,826.01	505.96	215.65	(72.57)	-	649.04	1,176.97	1,264.05
Office Equipment	500.63	90.67	(2.64)	-	588.66	265.66	75.44	(2.27)	-	338.83	249.83	234.97
Roads and Drains	1,797.41	35.56	-	-	1,832.97	1,397.60	188.75	-	-	1,586.35	246.62	399.81
Water Supply Installations	275.67	80.11	21.07	-	376.85	76.87	21.60	21.07	-	119.54	257.31	198.80
Railway sidings	886.40	-	-	-	886.40	463.27	73.75	-	-	537.02	349.38	423.13
Electrical Installation	2,438.51	71.96	(28.81)	-	2,481.66	1,170.52	271.03	(28.94)	-	1,412.61	1,069.05	1,267.99
Jigs and Fixtures	2,480.26	271.71	-	-	2,751.97	2,200.18	213.28	-	-	2,413.46	338.51	280.08
Special Tools	2,066.99	264.75	-	-	2,331.74	1,350.31	507.96	-	-	1,858.27	473.47	716.68
Computers and Data processing units	2,154.00	678.84	(33.10)	-	2,799.74	1,163.92	347.65	(32.27)	-	1,479.30	1,320.44	990.08
Total	82,362.83	5,244.09	(464.49)	-	87,142.43	26,425.51	6,006.31	(223.79)	-	32,208.03	54,934.40	55,937.31
Previous Year	77,792.93	5,230.24	(660.34)	-	82,362.83	20,486.99	6,119.74	(181.21)	-	26,425.52	55,937.31	57,305.93

Note 3a: Right of use Assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment					Net Carrying value		
	As at 01.04.2020	Additions during the year	Deduction / Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2021	As at 01.04.2020	For the Year	Deduction / Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
ROU Assets												
Buildings	984.39	-	-	-	984.39	109.80	112.41	-	-	222.21	762.18	874.59
Total Right of use Assets	984.39	-	-	-	984.39	109.80	112.41	-	-	222.21	762.18	874.59
Previous Year	-	984.39	-	-	984.39	-	109.80	-	-	109.80	874.59	-

A. Carrying value of vehicles own use includes equipment offered to customers for trials on No Cost No Commitment (NCNC) basis ₹1046.80 Lakhs (Previous Year - ₹1355.04 Lakhs).

B. Property, Plant and Equipment

- i) Buildings include carrying value of building at Mumbai and Ranchi pending registration / katha transfer at ₹11.25 Lakhs (Previous Year - ₹15.34 Lakhs)
- ii) The Company has taken land measuring 1109 acres and two workshops on lease for a

period of 10 years vide Lease Agreement dated 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 [carrying value - ₹859.05 Lakhs (Previous Year - ₹903.83 lakhs)] on Buildings 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.

- iii) Lease hold Land includes leased land allotted by Kerala Industrial Infrastructure Development Corporation (KIIDC) measuring 374.59 acres for a lease premium of ₹2547.21 Lakhs (excluding Service Tax) (Previous Year - ₹2547.21 Lakhs excluding Service Tax) for 99 years lease period with effect from 01.07.2009. The actual land handed over by KIIDC was measuring 374.16 acres and the revised lease premium payable is ₹2544.29 Lakhs only. Adjustment in financial statement will be made on formal amendment of lease agreement by KIIDC.
- iv) 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).
- v) Lease Hold Land includes Land at cost ₹129.41 Lakhs at Hyderabad which was due for registration on completion of

development of showroom. However, showroom could not be developed and commercial activity did not commence within the stipulated time of 24 months. The TSIIC vide letter dated 22.09.2020 has cancelled the said allotment. The Company has requested TSIIC vide letter dated: 20.02.2021 to review the decision of cancellation of allotment and take necessary steps to register the sale deed in favour of the Company, alternatively Market Price or the rate at which TSIIC is allotting the similar Land may be paid to the Company. Reply awaited.

- 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) Land parcels measuring 560 acres at Mysore costing ₹307.58 Lakhs (including additional compensation of Rs. 183.57 Lakhs demanded by KIADB) for which title deeds have to be obtained from KIADB. As per the demand of KIADB, provision of interest amounting to ₹593.33 Lakhs (Previous Year - ₹566.48 Lakhs) up to period 31st March 2021 has been made. Karnataka High Court vide order dated 11.02.2021 has ordered BEML to make payment of ₹183 Lakhs along with interest @8% p.a. from 26.04.1988 (till the month of payment) within 6 months from the receipt of order for execution of the sale deed. The same is in progress.
- viii) Free Hold Land measuring 3.647 acres of land, surrendered to BBMP against TDR (at cost) is ₹4.58 Lakhs. Free Hold Land measuring 1.937 acres of land surrendered to BBMP for which TDR yet to be received (at cost) is ₹2.43 Lakhs.
Above TDR will be utilised for further construction.
- ix) Company has taken action to obtain title documents in respect of the following immovable properties.
 - (1) Flat at Roshan comp, Madras - ₹4.04 Lakhs.
 - (2) Flat at Ashadeep, New Delhi - ₹2.80 Lakhs.
 - (3) Office building at Nagpur - ₹27.18 Lakhs.
- x) The company has initiated legal action to obtain possession of 1.88 acres of Land out of

- 5 acres at Tatisilwai, Arra village, Ranchi.
- xi) For details of property, plant and equipment hypothecated by way of a first charge against borrowings and other facilities availed, refer Note no. 20 and 24
- xii) For information on estimated capital contracts pertaining to the acquisition of property, plant and equipment, refer Note no. 39 D II a.
- xiii) Out of 1870.30 Acres of Land allotted to BEML Limited- KGF by Government of Karnataka (under Government Grant order - free of cost), 114 Acres are under reconciliation with DC, Kolar. 967.20 Acres (294.00 acres in survey no.3 and 673.20 acres in survey no.2) of unutilized land have been taken back by state government vide letter no. LND/CR/-64/2020-21, Dated 12.11.2020 (free of cost).
- xiv) In EM Division, Freehold Land measuring 45 Acres & 156 Guntas capitalized during the year for Wind Mill at Mittalkode, Dammur and Tuggaldoni Village, Karnataka.
- C.** Amount of borrowing cost capitalised on addition of assets during the year is as under:
 - Plant & Machinery ₹NIL Lakhs
- D.** Since there is no investment property in the Company as on 31.03.2021, fair value of investment property is Nil (Previous Year - Nil)

Note 4: Capital work-in-progress

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Building	134.26	364.45
Equipment under inspection and in transit	-	-
Machinery	576.92	995.04
Others	168.80	168.80
Total	879.98	1,528.30

Note 5: Intangible assets

(₹ in Lakhs)

Particulars	Gross carrying value					Accumulated amortisation and impairment					Net Carrying value		
	As at 01.04.2020	Additions during the year	Deduction / Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2021	As at 01.04.2020	For the Year	Deduction / Re-classification & Adjustments during the year	Inter division Transfers	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020	
Computer software	2,844.66	103.33	-	-	2,947.99	1,518.69	484.83	3.80	-	2,007.32	940.67	1,325.97	
Technical Know how	5,755.91	15.26	-	-	5,771.17	2,807.69	464.72	(3.94)	-	3,268.47	2,502.70	2,948.22	
TDR against Land	7.01	-	-	-	7.01	-	-	-	-	-	7.01	7.01	
Total	8,607.58	118.59	-	-	8,726.17	4,326.38	949.55	(0.14)	-	5,275.79	3,450.38	4,281.20	
Previous Year	8,107.36	500.22	-	-	8,607.58	3,426.00	900.38	-	-	4,326.38	4,281.20	4,681.36	

Note 6: Intangible assets under development (internally generated)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Technology for CABIN & Email System	503.46	-
Total	503.46	-

Note 7: Non-current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
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, Kolkata, 50,000 fully paid up Equity Shares of ₹10 each [refer Note no. 11(a)]	5.00	5.00
	257.60	257.60
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)
	-	-
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
	257.64	257.64

Ind AS 28 (Investments in Associates and Joint Ventures)

Names of Joint Ventures	Nature	% holding	Country of Incorporation
BEML Midwest Limited	Jointly Controlled Entity	45.00	India

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, 2021 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. The company had issued corporate guarantee to Bank (SBI) for facilities extended to BEML Midwest Limited, for ₹1912.50 Lakhs. The bank has offered One Time Settlement of ₹182.91 Lakhs against this claim which was settled by the Company on 23.11.2020 and the Corporate Guarantee has got discharged

accordingly. The case pending before Debt Recovery Tribunal (DRT) has been closed.

d. MoD has directed BEML Limited to initiate process of closure of M/s VIL (Subsidiary of BEML Limited) in accordance with the provisions of DPE Guidelines dtd 14.06.2018.

Request submitted to DDP/MoD for CCEA Approval for furtherance of closure of VIL. Surplus over estimated Liabilities/payables of VIL expected as per the proposal for CCEA approval.

The movement in the allowance for impairment of investment is as follows:

(₹ in Lakhs)

Particulars	2020-21	2019-20
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 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Lease Deposits	10.99	9.96
Inter Corporate Loan	-	-
Total	10.99	9.96

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 31st March 2021	As at 31st March 2020
Security Deposit with Customers	-	-
Deposit with service providers	45.64	54.32
Total	45.64	54.32

Note 10: Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax Liabilities (DTL)		
Property, plant and equipment	4,469.64	4,030.31
Total DTL (A)	4,469.64	4,030.31
Deferred Tax Assets (DTA)		
Timing differences under the Income Tax Act, 1961	24,193.44	24,829.99
Total DTA (B)	24,193.44	24,829.99
Net Total (B-A)	19,723.80	20,799.68

Note 10: Income taxes

The substantively enacted tax rate as on 31 March 2021 is 34.94% and as on 31 March 2020 was 34.94% for deferred tax purposes.

a) Amount recognised in profit or loss

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Current tax expense:		
Current tax / Minimum alternate tax (MAT)	3,263.01	-
MAT credit entitlement	-	-
Adjustment of tax related to earlier years	-	-
	3,263.01	-
Deferred tax (income)/expense:		
Origination and reversal of temporary differences	(1,461.59)	(4,431.99)
Total deferred tax (income)/expense	(1,461.59)	(4,431.99)
Tax expenses	1,801.42	(4,431.99)

b) Amount recognised in OCI

(₹ in Lakhs)

Particulars	31 March 2021			31 March 2020		
	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	(8,129.59)	570.97	(7,558.62)	(4,901.56)	543.70	(4,357.86)
Total	(8,129.59)	570.97	(7,558.62)	(4,901.56)	543.70	(4,357.86)

c) Reconciliation of effective income tax rate

(₹ in Lakhs)

Particulars	31 March 2021		31 March 2020	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operation		9,281.43		2,406.36
Tax using the company's domestic tax rate (Income tax)	34.94%	3,243.30	34.94%	840.88
Tax effect of:				
Carry Forward Loss	-7.90%	(733.07)	0.00%	-
Weighted Deduction for R and D Expenditure	-1.71%	(158.79)	-88.47%	(2,128.97)
Non deductible expenses	8.16%	757.00	53.53%	1,288.09
Minimum Alternate Tax	1.67%	154.57	0.00%	-
Tax incentive	0.00%	-	-	-
Deferred tax	-15.75%	(1,461.59)	-184.18%	(4,431.99)
Total income tax expense for the year	19.41%	1,801.42	-184.18%	(4,431.99)

d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As on 1st April 2019	Recognised in profit or loss during 2019-20	As at 31st March 2020	Recognised in profit or loss during 2020-21	As at 31st March 2021
Property, plant and equipment	(6,491.65)	2,461.34	(4,030.31)	(439.33)	(4,469.64)
Allowance for doubtful trade receivables	7,997.22	3,264.46	11,261.68	2,647.36	13,909.04
Allowance for impairment of Investments	-	-	-	189.48	189.48
Provision for Property Tax	124.93	-	124.93	-	124.93
Provision for Gratuity	1,350.41	(1,350.41)	-	-	-
Provision for Leave Salary	5,243.30	119.85	5,363.15	(133.82)	5,229.33
Provision for Performance Related Pay	221.89	(221.89)	-	-	-
Provision for Contributory medical Scheme	1,869.97	97.09	1,967.06	(107.69)	1,859.37
Provision for Pension	467.59	(467.59)	-	-	-
Provision for wage revision	952.62	(952.62)	-	-	-
Provision for pending legal cases	11.94	(7.82)	4.12	741.42	745.54
Provision for Onerous Contract	-	-	-	1.87	1.87
Provision for Direct Expenditure	-	253.63	253.63	(201.75)	51.88
DTA related to Carry forward Loss FY 2019-20	-	1,235.95	1,235.95	(1,235.95)	-
MAT Credit related to prior period	-	4,075.77	4,075.77	(3,108.44)	967.33
DTA related to Provision for Gratuity & Contributory Medical Scheme (OCI)	-	543.70	543.70	570.98	1,114.68
Net deferred tax assets / (liabilities)	11,748.22	9,051.46	20,799.68	(1,075.87)	19,723.80

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 2021		31 March 2020	
	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 2021	Expiry date	31 March 2020	Expiry date
Expire				
Carry forward business loss	-		(3,536.96)	31.03.2028
Carry forward business loss	-		-	
Never expire				
Unabsorbed depreciation	-		-	
	-		(3,536.96)	

A) Adoption of Income Tax Rates

The Ministry of Law & Justice, Govt. of India vide Gazette notification dated 20.09.2019 introduced section 115BAA with an option to choose revised Tax structure applicable w.e.f 01.04.2019 to Domestic Companies without claiming specific deductions u/s 35(2AB), deduction under Chapter-VIA, MAT Credit benefits, Carry Forward Business Losses, Additional Depreciation u/s 32(1)(ia) and

other deductions as specified in the said section.

Based on the internal assessment, the Company has decided not to adopt the option u/s 115BAA. However, the same will be reviewed before filing the Annual Tax Return for FY 2020-21.

Note 11: Other non-current assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Capital Advances	158.09	150.80
Less: Allowance for doubtful Capital Advances	(21.55)	(21.55)
Advances to Related Parties - MAMC [refer Note no.39 (C)(ii)]	603.36	602.80
Advance MAMC consortium [see note (a) below]	6,487.40	6,053.89
Employee Advance	191.66	108.81
Prepayments	72.29	75.61
Gold coins on Hand	10.11	10.11
Total	7,501.37	6,980.47
Due by officers of the company	6.00	6.83

- a. The Company has entered into a Consortium Agreement (MAMC Consortium) with M/s. Coal India Limited (CIL) and M/s. Damodar Valley Corporation (DVC) on 08.06.2010 for acquiring specified assets of M/s. Mining and Allied Machinery Corporation Limited (under liquidation). The agreement, inter-alia, provided for formation of a Joint Venture company with a shareholding pattern of 48:26:26 among BEML, CIL and DVC respectively. The Company has paid the proportionate share of ₹4800.00 Lakhs towards the total bid consideration of ₹10000.00 Lakhs towards the said acquisition, based on the order passed by the Hon'ble High Court of Calcutta. The said assets are taken possession by the MAMC Consortium. Further, the Company has incurred a sum of ₹ 1687.40 Lakhs (Previous Year - ₹1253.89 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 ₹ 6487.40 Lakhs (Previous Year - ₹6053.89 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, independent valuation of the assets taken over has been done and there is no diminution in value of investments. Formulation of business plan and approval of shareholders' agreement from MOD 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 ₹603.36 Lakhs (Previous Year - ₹602.80 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 31st March 2021	As at 31st March 2020
Raw materials & Components	49,825.23	54,552.86
Less: Allowance for obsolescence - Raw Material	(2,026.18)	(1,659.91)
Raw materials & Components in Transit	2,843.71	1,246.14
Stores and Spares	1,923.90	1,850.51
Work-in-Progress	86,764.91	87,423.69
Less: Allowance for obsolescence - WIP	(1,372.75)	(923.60)
Finished Goods	28,869.71	28,549.78
Less: Allowance for obsolescence - Finished Goods	(1,822.54)	(1,939.57)
Finished Goods in Transit	353.43	-
Less: Allowance for obsolescence - Finished Goods in transit	-	-
Stock of Spares	33,757.08	32,470.17
Less: Allowance for obsolescence - Stock of Spares	(4,679.55)	(3,854.19)
Less: Allowance for shortages - Stock of Spares	(1,012.78)	(1,014.12)
Stock of Spares in Transit	116.85	97.59
Hand tools	2,108.86	2,288.90
Scrap	1,414.87	1,183.62
Total	197,064.75	200,271.88

- a. Raw materials & Components include materials lying with sub contractors ₹2547.25 Lakhs (Previous Year - ₹2194.19 Lakhs). Of these, confirmation from the parties is awaited for ₹454.82 Lakhs (Previous Year - ₹331.85 Lakhs).
- b. The closing stock of work-in-progress and finished goods are stated at lower of standard cost, which approximates to actuals, and net realisable value. The difference between the actual cost of production and the standard cost is not material.
- c. Variances arising on account of difference between standard cost and the actual cost, on account of change in the nature of inputs from bought-out to internally manufactured or vice versa, timing difference between standard cost and actual occurrence during the financial period and fluctuations in the material prices, is adjusted in the cost of production in order not to carry forward the period variances to subsequent financial period.
- d. Allowance towards obsolescence is made as per the Board approved provisioning norms and is based on ageing of inventory.
- e. Stock of Spares include 2831 items of inventory which were carried at "Zero Cost" have been rectified and revalued at ₹264.88 Lakhs on conservative basis after due verification & analysis. The impact has been adjusted against Retained Earnings as on 01.04.2020.

Note 13: Current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
In Quotas of Foreign Subsidiary - unquoted at cost		
Investments in Quotas in BEML Brazil Industrial Ltda., 99.98% of the quotas held by BEML and balance held by the nominees of BEML.	-	-
Total	-	-

BEML Brazil Industrial Ltda (BBIL), an Associate, was formed under the requirements of the governing laws of Brazil. 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 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.

The movement in the allowance for impairment is as follows:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Balance at the beginning of the year	-	146.19
Impairment losses recognised	-	-
Written off during the year	-	(146.19)
Credited to profit or loss	-	-
Transfers	-	-
Balance at the end of the year	-	-

Note 14: Trade receivables

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Outstanding for period exceeding six months *	30,392.77	34,436.79
Others	159,558.15	116,375.94
Unsecured, considered doubtful		
Outstanding for period exceeding six months	27,379.40	22,509.24
Allowance for bad and doubtful trade receivables	(28,879.40)	(22,509.24)
Total	188,450.91	150,812.72

* Trade receivables - Outstanding for period exceeding six months include ₹9507.47 Lakhs (Previous Year ₹9507.47 Lakhs) towards PMS Bridge contract, in respect of the following :

- i) amount outstanding towards exchange rate difference and escalation for import of components in respect of a long term contract for Design, Development and Supply, entered into with Ministry of Defence (MoD) in 2001 ₹4929.12 Lakhs and
- ii) Dollies supplied to MoD ₹4578.35 Lakhs.
- iii) This contract provided for import content denominated in US Dollar with a clause for escalation and exchange rate variation. Since BEML's claim for exchange rate variation for part of the supply was in EURO, the customer insisted for contract amendment in this regard. The company has received the requisite amendment to the contract in this regard from MOD towards acceptance of BEML's claim on account of exchange rate variation in Euro . Accordingly claims have been lodged which are under process.
- iv) In respect of Dollies, all the Dollies (66 no's) have been supplied to the customer.

The movement in the allowance for bad and doubtful trade receivables is as follows:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Balance at the beginning of the year	22,509.24	19,003.07
Impairment losses recognised	9,008.97	4,332.34
Written off during the year	(2,638.81)	(682.56)
Credited to profit or loss	-	(143.61)
Balance at the end of the year	28,879.40	22,509.24

Note 14a: Contract Assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Rail & Metro	62,662.45	30,384.85
Mining & Construction	-	-
Defence	768.27	-
Total	63,430.72	30,384.85

Note 15: Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with Banks	438.86	2,734.15
Total	438.86	2,734.15

Note 15a: Bank Balance Other than (Note 15) above

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with Banks - Unclaimed Dividend	87.52	50.59
Cheques, drafts on hand	-	-
Cash on hand	-	-
Total	87.52	50.59

- The Company earns no interest on balances with banks in current accounts.
- Balances with banks include the following on which there were restrictions placed on use and / or held on behalf of third parties:
 ESCROW account balance to be distributed among consortium members ₹329.22 Lakhs (Previous Year - ₹2666.43 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 is ₹54184.87 Lakhs (Previous Year ₹3619.65 Lakhs)
- Unclaimed Dividend Balances includes TDS (pending adjustment) of ₹ 29.90 lakhs
- For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with Banks	438.86	2,734.15
Balances with Banks - Unclaimed Dividend	87.52	50.59
Cheques, drafts on hand	-	-
Cash on hand	-	-
Less: Bank overdraft/Cash credit facility	(54,184.87)	(3,619.65)
Total	(53,658.49)	(834.92)

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 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Lease Deposits	-	-
Inter Corporate Loan	-	-
Secured Loans		
Loan to subsidiary - VIL	1,178.63	-
Interest Receivables on loan to subsidiary (secured against first charge on VIL Land, Factory, Helipad & Office Quarters)	5.51	-
Total	1,184.14	-

Note 17: Current - Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Security Deposit with Customers	107.39	107.39
Earnest Money Deposit	58.33	89.33
Deposit with service providers	379.25	410.52
Interest accrued on bank deposits	-	-
Total	544.97	607.23

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 31st March 2021	As at 31st March 2020
Advance Income Tax	-	200.00
Income Tax Refund	2,533.40	6,489.51
Tax Deducted at Source	270.87	463.47
Total	2,804.27	7,152.98

Note 18: Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances to Related Parties	135.51	384.10
Less: Allowance for doubtful advances to Vendors	(135.51)	-
Balances with Public Utility concerns	656.77	617.45
Less: Allowance for doubtful Balances with Public Utility concerns	(165.39)	(165.39)
Balances with Govt. departments for Customs Duty, Excise Duty, GST etc.,	94.84	1,133.94
Advance to Vendors	20,753.58	12,692.54
Less: Allowance for doubtful advances to Vendors	(3,673.78)	(3,868.39)
Employee Advance	261.22	294.20
Duties and Taxes	3,176.56	3,121.42
Indirect Taxes -GST	1,953.22	2,280.20
Prepayments	1,680.85	1,642.13
Claims receivable	13,402.54	10,748.58
Less: Allowance for doubtful claims	(6,949.71)	(5,684.77)
GST on stock transfers	688.32	515.81
Total	31,879.02	23,711.81
Due by Officers of the Company	25.42	31.35

Claims Receivable includes ₹ 3839.12 Lakhs receivable from Railway Board (Previous Year - ₹3839.12 Lakhs) for which an Inter-Ministerial Committee was 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. Accordingly, claims valuing ₹1616.13 Lakhs is considered good or covered in payable to Sub-Contractors on back to back terms. The Company doesn't expect any material impact on the final realization of the above amounts.

Note 19: Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2021	
	Number	Amount	Number	Amount
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				
	2020-21	2019-20	2018-19	2017-18	2016-17
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 : (₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding as at Opening Date	41,644,500	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	41,644,500	4,164.45	41,644,500	4,164.45

(₹ in Lakhs)

Equity Shares held by shareholders having 5% or more Name of the shareholder	As at 31st March 2021		As at 31st March 2020	
	No. of Shares	% held	No. of Shares	% held
President of India	225,00,000	54.03	225,00,000	54.03
HDFC Trustee Company Limited (PAN wise)	36,73,834	8.82	36,19,881	8.69

No shares of the Company is held by its subsidiaries. The Company does not have any holding company.

No shares of the Company is reserved for issue under options and contracts/commitments for the sale of shares / disinvestment.

The Board of Directors had approved an Interim Dividend of ₹4.80 per equity share i.e 48% on equity shares of ₹10 each on 10.02.2021 which was distributed among eligible shareholders.

The Board of Directors in their meeting held on 11-06-2021 recommended a dividend of ₹1.20/- per equity share (i.e., 12%) for the financial year ended 31st March 2021, subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, this would result in a cash outflow of approximately ₹499.73 Lakhs.

Note 20: Non-current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	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	10,000.00	20,000.00	10,000.00
Term Loans				
(a) Secured from Banks	-	-	-	-
(b) Unsecured from other parties				
i. Soft Loan - Interest Free Loan from Govt of Kerala	-	149.48	149.48	149.48
Total	10,000.00	10,149.48	20,149.48	10,149.48

Maturity Pattern of Secured Redeemable Non-convertible Debentures :

(₹ in Lakhs)

Coupon Rate	2021-22	2022-23
9.24% p.a Payable semi-annually on 18th May & 18th November every year	10000.00	10000.00

Terms of repayment of Soft Loan - Interest free Loan from Govt. of Kerala

(₹ in Lakhs)

Rate of Interest	2021-22
Soft Loan - Interest free Loan, Re-payable in 10 equal installments in 5 years	188.80

During May'20 ₹10000 lakhs of Non-Convertible Debentures were redeemed by the Company. Proportionately Debenture Redemption Reserve (DRR) of ₹2500 lakhs have been transferred to Reserves & Surplus from DRR.

Note 21: Non-current - Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deposit from vendors	41.60	41.60
Lease Liability	754.48	836.31
Total	796.08	877.91

Note 22: Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
for Leave Salary	11,132.50	12,032.19
for Post retirement medical scheme	5,339.10	3,147.66
Provision-others		
for warranty	196.00	150.00
for unexpired obligations	4,103.02	3,305.06
Total	20,770.62	18,634.91

- For movement in the provisions during the year refer Note no. 28
- The provision for employee benefits represents annual leave and vested long service entitlements accrued.
- Warranty provisions are recognised on a contract-by-contract basis for goods sold over the warranty period. The provision is based on estimates of probable likelihood of product failure and returns based on current sales level and past experience.
- Provision for unexpired obligations is towards supply of Backup Spares against guaranteed availability contracts.

Note 23: Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances from customers	111,403.34	98,286.74
Staff related	31.64	30.57
Deferred government grant	-	39.32
Total	111,434.98	98,356.62

- a. Company received an interest free loan of ₹944.00 Lakhs from Government of Kerala (Note 20). The same has been initially recognised at fair value and the difference between the proceeds and fair value is recognised as deferred government grant.

The government grant income is amortised to profit or loss on a straight line basis over the term of interest free loan (Note 31).

Note 24: Current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
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)	54,184.87	3,619.65
Unsecured	-	-
Total	54,184.87	3,619.65

Note 25: Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro & small enterprises	3,884.02	2,972.02
Total outstanding dues of creditors other than micro & small enterprises	70,177.87	62,932.30
Total	74,061.89	65,904.33

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 31st March 2021	As at 31st March 2020
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 31st March 2021	As at 31st March 2020
Current maturities of long term debt (refer note 20)	10,149.48	10,149.48
Lease Liability	81.83	79.54
Deposit from vendors	1,007.30	738.60
Earnest Money Deposit from vendors	380.82	417.77
Interest accrued but not due on borrowings	678.44	1,017.67
Unclaimed dividend	57.62	50.59
Total	12,355.49	12,453.64

Note 27: Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Other payables		
a. Staff related dues	1,877.59	1,284.75
b. Statutory dues	11,453.05	5,446.21
c. Advances from customers	19,535.23	20,974.33
d. Service vendors	5,723.31	8,388.53
e. Civil contractors and Capital payments	3,296.50	3,542.35
Deferred government grant (refer note 23 a)	39.32	39.32
Total	41,924.99	39,675.49

Civil contractors and Capital payments includes ₹2354.92 Lakhs (Previous Year - ₹2354.92 Lakhs) pertaining to Bank Guarantee Encashed against 18MW Windmill project due to Non fulfilment of Contractual obligation.

Note 28: Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
for Gratuity	6,715.66	4,418.45
for Leave Salary	3,832.40	3,315.66
for Performance Related Pay	623.87	425.00
for Post retirement medical scheme	3,171.79	4,037.02
for Officers Pension	1,648.72	1,604.00
for Wage revision	-	-
Provision-others		
for pending legal cases	2,133.52	11.79
for warranty	7,089.60	6,424.96
for unexpired obligations	605.69	705.43
for onerous contract	5.36	120.18
for tax on interim dividend	-	-
Total	25,826.60	21,062.49

Provision for Pending Legal Cases includes the following:

- 1) The Payment of Gratuity Act was amended to enhance the maximum limit from ₹3.50 Lakhs to ₹10 lakhs effective from 24.05.2010. BEML also implemented the same w.e.f. 24.05.2010.
- 2) A Writ petition was filed with Hon'ble High Court of Karnataka which included 209 ex-executives of BEML who superannuated between 01.01.2007 (pay revision date) and 23.05.2010, for payment of Gratuity at the enhanced limit of ₹10 Lakhs w.e.f 01.01.2007 as mentioned in DPE Pay Revision circular dtd 26.11.2008.
- 3) Hon'ble High Court of Karnataka Vide order dtd 05.03.2021 has held that Gratuity arrears be paid to those and who have superannuated between 01.01.2007 to 23.05.2010 along with interest from the due date of payment till such amount is paid.
- 4) The Company is in the process of filing an SLP with the Hon'ble Supreme Court of India challenging the Hon'ble Karnataka High Court's order.
- 5) However as per Company's Board norms, a Provision @ 90% of the Liability (including interest) amounting to ₹2060.64 Lakhs has been made in the books of Accounts for 400 ex-executives and non-unionized employees who are covered by DPE Pay Revision circular dtd 26.11.2008, on the principle of conservatism.

Movement in Provisions

(₹ in Lakhs)

Particulars	As at 01.04.2020		Additions	Utilization	Reversal	As at 31st March 2021	
	Non-current	Current				Non-current	Current
Gratuity	-	4,418.45	6,715.66	4,418.45	-	-	6,715.66
Leave Salary	12,032.19	3,315.66	5,117.86	5,500.81	-	11,132.50	3,832.40
Post retirement medical scheme	3,147.66	4,037.02	4,332.91	3,006.70	-	5,339.10	3,171.79
Performance Related Pay	-	425.00	617.70	418.83	-	-	623.87
Officers Pension	-	1,604.00	1,646.24	1,601.52	-	-	1,648.72
Pending legal cases	-	11.79	2,121.73	-	-	-	2,133.52
Warranty	150.00	6,424.96	4,716.60	4,005.96	-	196.00	7,089.60
Unexpired Obligation	3,305.06	705.43	1,149.13	450.92	-	4,103.02	605.69
Onerous contract	-	120.18	5.36	-	120.18	-	5.36
Total	18,634.91	21,062.49	26,423.19	19,403.19	120.18	20,770.62	25,826.60

Note 29: Current tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Income tax	3,263.01	-
Less: MAT credit entitlement	(3,108.45)	-
Total	154.56	-

Note 30: Revenue from Operations

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(a) sale of products:		
Earth Moving Equipment	97,915.07	79,050.10
Rail & Metro Products	128,890.53	103,356.58
Defence Products	34,065.87	28,199.96
Spare Parts	76,239.35	72,414.26
Sub-total	337,110.83	283,020.90
(b) sale of services;		
Equipment Servicing	15,363.71	16,783.99
Sub-total	15,363.71	16,783.99
(c) other operating revenues		
Wind Energy	1,800.31	1,604.80
Sale of Scrap	1,445.92	1,472.05
Sub-total	3,246.23	3,076.85
(d) Inter Segment Sales	-	-
Revenue from operations	355,720.78	302,881.74

- A.
- i. GST on Revenue from Operations up to March 2021 is ₹59068.60 Lakhs (Previous Year ₹54892.18 Lakhs). GST has not been included in the Revenue from Operations.
 - ii. Revenue includes ₹3718.45 Lakhs (Previous Year: ₹5671.18 Lakhs) on account of Sale of 21 No. of equipments "Bill and hold sales" basis recognised in accordance with Ind AS-115. This does not bear any custodian charges.
 - iii. Revenue from operation includes ₹2823.53 Lakhs (Previous Year ₹1450.20 Lakhs) towards export sales.
- B.
1. Revenue is recognized over time on the contracts for metro cars supply and service contracts wherever transfer of control on goods/services and performance obligation satisfied over time. All other revenue is recognized at a point in time when control transfers.
 2. Revenue from Operations include ₹79179.14 Lakhs and ₹768.27 Lakhs (Previous Year - ₹95137.06 Lakhs and ₹Nil Lakhs) recognized "over the period of time" in respect of Contracts entered with Metro Corporations for design, manufacture, supply, testing & commissioning of Metro Cars and in respect of ARV Overhauling Contracts in Defence business, respectively due to adoption of Ind AS 115 effective from 01-04-2018.
 3. In case of metro supply contracts and Equipment Rehabilitation, Mining Aggregates Repairs Contracts and overhauling contract, for determination of transaction price for the purpose of recognizing revenue over time, Input Method has been considered .
 4. Following are the closing and opening balances of Receivables, Contract Assets and Contract liabilities (which are measured under Input Method);

(₹ in Lakhs)

Details	Balance as on 31.03.2021	Balance as on 01.04.2020
Receivables	12,786.85	29,218.80
Contract Assets	63,430.72	30,384.85

5. Payments under the Metro Supply Contracts are released by customers upon completion of milestones of Cost centers identified in the contracts.

6. Payments are released by customers under Equipment Rehabilitation and Aggregates Repairs Contracts upon completion of Repair/Rehabilitation ,delivery and acceptance of the items at Customer site as indicated in the Contract.

7. Warranties: In respect of Metro Contracts, Defect Liability periods start from the date of taking over of Train sets by the Customer.

Comprehensive warranty is provided for a period of 24 months from the date of acceptance (Defence Equipments).

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. ₹301621.64 Lakhs and ₹165.65 Lakhs (Previous Year - ₹375026.30 Lakhs for Metro Contracts and ₹Nil Lakhs for Defence Equipment), is the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period and Company expects to recognize this revenue in the 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	2020-21	2019-20
Opening Balance of Contract Asset	30,384.85	48,916.36
Add: Recognised During the Year	79,947.41	95,137.06
Total	110,332.26	144,053.42
Contract Assets Billed During the year	(46,901.54)	(113,668.57)
Contract Assets as on reporting date	63,430.72	30,384.85

Note 31: Other Income

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest Income		
- From Deposits	-	-
- From Inter Corporate Loans	-	58.59
- From Loans to Subsidiary	5.96	-
- From Income tax refund	709.23	52.94
- Finance income on lease deposits	1.03	0.90
- Others	43.88	23.36
Government grant income	42.73	42.73
Export incentives	48.75	82.78
Dividend Income		
- Dividend Received from Subsidiary	-	-
- Other Dividends	-	-
Net gain on sale of property, plant and equipment	25.89	23.37
Provisions written back		
- Doubtful trade receivables & advances	2,661.14	204.45
- Others	397.50	1,643.90
Foreign exchange gain	-	1,153.35
Other non-operating income	2,080.35	1,568.20
Total	6,016.45	4,854.57

a. Tax Deducted at Source on Income

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
a) Interest on Loans to Subsidiary	0.45	-
b) Inter Corporate Loans	-	5.86
c) Others	-	-

Note 32: Cost of materials consumed

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Cost of materials consumed	203,824.78	189,050.72

Note 33: Purchase of stock-in-trade

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
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 31st March 2021	For the year ended 31st March 2020
Opening Stock		
Finished goods	26,610.21	15,076.82
Work-in-progress	86,500.09	69,363.61
Scrap	1,183.62	659.02
	114,293.92	85,099.45
Closing Stock		
Finished goods	27,400.60	26,610.21
Work-in-progress	85,392.15	86,500.09
Scrap	1,414.87	1,183.62
	114,207.63	114,293.92
(Increase) / Decrease		
Finished good	(790.39)	(11,533.39)
Work-in-progress	1,107.94	(17,136.48)
Scrap	(231.25)	(524.60)
Total	86.30	(29,194.47)

Note 35: Employee benefits expense

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries, Wages & Bonus	63,559.05	62,570.46
Leave Salary	5,117.86	5,547.50
Contribution to:		
- Gratuity Fund	1,775.96	1,072.80
- Provident Fund and Other Funds	7,742.34	7,844.29
Post retirement medical scheme	1,143.02	975.06
Staff welfare expenses	6,148.49	7,355.54
- Less receipts	622.06	979.03
Net staff welfare expenses	5,526.43	6,376.50
Total	84,864.65	84,386.62

A. Ind AS 19 (Employee Benefits)

a. Leave Salary

This is an unfunded employee benefit plan categorized under other long term employee benefits in terms of Ind AS 19. The obligation for compensated absence has been actuarially valued and liability provided accordingly.

Actuarial Assumptions	Current Year	Previous Year
Mortality Table	(Unfunded) 2006-08 (IALM) (Ultimate)	(Unfunded) 2006-08 (IALM) (Ultimate)
Discount rate	7.18%	6.83%
Rate of escalation in salary	4.00%	4.00%

b. Post Retirement Medical Scheme

1. Employees

- (i) The company has a post retirement defined benefit medical scheme where an insurance policy is taken by the company for providing mediclaim benefits to the superannuated employees who opt for the scheme. The Company pays 90% insurance premium and the balance 10% is paid by the superannuated employees.
- (ii) The results of the actuarial study for the obligation of the medical benefit as computed by the actuary are shown below:

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Principal actuarial assumptions		
Discount rate	7.18%	6.83%
Range of compensation increase	4.00%	4.00%
Attrition rate:	0.42%	0.49%
Components of income statement charge		
Current Service Cost	108.26	67.40
Interest Cost	328.16	220.65
Total income statement charge	436.42	288.05
Movements in net defined benefit liability		
Net obligation at the beginning of the year	4,570.55	3,390.12
Employer contributions	(444.23)	(663.52)
Total expense recognised in profit or loss	436.42	288.05
Total amount recognised in OCI	3,189.89	1,555.90
Net obligation at the end of the year	7,752.63	4,570.55

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Reconciliation of benefit obligations		
Obligation at start of the year	4,570.55	3,390.12
Current service cost	108.26	67.40
Interest cost	328.16	220.65
Benefits paid directly by the company	(444.23)	(663.52)
Extra payments or expenses / (income)	-	-
Obligation of past service cost	-	-
Actuarial loss / (gain) on obligations	3,189.89	1,555.90
DBO at the end of the year	7,752.63	4,570.55
Re-measurements		
Actuarial gain/(loss) due to changes in financial assumptions	-	-
Actuarial gain/(loss) on account of experience adjustments	3,189.89	1,555.90
Total actuarial gain/(loss) recognised in OCI	3,189.89	1,555.90

(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	(1,773.45)	(206.86)
- 1.00% discount rate	2,421.21	231.44
Premium cost		
+ 1.00% premium growth	2,453.26	245.99
- 1.00% premium growth	(1,816.63)	(223.14)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	7,752.63	4,570.55
Experience adjustment on plan liabilities	(1,800.68)	(439.39)

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 ₹706.59 Lakhs during 2020-21 for the scheme. Company has no further liability other than the contribution to the fund. Hence the scheme is a defined contribution plan and no actuarial valuation is required.

c. Interest Rate Guarantee on Provident Fund

- (i) Provident Fund Trust of the Company has to declare interest on Provident Fund at a rate not less than that declared by the Employees' Provident Fund Organisation. In case the Trust is not able to meet the interest liability, Company has to make good the shortfall. This is a defined benefit plan and the Company has got the same actuarially valued and there is no additional liability that needs to be provided for the year.

(₹ in Lakhs)

Actuarial Assumptions	Current Year	Previous Year
	(Funded)	(Funded)
Discount rate	7.18%	6.83%
Rate of escalation in salary	4.00%	4.00%
Interest Rate Guarantee on Provident Fund*	8.50%	8.50%

*Current year Interest rate considered is provisional and previous year rate is final

d. Officers Pension Scheme

Based on the guidelines of Ministry of Defence, Company has implemented "BEML Executive Superannuation (Pension) Scheme" for Officers of the Company. The Scheme is a defined contribution plan and the contribution made is being charged off in the year of contribution. Being a defined contribution plan no actuarial valuation is done.

e. Gratuity

- (i) The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.
- (ii) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Principal actuarial assumptions		
Discount rate	7.18%	6.83%
Range of compensation increase	4.00%	4.00%
Attrition rate	0.42%	0.49%
Expected rate of return on plan assets	7.18%	7.29%
Components of income statement charge		
Current Service Cost	1,618.77	1,115.72
Interest Cost	157.18	(42.92)
Recognition of past service cost	-	-
Settlement / curtailment / termination loss	-	-
Total income statement charge	1,775.95	1,072.80

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Movements in net liability/(asset)		
Net liability / (asset) at the beginning of the year	4,418.45	3,855.55
Employer contributions	(4,418.45)	(3,855.56)
Total expense recognised in profit or loss	1,775.95	1,072.80
Total amount recognised in OCI	4,939.70	3,345.66
Net liability / (asset) at the end of the year	6,715.65	4,418.45
Reconciliation of benefit obligations		
Obligation at start of the year	41,879.03	44,544.57
Current service cost	1,618.77	1,115.72
Interest cost	2,694.36	2,707.08
Benefits paid directly by the company	(8,728.26)	(9,818.91)
Actuarial loss / (gain) on obligations	4,968.37	3,330.57
DBO at the end of the year	42,432.27	41,879.03
Re-measurements		
Actuarial gain/(loss) due to changes in financial assumptions	28.67	(15.09)
Actuarial gain/(loss) on account of experience adjustments	(4,968.37)	(3,330.57)
Total actuarial gain/(loss) recognised in OCI	(4,939.70)	(3,345.66)
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	37,460.58	40,689.02
Adjustment to opening fair value of plan assets	-	-
Interest on plan assets	2,537.18	2,750.00
Contributions made	4,418.45	3,855.56
Benefits paid	(8,728.26)	(9,818.91)
Actuarial gain/(loss) on plan assets	28.67	(15.09)
Fair value of plan assets at the end of the year	35,716.62	37,460.58

(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)	(1,822.29)	(1,921.21)
Discount rate (CY -100 basis pts; PY -100 basis pts)	2,035.13	2,154.90
Salary increase		
Salary growth (CY +100 basis pts; PY +100 basis pts)	1,730.96	1,787.14
Salary growth (CY -100 basis pts; PY -100 basis pts)	(1,645.33)	(1,659.21)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	42,432.27	41,879.03
Fair value of plan assets	35,716.62	37,460.58
(Surplus)/deficit in plan assets	6,715.65	4,418.45
Experience adjustment on plan liabilities	5,599.71	3,523.31
Actual return on plan assets less interest on plan assets	(2.41)	(42.92)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

(v) Investment details

The plan assets under the fund are deposited under approved securities as follows:

		Current Year	Previous Year
Investment with LIC	%	100	100
Others	%	0	0

Note 36: Finance costs

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Interest expense		
On Cash Credit & Short term loans	1,240.51	911.39
On Long Term Loans	-	-
On Commercial paper	359.97	-
On Non-convertible Debentures	1,968.25	2,772.00
On Inter Corporate Loans	-	-
On MSE vendors	-	-
Unwinding of discount on Interest free loan	42.73	42.73
Interest on ROU asset	76.09	82.00
Others	224.53	242.06
Total	3,912.08	4,050.18

Ind AS 23 (Borrowing Costs)

The amount of interest capitalized during the Year is ₹NIL Lakhs (Previous Year - ₹Nil Lakhs).

Note 37: Other expenses

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Consumption of stores and spare parts	512.45	536.62
Consumable Tools	607.50	613.34
Power and fuel	3,467.16	3,488.09
Rent	159.53	171.39
Hire Charges	909.03	970.44
Repairs & Maintenance		
Machinery & Equipment	393.36	408.60
Buildings	586.50	549.83
Others	1,099.84	1,041.69
Stationery	85.23	107.89
Insurance	730.18	516.42
Rates & Taxes	207.46	877.49
Bank guarantee fee and other charges	859.45	646.77
Communication expenses	298.65	335.57
Commission on sales	67.43	12.47
Remuneration to Auditors (refer note 'a' below)	24.42	25.45
Legal & Professional Charges	247.09	1,360.54
Travelling Expenses	581.26	1,361.46
Publicity & Public Relations	446.17	623.55
Loss on sale of property, plant and equipment	3.20	0.05
Defects & Spoilages	25.61	274.20
Works Contract Expenses	7,342.47	7,241.43
Expenses on Maintenance Contract	2,724.51	2,998.22
Sundry Direct Charges	2,907.31	3,937.98
Freight charges	3,710.49	3,160.17
Expenditure on CSR Activities	403.58	432.18
Provision for Obsolescence	1,208.08	909.72
Provision for Onerous contract	5.36	120.18
Provision for doubtful trade receivables & advances	10,216.49	4,620.76
Provision for Pending Legal cases	2,121.73	0.50
Warranty & Unexpired Obligations	4,605.94	4,680.54
Less: Transfers	(2,945.77)	(3,074.75)
Warranty & Unexpired Obligations	1,660.17	1,605.79
Liquidated damages & Penalty w/off	2,649.41	25.65
Foreign exchange loss / (gain)	326.34	-
Miscellaneous expenses	6,112.27	10,932.55
Total	52,699.72	49,906.98

a. Break up of Remuneration to Auditors :

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
(a) As Auditor	14.63	14.63
(b) for taxation matter	2.97	2.97
(c) Other Services - Certification Fees	6.82	7.32
(d) Reimbursement of Expenses	0.00	0.53
Total	24.42	25.45

Note 38: Exceptional Items

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Income	-	-
Expenditure	-	-
Net Income / (Expenditure)	-	-

Note 39: Other Disclosures

A. Basic / Diluted Earnings Per Equity Share

(₹ in Lakhs)

Particulars	Current Year	Previous Year
Net Profit / (Loss) after Tax (₹ in Lakhs)	7,480.01	6,838.34
Average Number of Shares	41,644,500	41,644,500
Earnings Per Share (Basic and Diluted) – Face Value ₹10/- Per Share (Amount in ₹)	17.96	16.42

B. In terms of Notification No. S.O.802(E) dated 23-02-2018 of the Ministry of Corporate Affairs, the Board at its meeting held on 27.05.2016 has given consent with regard to non-disclosure of information as required under paragraphs 5(ii) (a) (1), 5(ii) (a) (2), 5(iii) and Para 5(viii) (a), (b), (c) and (e) of Part II to Schedule III of the Companies Act, 2013, in the Annual accounts for the Financial Year 2015-16 onwards.

C. Ind AS 24 - Related Parties

In accordance with the requirements of Ind AS 24, following are details of the transactions during the year with related parties.

Name of the related party	Nature of relationship
Vignyan Industries Limited	Subsidiary
MAMC Industries Limited	Subsidiary
BEML 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. D.K. Hota	Key managerial personnel
Shri. R H Muralidhara	Key managerial personnel
Shri. Suraj Prakash	Key managerial personnel
Shri. Suresh Vastrad	Key managerial personnel
Shri. M. V. Raja Sekhar	Key managerial personnel
Shri. Panner Selvam R	Key managerial personnel
Shri. Amit Bannerjee	Key managerial personnel
Shri. Ajit Kumar Srivastav	Key managerial personnel
Shri. S.V.Ravi Sekhar Rao	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	31st March 2021	31st March 2020
Transactions during the year ended		
Sales	56.64	338.24
Purchases	180.60	1,731.61
Salaries charged to VIL for BEML personnel deputed there.	62.29	90.81
Equity Investment held as on 31st March (at cost)	252.60	252.60
Outstanding balances		
Amount payable towards supplies as on	-	-
Amount recoverable as on	-	248.59

All Recoverable amounts from M/s VIL Ltd. has been converted into secured loan (see note 16) except investment.

ii. Name of the Subsidiary - M/s. MAMC Industries Limited [Refer Note 11 (a)]

Details of Transactions

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Equity Investment held as on 31st March (at cost)	5.00	5.00
Advances recoverable as on 31st March	603.36	602.80

iii. Name of the Joint Venture Company – M/s. BEML Midwest Limited, Hyderabad. Shareholding 45%.

Details of Transactions

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Transactions during the year ended		
Sales	-	-
Purchases	-	-
Equity Investment held as on 31st March (at cost)	542.25	542.25
Outstanding balances		
Advances recoverable as on	135.51	135.51
Amount payable towards supplies as on	230.00	230.00
Corporate Guarantee given to Bankers [refer Note 7 (b)]	-	1,912.50

iv. Name of the Subsidiary - M/s. BEML Brazil Industrial Ltda

Details of Transactions

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Investment in Quotas held as on 31st March (at cost)	-	-

2. Remuneration to Key managerial personnel

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Shri. D.K. Hota - Chairman and Managing Director*	44.51	68.67
Shri. B R Viswanatha - Director (Mining & Construction)*	-	25.09
Shri. R H Muralidhara - Director (Defence)*	6.85	64.15
Shri. Suraj Prakash - Director (Finance)	42.82	44.84
Shri. Suresh Vastrad - Director (Rail & Metro)*	9.85	47.12
Shri. M. V. Rajasekhar - Director (Mining & Construction)	40.12	43.51
Shri. Panner Selvam R - Director (HR)*	21.12	23.98
Shri. Amit Banerjee - Director (Rail & Metro) *	20.77	-
Shri. Ajit Kumar Srivastav - Director (Defence)*	33.93	-
Shri. S.V.Ravi Sekhar Rao - Company Secretary	26.95	31.47

(* For part of the year.)

3. Details of remuneration of key managerial personnel comprises the following:

(₹ in Lakhs)

Shri. D.K. Hota - Chairman and Managing Director*	31 March 2021	31 March 2020
Short-term benefits	40.49	61.88
Post-employment benefits	1.47	3.85
Other long-term benefits	2.55	2.94
Termination benefits	-	-
Shri. B R Viswanatha - Director (Mining & Construction)*	31 March 2021	31 March 2020
Short-term benefits	-	14.14
Post-employment benefits	-	0.53
Other long-term benefits	-	10.42
Termination benefits	-	-
Shri. R H Muralidhara - Director (Defence)*	31 March 2021	31 March 2020
Short-term benefits	6.43	58.34
Post-employment benefits	-	3.27
Other long-term benefits	0.42	2.53
Termination benefits	-	-
Shri. Suraj Prakash - Director (Finance)	31 March 2021	31 March 2020
Short-term benefits	38.88	39.49
Post-employment benefits	1.44	2.96
Other long-term benefits	2.50	2.39
Termination benefits	-	-
Shri. Suresh Vastrad - Director (Rail & Metro)*	31 March 2021	31 March 2020
Short-term benefits	9.30	42.23
Post-employment benefits	-	2.71
Other long-term benefits	0.55	2.17
Termination benefits	-	-
Shri. M. V. Rajasekhar - Director (Mining & Construction)	31 March 2021	31 March 2020
Short-term benefit	36.65	38.74
Post-employment benefits	1.27	2.66
Other long-term benefits	2.20	2.11
Termination benefits	-	-
Shri. Panner Selvam R - Director (HR)*	31 March 2021	31 March 2020
Short-term benefits	19.12	20.16
Post-employment benefits	0.73	1.71
Other long-term benefits	1.27	2.11
Termination benefits	-	-

(₹ in Lakhs)

Shri. Amit Banerjee - Director (Rail & Metro) *	31 March 2021	31 March 2020
Short-term benefits	19.04	-
Post-employment benefits	0.63	-
Other long-term benefits	1.10	-
Termination benefits	-	-
Shri. Ajit Kumar Srivastav - Director (Defence) *	31 March 2021	31 March 2020
Short-term benefits	31.13	-
Post-employment benefits	1.03	-
Other long-term benefits	1.77	-
Termination benefits	-	-
Shri. S.V.Ravi Sekhar Rao - Company Secretary	31 March 2021	31 March 2020
Short-term benefits	24.73	28.34
Post-employment benefits	0.81	1.77
Other long-term benefits	1.41	1.36
Termination benefits	-	-
Total	31 March 2021	31 March 2020
Short-term benefits	225.77	303.33
Post-employment benefits	7.38	19.46
Other long-term benefits	13.77	26.03
Termination benefits	-	-

* For part of the year.

4. Considering the wide scope of the definition of Related Party under section 2(76); Relative under section 2(77) and Key Managerial Personnel under section 2(51) of Companies Act, 2013 and the requirement under Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the disclosure with respect to Related Party transactions has been restricted to Subsidiary / Joint Venture / Associate companies and to any other Related Party as declared by Directors and Key Managerial Personnel. Accordingly, the compliance with Related Party Transactions under section 188, Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been made to the extent data is available with the Company.

D. Contingent liabilities & Commitments

I. Contingent liabilities

- a. Claims against the Company not acknowledged as debts
 - i Disputed statutory demands (Customs Duty, Central Excise, Service Tax, Sales Tax/VAT etc.) - ₹46692.80 Lakhs (Previous Year ₹44761.43 Lakhs)
 - ii Other claims- legal cases etc. ₹12305.47 Lakhs (Previous Year ₹18901.86 Lakhs)
- b. Guarantees

Corporate Guarantee issued to bankers on behalf of M/s. BEML Midwest Ltd (Joint Venture company) ₹Nil Lakhs (Previous Year ₹1912.50 Lakhs). The bank has offered One Time Settlement of ₹182.91 Lakhs against this claim which was settled by the Company on 23.11.2020 and the Corporate Guarantee has got discharged accordingly. The case pending Debt Recovery Tribunal (DRT) has been closed.

- c. Other money for which the company is contingently liable - ₹Nil (Previous Year - ₹Nil).

II. Commitments

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹560.60 Lakhs (Previous Year - ₹660.74 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	As at 31st March 2021	As at 31st March 2020
Revenue Expenditure*	12,811.68	9,438.21
Capital Expenditure**	454.40	915.61

* 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 31st March 2021	For the year ended 31st March 2020
Material Cost	142.26	114.34
Employee Remuneration	5,520.30	5,320.24
Depreciation	1,136.83	1,055.81
Power and Fuel	136.41	89.69
Repairs and Maintenance	47.55	35.77
Consumable Tools	3.23	0.86
Travelling	28.58	115.86
Other Expenses	2,324.64	3,079.30
Payment to Technology Providers	-	-
Prototype held in WIP	-	219.84
Prototype held in FGI	-	-
Cost of Sales of Prototype sold	4,608.71	462.31
Total R&D Revenue Expenditure	13,948.51	10,494.02
Less: Depreciation	1,136.83	1,055.81
Net R & D Expenditure	12,811.68	9,438.21
Sale value of prototype sold - included in net Sales*	3722.20	400.06

*Sale value of prototype sold excludes Design and Testing & Commissioning charges.

** The aggregate amount of Research & Development Expenditure recognised as Capital Expenditure till 31st March 2021 is as below.

b. Research & Development Capital Expenditure

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation, amortisation and impairment				Net Carrying value	
	As at 01.04.2020	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2021	As at 01.04.2020	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Property, Plant and Equipment										
Land										
Free Hold	3.29	-	-	3.29	-	-	-	-	3.29	3.29
Lease Hold	-	-	-	-	-	-	-	-	-	-
Buildings	109.33	-	-	109.33	64.88	1.88	-	66.76	42.57	44.45
Plant and Equipment	1,557.31	41.14	(0.86)	1,597.59	494.97	143.36	(3.98)	634.35	963.24	1,062.34
Furniture & Fixtures	112.71	9.79	-	122.50	67.40	11.25	0.13	78.78	43.72	45.31
Vehicles										
Given on Lease	110.52	239.58	1.69	351.79	58.81	29.36	(4.09)	84.08	267.71	51.71
Own Use	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Roads & Drains	1.64	-	-	1.64	1.64	-	-	1.64	-	-
Water Supply Installations	0.12	-	-	0.12	0.03	0.01	-	0.04	0.08	0.09
Electrical Installation	139.43	1.38	-	140.81	45.51	14.88	-	60.39	80.42	93.92
Computers and Data processing units	806.18	152.17	0.77	959.12	621.27	82.60	3.98	707.85	251.27	184.91
Intangible Assets										
Software	2,341.28	10.34	0.01	2,351.63	1,353.29	388.77	-	1,742.06	609.57	987.99
Technical Knowhow	5,755.91	-	2.36	5,758.27	2,803.74	464.72	(12.90)	3,255.56	2,502.71	2,952.17
Total	10,937.72	454.40	3.97	11,396.09	5,511.54	1,136.83	(16.86)	6,631.51	4,764.58	5,426.18
Previous Year	10,010.68	915.61	11.43	10,937.72	4,420.29	1,055.81	35.44	5,511.54	5,426.18	5,590.39

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 2021	31 March 2020	31 March 2021	31 March 2020
i. Loans and Advances in the nature of loans:				
A. To Subsidiary Companies*	1,184.14	-	1,184.14	-
B. To Associates / Joint Venture	-	-	-	-
C. To Firms / Companies in which directors are interested	-	-	-	-
D. Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act, 2013	-	-	-	-
ii. Investment by the loanee (as detailed above) in the shares of BEML and its subsidiaries	-	-	-	-

*All Recoverable amounts from M/s VIL Ltd. has been converted into secured loan (see note 16) except investment.

J. Ind AS 116 - Leases

a) The Company as a lessee

The Company's significant leasing arrangements are in respect of operating leases and 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	As at 31st March 2021	As at 31st March 2020
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	As at 31st March 2021	As at 31st March 2020
Carrying value of assets	439.95	532.27
Accumulated depreciation	153.44	154.58
Depreciation expense during the year	67.91	74.07

Future minimum lease receipts under non-cancellable operating leases in respect of leased cars are summarised below:

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Not later than one year	40.86	67.54
Later than one year but not later than five years	173.21	197.22
Later than five years	89.59	127.45
Total operating lease commitments	303.66	392.21

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	As at 31st March 2021	As at 31st March 2020
Lease income	74.32	68.50
Lease expenses	159.53	171.39

d) Impact of IND AS 116 - RoU Assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Depreciation on RoU Assets during the year	112.41	109.80
Finance Cost of Lease Liability	76.09	82.00
Gross value of RoU Assets	984.39	984.39
Net Book Value of RoU Assets	762.18	874.59
Lease Liability as of 31st March	836.31	915.47
Impact on Profitability in the current year	(32.87)	(41.27)

K. Fair values and measurement principles

a) The carrying value and fair value of financial instruments by category are as follows:

(₹ in Lakhs)

Particulars	31 March 2021		31 March 2020	
	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	-	1,195.13	-	9.96
Trade receivables	-	188,450.91	-	150,812.72
Cash and cash equivalents	-	438.86	-	2,734.15
Other financial assets	-	590.61	-	661.55
	-	190,675.52	-	154,218.38
Financial liabilities measured at fair value:				
Forward exchange contracts	-	-	-	-
	-	-	-	-
Financial liabilities not measured at fair value:				
Borrowings	-	64,184.87	-	23,769.13
Trade payables	-	74,061.89	-	65,904.33
Other financial liabilities	-	13,151.57	-	13,331.55
	-	151,398.33	-	103,005.01

* 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 2021			31 March 2020		
	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 values is determined using unquoted forward exchange rates at the reporting date.	Not applicable

d) Transfers between the fair value hierarchy

There were no transfers in either direction in the fair value hierarchy during the year 2020-21.

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 counter party 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.

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
India	185,517.04	149,747.65
Other regions	2,933.87	1,065.07
Total trade receivables	188,450.91	150,812.72

At 31 March 2021, the Company's most significant customer, accounted for ₹11100.95 Lakhs of the trade receivables carrying amount (31st March 2020: ₹12345.19 Lakhs).

The movement in the loss allowance for impairment of trade receivables are disclosed in Note No. 14

Any past due from Government Customers and those fully covered by guarantees or collaterals-received are not tested for impairment.

The credit quality of the financial assets is satisfactory, taking into account the allowance for doubtful trade receivables.

The Company has not received any collaterals for receivables as at reporting date.

The impairment loss allowance at 31 March 2021 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.

(₹ in Lakhs)

Particulars	Contractual cash flows			Adjustments	Carrying amount
	1 year or less	1 year to 5 years	5 years or more		
31 March 2021					
Non-derivative financial liabilities					
Non-current Borrowings	-	10,000.00	-	-	10,000.00
Current Borrowings	54,184.87	-	-	-	54,184.87
Trade payables	74,061.89	-	-	-	74,061.89
Other financial liabilities	13,151.57	-	-	-	13,151.57
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	141,398.33	10,000.00	-	-	151,398.33
31 March 2020					
Non-derivative financial liabilities					
Non-current Borrowings	-	20,149.48	-	-	20,149.48
Current Borrowings	3,619.65	-	-	-	3,619.65
Trade payables	65,904.33	-	-	-	65,904.33
Other financial liabilities	13,331.55	-	-	-	13,331.55
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	82,855.53	20,149.48	-	-	103,005.01

(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 2021, 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 2021

(₹ in Lakhs)

Category	Instrument	Currency	Cross Currency	Amounts	Buy / Sell
Hedges of recognized (liabilities) / assets	Forward contract	NIL		NIL	NIL
Hedges of highly probable forecast transactions		NIL	NIL	NIL	NIL

31 March 2020

(₹ 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 2021										
Financial assets (A)										
Cash and cash equivalents	216.33	-	222.50	0.03	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-	-	-
Trade receivables	185,517.04	2,715.99	217.88	-	-	-	-	-	-	-
Financial liabilities (B)										
Trade payables	59,918.80	3,993.25	6,086.22	3,634.88	243.55	-	137.20	1.67	28.02	18.30
Other current financial liabilities	12,355.49	-	-	-	-	-	-	-	-	-
Net exposure to currency risk (A-B)	113,459.09	(1,277.26)	(5,645.84)	(3,634.85)	(243.55)	-	(137.20)	(1.67)	(28.02)	(18.30)
31 March 2020										
Financial assets (A)										
Cash and cash equivalents	183.07	-	1,773.13	777.95	-	-	-	-	-	-
Current investments	-	-	-	-	-	-	-	-	-	-
Trade receivables	149,747.65	851.75	213.32	-	-	-	-	-	-	-
Financial liabilities (B)										
Trade payables	51,782.09	6,403.30	3,520.60	3,447.62	-	11.53	663.18	46.97	28.02	1.02
Other current financial liabilities	12,453.64	-	-	-	-	-	-	-	-	-
Net exposure to currency risk (A-B)	85,694.99	(5,551.55)	(1,534.15)	(2,669.67)	-	(11.53)	(663.18)	(46.97)	(28.02)	(1.02)

The following significant exchange rates have been applied during the year.

(₹ in Lakhs)

Particulars	Average rate		Year-end spot rate	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
USD	-	-	73.8500	76.0600
EUR	-	-	87.3300	84.4300
JPY	-	-	0.6726	0.7069
GBP	-	-	102.3200	94.4700

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars, Euro, Japanese Yen, the Pound and other currencies at 31 March 2021 and 31 March 2020 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 2021				
1% movement				
USD	12.77	(12.77)	8.31	(8.31)
EUR	56.46	(56.46)	36.73	(36.73)
JPY	36.35	(36.35)	23.65	(23.65)
CNY	2.44	(2.44)	1.58	(1.58)
SEK	-	-	-	-
GBP	1.37	(1.37)	0.89	(0.89)
SGD	0.02	(0.02)	0.01	(0.01)
CHF	0.28	(0.28)	0.18	(0.18)
ZAR	0.18	(0.18)	0.12	(0.12)
31 March 2020				
1% movement				
USD	55.52	(55.52)	36.12	(36.12)
EUR	15.34	(15.34)	9.98	(9.98)
JPY	26.70	(26.70)	17.37	(17.37)
CNY	-	-	-	-
SEK	0.12	(0.12)	0.08	(0.08)
GBP	6.63	(6.63)	4.31	(4.31)
SGD	0.47	(0.47)	0.31	(0.31)
CHF	0.28	(0.28)	0.18	(0.18)
ZAR	0.01	(0.01)	0.01	(0.01)

(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 2021	31 March 2020
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	(20,000.00)	(30,000.00)
	(20,000.00)	(30,000.00)
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 2021				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
31 March 2020				
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	31st March 2021	31st March 2020
Total borrowings ¹	74,334.35	33,918.61
Less: Cash and bank balances ²	(109.64)	(67.72)
Adjusted net debt	74,224.71	33,850.89
Total equity	222,444.92	225,715.14
Less: Other components of equity	(5,001.44)	(7,501.44)
Adjusted equity	217,443.48	218,213.70
Adjusted net debt to adjusted equity ratio	0.34	0.16

¹ Total borrowings comprises of long-term borrowings, short-term borrowing and bank overdraft facilities.

² Cash and bank balances comprises of cash in hand, cash at bank and term deposits with banks excluding consortium member balances in ESCROW account, as disclosed under Note 15 (b) and balances with bank as unclaimed dividend.

N. Derivatives

Derivatives not designated as hedging instruments

The Company uses foreign currency forward contracts to manage its exposure to foreign currency fluctuations. These forward contracts are used to hedge foreign currency payables and other future transactions. However, these foreign exchange forward contracts are not designated as qualifying hedge instruments and are entered into for periods consistent with foreign currency exposure of the underlying transactions, and are generally for a term of 3 months to 12 months.

The Company has following outstanding forward contracts as on

31 March 2021: JPY Nil (INR Nil) [Previous Year - JPY Nil (INR Nil)]

31 March 2021: EUR Nil (INR Nil) [Previous Year - EUR Nil (INR Nil)]

31 March 2021: USD Nil (INR Nil) [Previous Year: USD NIL (INR Nil)]

The fair value of foreign currency forward derivative is as below:

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
	INR	INR
Derivative assets		
Foreign exchange forward contracts (JPY)	-	-
Foreign exchange forward contracts (EUR)	-	-
Foreign exchange forward contracts (USD)	-	-
Total	-	-

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
	INR	INR
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 ₹18807.94 Lakhs (31 March 2020: ₹16261.27 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.

- O.** The spread of COVID-19 Pandemic and subsequent restrictions during the year, has impacted the Company's turnover and Company's manufacturing facilities, disruption in spares & service business, non receipt of materials due to global Covid impact in the Country on account of supply chain disruptions, restrictive movements /non availability of required trailers etc, the impact of which could not be quantified.

Based on the information available (internal as well as external) upto the date of approval of these financial results, Company expects to recover the carrying amounts of intangible assets, trade receivables, inventory and other financial Assets. Efforts are being made to minimize the impact and Company will continue to closely monitor the developments & future economic & business outlook and its impact on Company's future financial statements.

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

CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914

AJIT KUMAR SRIVASTAV
Director (Finance) (I/c)
(DIN 08741858)

M V RAJASEKHAR
Chairman & Managing Director (I/c)
(DIN 08467141)

Place: Bengaluru
Date: 11-06-2021

S V RAVI SEKHAR RAO
Company Secretary

INDEPENDENT AUDITORS' REPORT

To the members of **BEML LIMITED**

Report on the Audit of Standalone Indian Accounting Standards (Ind AS) Financial Statements

Persuant to the observations arising from the Audit by the Comptroller and Audit General of India, our earlier report dated 11th June 2021, 2 matters have been revised from Qualified Opinion to Unmodified Opinion and reported under Emphasis of Matter to this Report. This report supersedes our earlier Report.

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **BEML LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement, the Statement of Changes in Equity for the year then ended, and notes to the Standalone Indian Accounting Standards ("Ind AS") Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Ind AS prescribed under section 133 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021 and its Profit and total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS

Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to;

- a) Statement of Changes in Equity (SOCE) as on March 31, 2021 relating to Debenture Redemption Reserve (DRR) amounting to Rs. 5,000.00 Lakhs (PY Rs. 7,500.00 Lakhs). As per Companies (Share Capital and Debentures) Rules, 2014 (as amended in 2019, effective from 16 August, 2019) states that listed companies are not required to create Debenture Redemption Reserve (DRR). However, the company has not created any Debenture Redemption Reserve (DRR) during the current year but has transferred to General Reserve / Retained Earnings based on redemption of debenture during the current year.
- b) Accounting policy 2.1.E - Current/Non-current classification, the company has different operating cycles for 3 Business Verticals viz Mining & Construction, Defence & Aerospace and Rail & Metro. For the purpose of current/non-current classification of assets and liabilities, the Company has evaluated and considering the operating cycle as twelve months in accordance with IND AS 1 - Presentation of Financial Statements.
- c) Note No. 12 - Inventories includes a provision for shortage of stock of Spares amounting to Rs. 1,012.78 Lakhs, which is pending to be adjustment in the books of accounts and under reconciliation.
- d) Note No. 12(e) relating to rectification and revaluation of inventories carried at "Zero Cost" amounting to Rs. 264.88

Lakhs. The management of the company has carried out an one-off exercise to bring back value to the stock which were carried initially at zero cost.

- e) We draw attention to Note no. 14 – Trade Receivables amounting to Rs. 1,89,950.91 Lakhs, Note no. 14a – Contract Assets amounting to Rs. 63,430.72 Lakhs, Note no. 18 – Claims Receivable (net) (Other current Assets) amounting to Rs. 6,452.83 Lakhs of the notes forming part of the Financial statement which includes various onerous contract and regular contracts which are in various stages of completion, pending to be renewed, expired contracts or contracts pending to be executed for which finality and outcome to be arrived at in the future.
- f) Note No. 14(i) in respect of Trade receivable from MOD Rs. 4929.12 lakhs towards exchange rate difference and escalation for import of components in respect of a long term contract for Design, Development and Supply, entered into with MOD in 2001. The company has received the requisite amendment to the contract in this regard from MOD towards acceptance of BEML's claim on account of exchange rate variation in Euro and the realization of these receivables depends on the final determination of the amount payable by MOD
- g) Note No. 18 with respect to Claims Recievable from railway board amounting to Rs. 3839.12 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. Accordingly, claims valuing Rs. 1616.13 lakhs is considered good or covered in payable to Sub-Contractors on back to back terms. The Company doesn't expect any material impact on the final realization of the above amounts.
- h) Note No. 28 in respect of Provision for

Pending Legal Cases includes an amount of Rs. 2060.64 lakhs relating to payment of Gratuity at the enhanced limit as per DPE Pay Revision for 400 ex-executives and non-unionized employees who are covered by DPE Pay Revision circular dated November 26, 2008, based on order of Hon'ble Karnataka High Court Vide dated March 05, 2021 and on the principle of conservatism. As per Company's Board norms, a Provision amounting to 90% of the Liability has been created in the books of accounts. The Company is in the process of filing an SLP with the Hon'ble Supreme Court of India challenging the Hon'ble Karnataka High Court's order.

- i) Note No. 37 - Provision for doubtful trade receivables & advances includes an amount of Rs. 1500.00 Lakhs relating to recognition of expected credit loss (impairment loss) on financial assets with credit risk exposure which is to be reviewed periodically by the management of the company.
- j) 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.
- k) 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.
- l) Note No. 39(O) which describes the impact and complications due to the outbreak of second wave of novel coronavirus (COVID-19). The situation continues to remain uncertain and in view of its impact on the Company's financial statements, which is significantly dependent on future

developments.

- m) We draw attention to Note No.7 – Non-current Investments amounting to Rs. 252.60 Lakhs and Note No. 16 - Current Loans amounting to Rs. 1,184.14 Lakhs relating to Investment in Subsidiary M/s. Vignyan Industries Limited (VIL).

Based on the explanation and information as furnished to us, we were given to understand that one of the Subsidiary company M/s. Vignyan Industries Limited (VIL) has received an “In-Principle” approval vide letter Dt. July 07, 2020 from the Department of Defence Production, Ministry of Defence (MoD) for closure of the company. M/s. Vignyan Industries Limited (VIL) has stopped production activities with effect from October 10, 2020. The Independent Auditors of the Company on their Report dt June 08, 2021 has made an Adverse opinion and raised concerns over the preparation of Financial results of the company on “Going Concern” basis. The matter waits further development and approval from Cabinet Committee on Economic Affairs (CCEA).

- n) 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 Rs. 6,487.40 Lakhs (Previous Year - Rs. 6,053.89 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 financial year ended March 31, 2021. 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:

- o Evaluated the effectiveness of control over the preparation of information that are designed to ensure the completeness and accuracy.
- o Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- o Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with Ind AS 115.
- o Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.

- o Performed analytical procedures and test of details for reasonableness and other related material items.
- o Selected a sample of continuing and new contracts and performed the following procedures:
 - Read, analysed and identified the distinct performance obligations in these contracts.
 - Compared these performance obligations with that identified and recorded by the Company.
 - Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
 - In respect of samples relating to metro contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual cost incurred up to that stage with estimation. We also tested the access and change management controls relating to these systems.
 - Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
 - Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
 - We reviewed the collation of information from the budgeted information of the management used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

II. Inventory

Refer Note 12 to the 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. Due to COVID – 19 second wave lockdown and various restrictions imposed by the State / Central Government or local authorities we were not present during physical verification for many / few of the Units / Divisions.

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. On account of COVID – 19 second wave related state-wise lockdowns, we were unable to carry out inventory verification at the year end. Consequently, we have performed the following alternate procedures to audit the existence of inventory:
 - o The physical verification of inventory of inventory conducted by the management and we performed roll back procedures.
 - o 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.
 - o 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.

IV. Modified Audit Procedures carried out in light of COVID-19 second wave outbreak

Key Audit Matters

Due to COVID-19 pandemic second wave, state-wise lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of some units of the Company.

As we could not gather audit evidence in person or physically or through discussions and personal interactions with the officials at these units, we have identified such modified audit procedures as a Key Audit Matter.

Accordingly, our audit procedures were modified to carry out the audit remotely.

Auditor's Response to Key Audit Matters

Due to the outbreak of COVID-19 pandemic second wave that caused state-wise lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to some of the units and carry out the audit processes physically at the respective divisions / units.

Wherever physical access was not possible, necessary records, reports, documents and certificates were made available to us by the unit through digital medium and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.

Such restrictions in performing audit procedures have enhanced the risk in effectively carrying out the audit and the quality of audit evidence gathered by us.

Accordingly, we modified our audit procedures as follows:

- o Conducted verification of necessary records and documents electronically through remote access vide emails in respect of some of the divisions / units wherever physical access was not possible.
- o Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails.
- o Making enquiries and gathering necessary audit evidence through dialogues and discussions over phone calls/conference calls, emails and similar communication channels.
- o Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.

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.

Other Matters

- The Standalone Ind AS Financial Statements of the Company for the corresponding year ended March 31, 2020, were audited by the predecessor auditor of the Company, and they had expressed a unmodified opinion vide their report dated June 27, 2020 on such Standalone Ind AS Financial Statements.
- Due to the outbreak of COVID-19 pandemic second wave that caused state-wise lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, the audit finalization process, for the year under report, was carried out from remote locations, based on data/ details made available and based on financial information/ records remitted by the management through digital medium.

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure-A**, a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief

were necessary for the purposes of our audit.

- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.
- e) As per notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 164(2) of the Companies Act, 2013 relating to disqualification of directors are not applicable to the Company, being a Government Company.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure B**.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as

amended, we are informed that the provisions of Section 197 read with Schedule V of the Act relating to managerial remuneration are not applicable to the Company, being a Government Company in terms of notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India.

- h) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us.
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. [Refer Note No. 39(D)(I)(a)(ii)]
 - ii. The Company did not have any derivative contracts but have provided material foreseeable losses of Rs.5.36 Lakhs (PY Rs.120.18 Lakhs) for onerous contracts (Refer Note 37).
 - iii. There were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.

- 3. As required by Section 143(5) of the Act, we have given in "**Annexure-C**", a statement on the matters specified in the directions and additional directions issued by the Comptroller and Auditor General of India for the company.

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn No: 004207S

P Menakshi Sundaram
Partner Membership No. 217914

Place : Chennai
Date : 13th August 2021
UDIN : 21217914AAAALN1949

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 of our Report on Other Legal and Regulatory Requirements relevant to paragraph 3 & 4 of "the order")

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that,

- i) In respect of its Fixed Assets;
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b. The fixed assets 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.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title/lease deeds of immovable properties are held in the name of the Company **except in the following cases:**

We draw attention to Note No. 3 (B) to the Standalone Ind AS Financial Statements

- i. As explained to us, Building costing Rs. 33.00 lakhs (carrying value Rs. 11.25 lakhs) situated at Mumbai and Ranchi are pending for registration / khatha transfer .
- ii. Lease Hold Land includes Land at cost Rs. 129.41 Lakhs at Hyderabad which was due for registration on completion of development of showroom. However, showroom could not be developed and commercial activity did not commence within the stipulated time of 24 months. The TSIIC vide letter dated 22.09.2020 has cancelled the said allotment. The Company has requested TSIIC vide letter dated: 20.02.2021 to review the decision of cancellation of allotment and take

- iii. necessary steps to register the sale deed in favour of the Company, alternatively Market Price or the rate at which TSIIC is allotting the similar Land may be paid to the Company. Reply awaited.
- iii. As explained to us, free hold land measuring 560 acres at Mysore costing Rs. 307.58 lakhs (including additional compensation of Rs. 183.57 lakhs demanded by KIADB) for which title deeds have to be obtained from KIADB.
- iv. Kerala Industrial Infrastructure Development Corporation (KIIDC) has allotted Leased land measuring 374.59 acres for a lease premium of Rs. 2547.21 lakhs for 99 years lease period w.e.f 01.07.2009. The actual land handed over by KIIDC was measuring 374.16 acres and revised lease premium payable is Rs. 2544.29 lakhs only and execution of formal amendment of lease agreement is pending.
- v. Based on explanation and information furnished to us, 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) and a sum of Rs. 100 Lakhs was paid as non-refundable deposit, The Company had incurred on the above land a sum of Rs. 1452.95 lakhs (with carrying value of Rs.859.05 Lakhs) on Buildings included in Property, Plant and Equipment (Note 3 (B) (ii)) as at the 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 expired on 28.04.2014 to be included in the tender documents. The Company filed an Interlocutory application before the Hon'ble

- Supreme Court of India, praying for exclusion of land leased to BEML from the purview of global tender, which was dismissed. Since the lease agreement provides for the continuation of the lease even after the expiring of lease period on 28.04.2014 till the final decision of the Company / Government in this regard, the operations of the company on the above land is continued.
- vi. As explained to us, the Company has taken action to obtain title documents in respect of the following immovable properties;
- a) Flat at Roshan Complex Madras – Rs. 4.04 Lakhs
 - b) Flat at Ashadeep, New Delhi - Rs. 2.80 Lakhs
 - c) Office building at Nagpur - Rs. 27.18 Lakhs
- vii. The Company has initiated legal action to obtain possession of 1.88 acres of land out of 5 acres at Tatisileai, Arra Village, Ranchi.
- viii. Based on explanation and information furnished to us, Out of 1870.30 Acres of Land allotted to BEML Limited- KGF by Government of Karnataka (under Government Grant order - free of cost), 114 Acres are under reconciliation with DC, Kolar. 967.20 Acres (294.00 acres in survey no.3 and 673.20 acres in survey no.2) of unutilized land have been taken back by state government vide letter no. LND/CR/-64/2020-21, Dated 12.11.2020 (free of cost)
- ii) The company has conducted the physical verification of the inventory excluding materials lying with third parties and work in progress during the year in accordance with programme designed to cover all items over a phased manner. According to the information and explanation given to us and in our opinion the frequency of physical verification is reasonable.
- In our opinion and according to the information and explanations given to us, discrepancies noticed on physical verification of inventories, which were not material, have been properly dealt with in the books of accounts **Except for the effects of the matter described in the Emphasis of Matter (c) section in our Independent Auditors Report.**
- iii) In our opinion, and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act 2013. Hence, the clause (iii)(a), (iii)(b) and (iii)(c) of the Paragraph 3 of the Order are not applicable to the Company.
 - iv) In our opinion, and according to the information and explanations given to us, there are no transactions of loans to directors, and being a Government Company engaged in defence production, provisions of Sec 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security are not applicable.
 - 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 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 outstanding for a period of more than six months from the date they became payable, as per the books of accounts as at March 31, 2021.

b. According to the information and explanations given to us, there are disputed statutory dues, which are outstanding on account of any dispute as on March 31, 2021 as given herein below:

Name Of The Statute	Nature Of Disputed Tax	Amount (Rs. Lakhs)	Period To Which The Amount Relates	Forum Where The Dispute Is Pending
Central Excise Act, 1944	Excise Duty incl. Interest and Penalty	20,593.35	2007-08 to June 2017	CESTAT, Bangalore
	Excise Duty incl. Interest and Penalty	393.15	2013-14	Appellate Authority
	National Calamity Contingency Duty	10,706.92	2014-15	CESTAT
	Total Excise Duty	31,693.42		
Service Tax Act, 1994	Service Tax including penalty	2,660.54	2009-10 to 2016-17	Appellate Authority
	Total Service Tax	2,660.54		
The Customs Act, 1962	Customs Duty	2,327.64	2008-09 to 2016-17	CESTAT, Chennai
The Karnataka Municipal Corporation Act, 1976	Municipality Taxes KGF	674.11	2020	City Municipality council - KGF
	Property Tax	109.11	1995-96 to 2005-06	City Civil Judge, Bangalore
	Total ED, Service Tax, CD & Property tax	37,464.82		
Sales Tax Act of Various States	Sales Tax /VAT	296.56	2003-04, 2007 - 08, 2008-09	Maharashtra Sales Tax tribunal, Mumbai and JCCT (Appeals) Nagpur
	Sales Tax /VAT	6,927.66	January 2008 to 2017-18	Karnataka Sales Tax tribunal
	Sales Tax /VAT	647.53	2008-09 & 2009-10	WB Commercial Taxes Appellate and Revision Board, Kolkata and Sr. JCCT, Kolkata
	Sales Tax /VAT	1,147.70	From 2006 - 07 to 2016-17	Jharkhand VAT Act, 2005 and Jharkhand Commercial Tax
	Sales Tax /VAT	173.98	From 2004 - 05 to 2017-18	Other appellate authorities
	Sales Tax /VAT	34.54	From 2011-12	Kerala Sales Tax & VAT
	Total Sales Tax / VAT	9,227.98		
	Grand Total	46,692.80		
Amount Deposited under Protest	Central Excise/Customs	208.07		
Amount Deposited under Protest	Sales Tax VAT	3,196.87		
	Total	3,404.93		

- viii) The Company has not defaulted in repayment of loans or borrowings to financial institutions, banks, Government or dues to debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- ix) According to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) during the financial year. Secured Redeemable Non-convertible Debentures, Term loans from banks and financial institutions have been applied for the purpose for which they were obtained.
- x) To the best of our knowledge, belief and according to the information and explanations given to us and based on the audit procedures performed, we report that no case of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) As per notification no.GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 of the Act is not applicable to the Government Companies. Accordingly, paragraph 3 (xi) of the Order is not applicable to the Company.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- 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.
- ivx) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn No: 004207S

P Menakshi Sundaram
Partner Membership No. 217914

Place : Chennai
Date : 13th August 2021
UDIN : 21217914AAAALN1949

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, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

In our opinion, the Company has, in all material respects, an internal financial controls with reference to financial statements with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2021, 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 : 13th August 2021
UDIN : 21217914AAAALN1949

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn No: 004207S

P Menakshi Sundaram
Partner Membership No. 217914

ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT

Revised Directions under Section 143(5) of the Companies Act, 2013 ("the Act")

On the directions issued by the Comptroller and Auditor General of India under sub section 5 of section 143 of the Companies Act, 2013, based on the verification of records of the Company and information and explanations given to us, we report that:

A. 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 Regn No: 004207S

Place : Chennai
Date : 13th August 2021
UDIN : 21217914AAAALN1949

P Menakshi Sundaram
Partner Membership No. 217914



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

To
Shri M.V.Rajashekhar,
Chairman and Managing Director,
M/s. 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 **M/s. BEML Limited, Bengaluru** for the year ended 31 March 2021.

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 2021.

It may please be ensured that the comments are:

- (i) Printed in toto without any editing;
- (ii) Placed before the AGM as required under Section 143(6) (b) of the Companies Act, 2013; and
- (iii) Placed next to the Statutory Auditors’ Report in the Annual Report of the Company with proper indication in the index.

The receipt of this letter may please be acknowledged.

Encl: As above.

Yours faithfully,

(Arun Kumar V.M.)
Deputy Director (Admin)

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूर - 560 001.
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

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Email : mabbangalore@cag.gov.in

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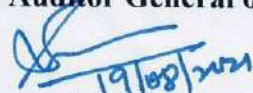
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF BEML LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2021

The preparation of financial statements of **BEML, Bengaluru** for the year ended 31 March 2021 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 them vide their Revised Audit Report dated 13 August 2021 which supersedes their earlier Audit Report dated 11 June 2021.

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 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

In view of the revision 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 auditors' report under section 143(6) (b) of the Act.

**For and on behalf of the
Comptroller & Auditor General of India**


(Santosh Kumar)

Principal Director of Commercial Audit

**Place: Bengaluru
Date: 19 August 2021**

CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

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 and MAMC Industries Ltd (referred collectively as the 'Group') and the Groups interest in associates and Joint ventures for the year ended 31 March 2021. 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 11-06-2021.

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 2021 with comparatives of year ended 31 March 2020 are prepared in accordance with Ind AS.

b. The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- * Derivative financial instruments,
- * Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- * Defined benefit and other long-term

employee benefits obligations.

- c. The financial statements are presented in Indian Rupee (INR) which is the functional and the presentation currency of the Group and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.
- d. Preparation of the financial statements, in conformity with Ind AS, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates.
- e. Assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group's operating cycle is considered as twelve months for the purpose of current / non-current classification of assets and liabilities.
- f. The Group revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively. A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors result in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

g. Basis of Consolidation:

(i) Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

(ii) Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Equity accounted investees: The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

(iv) Transactions eliminated on consolidation: Intra group balances and transactions and any unrealized income and expenses arising from intra group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted

investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.2 Summary of consolidated significant accounting policies

A. Revenue Recognition:

Sales is exclusive of GST.

Revenue from contracts with customers:

Revenue is recognised, on the transfer of promised goods or services, by way of allocating transaction price, being amount of consideration which an entity expects/entitles in exchange for transferring promised goods or services to a customer, to the extent of performance obligation satisfied in a contract.

i. Satisfaction of performance obligation over time

a. Revenue is recognised overtime where the transfer of control of goods or services takes place over time by measuring the progress towards complete satisfaction of that performance obligation, if one of the following criteria is met:

- * the Group's performance entitles the customer to receive and consume the benefits simultaneously as the company performs
- * the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced
- * the Group's performance does not create an asset with an alternative use to the company and the company has an enforceable right to payment for performance completed to date.

b. Progress made towards satisfying a performance obligation is assessed based on the ratio of actual costs

incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract. If the outcome of the performance obligation cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

- c. For measurement of satisfaction of performance obligation over time, input cost method is adopted.

ii Satisfaction of performance obligation at a point in time

- a. In respect of cases where the transfer of control does not take place over time, the Group recognises the revenue at a point in time when it satisfies the performance obligations.

- b. The performance obligation is satisfied when the customer obtains control of the asset. The indicators for transfer of control include the following:

- * the Group has transferred physical possession of the asset
- * the customer has legal title to the asset
- * the customer has accepted the asset
- * when the Group has a present right to payment for the asset
- * the Group has the significant risks and rewards of ownership of the asset. The transfer of significant risks and rewards ownership is assessed based on the Inco- terms of the contracts.

- c. Bill and hold Sales

Bill and hold sales is recognised when all the following criteria are met:

- * the reason for the bill and hold sales is substantive
- * the product is identified separately as belonging to the customer

- * the product is currently ready for physical transfer to the customer
- * the Group does not have the ability to use the product or to direct it to another customer

Escalation:

Escalation in prices are recognized as revenue as per the escalation formula provided in the contract. In the absence of such a clause in the contract, any claim for the same is recognized on acceptance by the customer.

Duty Drawback:

Duty drawback claims on exports are accounted on preferring the claims.

Revenue from wind energy:

Revenue from generation of electricity from wind mill is recognized when the electricity is supplied to industrial electricity distribution license holder as per the terms of agreement.

Other Income

(i)Interest income:

Interest Income is recognized using the effective interest rate (EIR) on a time proportion basis and as per the terms of the relevant instrument.

(ii)Dividends:

Dividend income is recognized when the Group's right to receive the payment is established.

(iii)Rental income:

Rental income arising from operating leases is accounted for on a straight-line basis over the non-cancellable lease term unless increases in rentals are in line with expected inflation.

B. Investments in associates and joint venture

The Group accounts for its interests in associates and joint ventures in the separate financial statements at cost.

C. Foreign Currencies:

Transactions in foreign currencies are initially recorded by the Group at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. Differences arising on settlement or translation of monetary items are recognized in statement of profit and loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

D. Fair value measurement:

The Group measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

E. Discontinued operation:

Classification of an operation as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as a discontinued operation, the comparative statement of profit and loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

F. Government Grants:

Government Grants are recognized as follows when there is reasonable assurance that the grant will be received and all attached terms and conditions will be complied with.

- (i) Grant towards meeting expenditure is recognized as income as and when the expenditure for which the grant is sanctioned is incurred.
- (ii) Grant towards procurement of an asset

is recognized as income in equal amounts over the expected useful life of the related asset.

- (iii) Grant towards non-monetary assets are recognized at fair value and released to Statement of profit and loss over the expected useful life.
- (iv) The subsidized portion of interest rate provided by the Government on loans or similar financial assistance is recognized as grant.

G. Income Taxes:

Current income tax:

Current tax assets and liabilities are measured at the amount to be recovered from or paid to the taxation authorities as per the applicable tax laws at the reporting date in Statement of profit and loss.

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

For the items directly recognized in Equity, the current and deferred tax pertaining to such item is recognized through Equity.

H. Property, Plant & Equipment:

Property, Plant and Equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses if any. Cost includes expenditure on acquisition of asset, present value of expected cost for the decommissioning of an asset, cost of replacing part of Plant and Equipment and borrowing costs.

Depreciation is calculated on a straight line basis over estimated useful lives as prescribed in Schedule II of the companies Act 2013. In respect of the following assets, useful lives are different than the useful lives indicated in Schedule II of Companies Act

2013, based on technical assessment and management estimates depending on the nature and usage of the respective assets.

- (a) Special tools up to the unit value of ₹5,000 are charged off in the year of 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 recognised where the value of new individual asset is more than Rs.2 Lakhs.

At the commencement date, the Group as lessee measures the right of use asset at cost. The cost of "right of use" asset is determined at the present value of outstanding lease payments plus any initial direct cost and estimated cost, if any, of dismantling and removing the underlying asset and presented as part of Plant, property and equipment schedule in the Balance Sheet.

Lessee would recognize depreciation expense on the right of use asset using the straight line method from the commencement date to the end of lease term or useful life of the asset, whichever is earlier.

Group as a lessor:

In case of an operating lease, initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the leased asset. In case of finance leases, amounts due from lessees are recorded as receivables.

M. Inventory:

Inventories are valued at the lower of cost and net realizable value. Cost for the purpose of the above is accounted as under:

- (i) Raw materials, Components, Stores and Spare parts: weighted average cost
- (ii) Finished goods and Work in Progress: Cost of materials, labour and production overheads

Scrap is valued at estimated realizable value.

Based on ageing assessment, on a periodic basis an allowance is recognized for obsolete, non-moving inventory.

N. Impairment of non-financial assets:

The Group assesses at each reporting date for impairment of asset or cash generating units (CGU). If on assessment, the asset or CGU is considered impaired they are written down to the recoverable amount.

O. Employee Benefits:

Short-term employee benefits:

Short-term employee benefits are expensed as the related service is rendered.

Defined benefit plans:

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by actuarial valuation conducted annually by a qualified actuary using the projected unit credit method.

Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is recognized in the statement of profit and loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss.

Other long-term employee benefits:

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

Defined contribution plan:

For defined contribution plans, the Group contributes to independently administered funds as per relevant scheme. These contributions are recorded in the statement of profit and loss. The Group's liability is limited to the extent of contributions made to these funds.

P. Provisions:

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted. Contingent liabilities and contingent assets are not recognized in the financial statements but are disclosed in the notes.

Warranty provisions:

Provision for warranty related costs are recognized on sale of product or service rendered based on historical experience and technical assessment and reviewed annually.

Onerous contracts:

A provision for onerous contracts other than construction contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Q. Financial Assets:

Recognition and measurement:

All financial assets are recognized initially at fair value. Subsequently, financial assets are measured at fair value or amortized cost based on their classification.

Embedded derivative:

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. If the hybrid contains a host that is not an asset within the scope of Ind AS 109, the embedded derivative is separated and accounted at fair value.

Derecognition:

A financial asset or part of a financial asset is derecognized when the rights to receive cash flows from the asset have expired.

Trade and other receivables:

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

Cash and cash equivalents:

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Impairment of financial assets:

In accordance with Ind-AS 109, the Group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

R. Financial Liabilities:

Recognition and measurement:

Financial liabilities are classified, at initial

recognition, at fair value through statement of profit and loss as loans, borrowings, payables, or derivatives, as appropriate.

Financial liabilities are measured based on their classification at fair value through statement of profit and loss, amortized cost or fair value through other comprehensive income.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Trade and other payables:

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

S. Financial Assets and Liabilities Reclassification:**Reclassification of financial Assets and Liabilities:**

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For other financial assets, a reclassification is made prospectively only if there is a change in the business model for managing those assets.

Offsetting of financial Assets and Liabilities:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

T. Earnings per share:

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

U. Cash dividend and non-cash distribution to equity shareholders:

The Group recognizes a liability to make cash or non-cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group.

V. Events after the reporting period:

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

As per our report of even date attached

For SUNDARAM & SRINIVASAN,
Chartered Accountants
Firm Registration Number: 004207S

CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914

AJIT KUMAR SRIVASTAV
Director (Finance) (I/c)
(DIN 08741858)

M V RAJASEKHAR
Chairman & Managing Director (I/c)
(DIN 08467141)

Place: Bengaluru
Date: 11-06-2021

S V RAVI SEKHAR RAO
Company Secretary

For and on behalf of the Board of Directors

CONSOLIDATED BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2021	As at 31st March 2020
I. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	55,860.65	56,933.07
(b) Right of Use Asset	3A	762.18	874.59
(c) Capital work-in-progress	4	890.25	1,542.44
(d) Intangible assets	5	3,450.38	4,281.20
(e) Intangible assets under development	6	503.46	-
(f) Financial assets			
(i) Investments	7	0.04	0.04
(ii) Loans	8	10.99	9.96
(iii) Other financial assets	9	45.64	54.32
(g) Deferred tax assets (net)	10	19,723.80	20,839.68
(h) Other non-current assets	11	6,898.01	6,377.67
Total non-current assets		88,145.41	90,912.96
(2) Current assets			
(a) Inventories	12	197,534.63	200,772.18
(b) Financial Assets			
(i) Investments	13	-	-
(ii) Trade receivables	14	188,450.91	150,812.72
(iii) Contract Assets	14a	63,430.72	30,384.85
(iv) Cash and cash equivalents	15	447.68	2,734.32
(v) Bank Balance Other than (iv) above	15a	87.87	50.95
(vi) Loans	16	-	-
(vii) Other financial assets	17	550.41	608.97
(viii) Current tax assets (Net)	17a	2,804.81	7,152.98
(c) Other current assets	18	31,930.82	23,524.03
Total current assets		485,237.85	416,041.00
Total Assets		573,383.26	506,953.96
II. Equity and Liabilities			
Equity			
(a) Equity share capital	19	4,177.22	4,177.22
(b) Other Equity		217,263.66	221,100.07
Equity attributable to equity holders of the parent		221,440.88	225,277.29
Non-controlling interests		(16.51)	3.75
Total Equity		221,424.37	225,281.04
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	10,000.00	20,149.48
(ii) Other financial liabilities	21	796.08	877.91
(b) Provisions	22	20,772.37	18,634.91
(c) Other non-current liabilities	23	111,434.98	98,356.62
Total non-current liabilities		143,003.44	138,018.93
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	54,184.87	3,811.03
(ii) Trade payables	25		
(A) Micro & Small Enterprises		3,885.49	2,998.39
(B) Other than Micro & Small Enterprises		70,289.96	63,254.44
(iii) Other financial liabilities	26	12,371.86	12,479.03
(b) Other current liabilities	27	41,958.58	39,709.11
(c) Provisions	28	26,110.12	21,401.98
(d) Current tax liabilities (Net)	29	154.56	-
Total current liabilities		208,955.45	143,653.99
Total Equity and Liabilities		573,383.26	506,953.96

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

 As per our report of even date attached
For SUNDARAM & SRINIVASAN
 Chartered Accountants
 Firm Registration Number: 004207S

For and on behalf of the Board of Directors

CA. P MENAKSHI SUNDARAM
 Partner
 Membership No.: 217914

AJIT KUMAR SRIVASTAV
 Director (Finance) (I/c)
 (DIN 08741858)

M V RAJASEKHAR
 Chairman & Managing Director (I/c)
 (DIN 08467141)

 Place: Bengaluru
 Date: 11-06-2021

S V RAVI SEKHAR RAO
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	Note No.	For the year ended 31st March 2021	For the Year ended 31st March 2020
I Revenue from operations	30	355,664.14	302,543.50
II Other income	31	6,016.47	4,856.05
III Total Income (I+II)		361,680.61	307,399.55
IV Expenses:			
Cost of materials consumed	32	203,727.47	188,155.82
Purchase of stock-in-trade	33	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	87.61	(29,147.08)
Employee benefits expense	35	85,194.61	84,807.16
Finance costs	36	3,940.35	4,073.54
Depreciation and amortization expense	3,5	7,137.78	7,237.97
Other expenses	37	52,881.32	50,335.65
Total Expenses (IV)		352,969.15	305,463.06
V Profit / (Loss) before exceptional items and tax (III-IV)		8,711.46	1,936.48
VI Add/ (Less) : Exceptional items	38	-	-
VII Profit / (Loss) before tax (V-VI)		8,711.46	1,936.48
VIII Tax expense:			
(1) Current tax	10 a	3,263.01	-
(2) MAT credit entitlement	10 a	-	-
(3) Deferred tax	10 a	(1,421.59)	(4,431.99)
IX Profit / (Loss) for the year from continuing operations (VII-VIII)		6,870.04	6,368.47
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) for the year (IX+XII)		6,870.04	6,368.47
XIV Other Comprehensive Income			
A(i) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit (liability) / asset		(8,106.06)	(4,897.99)
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 b	570.97	543.69
B(i) Items that will be reclassified to profit or loss		-	-
Exchange differences on translation of foreign operations		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year		(7,535.09)	(4,354.30)
XV Total Comprehensive Income for the year (XIII+XIV)		(665.05)	2,014.17
Profit for the year		6,870.04	6,368.47
Attributable to:			
Equity holders of the Group		6,890.30	6,384.52
Non-controlling interests		(20.26)	(16.05)
Total Comprehensive Income for the year		(665.05)	2,014.17
Attributable to:			
Equity holders of the Group		(644.79)	2,030.22
Non-controlling interests		(20.26)	(16.05)
XVI Earnings per equity share: (₹10/- each) in ₹			
Basic and diluted	39(A)	16.50	15.29

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

As per our report of even date attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 004207S

For and on behalf of the Board of Directors

CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914

AJIT KUMAR SRIVASTAV
Director (Finance) (I/c)
(DIN 08741858)

M V RAJASEKHAR
Chairman & Managing Director (I/c)
(DIN 08467141)

Place: Bengaluru
Date: 11-06-2021

S V RAVI SEKHAR RAO
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	For the year ended 31st March 2021		For the Year ended 31st March 2020	
	Sub items	Main items	Sub items	Main items
A. Cash flow from operating activities				
Net profit before tax and extraordinary items		8,711.46		1,936.48
<i>Adjustments for</i>				
Depreciation and amortization expense	7,137.78		7,237.97	
(Gain)/loss on disposal of property, plant and equipment	(22.69)		(23.32)	
Foreign exchange loss / (gain)	(165.48)		(64.94)	
Financing Cost	3,940.35		4,073.54	
Interest income	(50.87)		(82.85)	
Other Provisions / Allowances	(5,484.98)	5,354.11	(15,847.18)	(4,706.78)
Operating Profit / (Loss) before changes in working capital		14,065.57		(2,770.29)
<i>Adjustment for</i>				
Inventories	2,162.95		(30,693.63)	
Trade & other receivables	(66,777.40)		27,178.34	
Other current assets	(4,534.11)		(8,360.27)	
Trade payables	8,088.09		(10,379.81)	
Other payables	15,478.04	(45,582.43)	28,312.54	6,057.16
Cash generated from operations		(31,516.86)		3,286.86
Direct taxes (paid) / refunded		1,417.52		7,297.02
Net cash flow from / (used in) operating activities		(30,099.34)		10,583.89
B. Cash flow from investing activities				
Purchase of property, plant and equipment	(4,591.90)		(5,214.95)	
Purchase of intangible assets	(622.05)		(500.22)	
Sale of property, plant and equipment	263.25		502.45	
Sale of intangible assets	-		-	
Interest Received	47.17		84.49	
Net cash flow from / (used in) investing activities		(4,903.53)		(5,128.23)
C. Cash flow from financing activities				
Proceeds/(Repayments) from/of Non-Convertible Debentures	(10,000.00)		-	
Proceeds/(Repayments) of Soft loan	(149.48)		(146.06)	
Financing Cost	(4,279.57)		(4,071.04)	
Adjustment in retained earnings	264.88		7,020.23	
Dividend & Tax paid for equity shares	(3,456.50)		(2,510.24)	
Net cash flow from / (used in) financing activities		(17,620.67)		292.89
Net increase/(decrease) in cash and cash equivalents		(52,623.55)		5,748.56
Cash and Cash Equivalents, Beginning of the year		(1,025.77)		(6,774.33)
Cash and Cash Equivalents, Ending of the year (Refer Note 15 d)		(53,649.32)		(1,025.77)

For and on behalf of the Board of Directors

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration Number: 004207S

CA. P MENAKSHI SUNDARAM

Partner

Membership No.: 217914

AJIT KUMAR SRIVASTAV

Director (Finance) (I/c)

(DIN 08741858)

M V RAJASEKHAR

Chairman & Managing Director (I/c)

(DIN 08467141)

Place: Bengaluru

Date: 11-06-2021

S V RAVI SEKHAR RAO

Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2021

A. Equity share capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance as on 01.04.2020	41,644,500	4,164.45
Changes in equity share capital during the year	-	-
Balance as on 31.03.2021	41,644,500	4,164.45

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Items of OCI		Nonimara Award Reserve	Capital Redempti on Reserve	Debenture Redemption Reserve	Total attributable to Equity holders of the Group	Non- controlling interests	Total Equity
	Capital Reserve	Capital Reserve on Consolidati on	Share Premium	General Reserve	Retained Earnings	Other items of OCI	Foreign Currency Translation Account						
Balance as on 01.04.2020	105.82	26.60	61,204.09	118,997.02	48,297.62	(15,042.52)	-	1.44	10.00	7,500.00	221,100.07	3.75	221,103.82
Reinstatement Adjustment on account of prior period items	-	-	-	-	264.88	-	-	-	-	-	264.88	-	264.88
Reinstated Balance as on 01.04.2020	105.82	26.60	61,204.09	118,997.02	48,562.50	(15,042.52)	-	1.44	10.00	7,500.00	221,364.95	3.75	221,368.70
Reversal of PPA adj	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit / (Loss) for the year	-	-	-	-	6,890.30	-	-	-	-	-	6,890.30	(20.26)	6,870.04
Other Comprehensive Income for the year	-	-	-	-	-	(7,535.09)	-	-	-	-	(7,535.09)	-	(7,535.09)
Total comprehensive income for the year	-	-	-	-	6,890.30	(7,535.09)	-	-	-	-	(644.79)	(20.26)	(665.05)
Transfer to - General Reserve/Retained Earnings	-	-	-	-	2,500.00	-	-	-	-	(2,500.00)	-	-	-
Transaction with owners - Dividend	-	-	-	-	(3,456.50)	-	-	-	-	-	(3,456.50)	-	(3,456.50)
- Tax on Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31.03.2021	105.82	26.60	61,204.09	118,997.02	54,496.31	(22,577.61)	-	1.44	10.00	5,000.00	217,263.66	(16.51)	217,247.15

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

CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914

AJIT KUMAR SRIVASTAV
Director (Defence & Finance)
(DIN 08741858)

M V RAJASEKHAR
Chairman & Managing Director (I/c)
(DIN 08467141)

Place: Bengaluru
Date: 11-06-2021

S V RAVI SEKHAR RAO
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 01.04.2020	Additions during the year	Deduction / Re- classification & Adjustments during the year	As at 31.03.2021	As at 01.04.2020	For the Year	Deduction / Re- classification & Adjustments during the year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Land										
Free Hold	1,286.25	347.93	-	1,634.18	0.01	-	-	0.01	1,634.17	1,286.24
Lease Hold	8,542.16	-	-	8,542.16	205.60	42.25	0.63	248.48	8,293.68	8,336.56
Buildings	15,649.86	255.83	(16.93)	15,888.76	3,398.27	581.18	(17.69)	3,961.76	11,927.00	12,251.59
Plant and Equipment	42,759.01	2,694.78	(22.15)	45,431.64	14,137.28	3,405.63	(22.49)	17,520.42	27,911.22	28,621.73
Furniture and Fixtures	673.74	107.34	(1.00)	780.08	400.84	60.52	(0.22)	461.14	318.94	272.90
Vehicles										
Given on Lease	532.27	11.85	(104.17)	439.95	154.57	67.91	(69.04)	153.44	286.51	377.69
Own Use	1,789.49	332.76	(276.76)	1,845.49	518.71	217.88	(72.57)	664.02	1,181.47	1,270.78
Office Equipment	506.89	90.67	(2.64)	594.92	268.96	76.43	(2.27)	343.12	251.80	237.93
Roads and Drains	1,810.88	35.56	-	1,846.44	1,411.07	188.75	-	1,599.82	246.62	399.81
Water Supply Installations	277.62	80.11	21.07	378.80	77.74	21.60	21.07	120.41	258.39	199.88
Railway sidings	886.40	-	-	886.40	463.27	73.75	-	537.02	349.38	423.13
Electrical Installation	2,438.51	71.96	(28.81)	2,481.66	1,170.52	271.03	(28.94)	1,412.61	1,069.05	1,267.99
Jigs and Fixtures	2,480.26	271.71	-	2,751.97	2,200.18	213.28	-	2,413.46	338.51	280.08
Special Tools	2,066.99	264.75	-	2,331.74	1,350.31	507.96	-	1,858.27	473.47	716.68
Computers and Data processing units	2,154.00	678.84	(33.10)	2,799.74	1,163.92	347.65	(32.27)	1,479.30	1,320.44	990.08
Total Tangible Assets	83,854.33	5,244.09	(464.49)	88,633.93	26,921.25	6,075.82	(223.79)	32,773.28	55,860.65	56,933.07
Previous Year	79,281.49	5,233.18	(660.34)	83,854.33	20,874.68	6,227.79	(181.21)	26,921.26	56,933.07	58,406.80

Note 3a: Consolidated Right of Use Assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment				Net Carrying value	
	As at 01.04.2020	Additions during the year	Deduction / Re- classification & Adjustments during the year	As at 31.03.2021	As at 01.04.2020	For the Year	Deduction / Re- classification & Adjustments during the year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
ROU Assets										
Buildings	984.39	-	-	984.23	109.80	112.41	-	222.05	762.18	874.59
Total Right of use Assets	984.39	-	-	984.23	109.80	112.41	-	222.05	762.18	874.59
Previous Year	-	984.39	-	984.39	-	109.80	-	109.80	874.59	-

A. Carrying value of vehicles own use includes equipment offered to customers for trials on No Cost No Commitment (NCNC) basis ₹1046.80 Lakhs (Previous Year - ₹1355.04 Lakhs).

B. Property, Plant and Equipment

- i) Buildings include carrying value of building at Mumbai and Ranchi pending registration / katha transfer at ₹11.25 Lakhs (Previous Year - ₹15.34 Lakhs)
- ii) The group has taken land

measuring 1109 acres and two workshops on lease for a period of 10 years vide Lease Agreement dated 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 Group had incurred on the above land a sum of ₹1452.95 lakhs (with carrying value - ₹859.05 Lakhs) on Buildings (Previous Year - ₹903.83 lakhs) included in Property, Plant and Equipment as at year end.

Vide order dated 09.07.2013, the Hon'ble Supreme Court of India upheld the decision of the Union Government to float a global tender of BGML assets with an observation about the existence of sub-lease of a portion of the land to BEML Ltd expiring on 28.04.2014 to be included in the tender documents. The group filed an Interlocutory application before the Hon'ble Supreme Court of India, praying for exclusion of land leased to BEML from the purview of global tender, which was dismissed. Since the lease agreement provides for the continuation of the lease even after the expiry of lease period on 28.04.2014 till the final decision of the group / 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.

- iii) Lease hold Land includes leased land allotted by Kerala Industrial Infrastructure Development Corporation (KIIDC) measuring 374.59 acres for a lease premium of ₹2547.21 Lakhs (excluding

Service Tax) (Previous Year - ₹2547.21 Lakhs excluding Service Tax) for 99 years lease period with effect from 01.07.2009. The actual land handed over by KIIDC was measuring 374.16 acres and the revised lease premium payable is ₹2544.29 Lakhs only. Adjustment in financial statement will be made on formal amendment of lease agreement by KIIDC.

- iv) 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).
- v) Lease Hold Land includes Land at cost ₹129.41 Lakhs at Hyderabad which was due for registration on completion of development of showroom. However, showroom could not be developed and commercial activity did not commence within the stipulated time of 24 months. The TSIIC vide letter dated 22.09.2020 has cancelled the said allotment. The Company has requested TSIIC vide letter dated: 20.02.2021 to review the decision of cancellation of allotment and take necessary steps to register the sale deed in favour of the Company, alternatively Market Price or the rate at which TSIIC is allotting the similar Land may be paid to the Company. Reply awaited.
- 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) Land parcels measuring 560 acres at Mysore costing ₹307.58 Lakhs (including additional compensation of ₹183.57 Lakhs demanded by KIADB) for which title deeds have to be obtained from KIADB. As per the demand of KIADB, provision of interest amounting to ₹593.33

- Lakhs (Previous Year - ₹566.48 Lakhs) up to period 31st March 2021 has been made. Karnataka High Court vide order dated 11.02.2021 has ordered BEML to make payment of ₹183 Lakhs along with interest @8% p.a. from 26.04.1988 (till the month of payment) within 6 months from the receipt of order for execution of the sale deed. The same is in progress.
- viii) Free Hold Land measuring 3.647 acres of land, surrendered to BBMP against TDR (at cost) is ₹4.58 Lakhs. Free Hold Land measuring 1.937 acres of land surrendered to BBMP for which TDR yet to be received (at cost) is ₹2.43 Lakhs. Above TDR will be utilised for further construction.
- ix) Group has taken action to obtain title documents in respect of the following immovable properties.
- (1) Flat at Roshan comp, Madras - ₹4.04 Lakhs.
 - (2) Flat at Ashadeep, New Delhi - ₹2.80 Lakhs.
 - (3) Office building at Nagpur - ₹27.18 Lakhs.
- x) The Group has initiated legal action to obtain possession of 1.88 acres of Land out of 5 acres at Tatisilwai, Arra village, Ranchi.
- xi) For details of property, plant and equipment hypothecated by way of a first charge against borrowings and other facilities availed, refer Note no. 20 and 24
- xii) For information on estimated capital contracts pertaining to the acquisition of property, plant and equipment, refer Note no. 39 D II a.
- xiii) Out of 1870.30 Acres of Land allotted to BEML Limited- KGF by Government of Karnataka (under Government Grant order - free of cost), 114 Acres are under reconciliation with DC, Kolar. 967.20 Acres (294.00 acres in survey no.3 and 673.20 acres in survey no.2) of unutilized land have been taken back by state government vide letter no. LND/CR/-64/2020-21, Dated 12.11.2020 (free of cost).
- xiv) In EM Division, Freehold Land measuring 45 Acres & 156 Guntas capitalized during the year for Wind Mill at Mittalkode, Dammur and Tuggaldoni Village, Karnataka.
- xv) Lease Hold Land (MAMC) includes Land measuring 193.67 acres valuing ₹540.55 Lakhs (carrying value ₹448.95 Lakhs) taken on lease from Asansol Durgapur Development Authority, Durgapur for a period of 60 years.
- xvi) The land is taken on lease from urban development dept, Govt of West Bengal for a period of 60 (sixty) years on 7th March, 2011. This has been capitalised in the books of the Group. As per the stipulations mentioned in the said lease deed in point no. 25 and subsequent clauses, the Group has not started the factory within two years w.e.f 07th March 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 Group, 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.
- C.** Amount of borrowing cost capitalised on addition of assets during the year is as under:
- Plant & Machinery : ₹NIL Lakhs
- D.** Since there is no investment property in the Group as on 31.03.2021, fair value of investment property is Nil (Previous Year - Nil)

Note 4: Capital work-in-progress

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Building	134.26	364.45
Equipment under inspection and in transit	-	-
Machinery	587.19	1,009.18
Others	168.80	168.80
Total	890.25	1,542.44

Note 5: Consolidated Intangible assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated amortisation and impairment				Net Carrying value	
	As at 01.04.2020	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2021	As at 01.04.2020	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Computer software	2,844.66	103.33	-	2,947.99	1,518.69	484.83	3.80	2,007.32	940.67	1,325.97
Technical Know how	5,755.91	15.26	-	5,771.17	2,807.69	464.72	(3.94)	3,268.47	2,502.70	2,948.22
TDR against Land	7.01	-	-	7.01	-	-	-	-	7.01	7.01
Total Intangible Assets	8,607.58	118.59	-	8,726.17	4,326.38	949.55	(0.14)	5,275.79	3,450.38	4,281.20
Previous Year	8,107.36	500.22	-	8,607.58	3,426.00	900.38	-	4,326.38	4,281.20	4,681.36

Note 6: Intangible assets under development (internally generated)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Technology for CABIN & Email System	503.46	-
Total	503.46	-

Note 7: Non-current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
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

- 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, 2021 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. The company had issued corporate guarantee to Bank (SBI) for facilities extended to BEML Midwest Limited, for ₹1912.50 Lakhs. The bank has offered One Time Settlement of ₹182.91 Lakhs against this claim which was settled by the Company on 23.11.2020 and the Corporate Guarantee has got discharged accordingly. The case pending before Debt Recovery Tribunal (DRT) has been closed.

The movement in the allowance for impairment of investment is as follows: (₹ in Lakhs)

Particulars	2020-2021	2019-2020
Balance at the beginning of the year	542.25	542.25
Impairment losses recognised	-	-
Written off during the year	-	-
Credited to profit or loss	-	-
Balance at the end of the year	542.25	542.25

Note 8: Non-Current - Loans

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Lease Deposits	10.99	9.96
Inter Corporate Loan	-	-
Total	10.99	9.96

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 31st March 2021	As at 31st March 2020
Security Deposit with Customers	-	-
Deposit with service providers	45.64	54.32
Total	45.64	54.32

Note 10: Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deferred Tax Liabilities (DTL)		
Property, plant and equipment	4,469.64	4,058.45
Total DTL (A)	4,469.64	4,058.45
Deferred Tax Assets (DTA)		
Timing differences under the Income Tax Act, 1961	24,193.44	24,829.99
Others	-	13.12
Gratuity / Leave Liability	-	55.02
Total DTA (B)	24,193.44	24,898.13
Net Total (B-A)	19,723.80	20,839.68

Note 10: Income taxes

The substantively enacted tax rate as on 31 March 2021 is 34.94% and as on 31 March 2020 was 34.94% for deferred tax purposes.

a) Amount recognised in profit or loss

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Current tax expense:		
Current tax / Minimum alternate tax (MAT)	3,263.01	-
MAT credit entitlement	-	-
Adjustment of tax related to earlier years	-	-
	3,263.01	-
Deferred tax (income)/expense:		
Origination & reversal of temporary differences	(1,421.59)	(4,431.99)
Total deferred tax (income)/expense	(1,421.59)	(4,431.99)
Tax expenses	1,841.42	(4,431.99)

b) Amount recognised in OCI

(₹ in Lakhs)

Particulars	31 March 2021			31 March 2020		
	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	(8,106.06)	570.97	(7,535.09)	(4,897.99)	543.69	(4,354.30)
Total	(8,106.06)	570.97	(7,535.09)	(4,897.99)	543.69	(4,354.30)

c) Reconciliation of effective income tax rate

(₹ in Lakhs)

Particulars	31 March 2021		31 March 2020	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operation		8,711.46		1,936.48
Tax using the Group's domestic tax rate (Income tax)	34.94%	3,044.13	34.94%	676.69
Tax effect of:				
Carry Forward Loss	-8.42%	(733.07)	0.00%	-
Weighted Deduction for R and D Expenditure	-1.82%	(158.79)	-109.94%	(2,128.97)
Non deductible expenses	10.98%	956.17	75.00%	1,452.29
Minimum Alternate Tax	1.77%	154.57	0.00%	-
Tax incentive	0.00%	-	-	-
Deferred tax	-16.32%	(1,421.59)	-228.87%	(4,431.99)
Total income tax expense for the year	21.14%	1,841.42	-228.87%	(4,431.99)

d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As on 1st April 2019	Recognised in profit or loss during 2019-20	As at 31st March 2020	Recognised in profit or loss during 2020-21	As at 31st March 2021
Property, plant and equipment	(6,519.79)	2,461.34	(4,058.45)	(411.19)	(4,469.64)
Allowance for doubtful trade receivables	7,997.22	3,264.46	11,261.68	2,647.36	13,909.04
Allowance for impairment of Investments	-	-	-	189.48	189.48
Provision for Property Tax	124.93	-	124.93	-	124.93
Provision for Gratuity	1,403.71	(1,350.41)	53.30	(53.30)	-
Provision for Leave Salary	5,245.02	119.85	5,364.87	(135.54)	5,229.33
Provision for Performance Related Pay	221.89	(221.89)	-	-	-
Provision for Contributory medical Scheme	1,869.97	97.09	1,967.06	(107.69)	1,859.37
Provision for Pension	467.59	(467.59)	-	-	-
Provision for wage revision	965.74	(952.62)	13.12	(13.12)	-
Provision for pending legal cases	11.94	(7.82)	4.12	741.42	745.54
Provision for Onerous Contract	-	-	-	1.87	1.87
Provision for Direct Expenditure	-	253.63	253.63	(201.75)	51.88
DTA related to Carry forward Loss FY 2019-20	-	1,235.95	1,235.95	(1,235.95)	-
MAT Credit related to prior period	-	4,075.77	4,075.77	(3,108.44)	967.33
DTA related to Provision for Gratuity & Contributory Medical Scheme (OCI)	-	543.70	543.70	570.98	1,114.68
Net deferred tax assets / (liabilities)	11,788.22	9,051.46	20,839.68	(1,115.87)	19,723.80

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 2021		31 March 2020	
	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 2021	Expiry date	31 March 2020	Expiry date
Expire				
Carry forward business loss	-	-	(3,536.96)	31.03.2028
Never expire				
Unabsorbed depreciation	-	-	-	-
	-	-	(3,536.96)	-

A) Adoption of Income Tax Rates

The Ministry of Law & Justice, Govt. of India vide Gazette notification dated 20.09.2019 introduced section 115BAA with an option to choose revised Tax structure applicable w.e.f 01.04.2019 to Domestic Companies without claiming specific deductions u/s 35(2AB), deduction under Chapter-VIA, MAT Credit benefits, Carry Forward Business Losses, Additional Depreciation u/s 32(1)(ia) and other deductions as specified in the said section.

Based on the internal assessment, the Company has decided not to adopt the option u/s 115BAA. However, the same will be reviewed before filing the Annual Tax Return for FY 2020-21.

(₹ in Lakhs)

Note 11: Other non-current assets

Particulars	As at 31st March 2021	As at 31st March 2020
Capital Advances	158.09	150.80
Less: Allowance for doubtful Capital Advances	(21.55)	(21.55)
Advance MAMC consortium [see note (a) below]	6,487.40	6,053.89
Employee Advance	191.67	108.81
Prepayments	72.29	75.61
Gold coins on Hand	10.11	10.11
Total	6,898.01	6,377.67
Due by officers of the company	6.00	6.83

a. The Company has entered into a Consortium Agreement (MAMC Consortium) with M/s. Coal India Limited (CIL) and M/s. Damodar Valley Corporation (DVC) on 08.06.2010 for acquiring specified assets of M/s. Mining and Allied Machinery Corporation Limited (under liquidation). The agreement, inter-alia, provided for formation of a Joint Venture company with a shareholding pattern of 48:26:26 among BEML, CIL and DVC respectively. The Company has paid the proportionate share of ₹4800.00 Lakhs towards the total bid consideration of ₹10000.00 Lakhs towards the said acquisition, based on the order passed by the Hon'ble High Court of Calcutta. The said assets are taken possession by the MAMC Consortium. Further, the Company has incurred a sum of ₹ 1687.40 Lakhs (Previous Year - ₹1253.89 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 ₹ 6487.40 Lakhs (Previous Year - ₹6053.89 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, independent valuation of the assets taken over has been done and there is no diminution in value of investments. Formulation of business plan and approval of shareholders' agreement from MOD 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 ₹603.36 Lakhs (Previous Year - ₹602.80 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 31st March 2021	As at 31st March 2020
Raw materials & Components	50,011.53	54,735.02
Less: Allowance for obsolescence - Raw Material	(2,026.18)	(1,659.91)
Raw materials & Components in Transit	2,843.71	1,291.69
Stores and Spares	1,923.90	1,850.51
Work-in-Progress	86,921.89	87,582.63
Less: Allowance for obsolescence - WIP	(1,372.75)	(923.60)
Finished Goods	28,992.77	28,672.20
Less: Allowance for obsolescence - Finished Goods	(1,822.54)	(1,939.57)
Finished Goods in Transit	353.43	-
Less: Allowance for obsolescence - Finished Goods in transit	-	-
Stock of Spares	33,757.08	32,470.17
Less: Allowance for obsolescence - Stock of Spares	(4,679.55)	(3,854.19)
Less: Allowance for shortages - Stock of Spares	(1,012.78)	(1,014.12)
Stock of Spares in Transit	116.85	97.59
Hand tools	2,091.90	2,259.65
Scrap	1,414.87	1,183.62
Patterns & Other Materials	20.50	20.48
Unrealised Profit on Stock	-	-
Total	197,534.63	200,772.18

- a. Raw materials & Components include materials lying with sub contractors ₹2547.25 Lakhs (Previous Year - ₹2268.11 Lakhs). Of these, confirmation from the parties is awaited for ₹454.82 Lakhs (Previous Year - ₹331.85 Lakhs).
- b. The closing stock of work-in-progress and finished goods are stated at lower of standard cost, which approximates to actuals, and net realisable value. The difference between the actual cost of production and the standard cost is not material.
- c. Variances arising on account of difference between standard cost and the actual cost, on account of change in the nature of inputs from bought-out to internally manufactured or vice versa, timing difference between standard cost and actual occurrence during the financial period and fluctuations in the material prices, is adjusted in the cost of production in order not to carry forward the period variances to subsequent financial period.
- d. Allowance towards obsolescence is made as per the Board approved provisioning norms and is based on ageing of inventory.
- e. Stock of Spares include 2831 items of inventory which were carried at "Zero Cost" have been rectified and revalued at ₹264.88 Lakhs on conservative basis after due verification & analysis. The impact has been adjusted against Retained Earnings as on 01.04.2020.

Note 13: Current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
	-	-
Total	-	-

Note 14: Trade receivables

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Outstanding for period exceeding six months *	30,392.77	34,436.79
Others	159,558.15	116,375.94
Unsecured, considered doubtful		
Outstanding for period exceeding six months	27,394.99	22,524.83
Allowance for bad and doubtful trade receivables	(28,894.99)	(22,524.83)
Total	188,450.91	150,812.72

* Trade receivables - Outstanding for period exceeding six months include ₹9507.47 Lakhs (Previous Year ₹9507.47 Lakhs) towards PMS Bridge contract, in respect of the following :

- i) amount outstanding towards exchange rate difference and escalation for import of components in respect of a long term contract for Design, Development and Supply, entered into with Ministry of Defence (MoD) in 2001 ₹4929.12 Lakhs and
- ii) Dollies supplied to MoD ₹4578.35 Lakhs.
- iii) This contract provided for import content denominated in US Dollar with a clause for escalation and exchange rate variation. Since BEML's claim for exchange rate variation for part of the supply was in EURO, the customer insisted for contract amendment in this regard. The company has received the requisite amendment to the contract in this regard from MOD towards acceptance of BEML's claim on account of exchange rate variation in Euro. Accordingly claims have been lodged which are under process.
- iv) In respect of Dollies, all the Dollies (66 no's) have been supplied to the customer.

The movement in the allowance for bad and doubtful trade receivables is as follows:

(₹ in Lakhs)

Particulars	2020-21	2019-20
Balance at the beginning of the year	22,524.83	19,018.66
Impairment losses recognised	9,008.97	4,332.34
Written off during the year	(2,638.81)	(682.56)
Credited to profit or loss	-	(143.61)
Transfers to allowance for doubtful claims (note 18)	-	-
Balance at the end of the year	28,894.99	22,524.83

Note 14a: Contract Assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Rail & Metro	62,662.45	30,384.85
Mining & Construction	-	-
Defence	768.27	-
Total	63,430.72	30,384.85

Note 15: Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with Banks	447.68	2,734.32
Cash on hand	-	-
Total	447.68	2,734.32

Note 15a: Bank Balance Other than (Note 15) above

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with Banks - Unclaimed Dividend	87.87	50.95
Total	87.87	50.95

- 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:
 ESCROW account balance to be distributed among consortium members ₹329.22 Lakhs (Previous Year - ₹2666.43 Lakhs)
- c. Out of the Cash Credit Limit of ₹120000 Lakhs sanctioned to the Group by Consortium Bankers, the amount drawn by the Group as on 31st March is ₹54184.87 Lakhs (Previous Year ₹3811.03 Lakhs) (Refer Note No. 24).
- d. Unclaimed Dividend Balances includes TDS (pending adjustment) of ₹ 29.90 lakhs
- e. For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Balances with Banks	447.68	2,734.32
Balances with Banks - Unclaimed Dividend	87.87	50.95
Cheques, drafts on hand	-	-
Cash on hand	-	-
Less: Bank overdraft/Cash credit facility	(54,184.87)	(3,811.03)
Total	(53,649.32)	(1,025.77)

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 31st March 2021	As at 31st March 2020
Unsecured, considered good		
Lease Deposits	-	-
Inter Corporate Loan	-	-
Total	-	-

Note 17: Current - Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Security Deposit with Customers	107.39	107.39
Earnest Money Deposit	58.33	89.33
Deposit with service providers	379.25	410.52
Interest accrued on bank deposits	5.44	1.74
Derivative asset	-	-
Total	550.41	608.97

For an understanding of the Company's derivative transactions, refer Note no. 39N on derivatives.

Note 17a: Current tax assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advance Income Tax	-	200.00
Income Tax Refund	2,533.40	6,489.51
Tax Deducted at Source	271.41	463.47
Total	2,804.81	7,152.98

Note 18: Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances to Related Parties	135.51	135.51
Less: Allowance for doubtful advances to Vendors	(135.51)	-
Balances with Public Utility concerns	703.40	679.99
Less: Allowance for doubtful Balances with Public Utility concerns	(171.21)	(170.51)
Balances with Govt. departments for Customs Duty, Excise Duty, GST etc.,	94.84	1,133.94
Advance to Vendors	20,753.58	12,692.54
Less: Allowance for doubtful advances to Vendors	(3,673.78)	(3,868.39)
Employee Advance	262.73	296.19
Duties and Taxes	3,176.56	3,121.42
Indirect Taxes -GST	1,962.69	2,280.20
Prepayments	1,680.85	1,643.53
Claims receivable	13,402.54	10,748.58
Less: Allowance for doubtful claims	(6,949.71)	(5,684.77)
GST on stock transfers	688.32	515.81
Unbilled revenue	-	-
Total	31,930.82	23,524.03
Due by Officers of the Company	25.42	31.48

Claims Receivable includes ₹ 3839.12 Lakhs receivable from Railway Board (Previous Year -₹3839.12 Lakhs) for which an Inter-Ministerial Committee was 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.

Accordingly, claims valuing ₹1616.13 Lakhs is considered good or covered in payable to Sub-Contractors on back to back terms. The Group doesn't expect any material impact on the final realization of the above amounts.

Note 19 : Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number	Amount	Number	Amount
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				
	2020-21	2019-20	2018-19	2017-18	2016-17
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 :

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	Number of Shares	Amount	Number of Shares	Amount
Outstanding as at Opening Date	41,644,500	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	41,644,500	4,164.45	41,644,500	4,164.45

Equity Shares held by shareholders having 5% or more	As at 31st March 2021		As at 31st March 2020	
Name of the shareholder	Number of Shares	% held	Number of Shares	% held
President of India	22,500,000	54.03	22,500,000	54.03
HDFC Trustee Company Limited (PAN wise)	3,673,834	8.82	3,619,881	8.69

No shares of the Group is held by its subsidiaries. The Group does not have any holding company.

No shares of the Group is reserved for issue under options and contracts/commitments for the sale of shares / disinvestment.

The Board of Directors had approved an Interim Dividend of ₹4.80 per equity share i.e 48% on equity shares of ₹10 each on 10.02.2021 which was distributed among eligible shareholders.

The Board of Directors in their meeting held on 11-06-2021 recommended a dividend of ₹1.20/- per equity share (i.e., 12%) for the financial year ended 31st March 2021, subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, this would result in a cash outflow of approximately ₹499.73 Lakhs.

Note 20: Non-current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2021		As at 31st March 2020	
	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	10,000.00	20,000.00	10,000.00
Term Loans				
(a) Secured from Banks	-	-	-	-
(b) Unsecured from other parties				
i. Soft Loan - Interest Free Loan from Govt of Kerala	-	149.48	149.48	149.48
	-	149.48	149.48	149.48
Total	10,000.00	10,149.48	20,149.48	10,149.48

Maturity Pattern of Secured Redeemable Non-convertible Debentures :

(₹ in Lakhs)

Coupon Rate	2021-22	2022-23
9.24% p.a Payable semi-annually on 18th May & 18th November every year	10000.00	10000.00

Terms of repayment of Soft Loan - Interest free Loan from Govt. of Kerala (₹ in Lakhs)

Particulars	2021-22
Soft Loan - Interest free Loan, Re-payable in 10 equal installments in 5 years	188.80

Note 21: Non-current - Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Deposit from vendors	41.60	41.60
Lease Liability	754.48	836.31
Total	796.08	877.91

Note 22: Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
for Leave Salary	11,134.25	12,032.19
for Post retirement medical scheme	5,339.10	3,147.66
Provision-others		
for warranty	196.00	150.00
for unexpired obligations	4,103.02	3,305.06
Total	20,772.37	18,634.91

- For movement in the provisions during the year refer Note no. 28
- The provision for employee benefits represents annual leave and vested long service entitlements accrued.
- Warranty provisions are recognised on a contract-by-contract basis for goods sold over the warranty period. The provision is based on estimates of probable likelihood of product failure and returns based on current sales level and past experience.
- Provision for unexpired obligations is towards supply of Backup Spares against guaranteed availability contracts.

Note 23: Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Advances from customers	111,403.34	98,286.74
Staff related	31.64	30.57
Statutory Dues	-	-
Deferred government grant	-	39.32
Total	111,434.98	98,356.62

- a. Group received an interest free loan of ₹944.00 Lakhs from Government of Kerala (Note 20). The same has been initially recognised at fair value and the difference between the proceeds and fair value is recognised as deferred government grant.

The government grant income is amortised to profit or loss on a straight line basis over the term of interest free loan (Note 31).

Note 24: Current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
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)	54,184.87	3,811.03
Unsecured	-	-
Total	54,184.87	3,811.03

Note 25: Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Total outstanding dues of micro & small enterprises	3,885.49	2,998.39
Total outstanding dues of creditors other than micro & small enterprises	70,289.96	63,254.44
Total	74,175.45	66,252.84

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 31st March 2021	As at 31st March 2020
Amount due and Payable at the year end		
- Principal	1.47	26.37
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	56.16	143.58
- Interest	-	-
Interest due and payable for principals already paid	0.71	2.56
Total Interest accrued and remained unpaid at year end	0.71	2.56
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23 of MSMED Act, 2006.	8.42	7.71

Note 26: Current - Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Current maturities of long term debt (refer note 20)	10,149.48	10,149.48
Lease Liability	81.83	79.54
Deposit from vendors	1,023.31	763.63
Earnest Money Deposit from vendors	380.82	417.77
Interest accrued but not due on borrowings	678.44	1,017.67
Unclaimed dividend	57.98	50.95
Total	12,371.86	12,479.03

Note 27: Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Other payables		
a. Staff related dues	1,896.16	1,296.02
b. Statutory dues	11,457.46	5,458.93
c. Advances from customers	19,535.23	20,974.33
d. Service vendors	5,725.50	8,390.46
e. Civil contractors and Capital payments	3,296.50	3,542.35
Interest due on MSE vendors	8.42	7.71
Deferred government grant (refer note 23 a)	39.32	39.32
Total	41,958.58	39,709.11

Civil contractors and Capital payments includes ₹2354.92 Lakhs (Previous Year - ₹2354.92 Lakhs) pertaining to Bank Guarantee Encashed against 18MW Windmill project due to Non fulfilment of Contractual obligation.

Note 28: Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for employee benefits		
for Gratuity	6,804.82	4,572.27
for Leave Salary	3,834.91	3,322.97
for Performance Related Pay	623.87	425.00
for Post retirement medical scheme	3,171.79	4,037.02
for Officers Pension	1,648.72	1,604.00
for Wage revision	191.85	178.36
Provision-others		
for pending legal cases	2,133.52	11.79
for warranty	7,089.60	6,424.96
for unexpired obligations	605.69	705.43
for onerous contract	5.36	120.18
Total	26,110.12	21,401.98

Provision for Pending Legal Cases includes the following:

- 1) The Payment of Gratuity Act was amended to enhance the maximum limit from ₹3.50 Lakhs to ₹10 Lakhs effective from 24.05.2010. BEML also implemented the same w.e.f. 24.05.2010.
- 2) A Writ petition was filed with Hon'ble High Court of Karnataka which included 209 ex-executives of BEML who superannuated between 01.01.2007 (pay revision date) and 23.05.2010, for payment of Gratuity at the enhanced limit of ₹10 Lakhs w.e.f 01.01.2007 as mentioned in DPE Pay Revision circular dtd 26.11.2008.
- 3) Hon'ble High Court of Karnataka Vide order dtd 05.03.2021 has held that Gratuity arrears be paid to those and who have superannuated between 01.01.2007 to 23.05.2010 along with interest from the due date of payment till such amount is paid.
- 4) The Company is in the process of filing an SLP with the Hon'ble Supreme Court of India challenging the Hon'ble Karnataka High Court's order.
- 5) However as per Company's Board norms, a Provision @ 90% of the Liability (including interest) amounting to ₹2060.64 Lakhs has been made in the books of Accounts for 400 ex-executives and non-unionized employees who are covered by DPE Pay Revision circular dtd 26.11.2008, on the principle of conservatism.

Movement in Provisions

(₹ in Lakhs)

Particulars	As at 01.04.2020		Additions	Utilization	Reversal	As at 31st March 2021	
	Non-current	Current				Non-current	Current
Gratuity	-	4,572.27	6,709.45	4,476.90	-	-	6,804.82
Leave Salary	12,032.19	3,322.97	5,119.20	5,505.20	-	11,134.25	3,834.91
Post retirement medical scheme	3,147.66	4,037.02	4,332.91	3,006.70	-	5,339.10	3,171.79
Performance Related Pay	-	425.00	617.70	418.83	-	-	623.87
Officers Pension	-	1,604.00	1,646.24	1,601.52	-	-	1,648.72
Pay Revision	-	178.36	13.49	-	-	-	191.85
Pending legal cases	-	11.79	2,121.73	-	-	-	2,133.52
Warranty	150.00	6,424.96	4,716.60	4,005.96	-	196.00	7,089.60
Unexpired Obligation	3,305.06	705.43	1,149.13	450.92	-	4,103.02	605.69
Onerous contract	-	120.18	5.36	-	120.18	-	5.36
Total	18,634.91	21,401.98	26,431.80	19,466.03	120.18	20,772.36	26,110.12

Note 29: Current tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Provision for Income tax	3,263.01	-
Less: MAT credit entitlement	(3,108.45)	-
Total	154.56	-

Note 30: Revenue from Operations

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
(a) sale of products:		
Castings	-	-
Earth Moving Equipment	97,915.07	79,050.10
Rail & Metro Products	128,890.53	103,356.58
Defence Products	34,065.87	28,199.96
Spare Parts	76,239.35	72,414.26
Sub-total	337,110.83	283,020.90
(b) sale of services;		
Equipment Servicing	15,363.71	16,783.99
Sub-total	15,363.71	16,783.99
(c) other operating revenues		
Wind Energy	1,800.31	1,604.80
Sale of Scrap	1,389.28	1,133.81
Sub-total	3,189.59	2,738.61
(d) Inter Segment Sales	-	-
Revenue from operations	355,664.14	302,543.50

- A. i. GST on Revenue from Operations up to March 2021 is ₹59094.65 Lakhs (Previous Year ₹55156.04 Lakhs). GST has not been included in the Revenue from Operations
- ii. Revenue includes ₹3718.45 Lakhs (Previous Year: ₹5671.18 Lakhs) on account of Sale of 21 No. of equipments "Bill and hold sales" basis recognised in accordance with Ind AS-115. This does not bear any custodian charges.
- iii. Revenue from operation includes ₹2823.53 Lakhs (Previous Year ₹1450.20 Lakhs) towards export sales.
- B. 1. Revenue is recognized over time on the contracts for metro cars supply and service contracts wherever transfer of control on goods/services and performance obligation satisfied over time. All other revenue is recognized at a point in time when control transfers.
2. Revenue from Operations include ₹79179.14 Lakhs and ₹768.27 Lakhs (Previous Year - ₹95137.06 Lakhs and ₹Nil Lakhs) recognized "over the period of time" in respect of Contracts entered with Metro Corporations for design, manufacture, supply, testing & commissioning of Metro Cars and in respect of ARV Overhauling Contracts in Defence business, respectively due to adoption of Ind AS 115 effective from 01-04-2018.
3. In case of metro supply contracts and Equipment Rehabilitation, Mining Aggregates

Repairs Contracts and overhauling contract, for determination of transaction price for the purpose of recognizing revenue over time, Input Method has been considered.

4. Following are the closing and opening balances of Receivables, Contract Assets and Contract liabilities (which are measured under Input Method);

(₹ in Lakhs)

Details	Balance as on 31.03.2021	Balance as on 01.04.2020
Receivables	12,786.85	29,218.80
Contract Assets	63,430.72	30,384.85

5. Payments under the Metro Supply Contracts are released by customers upon completion of milestones of Cost centers identified in the contracts.
6. Payments are released by customers under Equipment Rehabilitation and Aggregates Repairs Contracts upon completion of Repair/Rehabilitation, delivery and acceptance of the items at Customer site as indicated in the Contract.
7. Warranties: In respect of Metro Contracts, Defect Liability periods starts from the date of taking over of Train sets by the Customer.
Comprehensive warranty is provided for a period of 24 months from the date of acceptance. (Defence Equipments).
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. ₹301621.64 Lakhs and ₹165.65 Lakhs (Previous Year - ₹375026.30 Lakhs for Metro Contracts and ₹Nil Lakhs for Defence Equipment), is the aggregate amount of transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period and Company expects to recognize this revenue in the 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	2020-21	2019-20
Opening Balance of Contract Asset	30,384.85	48,916.36
Add: Recognised During the Year	79,947.41	95,137.06
Total	110,332.26	144,053.42
Contract Assets Billed During the year	(46,901.54)	(113,668.57)
Contract Assets as on reporting date	63,430.72	30,384.85

Note 31: Other income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Interest Income		
- From Deposits	-	-
- From Inter Corporate Loans	-	58.59
- From Loans to Subsidiary	5.96	-
- From Income tax refund	709.23	52.94
- Finance income on lease deposits	1.03	0.90
- Others	43.88	23.36
Government grant income	42.73	42.73
Export incentives	48.75	82.78
Dividend Income		
- Dividend Received from Subsidiary	-	-
- Other Dividends	-	-
Net gain on sale of property, plant and equipment	25.89	23.37
Provisions written back		
- Doubtful trade receivables & advances	2,661.14	204.45
- Others	397.50	1,643.90
Foreign exchange gain	-	1,153.35
Other non-operating income	2,080.37	1,569.68
Total	6,016.47	4,856.05

a. Tax Deducted at Source on Income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
a) Interest on Loans to Subsidiary	0.45	-
b) Inter Corporate Loans	-	5.86
c) Others	-	-

Note 32: Cost of materials consumed

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Cost of materials consumed	203,727.47	188,155.82

Note 33: Purchase of stock-in-trade

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
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 31st March 2021	For the Year ended 31st March 2020
Opening Stock		
Finished goods	26,732.63	15,159.93
Work-in-progress	86,659.03	69,609.25
Scrap	1,183.62	659.02
	114,575.28	85,428.20
Closing Stock		
Finished goods	27,523.66	26,732.63
Work-in-progress	85,549.14	86,659.03
Scrap	1,414.87	1,183.62
	114,487.67	114,575.28
(Increase) / Decrease		
Finished goods	(791.03)	(11,572.70)
Work-in-progress	1,109.89	(17,049.78)
Scrap	(231.25)	(524.60)
Total	87.61	(29,147.08)

Note 35: Employee benefits expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Salaries, Wages & Bonus	63,825.74	62,907.25
Leave Salary	5,119.20	5,555.26
Contribution to:		
- Gratuity Fund	1,793.28	1,095.18
- Provident Fund and Other Funds	7,763.86	7,870.42
Post retirement medical scheme	1,143.02	975.06
Staff welfare expenses	6,172.05	7,383.36
- Less receipts	622.53	979.36
Net staff welfare expenses	5,549.52	6,403.99
Total	85,194.61	84,807.16

A. Ind AS 19 (Employee Benefits)
a. Leave Salary

This is an unfunded employee benefit plan categorized under other long term employee benefits in terms of Ind AS 19. The obligation for compensated absence has been actuarially valued and liability provided accordingly.

(₹ in Lakhs)

Actuarial Assumptions	Current Year	Previous Year
Mortality Table	2006-08 (IALM) (Ultimate)	2006-08 (IALM) (Ultimate)
Discount rate	7.18%	6.83%
Rate of escalation in salary	4.00%	4.00%

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	7.18%	6.83%
Range of compensation increase	4.00%	4.00%
Attrition rate	0.42%	0.49%
Components of income statement charge		
Current Service Cost	108.26	67.40
Interest Cost	328.16	220.65
Total income statement charge	436.42	288.05
Movements in net defined benefit liability		
Net obligation at the beginning of the year	4,570.55	3,390.12
Employer contributions	(444.23)	(663.52)
Total expense recognised in profit or loss	436.42	288.05
Total amount recognised in OCI	3,189.89	1,555.90
Net obligation at the end of the year	7,752.63	4,570.55

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Reconciliation of benefit obligations		
Obligation at start of the year	4,570.55	3,390.12
Current service cost	108.26	67.40
Interest cost	328.16	220.65
Benefits paid directly by the company	(444.23)	(663.52)
Extra payments or expenses / (income)	-	-
Obligation of past service cost	-	-
Actuarial loss / (gain) on obligations	3,189.89	1,555.90
DBO at the end of the year	7,752.63	4,570.55
Re-measurements		
Actuarial gain/(loss) due to changes in financial assumptions	-	-
Actuarial gain/(loss) on account of experience adjustments	3,189.89	1,555.90
Total actuarial gain/(loss) recognised in OCI	3,189.89	1,555.90

(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	(1,773.45)	(206.86)
- 1.00% discount rate	2,421.21	231.44
Premium cost		
+ 1.00% premium growth	2,453.26	245.99
- 1.00% premium growth	(1,816.63)	(223.14)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	7,752.63	4,570.55
Experience adjustment on plan liabilities	(1,800.68)	(439.39)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

2. Officers

For officers, from the year 2015-16 a new Post-Retirement Medical Scheme was introduced where a percentage of Basic salary and DA of officers will be contributed to a separate fund and the fund arrange to provide medical insurance to retired officers. Group has contributed 3% of the basic and DA of officers amounting to ₹706.59 Lakhs during 2020-21 for the scheme. Group has no further liability other than the contribution to the fund. Hence the scheme is a defined contribution plan and no actuarial valuation is required.

c. Interest Rate Guarantee on Provident Fund

- (i) Provident Fund Trust of the Group has to declare interest on Provident Fund at a rate not less than that declared by the Employees' Provident Fund Organisation. In case the Trust is not able to meet the interest liability, Group has to make good the shortfall. This is a defined benefit plan and the Group has got the same actuarially valued and there is no additional liability that needs to be provided for the year.

Actuarial Assumptions	Current Year	Previous Year
	(Funded)	(Funded)
Discount rate	7.18%	6.83%
Rate of escalation in salary	4.00%	4.00%
Interest Rate Guarantee on Provident Fund*	8.50%	8.50%

* Current year interest considered is provisional and previous year rate is final.

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:

Actuarial study analysis	Current Year	Previous Year
Principal actuarial assumptions		
Discount rate	7.18%	6.83%
Range of compensation increase	4.00%	4.00%
Attrition rate	0.42%	0.49%
Expected rate of return on plan assets	7.18%	7.29%
Components of income statement charge		
Current Service Cost	1,628.02	1,125.70
Interest Cost	81.93	(30.52)
Recognition of past service cost	-	-
Settlement / curtailment / termination loss	-	-
Total income statement charge	1,709.95	1,095.18
Movements in net liability/(asset)		
Net liability / (asset) at the beginning of the year	4,599.94	4,088.23
Employer contributions	(4,476.89)	(3,925.56)
Total expense recognised in profit or loss	1,793.27	1,095.18
Total amount recognised in OCI	4,916.17	3,342.09
Net liability / (asset) at the end of the year	6,832.49	4,599.94
Reconciliation of benefit obligations		
Obligation at start of the year	42,123.89	44,838.42
Current service cost	1,628.02	1,125.70
Interest cost	2,619.62	2,719.89
Benefits paid directly by the company	(8,793.58)	(9,886.68)
Actuarial loss / (gain) on obligations	4,944.27	3,326.56
DBO at the end of the year	42,522.22	42,123.89
Re-measurements		
Actuarial gain/(loss) due to changes in financial assumptions	30.29	(15.53)
Actuarial gain/(loss) on account of experience adjustments	(4,946.46)	(3,326.56)
Total actuarial gain/(loss) recognised in OCI	(4,916.17)	(3,342.09)
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	37,468.30	40,694.54
Adjustment to opening fair value of plan assets	-	-
Interest on plan assets	2,537.69	2,750.41
Contributions made	4,476.89	3,925.56
Benefits paid	(8,793.58)	(9,886.68)
Actuarial gain/(loss) on plan assets	28.10	(15.53)
Fair value of plan assets at the end of the year	35,717.40	37,468.30

(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 +50 basis pts)	(1,909.66)	(1,921.21)
Discount rate (CY -100 basis pts; PY -50 basis pts)	2,127.80	2,154.90
Salary increase		
Salary growth (CY +100 basis pts; PY +50 basis pts)	1,823.28	1,787.14
Salary growth (CY -100 basis pts; PY -50 basis pts)	(1,732.86)	(1,659.21)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	42,522.22	42,123.89
Fair value of plan assets	35,717.40	37,468.30
(Surplus)/deficit in plan assets	6,804.82	4,655.59
Experience adjustment on plan liabilities	4,945.89	3,326.56
Actual return on plan assets less interest on plan assets	157.75	(30.52)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

(v) Investment details

The plan assets under the fund are deposited under approved securities as follows:

		Current Year	Previous Year
Investment with LIC	%	100	100
Others	%	0	0

Note 36: Finance costs

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Interest expense		
On Cash Credit & Short term loans	1,264.88	932.24
On Long Term Loans	-	-
On Commercial Paper	359.97	-
On Non-convertible Debentures	1,968.25	2,772.00
On Inter Corporate Loans	-	-
On MSE vendors	-	2.51
Unwinding of discount on Interest free loan	42.73	42.73
Interest on ROU asset	76.09	82.00
Others	228.43	242.06
Total	3,940.35	4,073.54

Ind AS 23 (Borrowing Costs)

The amount of interest capitalized during the Year is ₹NIL Lakhs (Previous Year - ₹NIL Lakhs).

Note 37: Other expenses

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Consumption of stores and spare parts	512.45	536.62
Consumable Tools	607.50	613.34
Power and fuel	3,557.32	3,710.55
Rent	159.72	171.58
Hire Charges	909.03	970.44
Repairs & Maintenance		
Machinery & Equipment	394.02	410.08
Buildings	586.50	550.02
Others	1,100.14	1,043.88
Stationery	85.57	108.96
Insurance	731.72	522.95
Rates & Taxes	212.71	881.81
Bank guarantee fee and other charges	861.28	647.09
Communication expenses	299.86	338.62
Commission on sales	67.43	12.47
Remuneration to Auditors (refer note 'a' below)	26.27	28.33
Legal & Professional Charges	252.07	1,364.95
Travelling Expenses	582.30	1,368.89
Publicity & Public Relations	446.17	623.55
Loss on sale of property, plant and equipment	3.20	0.05
Provision for Obsolescence	1,208.08	909.72
Provision for Onerous contract	5.36	120.18
Defects & Spoilages	25.61	274.20
Works Contract Expenses	7,342.47	7,241.43
Expenses on Maintenance Contract	2,767.37	3,132.73
Sundry Direct Charges	2,907.31	3,937.98
Freight charges	3,710.49	3,160.17
Expenditure on CSR Activities	403.58	432.18
Provision for doubtful trade receivables & advances	10,216.49	4,620.76
Provision for pending legal cases	2,121.73	0.50
Warranty & Unexpired Obligations	4,605.94	4,680.54
Less: Transfers	(2,945.77)	(3,074.75)
Warranty & Unexpired Obligations	1,660.17	1,605.79
Liquidated damages on sales	2,649.41	25.65
Foreign exchange loss / (gain)	326.34	-
Miscellaneous expenses	6,141.66	10,970.70
Total	52,881.32	50,335.65

a. Break up of Remuneration to Auditors :

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
(a) As Auditor	15.88	15.96
(b) for taxation matter	3.12	2.97
(C) Other Services - Certification Fees	7.27	7.72
(d) Reimbursement of Expenses	-	1.68
Total	26.27	28.33

Note 38: Exceptional Items

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
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. Basic / Diluted Earnings Per Equity Share

Particulars	Current Year	Previous Year
Net Profit / (Loss) after Tax (₹ in Lakhs)	6,870.04	6,368.47
Average Number of Shares	41,644,500	41,644,500
Earnings Per Share (Basic and Diluted) –	16.50	15.29
Face Value ₹10/- Per Share (Amount in ₹)		

- B. In terms of Notification No. S.O.802(E) dated 23-02-2018 of the Ministry of Corporate Affairs, the Board at its meeting held on 27.05.2016 has given consent with regard to non-disclosure of information as required under paragraphs 5(ii) (a) (1), 5(ii) (a) (2), 5(iii) and Para 5(viii) (a), (b), (c) and (e) of Part II to Schedule III of the Companies Act, 2013, in the Annual accounts for the Financial Year 2015-16 onwards.

C. Ind AS 24 - Related Parties

In accordance with the requirements of Ind AS 24, following are details of the transactions during the year with related parties.

Name of the related party	Nature of relationship
Vignyan Industries Limited	Subsidiary
MAMC Industries Limited	Subsidiary
BEML 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. D.K. Hota	Key managerial personnel
Shri. R H Muralidhara	Key managerial personnel
Shri. Suraj Prakash	Key managerial personnel
Shri. Suresh Vastrad	Key managerial personnel
Shri. M. V. Rajasekhar	Key managerial personnel
Shri. Panner Selvam R	Key managerial personnel
Shri. Amit Banerjee	Key managerial personnel
Shri. Ajit Kumar Srivastav	Key managerial personnel
Shri. S.V.Ravi Sekhar Rao	Key managerial personnel

Transactions with related parties

- 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	31st March 2021	31st March 2020
Transactions during the year ended		
Sales	-	-
Purchases	-	-
Equity Investment held as on 31st March (at cost)	542.25	542.25
Outstanding balances		
Advances recoverable as on	135.51	135.48
Amount payable towards supplies as on	230.00	230.00
Corporate Guarantee given to Bankers [refer Note 7 (b)]	-	1,912.50

2. Remuneration to Key managerial personnel

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Shri. D.K. Hota - Chairman and Managing Director*	44.51	68.67
Shri. B R Viswanatha - Director (Mining & Construction)*	-	25.09
Shri. R H Muralidhara - Director (Defence)*	6.85	64.15
Shri. Suraj Prakash - Director (Finance)	42.82	44.84
Shri. Suresh Vastrad - Director (Rail & Metro)*	9.85	47.12
Shri. M. V. Rajasekhar - Director (Mining & Construction)	40.12	43.51
Shri. Panner Selvam R - Director (HR)*	21.12	23.98
Shri. Amit Banerjee - Director (Rail & Metro) *	20.77	-
Shri. Ajit Kumar Srivastav - Director (Defence)*	33.93	-
Shri. S.V.Ravi Sekhar Rao - Company Secretary	26.95	31.47

(* For part of the year.)

3. Details of remuneration of key managerial personnel comprises the following: (₹ in Lakhs)

Shri. D.K. Hota - Chairman and Managing Director*	31 March 2021	31 March 2020
Short-term benefits	40.49	61.88
Post-employment benefits	1.47	3.85
Other long-term benefits	2.55	2.94
Termination benefits	-	-
Shri. B R Viswanatha - Director (Mining & Construction)*	31 March 2021	31 March 2020
Short-term benefits	-	14.14
Post-employment benefits	-	0.53
Other long-term benefits	-	10.42
Termination benefits	-	-
Shri. R H Muralidhara - Director (Defence)*	31 March 2021	31 March 2020
Short-term benefits	6.43	58.34
Post-employment benefits	-	3.27
Other long-term benefits	0.42	2.53
Termination benefits	-	-
Shri. Suraj Prakash - Director (Finance)	31 March 2021	31 March 2020
Short-term benefits	38.88	39.49
Post-employment benefits	1.44	2.96
Other long-term benefits	2.50	2.39
Termination benefits	-	-
Shri. Suresh Vastrad - Director (Rail & Metro)*	31 March 2021	31 March 2020
Short-term benefits	9.30	42.23
Post-employment benefits	-	2.71
Other long-term benefits	0.55	2.17
Termination benefits	-	-
Shri. M. V. Rajasekhar - Director (Mining & Construction)	31 March 2021	31 March 2020
Short-term benefits	36.65	38.74
Post-employment benefits	1.27	2.66
Other long-term benefits	2.20	2.11
Termination benefits	-	-
Shri. Panner Selvam R - Director (HR)*	31 March 2021	31 March 2020
Short-term benefit	19.12	20.16
Post-employment benefits	0.73	1.71
Other long-term benefits	1.27	2.11
Termination benefits	-	-
Shri. Amit Banerjee - Director (Rail & Metro) *	31 March 2021	31 March 2020
Short-term benefits	19.04	-
Post-employment benefits	0.63	-
Other long-term benefits	1.10	-
Termination benefits	-	-
Shri. Ajit Kumar Srivastav - Director (Defence)*	31 March 2021	31 March 2020
Short-term benefits	31.13	-
Post-employment benefits	1.03	-
Other long-term benefits	1.77	-
Termination benefits	-	-

(* For part of the year.)

Shri. S.V.Ravisekhar Rao - Company Secretary		
	31 March 2021	31 March 2020
Short-term benefits	24.73	28.34
Post-employment benefits	0.81	1.77
Other long-term benefits	1.41	1.36
Termination benefits	-	-
Total	31 March 2021	31 March 2020
Short-term benefits	225.77	303.33
Post-employment benefits	7.38	19.46
Other long-term benefits	13.77	26.03
Termination benefits	-	-

4. Considering the wide scope of the definition of Related Party under section 2(76); Relative under section 2(77) and Key Managerial Personnel under section 2(51) of Companies Act, 2013 and the requirement under Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the disclosure with respect to Related Party transactions has been restricted to Subsidiary / Joint Venture / Associate companies and to any other Related Party as declared by Directors and Key Managerial Personnel. Accordingly, the compliance with Related Party Transactions under section 188, Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been made to the extent data is available with the Company.

D. Contingent liabilities & Commitments

I. Contingent liabilities

- a. Claims against the Group not acknowledged as debts
 - i Disputed statutory demands (Customs Duty, Central Excise, Service Tax, Sales Tax/VAT etc.,) - ₹46692.80 Lakhs (Previous Year ₹44761.43 Lakhs)
 - ii Other claims- legal cases etc. ₹12321.22 Lakhs (Previous Year ₹18901.86 Lakhs)
- b. Guarantees
Corporate Guarantee issued to bankers on behalf of M/s. BEML Midwest Ltd (Joint Venture company) ₹Nil Lakhs (Previous Year ₹1912.50 Lakhs). The bank has offered One Time Settlement of ₹182.91 Lakhs against this claim which was settled by the Company on 23.11.2020 and the Corporate Guarantee has got discharged accordingly. The case pending Debt Recovery Tribunal (DRT) has been closed.
- c. Other money for which the company is contingently liable - ₹Nil (Previous Year - ₹Nil).

II. Commitments

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹560.60 Lakhs (Previous Year - ₹660.74 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.
3. "MoD has directed BEML Ltd to initiate process for closure of M/s VIL (Subsidiary of BEML Limited) vide letter dated 07-07-2020 in accordance with the provisions of DPE Guidelines dtd. 14.06.2018 on time bound closure of sick /loss making CPSE. As per DPE guidelines CCEA Approval is required for closure. BEML has taken up for CCEA Approval through administrative Ministry (DDP/MoD). To control the cost, production of VIL stopped w.e.f 10th Oct 2020. Awaiting CCEA approval, VIL accounts for FY 2020-21 prepared on going concern basis. On receipt of approval action will be initiated accordingly."

E. Aggregate amount of Research & Development Expenses:

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Revenue Expenditure*	12,811.68	9,438.21
Capital Expenditure**	454.40	915.61

* The aggregate amount of Research & Development expenditure recognised as expenses during the period is as below:

a. Research & Development Revenue Expenditure:

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year ended 31st March 2020
Material Cost	142.26	114.34
Employee Remuneration	5,520.30	5,320.24
Depreciation	1,136.83	1,055.81
Power and Fuel	136.41	89.69
Repairs and Maintenance	47.55	35.77
Consumable Tools	3.23	0.86
Travelling	28.58	115.86
Other Expenses	2,324.64	3,079.30
Payment to Technology Providers	-	-
Prototype held in WIP	-	219.84
Prototype held in FGI	-	-
Cost of Sales of Prototype sold	4,608.71	462.31
Total R&D Revenue Expenditure	13,948.51	10,494.02
Less: Depreciation	1,136.83	1,055.81
Net R & D Expenditure	12,811.68	9,438.21

Sale value of prototype sold - included in net Sales* **3,722.20** 400.06

* Sale value of prototype sold - included in net Sales

** The aggregate amount of Research & Development Expenditure recognised as Capital Expenditure till 31st March 2021 is as below :

b. Research & Development Capital Expenditure

(₹ in Lakhs)

Particulars	Gross carrying value			Accumulated depreciation, amortisation and impairment				Net Carrying value		
	As at 01.04.2020	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2021	As at 01.04.2020	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
Property, Plant and Equipment										
Land										
Free Hold	3.29	-	-	3.29	-	-	-	-	3.29	3.29
Lease Hold	-	-	-	-	-	-	-	-	-	-
Buildings	109.33	-	-	109.33	64.88	1.88	-	66.76	42.57	44.45
Plant and Equipment	1,557.31	41.14	(0.86)	1,597.59	494.97	143.36	(3.98)	634.35	963.24	1,062.34
Furniture & Fixtures	112.71	9.79	-	122.50	67.40	11.25	0.13	78.78	43.72	45.31
Vehicles										
Given on Lease	110.52	239.58	1.69	351.79	58.81	29.36	(4.09)	84.08	267.71	51.71
Own Use	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Roads & Drains	1.64	-	-	1.64	1.64	-	-	1.64	-	-
Water Supply Installations	0.12	-	-	0.12	0.03	0.01	-	0.04	0.08	0.09
Electrical Installation	139.43	1.38	-	140.81	45.51	14.88	-	60.39	80.42	93.92
Computers and Data processing units	806.18	152.17	0.77	959.12	621.27	82.60	3.98	707.85	251.27	184.91
Intangible Assets										
Software	2,341.28	10.34	0.01	2,351.63	1,353.29	388.77	-	1,742.06	609.57	987.99
Technical Knowhow	5,755.91	-	2.36	5,758.27	2,803.74	464.72	(12.90)	3,255.56	2,502.71	2,952.17
Total	10,937.72	454.40	3.97	11,396.09	5,511.54	1,136.83	(16.86)	6,631.51	4,764.58	5,426.18
Previous Year	10,010.68	915.61	11.43	10,937.72	4,420.29	1,055.81	35.44	5,511.54	5,426.18	5,590.39

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 2021	31 March 2020	31 March 2021	31 March 2020
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. 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	31st March 2021	31st March 2020
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	31st March 2021	31st March 2020
Carrying value of assets	439.95	532.27
Accumulated depreciation	153.44	154.58
Depreciation expense during the year	67.91	74.07

Future minimum lease receipts under non-cancellable operating leases in respect of leased cars are summarised below:

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Not later than one year	40.86	67.54
Later than one year but not later than five years	173.21	197.22
Later than five years	89.59	127.45
Total operating lease commitments	303.66	392.21

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	31st March 2021	31st March 2020
Lease income	74.32	68.50
Lease expenses	159.72	171.58

d) Impact of IND AS 116 - RoU Assets

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
Depreciation on RoU Assets during the year	112.41	109.80
Finance Cost of Lease Liability	76.09	82.00
Gross value of RoU Assets	984.39	984.39
Net Book Value of RoU Assets	762.18	874.59
Lease Liability as of 31st March	836.31	915.47
Impact on Profitability in the current year	(32.87)	(41.27)

K. Fair values and measurement principles

a) The carrying value and fair value of financial instruments by category are as follows:

(₹ in Lakhs)

Particulars	31st March 2021 Carrying amounts		31st March 2020 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	-	10.99	-	9.96
Trade receivables	-	188,450.91	-	150,812.72
Cash and cash equivalents	-	447.68	-	2,734.32
Other financial assets	-	596.05	-	663.29
	-	189,505.63	-	154,220.29
Financial liabilities measured at fair value:				
Forward exchange contract	-	-	-	-
	-	-	-	-
Financial liabilities not measured at fair value:				
Borrowings	-	64,184.87	-	23,960.51
Trade payables	-	74,175.45	-	66,252.84
Other financial liabilities	-	13,167.94	-	13,356.94
	-	151,528.26	-	103,570.29

* 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	31st March 2021			31st March 2020		
	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 values is determined using unquoted forward exchange rates at the reporting date.	Not applicable

d) Transfers between the fair value hierarchy

There were no transfers in either direction in the fair value hierarchy during the year 2020-21.

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 counter party 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	31st March 2021	31st March 2020
India	185,517.04	149,747.65
Other regions	2,933.87	1,065.07
Total trade receivables	188,450.91	150,812.72

As at 31 March 2021, the Group's most significant customer, accounted for ₹11100.95 Lakhs of the trade receivables carrying amount (Previous Year - ₹12345.19 Lakhs).

The movement in the loss allowance for impairment of trade receivables are disclosed in Note No. 14

Any past due from Government Customers and those fully covered by guarantees or collaterals received are not tested for impairment.

The credit quality of the financial assets is satisfactory, taking into account the allowance for doubtful trade receivables.

The Group has not received any collaterals for receivables as at reporting date.

The impairment loss allowance at 31 March 2021 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 year or more		
31 March 2021					
Non-derivative financial liabilities					
Non-current Borrowings	-	10,000.00	-	-	10,000.00
Current Borrowings	54,184.87	-	-	-	54,184.87
Trade payables	74,175.45	-	-	-	74,175.45
Other financial liabilities	13,167.94	-	-	-	13,167.94
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	141,528.26	10,000.00	-	-	151,528.26

(₹ in Lakhs)

Particulars	Contractual cash flows			Adjustments	Carrying amount
	1 year or less	1 year to 5 years	5 year or more		
31 March 2020					
Non-derivative financial liabilities					
Non-current Borrowings	-	20,149.48	-	-	20,149.48
Current Borrowings	3,811.03	-	-	-	3,811.03
Trade payables	66,252.84	-	-	-	66,252.84
Other financial liabilities	13,356.94	-	-	-	13,356.94
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	83,420.81	20,149.48	-	-	103,570.29

iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity / commodity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management.

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk). The Group enters into forward derivative contracts to manage risks of loss arising due to foreign exchange exposure. During the year ended 31 March 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 2021

(₹ in Lakhs)

Category	Instrument	Currency	Cross Currency	Amounts	Buy / Sell
Hedges of recognized (liabilities) / assets	Forward contract	NIL	NIL	NIL	NIL
Hedges of highly probable forecast transactions		NIL	NIL	NIL	NIL

31 March 2020

(₹ 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 2021										
Financial assets (A)										
Cash and cash equivalents	225.15	-	222.50	0.03	-	-	-	-	-	-
Trade receivables	185,517.04	2,715.99	217.88	-	-	-	-	-	-	-
Financial liabilities (B)										
Trade payables	60,032.36	3,993.25	6,086.22	3,634.88	243.55	-	137.20	1.67	28.02	18.30
Other current financial liabilities	12,371.86	-	-	-	-	-	-	-	-	-
Net exposure to currency risk (A-B)	113,337.98	(1,277.26)	(5,645.84)	(3,634.85)	(243.55)	-	(137.20)	(1.67)	(28.02)	(18.30)
31 March 2020										
Financial assets (A)										
Cash and cash equivalents	183.24	-	1,773.13	777.95	-	-	-	-	-	-
Trade receivables	149,747.65	851.75	213.32	-	-	-	-	-	-	-
Financial liabilities (B)										
Trade payables	52,130.60	6,403.30	3,520.60	3,447.62	-	11.53	663.18	46.97	28.02	1.02
Other current financial liabilities	12,479.03	-	-	-	-	-	-	-	-	-
Net exposure to currency risk (A-B)	85,321.26	(5,551.55)	(1,534.15)	(2,669.67)	-	(11.53)	(663.18)	(46.97)	(28.02)	(1.02)

The following significant exchange rates have been applied during the year. (₹ in Lakhs)

Particulars	Average rate		Year-end spot rate	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
USD	-	-	73.8500	76.0600
EUR	-	-	87.3300	84.4300
JPY	-	-	0.6726	0.7069
GBP	-	-	102.3200	94.4700
BRL	-	-	-	-

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars, Euro, Japanese Yen, the Pound and other currencies at 31 March 2021 and 31 March 2020 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 2021				
1% movement				
USD	12.77	(12.77)	8.31	(8.31)
EUR	56.46	(56.46)	36.73	(36.73)
JPY	36.35	(36.35)	23.65	(23.65)
CNY	2.44	(2.44)	1.58	(1.58)
SEK	-	-	-	-
GBP	1.37	(1.37)	0.89	(0.89)
SGD	0.02	(0.02)	0.01	(0.01)
CHF	0.28	(0.28)	0.18	(0.18)
ZAR	0.18	(0.18)	0.12	(0.12)
31 March 2020				
1% movement				
USD	55.52	(55.52)	36.12	(36.12)
EUR	15.34	(15.34)	9.98	(9.98)
JPY	26.70	(26.70)	17.37	(17.37)
CNY	-	-	-	-
SEK	0.12	(0.12)	0.08	(0.08)
GBP	6.63	(6.63)	4.31	(4.31)
SGD	0.47	(0.47)	0.31	(0.31)
CHF	0.28	(0.28)	0.18	(0.18)
ZAR	0.01	(0.01)	0.01	(0.01)

(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	
	31st March 2021	31st March 2020
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	(20,000.00)	(30,000.00)
	(20,000.00)	(30,000.00)
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 2021				
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Total Variable-rate instruments	-	-	-	-
Cash flow sensitivity (net)	-	-	-	-
31 March 2020				
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	31st March 2021	31st March 2020
Total borrowings ¹	74,334.35	34,109.99
Less: Cash and bank balances ²	(118.46)	(67.89)
Adjusted net debt	74,215.89	34,042.10
Total equity	221,424.37	225,281.04
Less: Other components of equity	4,994.93	7,515.19
Adjusted equity	216,429.44	217,765.85
Adjusted net debt to adjusted equity ratio	0.34	0.16

¹ Total borrowings comprises of long-term borrowings, short-term borrowing and bank overdraft facilities.

² Cash and bank balances comprises of cash in hand, cash at bank and term deposits with banks excluding consortium member balances in ESCROW account, as disclosed under Note 15 (b) and balances with bank as unclaimed dividend.

N. Derivatives

Derivatives not designated as hedging instruments

The 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 2021: JPY Nil (INR Nil) [Previous Year - JPY Nil (INR Nil)]

31 March 2021: EUR Nil (INR Nil) [Previous Year - EUR Nil (INR Nil)]

31 March 2021: USD Nil (INR Nil) [Previous Year: USD NIL (INR Nil)]

The fair value of foreign currency forward derivative is as below:

(₹ in Lakhs)

Particulars	31st March 2021	31st March 2020
	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 ₹18807.94 Lakhs (Previous Year - ₹16261.27 Lakhs) for payables as at reporting date.

The Group has applied the principles of Ind AS 109 for the measurement of derivative financial instruments and has classified such derivative contracts as at fair value through profit or loss.

- o. The spread of COVID-19 Pandemic and subsequent restrictions during the year, has impacted the Company's turnover and Company's manufacturing facilities, disruption in spares & service business, non receipt of materials due to global Covid impact in the Country on account of supply chain disruptions, restrictive movements /non availability of required trailers etc, the impact of which could not be quantified.

Based on the information available (internal as well as external) upto the date of approval of these financial results, Company expects to recover the carrying amounts of intangible assets, trade receivables, inventory and other financial Assets. Efforts are being made to minimize the impact and Company will continue to closely monitor the developments & future economic & business outlook and its impact on Company's future financial statements.

P. The status of consolidation of Subsidiary and JV companies are as under:

(₹ in Lakhs)

Name of Subsidiary / JV company	Country of Incorporation	Proportion of Ownership interest	Status
Subsidiary companies			
Vignyan Industries Limited	India	96.56%	Consolidated
MAMC Industries Limited	India	100.00%	Consolidated
JV company			
BEML Midwest Limited	India	45.00%	Not consolidated due to non-availability of financial statements

Q. Additional information on Consolidated Financial Statements for F.Y 2020-21

(₹ in Lakhs)

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Indian Subsidiaries				
Vignyan Industries Limited	-0.27%	(589.54)	-8.57%	(588.89)
MAMC Industries Limited	-0.07%	(156.44)	-0.14%	(9.84)
Total		(745.98)		(598.73)
Non-controlling interests				
Vignyan Industries Limited		(16.51)		(20.26)
MAMC Industries Limited		-		-
Joint Venture				
Indian:				
BEML Midwest Limited *		-		-

* The financial statement of the JV company is not consolidated, as the JV has not prepared its financial statements.

As per our report of even date attached
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration Number: 004207S

CA. P MENAKSHI SUNDARAM
Partner
Membership No.: 217914

Place: Bengaluru
Date: 11-06-2021

For and on behalf of the Board of Directors

AJIT KUMAR SRIVASTAV
Director (Finance) (I/c)
(DIN 08741858)

M V RAJASEKHAR
Chairman & Managing Director (I/c)
(DIN 08467141)

S V RAVI SEKHAR RAO
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 Limited	MAMC Industries Limited
1	Reporting period of the Subsidiary Company	31.03.2021	31.03.2021
2	Reporting currency of Foreign Subsidiary	-	-
3	Exchange rate as on 31.03.2021	-	-
4	Share Capital (₹ in Lakhs)	278.97	5.00
5	Reserves & Surplus (₹ in Lakhs)	(868.51)	(161.44)
6	Total Assets (₹ in Lakhs)	1,041.20	449.11
7	Total Liabilities (₹ in Lakhs)	1,630.74	605.55
8	Investments (₹ in Lakhs)	Nil	Nil
9	Turnover Gross (₹ in Lakhs)	144.70	Nil
10	Profit before taxation (₹ in Lakhs)	(572.42)	(9.84)
11	Provision for taxation (₹ in Lakhs)	40.00	-
12	Profit after taxation (₹ in Lakhs)	(612.42)	(9.84)
13	Proposed Dividend	₹Nil	₹Nil
14	% of Shareholding	96.56%	100.00%

Note: MAMC Industries Ltd is yet to commence operation.

: M/s VIL is in the process of closure awaiting for CCEA approval as required as per the DPE Guidelines. To control the cost, production of VIL stopped w.e.f 10th Oct 2020. Pending CCEA Approval, accounts prepared on Going Concern basis.

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

	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 and the Corporate guarantee provided by BEML are 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	Not Applicable
	ii. Not Considered in Consolidation	Not Applicable

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

CA. P MENAKSHI SUNDARAM

Partner

Membership No.: 217914

AJIT KUMAR SRIVASTAV

Director (Finance) (I/c)

(DIN 08741858)

M V RAJASEKHAR

Chairman & Managing Director (I/c)

(DIN 08467141)

Place: Bengaluru

Date: 11-06-2021

S V RAVI SEKHAR RAO

Company Secretary

INDEPENDENT AUDITORS' REPORT

To the members of **BEML LIMITED**

Report on the Audit of Consolidated Ind AS Financial Statements

Persuant to the observations arising from the Audit by the Comptroller and Audit General of India, our earlier report dated 11th June 2021 2 matters have been revised from Adverse Opinion to Qualified Opinion and 1 matter from Adverse Opinion to Emphasis of Matter to this Report. This report supersedes our earlier Report.

Qualified Opinion

We have audited the accompanying consolidated Ind AS financial statements of BEML LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (holding company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities which comprise consolidated Balance Sheet as at March 31, 2021, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, **because of 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, 2021, of its Consolidated Profit and consolidated total comprehensive income, Consolidated position of change in equity and the consolidated cash flows for the year ended on that date.

Basis for Qualified Opinion

BEML MIDWEST LIMITED

1. We draw attention to Note No.7 Non-current Investments forming part of the Consolidated Ind AS financial statements relating to BEML Midwest Limited, a joint venture Company, has not been consolidated in the absence of its financial statements. As per the

accounting principles, the financial statements of this joint venture should have been consolidated using proportionate consolidation method. The effects on the consolidated financial statements, of the failure to consolidate this Joint Venture Company, net of provision for diminution already made in the value of the investment, has not been determined.

VIGNYAN INDUSTRIES LIMITED [VIL]

2. We draw attention to Note No. 39(3), additional notes to the Consolidated Ind AS Financial Statements, based on the explanation and information as furnished to us, we were given to understand that one of the Subsidiary company M/s. Vignyan Industries Limited (VIL) has received an "In-Principle" approval vide letter Dt. July 07, 2020 from the Department of Defence Production, Ministry of Defence (MoD) for closure of the company. M/s. Vignyan Industries Limited (VIL) has stopped production activities with effect from October 10, 2020. The Independent Auditors of the Company on their Report dated June 08, 2021 has made an "Adverse opinion" and raised concerns over the preparation of financial statements of the company on "Going Concern" basis. The matter waits further development and approval from Cabinet Committee on Economic Affairs (CCEA).

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements section of our report. We are independent of the Group, its associates and jointly controlled entities, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter:

We draw attention to the following in respect of the Holding Company:

- a) Statement of Changes in Equity (SOCE) as on March 31, 2021 relating to Debenture Redemption Reserve (DRR) amounting to Rs. 5,000.00 Lakhs (PY Rs. 7,500.00 Lakhs). As per Companies (Share Capital and Debentures) Rules, 2014 (as amended in 2019, effective from 16 August, 2019) states that listed companies are not required to create Debenture Redemption Reserve (DRR). However, the company has not created any Debenture Redemption Reserve (DRR) during the current year but has transferred to General Reserve / Retained Earnings based on redemption of debenture during the current year.
- b) Accounting policy 2.1.E – Current/Non-current classification, the company has different operating cycles for 3 Business Verticals viz Mining & Construction, Defence & Aerospace and Rail & Metro. For the purpose of current/non-current classification of assets and liabilities, the Company has evaluated and considering the operating cycle as twelve months in accordance with IND AS 1 – Presentation of Financial Statements.
- c) Note No. 12 – Inventories includes a provision for shortage of stock of Spares amounting to Rs. 1,012.78 Lakhs, which is pending to be adjustment in the books of accounts and under reconciliation.
- d) Note No. 12(e) relating to rectification and revaluation of inventories carried at “Zero Cost” amounting to Rs. 264.88 Lakhs. The management of the company has carried out an one-off exercise to bring back value to the stock which were carried initially at zero cost.
- e) We draw attention to Note no. 14 – Trade Receivables amounting to Rs. 1,89,950.91 Lakhs, Note no. 14a – Contract Assets amounting to Rs. 63,430.72 Lakhs, Note no. 18 – Claims Receivable (net) (Other current Assets) amounting to Rs. 6,452.83 Lakhs of the notes forming part of the Financial statement which includes various onerous contract and regular contracts which are in various stages of completion, pending to be renewed, expired contracts or contracts pending to be executed for which finality and outcome to be arrived at in the future.
- f) Note No. 14(i) in respect of Trade receivable from MOD Rs. 4929.12 lakhs towards exchange rate difference and escalation for

import of components in respect of a long term contract for Design, Development and Supply, entered into with MOD in 2001. The company has received the requisite amendment to the contract in this regard from MOD towards acceptance of BEML's claim on account of exchange rate variation in Euro and the realization of these receivables depends on the final determination of the amount payable by MOD

- g) Note No. 18 with respect to Claims Receivable from railway board amounting to Rs. 3839.12 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. Accordingly, claims valuing Rs. 1616.13 lakhs is considered good or covered in payable to Sub-Contractors on back to back terms. The Company doesn't expect any material impact on the final realization of the above amounts.
- h) Note No. 28 in respect of Provision for Pending Legal Cases includes an amount of Rs. 2060.64 lakhs relating to payment of Gratuity at the enhanced limit as per DPE Pay Revision for 400 ex-executives and non-unionized employees who are covered by DPE Pay Revision circular dated November 26, 2008, based on order of Hon'ble Karnataka High Court Vide dated March 05, 2021 and on the principle of conservatism. As per Company's Board norms, a Provision amounting to 90% of the Liability has been created in the books of accounts. The Company is in the process of filing an SLP with the Hon'ble Supreme Court of India challenging the Hon'ble Karnataka High Court's order.
- I) Note No. 37 - Provision for doubtful trade receivables & advances includes an amount of Rs. 1500.00 Lakhs relating to recognition of expected credit loss (impairment loss) on financial assets with credit risk exposure which is to be reviewed periodically by the management of the company.
- j) 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.

- k) 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.
- l) Note No. 39(O) which describes the impact and complications due to the outbreak of second wave of novel coronavirus (COVID-19). The situation continues to remain uncertain and in view of its impact on the Company's financial statements, which is significantly dependent on future developments.
- m) 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 Rs. 6,487.40 Lakhs (Previous Year - Rs. 6,053.89 Lakhs)

We draw attention to the following in respect of the Subsidiary Company:

- n) In the books of MAMC Industries Limited, company is holding lease hold land taken from Urban Development Dept, Govt of West Bengal on March 07, 2011 and the said land is lying without erection of factory and as per the term No.25 of said lease deed, the Govt. of West Bengal has right to re-enter and take back the possession of the said land if no factory is erected within two years from the date of lease-and also have to right to cancel the lease deed. Further, the lease rentals remain unpaid since the date of lease, see Note No.3, Property, Plant and Equipment attached to the Balance Sheet, which is in non observance of point no 23 of the said lease deed.

Our opinion is not qualified in respect of the above matters.

Key Audit Matters:

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. **In addition to the matters described in the Basis for qualified Opinion and Emphasis of Matter sections, we have determined the matters described below to be the key audit matters to be communicated in our report in respect of the Holding Company:**

- I. Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers":

Refer Note 30 to the Consolidated Ind AS Financial Statements

Key Audit Matters

The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period, and disclosures including presentations of balances in the financial statements. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

Auditor's Response to Key Audit Matters

We understood and evaluated the Holding Company's process, procedure and designed our audit approach consisted testing of the design and operating effectiveness of the internal controls and procedures as follows:

- o Evaluated the effectiveness of control over the preparation of information that are designed to ensure the completeness and accuracy.
- o Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls.
- o Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with Ind AS 115.
- o Reviewed a sample of contracts to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.
- o Performed analytical procedures and test of details for reasonableness and other related material items.

- o Selected a sample of continuing and new contracts and performed the following procedures:
 - ♦ Read, analysed and identified the distinct performance obligations in these contracts.
 - ♦ Compared these performance obligations with that identified and recorded by the Company.
 - ♦ Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
 - ♦ In respect of samples relating to metro contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual cost incurred up to that stage with estimation. We also tested the access and change management controls relating to these systems.
 - ♦ Sample of revenues disaggregated by type and service offerings was tested with the performance obligations specified in the underlying contracts.
 - ♦ Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings.
 - ♦ We reviewed the collation of information from the budgeted information of the management used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.

II. Inventory

Refer Note 12 to the Consolidated Ind AS Financial Statements

Key Audit Matters

Inventories with reference to Note No. 12 includes Raw Material, Work-In-Progress and Finished Goods which have been physically verified by the management based on physical verification instructions. Due to COVID – 19 second wave lockdown and various restrictions imposed by the State / Central Government or local authorities we were not present during physical verification for many / few of the Holding Company's Units / Divisions.

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. On account of COVID – 19 second wave related state-wise lockdowns, we were unable to carry out inventory verification at the year end for the holding company. Consequently, we have performed the following alternate procedures to audit the existence of inventory for the Holding Company:
 - o The physical verification of inventory of inventory conducted by the management and we performed roll back procedures.
 - o 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.
 - o 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 standalone 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.

IV. Modified Audit Procedures carried out in light of COVID-19 second wave outbreak

Key Audit Matters

Due to COVID-19 pandemic second wave, state-wise lockdown and travel restrictions imposed by Central / State Government / Local Authorities during the period of our audit and carrying out audit remotely wherever physical access was not possible, audit could not be conducted by visiting the premises of some units of the Holding Company.

As we could not gather audit evidence in person or physically or through discussions and personal interactions with the officials at these units, we have identified such modified audit procedures as a Key Audit Matter.

Accordingly, our audit procedures were modified to carry out the audit remotely.

Auditor's Response to Key Audit Matters

Due to the outbreak of COVID-19 pandemic second wave that caused state-wise lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, we could not travel to some of the units and carry out the audit processes physically at the respective divisions / units.

Wherever physical access was not possible,

necessary records, reports, documents and certificates were made available to us by the unit through digital medium and emails. To this extent, the audit process was carried out on the basis of such documents, reports and records made available to us which were relied upon as audit evidence for conducting the audit and reporting for the current period.

Such restrictions in performing audit procedures have enhanced the risk in effectively carrying out the audit and the quality of audit evidence gathered by us.

Accordingly, we modified our audit procedures as follows:

- o Conducted verification of necessary records and documents electronically through remote access vide emails in respect of some of the divisions / units wherever physical access was not possible.
- o Carried out verification of scanned copies of the documents, deeds, certificates and the related records made available to us through emails.
- o Making enquiries and gathering necessary audit evidence through dialogues and discussions over phone calls/conference calls, emails and similar communication channels.
- o Resolution of our audit observations telephonically/ through email instead of a face-to-face interaction with the designated officials.

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. **We have concluded that such material misstatement of the other information exists in respect of matters described in the Basis for Qualified Opinion section above.**

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.

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.

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 2 (two) subsidiaries M/s. VIGNYAN INDUSTRIES LIMITED [VIL] and M/s. MAMC INDUSTRIES LTD, whose Financial Statements reflect Group's share of total assets of Rs. 1490.31 Lakhs as at March 31, 2021, Group's share of total revenue of Rs. 144.72 Lakhs and Rs. 0.00 (Nil) lakhs and Group's share of total net profit/(loss) after tax of Rs. (612.42) Lakhs and Rs. (9.84) Lakhs for the year ended March 31, 2021, 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.

- III. The Consolidated Ind AS Financial Statements of the Company for the corresponding year ended March 31, 2020, were audited by the predecessor auditor of the Company, and they had expressed a Qualified opinion vide their report dated August 18, 2020 on such Consolidated Ind AS Financial Statements.
- IV. Due to the outbreak of COVID-19 pandemic second wave that caused state-wise lockdown and other travel restrictions imposed by the Central and State Governments/local administration during the period of our audit, the audit finalization process, for the year under report, was carried out from remote locations of the Holding Company, based on data/ details made available and based on financial information/ records remitted by the management through digital medium.

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:
- 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;
 - Except for the effects of the matter described in the Basis for Qualified Opinion section above,** in our opinion proper books of accounts as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as appears from our examination of those books and the report of the

other auditors;

- 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;
- 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;
- 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;
- 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;**
- 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.
- With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **Annexure – A**, which is based on the auditors' reports of the Holding Company, subsidiary company, associate and jointly controlled entities incorporated in India. Our report expresses an Qualified opinion on the adequacy

internal financial controls over financial reporting and operating effectiveness 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 Rs. 5.36 Lakhs (PY Rs. 120.18 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.

For Sundaram & Srinivasan

Chartered Accountants

Firm Regn No: 004207S

P Menakshi Sundaram

Partner

Membership No. 217914

Place: Chennai

Date: 13th August 2021

UDIN : 21217914AAAALO4309

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")

Qualified 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, 2021 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Group for the year ended on that date.

In our opinion, the Group, its associate and jointly controlled entities, Except for the effects of the matters described in the Basis for Qualified Opinion section above, and wherever reported by the auditors of those entities have, in all material respects, does not have a internal financial controls with reference to financial statements with reference to Consolidated Ind AS Financial Statements and such internal financial controls with reference to Consolidated Ind AS Financial Statements were not operating effectively as at March 31, 2021, 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.

Place: Chennai
Date: 13th August 2021
UDIN : 21217914AAAALO4309

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn No: 004207S

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 Observation	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 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. 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.
2	We draw attention to Note No. 39(3), additional notes to the Consolidated Ind AS Financial Statements, based on the explanation and information as furnished to us, we were given to understand that one of the Subsidiary company M/s. Vignyan Industries Limited (VIL) has received an "In-Principle" approval vide letter Dt. July 07, 2020 from the Department of Defence Production, Ministry of Defence (MoD) for closure of the company. M/s. Vignyan Industries Limited (VIL) has stopped production activities with effect from October 10, 2020. The Independent Auditors of the Company on their Report dated June 08, 2021 has made an "Adverse opinion" and raised concerns over the preparation of financial statements of the company on "Going Concern" basis. The matter waits further development and approval from Cabinet Committee on Economic Affairs (CCEA).	MoD has accorded 'In principle' approval on 07-07-2020 for closure of VIL. As per DPE guidelines CCEA Approval is required for closure. BEML has taken up for CCEA Approval through administrative Ministry (DDP/MoD). On receipt of approval action will be initiated accordingly. Company does not expect any material impact due to the above.



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

By Speed Post
Confidential

Insp./BEML Accs 2020-21/ 2021-22/ 123
सं./No.

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड का कार्यालय, बेंगलूर - 560 001.
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and ex-Officio MEMBER, AUDIT BOARD,
BENGALURU - 560 001.

दिनांक/ DATE.

19 August 2021

To
Shri M.V.Rajashekhar,
Chairman and Managing Director,
M/s. 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 **M/s. BEML Limited, Bengaluru** for the year ended 31 March 2021.

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 2021.

It may please be ensured that the comments are:

- (i) Printed in toto without any editing;
- (ii) Placed before the AGM as required under Section 143(6) (b) of the Companies Act, 2013; and
- (iii) Placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication in the index.

The receipt of this letter may please be acknowledged.

Encl: As above.

Yours faithfully,

(Arun Kumar V.M.)
Deputy Director (Admin)

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूर - 560 001.
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bengaluru - 560 001.

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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 2021

The preparation of consolidated financial statements of **BEML Limited, Bengaluru** for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 13 August 2021 which supersedes their earlier Audit Report dated 11 June 2021.

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 2021 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, but did not conduct supplementary audit of the financial statements of MAMC Industries Limited, Kolkata for the year ended on that date. **Further, section 139(5) and 143(6)(b) of the Act are not applicable to BEML Midwest Limited, Hyderabad and BEML Brazil Industrial Limited, Brazil, being private entities incorporated in India/Foreign country under the respective laws for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. In view of the revision 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 auditors' 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**


(Santosh Kumar)

Principal Director of Commercial Audit

Place: Bengaluru

Date: 19 August 2021

Corporate Data

BOARD OF DIRECTORS:

FUNCTIONAL DIRECTORS:

Shri Amit Banerjee
Chairman & Managing Director
(w.e.f. 27.08.2021)

Shri MV Rajasekhar
Director (Mining & Construction
Business) & Director (HR) (I/c)

Shri Ajit Kumar Srivastav
Director (Defence Business) &
Director (Finance) (I/c)

GOVERNMENT NOMINEE DIRECTOR:

Shri Puneet Agarwal
Joint Secretary (Land System),
Dept. of Defence Production,
Ministry of Defence

Independent Directors:

Shri Arvind Kumar Arora
Smt. Balmuri Vanitha

COMPANY SECRETARY:

Shri S V Ravisekhar Rao

CHIEF VIGILANCE OFFICER

Shri D. Venkateswara Reddy

EXECUTIVE DIRECTORS

1. Shri Radhakrishna KR
2. Shri Shantanu Roy
3. Shri Nagaraj P
4. Shri Sivakkumar P
5. Shri Umashankar
6. Shri Ranganath HS

CHIEF GENERAL MANAGERS:

7. Shri Sanjay Som
8. Shri Sumanta Kumar Saha
9. Shri Srinivasan G
10. Shri Basudev Mishra
11. Shri Pawan Kumar
12. Shri Jai Gopal Mahajan
13. Shri Anil Jerath

14. Shri Debi Prasad Satpathy

15. Shri Sekar V

16. Shri Shashikanth KC

17. Shri Ishwara Bhat V

18. Shri Srinivasa GP

GENERAL MANAGERS:

19. Shri Sundar Raj K

20. Shri Tamilselvan AS

21. Shri Viswanatha NG

22. Shri Sundarshan KS

23. Shri Chandrasekar L

24. Shri Nehru Babu A

25. Shri Venkata Subba Rao V

26. Shri Sasi Kumar K

27. Shri Sunil R Kharad

28. Shri Paritosh Pandey

29. Shri Kallol Roy

30. Shri Anup Ratan
Bhattacharya

31. Shri Venugopal R

32. Shri Subramanyam SM

33. Shri Praveen Kumar Mathpal

34. Shri Sridhara SR

35. Shri Chandra Gopal Raju K

36. Shri Vikas Chandra Kureel

37. Shri Prasanna Kumar Ballal

38. Shri Govinda Raju MG

39. Shri Abenezzer Samir Khess

40. Shri Sylaja V

41. Shri Gp Capt. Chakrapani
Mandela (Retd)

42. Shri Sridhar JS

43. Shri Idaya Kumar R

44. Shri Ramaswamy KS

45. Dr. Mythili R

46. Shri Hadubandhu Sahu

47. Shri Sudarshan M

48. Shri Patil RAS

49. Shri Channappa Dyamappa
Madar

50. Shri Shekhar K

51. Shri Ranvir Singh Chopra

52. Smt. Neena Singh

53. Shri Yogananda HR

54. Shri Shivakumar HG

55. Shri Rajaiah G

56. Shri Narendra KB

57. Shri Nagendra Datta S

58. Shri Ramesh N

59. Shri Debasish Nag

60. Shri Yogananda G

61. Shri Laxmappa Doddamani

62. Shri Basavaraj N Navalgund

63. Shri Raghavendra Swamy

64. Shri Poongunaran P

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

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 Private Limited, Hyderabad

DEBENTURE TRUSTEE

M/s SBICAP Trustee Company Limited, Mumbai

OFFICES:

Registered, Corporate Office, International Business Division & Technology Division:

"BEML SOUDHA",
No. 23/1, 4th Main,
Sampangiramanagar
Bengaluru - 560027

Trading & Marketing Division:

4th & 5th Floor,
Unity Buildings, J C Road
Bengaluru -560002
International Business Division

UNITS:

Bengaluru Complex:

P B No. 7501
New Tippasandra Post
Bengaluru - 560075

KGF Complex:

BEML Nagar
Kolar Gold Fields - 563115

Mysuru Complex:

Belvadi Post
Mysore - 570018

Palakkad Complex:

KINFRA Park
Menon Para Road
Kanjikode East
Palakkad -678621

Subsidiary Companies:

Vignyan Industries Limited

Haliyur, BH Road,
Tarikere Post -577228

MAMC Industries Limited

No. 35/1-A, Taratala Road
Kolkata -700088

BEML Land Assets Limited

"BEML SOUDHA",
No. 23/1, 4th Main,
Sampangiramanagar
Bengaluru - 560027

Joint Venture Company:

BEML Midwest Limited

C-91, BEML Janatha Flats,
Punjagutta, Hyderabad- 560082

Regional Offices:

1. Bengaluru
2. Bilaspur
3. Dhanbad
4. Hyderabad
5. Kolkata
6. Mumbai
7. Nagpur
8. New Delhi
9. Neyveli
10. Ranchi
11. Sambalpur
12. Singrauli

District Offices:

1. Ahmedabad
2. Asansol
3. Bachel
4. Bhilai
5. Bhubaneswar
6. Chandrapur
7. Chennai
8. Guwahati
9. Hospet
10. Jammu
11. Kothagudem
12. Leh
13. Ramagundam
14. Udaipur

Service Centres:

1. Bilaspur
2. Hyderabad
3. Kolkata
4. New Delhi
5. Singrauli

Activity Centres

1. Bhopal
2. Itanagar
3. Kochi
4. Madurai
5. Mahar
6. Panjim
7. Silapathar
8. Visakhapatnam

Warehouse for Defence:

1. Pune
2. Jodhpur

Overseas Office:

Kenya



**COMMITTED TO
COMMUNITY DEVELOPMENT**



BEML LIMITED

Schedule 'A' Company under Ministry of Defence, Govt. of India

Mining & Construction | Defence & Aerospace | Rail & Metro

www.bemlindia.in



A **Green** Company

95% Renewable ENERGY

बी ई एम एल



75
Azadi Ka
Amrit Mahotsav



BEML LIMITED

Schedule 'A' Company under Ministry of Defence

Corporate Office: BEML SOUDHA, 23/1, 4th Main, S.R. Nagar, Bengaluru, Karnataka, India - 560 027.

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www.bemlindia.in