

BEML LIMITED

(CIN: L35202KA1964GOI001530)

BANGALORE

ANNUAL REPORT

2014-15

<i>ANNUAL GENERAL MEETING TO BE HELD ON</i>		
15.09.2015	11.30 HOURS	API BHAVANA No.16/F, MILLERS TANK BED AREA VASANTHANAGAR BANGALORE – 560052

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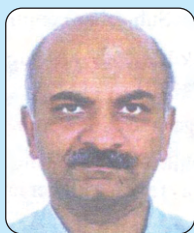
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BOARD OF DIRECTORS*



Shri P Dwarakanath
Chairman & Managing Director



Shri Rajnish Kumar
Government Nominee Director
Addl. Financial Adviser & Joint Secretary
Dept. of Defence Production, Ministry of Defence



Smt. Kusum Singh
Government Nominee Director
Joint Secretary (P&C)
Dept. of Defence Production, Ministry of Defence



Shri C Balakrishnan
Independent Director



Shri N P Gupta
Independent Director



Shri Suhas Anand Bhat
Independent Director



Shri C N Durgesh
Director
(Mining & Construction)



Shri P R Naik
Director
(Defence)



**Shri Deepak Kumar
Hota**
Director (HR)



**Shri Pradeep
Swaminathan**
Director (Finance)



**Shri Aniruddh
Kumar**
Director (Rail & Metro)

Chairman Letter.....

Dear Shareholders,

I am happy to inform you that your Company achieved a reasonable performance for the year 2014-15 despite a challenging economic scenario and tough business environment in two business verticals viz. Rail & Metro and Defence. The Annual Report brings you the audited accounts and other related documents for the year 2014-15 for your consideration and adoption at the ensuing Annual General Meeting.

Performance Overview

The assessment of the Company's performance for the financial year ended 31.03.2015 has been completed. Despite the difficult situation in two business verticals, your Company has been able to register sales (net of consortium) of ₹2999 Crs.

In Mining & Construction sector despite a sluggish market both in domestic and global markets, the business group achieved sales of ₹1800 Crs with a reasonable growth. Export sales of ₹107 Crs was achieved including export of equipment and spares valuing ₹71 Crs to a largest mining company in Zimbabwe.

The Rail & Metro vertical achieved a sales (net of consortium) of ₹1032 Crs. This was mainly due to the non-availability of Rail Coach Orders from Indian Railways.

The Defence Business achieved sales of ₹164 Crs.

With the above performance and continued focus on cost control, the Company made a Profit before Tax of ₹6.91 Crs during 2014-15. The Company has closed the year with a healthy order book position of ₹5633 Crs with further expected orders and emerging opportunities in all the business verticals. Amidst stiff competition, the Company generated 88% of its sales achieved in 2014-15 from orders obtained through competition mode.

R&D is a continuous effort being pursued in your Company. Design, development and up-gradation efforts through in-house R&D resulted in two new products i.e., Electric Drive Dump Truck - BH205E-190T and Standard Gauge Intermediate Metro Cars to DMRC for conversion of 4 car train set to 6 car trains set besides up-gradation of several other products. The BE1800E an environment friendly 180T Electrical Excavator was introduced to market and is performing successfully at the customer's site. It is also pertinent to mention that 55% of sales turnover in the year 2014-15 is through sale of in-house developed R&D products.

Towards self-reliance, your Company has achieved over 90% indigenisation in the mainline M&C products, Rail Coaches and EMU's. High Mobility Truck 8x8 with over 90% indigenization content was successfully developed.

On HR front, your Company has signed an MoU with reputed academic and research institutions such as IIT Madras, IIT Kanpur, National Institute of Design for capability building of our Engineers. A comprehensive competency framework has been developed with a focus on developing leadership pipeline and succession planning in the Company.

Towards continuous skill development of employees and executives, 'Schools' in the areas of Hydraulics and Structural Welding, Electrical and Electronics, Stainless Steel welding and Metro Cable Harness System Assembly have been established in the Complexes.

On Corporate Social Responsibility and Sustainable Development front, your Company, being sensitive and responsible to the society has undertaken various initiatives namely, Swachh Bharat campaign, construction of toilets under Swachh Vidyalaya campaign, adoption of Village, planting of trees across campuses etc.

As a Corporate Citizen, your Company has complied with all rules and regulations dealing in a transparent, fair and corruption free operational environment and we are committed to it. A detailed report on compliance of the guidelines on Corporate Governance under the listing agreement entered into with the stock exchanges and the guidelines issued by the Department of Public Enterprises for CPSEs, form part of the Board's Report.

Plan for the year 2015-16

In Mining & Construction segment, we expect further opportunities for M&C equipment with more projects being cleared and Coal India's plan to achieve annual coal production of one billion ton progressively by 2020. Further improvement in the global economy will boost export performance. All strategies are in place to capture maximum out of available business in the domestic and global markets through better customer focus, service and concerted efforts targeting a reasonable growth over 2014-15.

In the Rail & Metro Business, in addition to orders available on hand for execution during the next two years, further orders are also expected for non-metro products in EMU segment. We will pursue opportunities for the same and continue to progress with a reasonable growth year-over-year and be a major player in the Rail Transportation segment of the country.

With respect to Defence vertical, plans are in place to execute available orders on hand and also improve the performance of Defence Business segment by generating business for supply of Mine Ploughs, Armoured Personal Carriers, Command Post Vehicles, Akash Missile aggregates and other aggregates supply to Ordnance Factory Board and Defence Public Sector Undertakings. Further, 'Make in India' policy of Government is a boon to Indian industry and focus is on for indigenous production for which your Company has geared up.

In this projected positive scenario and keeping in view of the present order book we have set ourselves a net sales target of ₹3800 Crs for the year 2015-16.

Plans are also in place to diversify into new products such as Diesel Mine Cruiser and Continuous miner in the area of M&C Business, Medium Speed Trains and Maintenance equipment requirements namely, Track Laying, Rail Grinding and Track Cleaning Machines in Rail & Metro segment and Armoured Recovery and Repair vehicles, Missile Launching systems, Bridge systems, aggregates for Tanks as a new revenue stream in Defence vertical.

Thus, your Company has put in place appropriate strategies and actions to counter all business challenges and scale new benchmarks.

I am confident that with continuous dedicated efforts, commitment and hard work, and a conducive business environment around, your Company shall move forward to achieve greater heights in 2015-16 and beyond and I assure you that, your Company is committed for enhanced value creation to its stakeholders and society at large by taking up activities and initiatives for sustainable growth with environmental concern.

To conclude, on behalf of Board of Directors of the Company, I would like to express my gratitude to our shareholders, valuable customers and all other stakeholders for their confidence, trust and support and my deep appreciation to all Employees and Executives for their untiring efforts and contribution for strengthening the Company.

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

I also gratefully acknowledge the support and encouragement extended by Ministry of Defence, Department of Defence Production and other Administrative Departments of Government of India and co-operation from our collaborators.

With warm regards.

Sd/-

(P. Dwarakanath)
Chairman & Managing Director

CORPORATE VISION, MISSION AND OBJECTIVES - MoU 2015-16

A) Vision

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

B) Mission

- Improve competitiveness through collaboration, strategic alliances and joint ventures, to sustain and enhance market share in product groups BEML operates.
- Grow profitably by aggressively pursuing business and market opportunities in domestic and international markets by pursuing atleast 10% of Sales in exports.
- Adoption of state-of-the-art technologies and bring in new products through Transfer of Technology and in-house R&D efforts by achieving the objectives of the 3 year R&D Roll on plan.
- Continue to diversify and grow addressing new products and markets with turnover from in-house R&D developed products at around 50%.
- Attract and retain people in a rewarding and inspiring environment by fostering creativity and innovation with attrition levels less than 5%.
- Offer technology and cost effective total solutions for enhanced customer satisfaction.

C) Objectives

- (i) To achieve around 10% growth in 2015-16.
- (ii) To work to achieve Gross Operating Margin of 8-10% of net sales.
- (iii) To provide engineering solutions to customers for enhanced customer satisfaction.
- (iv) To achieve minimum 10% of exports sales.
- (v) To up-grade all Company products to state-of-the-art technology to meet market needs and benchmark standards through continuous in-house R&D.
- (vi) Continuous development of skills and competencies to bring about Employee / Executive effectiveness.
- (vii) Effective project implements for modernization / de-bottlenecking projects.
- (viii) Contribute effectively for Corporate Social Responsibility and Sustainable Development.



FINANCIAL HIGHLIGHTS

Sl. No.	PARTICULARS	UNITS	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
A	Our earnings									
	Gross Revenue	₹Lakhs	264532	318115	309164	350432	342957	343268	270913	251273
	Export	₹Lakhs	48433	8105	19813	14405	21750	15625	30434	20062
	Total Gross Revenue	₹Lakhs	312965	326220	328977	364837	364707	358893	301347	271334
	Less: Value of Consortium supplies	₹Lakhs	13048	14203	29090	72779	82091	58302	8257	-
	Revenue net of Consortium Supplies	₹Lakhs	299917	312017	299887	292058	282616	300591	293090	271334
	Less: Excise Duty	₹Lakhs	18998	20866	18996	19409	17392	13641	13373	17374
	Revenue from operations	₹Lakhs	280919	291151	280891	272649	265224	286950	279717	253960
	Change in WIP/SIT	₹Lakhs	(20926)	(9706)	6992	42882	14800	15099	28072	11360
	Value of Production (with Revenue from Operations)	₹Lakhs	259993	281445	287883	315531	280024	302049	307789	265321
	Value of Production (with Gross Revenue)	₹Lakhs	292039	316514	335969	407719	379507	373992	329419	282695
B	Our outgoings									
	Cost of materials	₹Lakhs	137368	161734	172427	184633	165880	180084	185089	160957
	Emp. Rem. & Benefits	₹Lakhs	76911	71676	73940	72508	68315	55514	56919	44672
	Depreciation	₹Lakhs	5214	5356	5025	4392	3364	3222	2731	1770
	Other Expenses(net)	₹Lakhs	38722	38654	45996	45901	37938	36996	31296	31114
	Interest	₹Lakhs	7051	11046	14099	8843	6127	4893	3925	2309
C	Our savings									
	PBDIT	₹Lakhs	12956	17310	6891	19881	28166	40070	45403	38880
	PBIT	₹Lakhs	7742	11954	1866	15489	24802	36848	42672	37110
	PBT	₹Lakhs	691	908	(12233)	6646	18675	31955	38747	34801
	PAT	₹Lakhs	676	468	(7987)	5725	14976	22285	26884	22565
D	Own capital									
	Equity	₹Lakhs	4177	4177	4177	4177	4177	4177	4177	4177
	Reserves and surplus	₹Lakhs	203498	203807	203826	213031	209727	199607	187360	166393
E	Loan capital									
	Loans from Banks	₹Lakhs	24846	54110	85181	83335	67419	75305	47091	30327
	Other loans	₹Lakhs	39498	41481	40959	12525	14091	15550	9673	-
F	Financial Statistics									
	Net worth	₹Lakhs	207676	207984	208003	217208	213904	203639	190708	169176
	Gross Block	₹Lakhs	122627	120062	118377	112845	94543	79871	74951	68028
	Depreciation	₹Lakhs	75756	70193	65303	59923	55590	52484	49402	46970
	Net Block	₹Lakhs	46871	49869	53074	52922	38953	27387	25549	21058
	Inventories	₹Lakhs	192120	215210	245620	242241	188891	165300	162058	92958
	Trade Receivables	₹Lakhs	124207	115671	122452	100598	128840	136074	154527	149606
	Working capital	₹Lakhs	196967	198422	206756	205462	162399	259646	218771	174884
	Capital Employed	₹Lakhs	243838	248291	259830	258384	201352	287033	244320	195942
	Value added	₹Lakhs	122625	119711	115456	130898	114144	121965	122700	104364
	Dividend-Excl. Tax	₹Lakhs	416	416	1041	2082	4164	4164	4997	4997
	R&D Expenditure	₹Lakhs	8292	8623	9436	9779	9433	9720	3198	1926
	No. of Employees	Nos	9599	10328	11005	11644	11798	12052	12600	12286
G	Financial Ratios									
	Revenue from operations per Employee	₹Lakhs	29.27	28.19	25.52	23.42	22.48	23.81	22.20	20.67
	Value Added per Employee	₹Lakhs	12.77	11.59	10.49	11.24	9.67	10.12	9.74	8.49
	PBT to Revenue from operations	%	0.25	0.31	(4.36)	2.44	7.04	11.14	13.85	13.70
	PBIT to Capital employed	%	3.18	4.81	0.72	5.99	12.32	12.84	17.47	18.94
	PAT to Net worth	%	0.33	0.23	(3.84)	2.64	7.00	10.94	14.10	13.34
	Debt Equity ratio	Times	0.31	0.46	0.61	0.44	0.38	0.45	0.30	0.18
	EPS	₹	1.62	1.12	(19.18)	13.75	35.96	53.51	64.56	56.19
	Dividend	%	10.00	10.00	25.00	50.00	100.00	100.00	120.00	120.00
	Revenue from operations to Capital employed	%	115.21	117.26	108.11	105.52	131.72	99.97	114.49	129.61

Notes:

- For ratios pertaining to turnover, Revenue from operations has been considered.
- Trade Receivables includes Unbilled Revenue amounting to ₹25038 Lakhs shown under Other current assets in the accounts (Previous Year - ₹17935 Lakhs)

FINANCIAL HIGHLIGHTS

Sl. No.	PARTICULARS	UNITS	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
A	Our earnings									
	Gross Revenue	₹Lakhs	249106	214435	179745	171316	165972	130872	119760	99469
	Export	₹Lakhs	11073	6149	5856	5259	2145	11543	14980	32240
	Total Gross Revenue	₹Lakhs	260179	220584	185601	176575	168117	142415	134740	131709
	Less: Value of Consortium supplies	₹Lakhs	-	-	-	-	-	-	-	-
	Revenue net of Consortium Supplies	₹Lakhs	260179	220584	185601	176575	168117	142415	134740	131709
	Less: Excise Duty	₹Lakhs	17792	14630	12322	9354	11005	9170	9608	7497
	Revenue from operations	₹Lakhs	242387	205954	173279	167221	157112	133245	125132	124212
	Change in WIP/SIT	₹Lakhs	(1104)	(2627)	2994	(7388)	5899	1195	(423)	(2324)
	Value of Production (with Revenue from Operations)	₹Lakhs	241283	203327	176273	159833	163011	134440	124709	121888
	Value of Production (with Gross Revenue)	₹Lakhs	259075	217957	188595	169187	174016	143610	134317	129385
B	Our outgoings									
	Cost of materials	₹Lakhs	148403	127624	103505	105319	111449	90318	79540	77685
	Emp. Rem. & Benefits	₹Lakhs	36379	33357	35616	34678	33407	32562	36662	26349
	Depreciation	₹Lakhs	1352	1412	2299	1829	1930	2214	2340	2679
	Other Expenses(net)	₹Lakhs	28510	35136	27052	29191	31231	19171	15946	16897
	Interest	₹Lakhs	561	461	179	148	300	2226	3120	6399
C	Our savings									
	PBDIT	₹Lakhs	33517	30415	29758	6995	6017	5741	6525	11438
	PBIT	₹Lakhs	32165	29003	27459	5166	4087	3527	4185	8759
	PBT	₹Lakhs	31604	28542	27280	5018	3787	1301	1065	2360
	PAT	₹Lakhs	20493	18693	17528	2417	2610	535	600	1460
D	Own capital									
	Equity	₹Lakhs	3687	3687	3687	3687	3687	3687	3687	3687
	Reserves and surplus	₹Lakhs	99661	84284	69781	56437	54827	55978	55689	55497
E	Loan capital									
	Loans from Banks	₹Lakhs	2557	2488	7491	3148	3130	27255	23471	37537
	Other loans	₹Lakhs	-	-	-	180	220	2778	6288	10855
F	Financial Statistics									
	Net worth	₹Lakhs	101459	85390	69439	56888	53219	55559	55700	57774
	Gross Block	₹Lakhs	59643	56512	54395	54334	53425	52851	52695	52199
	Depreciation	₹Lakhs	45257	43992	42738	40949	39213	37648	35805	33509
	Net Block	₹Lakhs	14386	12520	11657	13385	14212	15203	16890	18690
	Inventories	₹Lakhs	72928	64908	62080	57327	74850	63886	63868	61079
	Trade Receivables	₹Lakhs	90426	77021	60820	44356	49418	56730	52067	52016
	Working capital	₹Lakhs	86676	73460	64658	47933	43454	69190	67512	86838
	Capital Employed	₹Lakhs	101062	85980	76315	61318	57666	84393	84402	105528
	Value added	₹Lakhs	92880	75703	72768	54514	51562	44122	45169	44203
	Dividend-Excl. Tax	₹Lakhs	4409	3674	3674	735	735	441	368	735
	R&D Expenditure	₹Lakhs	1805	1914	1687	1498	1754	1823	1550	1372
	No. of Employees	Nos	11748	11975	12189	12922	13116	13838	14357	15117
G	Financial Ratios									
	Revenue from operations per Employee	₹Lakhs	20.63	17.20	14.22	12.94	11.98	9.63	8.72	8.22
	Value Added per Employee	₹Lakhs	7.91	6.32	5.97	4.22	3.93	3.19	3.15	2.92
	PBT to Revenue from operations	%	13.04	13.86	15.74	3.00	2.41	0.98	0.85	1.90
	PBIT to Capital employed	%	31.83	33.73	35.98	8.42	7.09	4.18	4.96	8.30
	PAT to Net worth	%	20.20	21.89	25.24	4.25	4.90	0.96	1.08	2.53
	Debt Equity ratio	Times	0.03	0.03	0.11	0.06	0.06	0.54	0.53	0.84
	EPS	₹	55.77	50.87	47.70	6.58	7.10	1.46	1.63	3.97
	Dividend	%	120.00	100.00	100.00	20.00	20.00	12.00	10.00	20.00
	Revenue from operations to Capital employed	%	239.84	239.54	227.06	272.71	272.45	157.89	148.26	117.71



NOTICE

NOTICE is hereby given that the 51st Annual General Meeting of BEML Limited will be held on **Tuesday, the 15th September, 2015 at 11.30 hours at API Bhavana, No. 16/F, Millers Tank Bed Area, Vasanthanagar, Bengaluru - 560 052**, to transact the following business:

I. ORDINARY BUSINESS

1. To receive, consider and approve the Audited Financial Statements for the year ended 31.03.2015, and the Reports of the Board of Directors and Auditors thereon.
2. To consider and declare the Dividend for the year 2014-15.
3. To elect a Director in place of Shri P. Dwarakanath, who retires by rotation and being eligible, offers himself for re-appointment.
4. To elect a Director in place of Shri C. Balakrishnan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To elect a Director in place of Shri Suhas Anand Bhat, who retires by rotation and being eligible, offers himself for re-appointment.
6. To elect a Director in place of Shri N. P. Gupta, who retires by rotation and being eligible, offers himself for re-appointment.
7. To fix the remuneration of the Auditors for the year 2015-16.

II. SPECIAL BUSINESS

8. Appointment of Director:

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that Smt. Kusum Singh be and is hereby appointed as Government Nominee Director of the Company with effect from

05.11.2014 on the terms and conditions as stipulated by the Government of India.”

9. Ratification of Remuneration to Cost Auditors:

To consider and if thought fit, to pass the following resolution 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 ₹2,25,956/- inclusive of conveyance and service taxes, payable to M/s Murthy & Co., LLP, 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 financial year 2014-15, be and is hereby ratified.”

10. Articles of Association of the Company:

To consider and if thought fit, to pass the following resolution as Special Resolution:

“RESOLVED that pursuant to Section 14 of the Companies Act, 2013 and other applicable provisions, if any, under the said Act, or rules or regulations made thereunder, the consent of the members of the Company be and is hereby accorded for operating the existing Articles of Association of the Company untill further amendments are made by the Company, however subject to -

- (i) applicability of corresponding provisions under the Companies Act, 2013 as duly notified by the Government of India from time to time;
- (ii) the administrative control and authority of the President of India as envisaged in the Articles of Association; and
- (iii) the insertion of the following new Clause as Article 120(24) with the margin heading 'General Authority'

wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its Articles, then and in that case by virtue of this Article, the Company is hereby specifically authorized, empowered and entitled to have such right, privilege or authority, to carry out such transactions as have been permitted by the Act without there

being any separate/specific article in that behalf herein provided.”

Bengaluru
14.08.2015

By order of the Board
For BEML Limited
Sd/-
M E V Selvamm
Company Secretary

Notes :

1. *A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company.*
2. *A proxy shall not act on behalf of more than 50 members or represent the members holding more than 10% of the total voting rights.*
3. *A proxy shall not have the right to speak at the AGM.*
4. *The prescribed proxy form is enclosed. The proxy form, to be valid, should be deposited at the Registered Office of the Company 48 hours before commencement of the AGM, i.e., before 11.30 hours on 13.09.2015.*
5. *Member / Proxy holder must bring the Attendance Slip to the AGM and hand it over at the registration counter as duly signed and executed.*
6. *Queries on accounts and operations of the Company, if any, may please be sent to the Company ten days in advance of the AGM so that the replies may be made available at the AGM.*
7. *Members are requested to bring their copies of the Annual Report to the AGM.*
8. *Members may visit the website of the*

Company www.bemlindia.com for more information on the Company.

9. *Members are requested to address all correspondence in relation to share matters to the Company's Share Transfer Agent (STA), M/s Karvy Computershare Private Limited at the following address :*

M/s. Karvy Computershare Private Limited
 Karvy Selenium Tower B, Plot 31-32,
 Gachibowli, Financial District,
 Nanakramguda, Serilingampally,
 Hyderabad - 500 032.
 Ph : 040 - 67161526, Fax: 040-23001153
 E-mail : nageswara.raop@karvy.com,
einward.ris@karvy.com
 Website : www.karvy.com

10. *Investor Grievance Redressal:*

The Company has assigned an exclusive e-mail id: investorgrievance@beml.co.in to enable investors to register their complaints, if not adequately addressed by the STA.

11. *Members who are holding shares in more than one folio are requested to intimate to the STA the details of all their folio numbers for consolidation into a single folio. Members must quote their Folio Number / Demat Account No. and contact details such as email ID, phone / mobile contact nos., etc., in all*



correspondence with the Company/STA.

12. *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.*
13. *In terms of Clause 16 of the Listing Agreement, the Register of Members and Share Transfer Book will remain closed from 09.09.2015 to 15.09.2015 (both days inclusive) for the purpose of the AGM.*
14. *Pursuant to Clause 49 of the Listing Agreement, the brief resume/profile of the Directors eligible for re-appointment is attached hereto.*
15. *Pursuant to Clause 35B of the Listing Agreement, e-voting facility is provided to all the members on the web-site at **<https://evoting.karvy.com>**. E-voting can be exercised by the members from 9.00 A.M. on **10.09.2015** to 5.00 P.M. on **14.09.2015**. A distinctive user ID and password to individual member are e-mailed / enclosed to the annual report. Necessary instructions on e-voting facility may be accessed on the web-site with the said user ID and password. E-voting is in addition to the voting by poll at the AGM. Cut-off date for members to be eligible for e-voting is 08.09.2015.*
16. *The dividend declared at the AGM will be paid on or after 19.09.2015, 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 08.09.2015 and 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.

17. *The details of unpaid dividends with corresponding due dates for transfer to the Investor Education and Protection Fund (IEPF) are as follows:*

<i>Dividend for the financial year</i>	<i>Date of Declaration</i>	<i>Due for transfer on</i>
2007 -08	30.09.2008	04.11.2015
2008 -09	25.09.2009	30.10.2016
2009 -10	13.08.2010	17.09.2017
2010 -11	29.08.2011	04.10.2018
2011 -12	14.09.2012	19.10.2019
2012 -13	13.09.2013	18.10.2020
2013 -14	18.09.2014	23.10.2021

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

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

Item No. 8 - Appointment of 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, Smt. Kusum Singh (DIN-06489228), Joint Secretary, Department of Defence Production, Ministry of Defence (MoD), was appointed as Government Nominee Director vide MoD letter No.10(2)/2011-D(BEML) dated 05.11.2014 in place of Shri P. K. Mishra, as per the directives of the President of India. Further, in terms of Section 152 of the Companies Act, 2013, every Director shall be appointed by the Company in general meeting.

In terms of Clause 49 of the Listing Agreement, a brief profile of Smt. Kusum Singh is given under:

Smt. Kusum Singh is a distinguished IRPS Officer of 1984 batch with over 30 years of experience. Earlier she was the General Manager at Centre for Railway Information Systems. She is Master of Arts in Economics from Delhi School of Economics. She is also a Government Nominee Director on the Board of M/s. Mishra Dhatu Nigam Limited, another DPSU. She does not hold any equity shares in the capital of the Company. Further, she is not related to other Directors of Company. The Board commends the proposed Ordinary Resolution for the approval of the Members.

Smt. Kusum Singh being the appointee concerned, is considered to be interested in the proposed resolution.

Item No. 9 - 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 Murthy & Co., LLP, Cost Accountants, upon annual remuneration of ₹2,25,956/- inclusive of conveyance and service taxes to conduct the audit of the cost records of the Company for the financial year 2014-15.

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 2014-15 as set out in the resolution for the aforesaid services.

The Board of Directors commends the proposed Ordinary Resolution for approval by the Members.

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

Item No. 10 - Articles of Association of the Company:

Your Company is a Central Public Sector Enterprise under the administrative control of Ministry of Defence. It was incorporated on 11.05.1964 and the Memorandum and Articles of Association were adopted in terms of the provisions of the then Companies Act, 1956. The Articles of Association (AoA) provides for the rules and regulations for managing the internal affairs of the Company and also to exercise the statutory powers within the limits specified therein.

In view of the enactment of the Companies Act, 2013, some changes are required to be incorporated in the AoA of the Company. It may be noted that all the sections under the Companies Act, 2013 are not yet notified by the Government for implementation. Further, the Government have notified that the sections or parts of sections under the Companies Act, 1956 shall continue to remain in force wherever the corresponding sections under the Companies Act, 2013 are not notified for implementation. Accordingly, the Company's affairs are required to be conducted based on the applicable provisions of both the enactments till all the sections under the Companies Act, 2013 are notified by the Government.

Further, the concept of appointment of Independent Directors and other categories of Directors have been brought in the new Companies Act, 2013. In view of the above, it is proposed to include the same in the AoA empowering the President of India to appoint such Directors on the Board of the Company.



The new Act requires specific authorisation in the AoA for certain actions provided under the Act. Hence, it is proposed to insert a new Clause under the heading “General Authority” to enable the Company to carry out such activities as per the provisions of the Act.

The existing AoA of the Company along with the AoA incorporating therein the proposed alterations are available for inspection to all the members of the Company at the Registered Office of the Company during business hours till the completion of voting period. Pursuant to the provisions of Section 14 of Companies Act, 2013, amendment of AoA would require

approval of members by way of special resolution.

The Board of Directors commends the proposed Special Resolution for the approval by the Members.

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

By order of the Board
For BEML Limited
Sd/-

Bengaluru
14.08.2015

M E V Selvamm
Company Secretary

Details of Directors seeking re-appointment as required u/c 49(VIII)(E) of the Listing Agreement:

(a) Shri P. Dwarakanath, Chairman & Managing Director:

Shri P. Dwarakanath (DIN-02107805), is a Graduate in Mechanical Engineering from National Institute of Technology, Warangal. He joined BEML as a Management Trainee in 1978 and held various important positions in the Company covering Rail & Metro and Defence areas. He was heading BEML, Bangalore Complex prior to taking over the charge of Director (Metro & Rail Business) with effect from 01.03.2008. He is also given additional charge of Chairman & Managing Director from 12.06.2012 to 09.10.2012 and later took charge as regular Chairman & Managing Director on 10.10.2012. He does not hold any equity shares in the capital of the Company.

(b) Shri C. Balakrishnan, Independent Director:

Shri C. Balakrishnan (DIN-00040416), is a 1974 batch, Himachal Pradesh Cadre IAS officer. He served in the State in various capacities including Secretary - Education and Civil & Food supplies. He also served in the important Central Government departments like HRD, Shipping, Road Transport, Highways and Coal. He retired as Secretary to the Government of India. He was a Director on the Board of Public Sector Companies including Shipping Corporation of India Limited and he also served as the Managing Director, Himachal Pradesh General Industries Corporation and Himachal Pradesh Small Industries and Exports Corporation. He is also director on the Board of M/s Swayambhu Natural Resources (P) Limited, Kolkata, a wholly owned subsidiary of India Power Corporation Limited. He does not hold any equity shares in the capital of the Company.

(c) Shri Suhas Anand Bhat, Independent Director:

Shri Suhas Anand Bhat (DIN-01627074), is a Banker by profession and served for Bank of India, UCO Bank and Indian Overseas Bank. He had rich experience in International Finance, Foreign Exchange, Credit Appraisal and General Administration. He retired as the Chairman and Managing Director of Indian Overseas Bank. Apart from his experience as Director in the Banking Industry, he is also a Director on the Board of GDA Management Consulting Pvt. Limited and BOIAXA Trustee Services Pvt. Limited. He does not hold any equity shares in the capital of the Company.

(d) Shri N.P. Gupta, Independent Director:

Shri N.P. Gupta (DIN-02548988), is a 1972 batch, Tamil Nadu Cadre IAS officer. He served in the State of Tamil Nadu in various capacities including Secretary of Animal Husbandry, Textiles and Public Works Department. He also served in the Department of Defence Production, Ministry of Defence, Government of India, during 1978-83 and was coordinating HAL related activities. He retired as a Secretary to Government of India. He held directorships both in public and private sector companies and presently serving as Director on the Board of Tamil Nadu Telecommunication Limited and Indian Drugs & Pharmaceuticals Limited. He does not hold any equity shares in the capital of the Company.

The aforesaid Directors are not related inter-se and also not related to other Directors of the Company.

BOARD'S REPORT

Your Board of Directors has pleasure in presenting the 51st Annual Report and Audited Accounts for the year ended 31.03.2015.

Financial results:

(₹ in Crs.)

Particulars	2014-15	2013-14
Gross Revenue including consortium supplies	3129.65	3262.20
Revenue including excise duty	2999.17	3120.17
Net Revenue from operations	2809.19	2911.51
Profit before Depreciation, Interest and Tax	129.56	173.10
Finance costs	70.51	110.46
Depreciation and amortization expense	52.14	53.56
Profit Before Tax	6.91	9.08
Tax Expense	0.15	4.40
Profit After Tax	6.76	4.68
Profit available for appropriations <i>(after adjustment of carrying amount of assets with Nil useful life as on 01.04.2014 & profit during the year)</i>	231.87	239.49
APPROPRIATIONS :		
Proposed Dividend	4.16	4.16
Dividend tax	0.85	0.71
Debenture Redemption Reserve	6.76	4.68
Profit & Loss Account	220.10	229.94
Net Worth	2076.76	2079.84

Turnover & Profitability:

Your Company achieved gross revenue of ₹3129.65 crores including the value of consortium supplies against ₹3262.20 crores of corresponding value in the previous year. The revenue from operations (net of consortium supplies and excise duty) stood at ₹2809.19 crores as against ₹2911.51 crores in the previous year, registering a marginal decline of 3.51% in growth. The Value of Production (net of consortium supplies and excise duty) is ₹2599.93 crores as against ₹2814.45 crores in the previous year. The Profit before Tax was ₹6.91 crores as against Profit before Tax of ₹9.08 crores recorded in the previous financial year. The reduction in revenue in Rail & Metro segment is due to lack of orders relating to GS/GSCN Rail Coaches. In spite of persistent follow-up, orders from Railway Board did not materialize. Further, Rail & Metro segment has registered a Net Sales of ₹993.16 crores during 2014-15 as against ₹1314.19 crores during 2013-14, thereby resulting in negative growth of 24.43%.

Defence Business segment has achieved a Net Sales of ₹160.86 crores in 2014-15 as against ₹143.42 crores in 2013-14, registering a growth of 12.16%. However, non-availability of required input materials for Defence supplies continued during the year due to which the set targets could not be achieved in this segment. Despite sluggish market conditions, Mining & Construction segment achieved a Net Sales of ₹1652.52 crores in 2014-15 as against ₹1446.08 crores in 2013-14, thereby registering a growth of 14.28%.

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

Performance vis-à-vis MoU:

Performance of your Company, in terms of the Memorandum of Understanding signed with the Department of Defence Production, Ministry of Defence (MoD), Government of India, was rated as "Good" for the financial year 2013-14 and the rating for the financial year 2014-15 is estimated as 'Good' based on self-evaluation.

Further to achieve 'Very Good' rating for the 2015-16, the MoU targets are set at ₹3800 crores for net sales turnover and ₹380 crores for gross operating margin.

Dividend:

The Board of Directors of your Company has recommended a dividend of ₹1.00 per share i.e., 10%, for the year 2014-15 keeping in view the future prospects of the Company and at the same time meeting the aspirations of the shareholders.

Exports:

During 2014-15, your Company made exports aggregating ₹484.33 crores (physical exports of ₹106.78 crores and deemed exports of ₹377.55 crores) as against ₹81.05 crores (physical exports of ₹78.13 crores and deemed exports of ₹2.92 crores) in the previous year. The international presence of the Company increased to 64 countries with the entry of Vietnam during the year.



Quality:

Key initiatives taken during the year for continuous improvement towards assuring Quality are as under:

- ❖ All the manufacturing divisions continue to hold the Quality Management Certification based on the surveillance audit recommendations.
- ❖ MoU targets relating to internal failure cost, increase in vendor base, quality improvement projects and '5S' were achieved.
- ❖ Quality Circle (QC) team 'TITANS' from Bengaluru Complex participated in International Convention on Quality Control Circles ICQCC-2014 held in Colombo, Sri Lanka, from 12th to 15th October 2014, and won 'SILVER' award.
- ❖ Around 750 Kaizen projects across the divisions were successfully completed.
- ❖ Towards 'Swachh Bharat Abhiyan', efforts are on for effective implementation of '5S' - Good Housekeeping Techniques, across the Company. Palakkad Complex competed for '5S Excellence Award 2014' instituted by M/s. CII-Southern Region and received 'Certificate of Merit'.
- ❖ As a part of vendor development activity, 12 firms have been accorded "Inspection Waiver" status based on auditing. Vendor rejections were effectively monitored through Corrective and Preventive Action by Source Inspection Team.
- ❖ Towards customer satisfaction, Cross functional teams are active Company-wide to address critical field quality issues.
- ❖ 13 personnel from Quality Engineering have been deputed to training programmes conducted by IIT-Madras, on the areas covering Foundry & Forging Engineering, Computational Fluid Dynamics, Diesel

Engine Systems and Performance, Noise Vibration & Harshness Analysis, Mobile Hydraulics & Electronic Controls.

Energy Conservation and Technology Absorption:

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.

Further, the Company's Research & Development Centre continues to play a vital role in design and development of products, critical aggregates, indigenization activity, etc. During the year, R&D developed and launched certain products in Mining & Construction, Defence and Rail & Metro segments.

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 conservation of energy and technology absorption including the products developed by the Company during the year is placed at **Annexure-I**.

Foreign Exchange Earnings and Outgo:

During the year, the Company's foreign exchange earnings stood at ₹258.46 crores and the total foreign exchange utilized was ₹313.85 crores.

A sum of ₹1.39 crores was incurred towards deputation of personnel abroad for business / export promotion, after-sales-services and training purposes.

Finance:

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

The Company's contribution to Central and State Exchequer was in the order of ₹557.65 crores during the year by way of Excise Duty, Customs Duty, Sales

Tax, Service Tax, Dividend and Tax thereon, and other taxes and duties.

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. Further, there is no default in payment of deposits / interest thereon during the year.

Enterprise Risk Management:

Establishment of Risk Management System in terms of Clause 49(VI) of the Listing Agreement and the provisions of the Companies Act, 2013 is under process.

Related Party Transactions:

Your Company has formulated a “Policy on Related Party Transactions” to regulate transactions entered into between the Company and its related parties. The said policy may be accessed at Company's web-site http://www.bemlindia.com/documents/Financials/Policy_RPT.pdf.

During the year 2014-15, 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 duly considered and approved by the Audit Committee.

Particulars of Loans, Guarantees or Investments:

Details of loans, guarantees or investments made under section 186 of the Companies Act, 2013 are given in the Note Nos.12,14 and 16 to the Financial Statements.

Report on the performance and financial position of subsidiaries and joint venture company

Subsidiary Companies:

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

VIL has recorded a turnover of ₹30.67 crores as

against ₹36.75 crores, thereby resulting in a decrease of about 17% over the previous year. The value of production of the Company stood at ₹31.50 crores as against ₹30.73 crores and the Company contained the loss at ₹0.85 crores as against loss of ₹1.45 crores in the previous year. The major reasons for loss were due to breakdown of critical equipments and non-availability of sand. Further, frequent and unscheduled power cut resulted in reduction of Fettling and Proof Machining facility with Tarikere based Fettleers.

As already planned to reduce dependency on Holding Company, VIL could secure order from MIDHANI to manufacture and supply 800 MTs of High Manganese U-2 Steel Castings valued at ₹10.82 Crores. Further, VIL has obtained extension from Integral Coach Factory for supply of Axle Box Housing Castings required for rail coaches.

Further, considering the market demand for high alloy grade castings like T-72 and Tatra Variants relating to Defence business, Axle Box and Buffer Assembly relating to Rail business, and new castings for Mining & Construction business, necessary development and production are planned. These proposals would help VIL to achieve ₹73.75 crores by 2020-21 as envisaged in the Perspective Plan.

The order book position remained at 3423 MTs as on 01.04.2015. More and more casting requirements are expected from Holding Company as well as from other customers. With this, VIL is confident of achieving better results for the financial year 2015-16.

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

Your Company has entered into a Consortium Agreement with M/s. Coal India Limited (CIL) and M/s. Damodar Valley Corporation (DVC) on 08.06.2010 for acquiring specified assets of M/s. Mining and Allied Machinery Corporation Limited (under liquidation). The agreement, inter-alia, provided for formation of a Joint Venture company with a shareholding pattern of 48:26:26 among BEML, CIL and DVC respectively. The Company has paid the proportionate share of ₹48 crores



towards the total bid consideration of ₹100 crores 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 2014-15, the Company incurred a sum of ₹8.18 crores towards maintenance, security and other related expenditure. The expenditure incurred by the CIL and DVC on account of this proposal is not ascertained. The total sum of ₹56.18 crores is included under the head other loans and advances pending allotment of equity shares in the capital of JV company. Since the Company intends to treat this as long term investment, no independent valuation of the said assets has been carried out and the diminution in the value of investments, if any, can be ascertained only after the formulation of business plan and obtaining necessary approval for shareholders' agreement from MoD and consequential allotment of shares in the JV.

In the meantime, a Company in the name of 'MAMC Industries Limited (MIL)' was formed and incorporated by the Company as a wholly owned subsidiary 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 MoD for necessary approval. Further as required by the MoD, 'Business Plan' and 'Financial Feasibility Report / Study' of the proposed JV, is being prepared by engaging IIT-Kanpur.

(iii) M/s. BEML Brazil Industrial Ltda (BBIL):

Your Company entered the Brazil market for brand building exercise and local value addition for the products to meet local standards in anticipation of good business potentials for Freight Wagons and Mining & Construction equipment. As per the requirement under the local laws, BBIL was established. Based on the enquiries, few mining equipment were also supplied to local customers. In the meantime, low cost Chinese equipment flooded the Brazilian market along with their local manufacturing facilities. Further, your Company faced stiff competition in high-end equipment segment from international players like CAT and Komatsu. In view of these developments, it is

proposed to handle the Brazilian market directly and to wind up the existing facilities in Brazil.

Joint Venture Company - M/s. BEML Midwest Limited (BMWL):

BMWL was formed and registered with the Registrar of Companies at Hyderabad on 18.04.2007. BEML holds 45% share and M/s Midwest Granite Pvt. Ltd. (MGPL) and P T Sumber Mitra Jaya of Indonesia as partners holding the balance 55% share. The Company has been established to capitalize on the growing business opportunities in the contract mining segment. However, due to certain unauthorized transactions and the oppression and mismanagement by the nominees of MGPL, your Company had filed an application before Hon'ble Company Law Board (CLB) seeking for suitable relief. As a counter measure, MGPL had also filed a petition on the matter. CLB vide its common order dated 01.06.2012 directed the Central Government to appoint an inspector to investigate the affairs of BMWL and take appropriate action. As per 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. CLB has commenced fresh hearing on the matter and the investigation is also under progress.

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.

Vigilance:

The Company has an independent Vigilance Department headed by the Chief Vigilance Officer. The Vigilance Activities were carried out in a holistic manner and covered prevention, detection and enforcement. The Vigilance Department handles the complaints and after due verification / investigation recommends for suitable measures including disciplinary action, change in policy and procedures, system improvement and establishing best practice.

During the year, the Vigilance Department initiated various progressive measures such as job rotation, information and communication technology solutions and exit interview format for implementation.

With the objective of professionalizing and building capacities of officials involved in procurement management, the Company has partnered with the World Bank sponsored Outreach Program in Public Procurement Management. Under this aegis 40 executives of the Company qualified the certificate program in public procurement.

To mark the observance of the Vigilance Awareness Week-2014 and in sync with the theme 'Combating Corruption-Technology as an enabler' a one day workshop on "e-Procurement" was organized for the selected executives cutting across various functions of the Company.

Procurements:

Your Company endeavours to procure materials and services through e-procurement platform on ERP system. During the year, about 74% of the total requirements were sourced through e-procurement.

Further, all the contracts for procurements for value ₹2 Crs and above are subjected to Integrity Pact (IP) in line with Central Vigilance Commission (CVC) Guidelines. IP envisages an agreement between the vendor and the Company not to resort to corrupt practices of whatsoever nature in any aspect / stage of each such contract. Draft of the IP agreement is placed at www.bemlindia.com. Independent External Monitors (IEMs), as recommended by

CVC, review the IPs periodically and confirm the implementation in line with the Guidelines. Further, the IEMs hold structural meetings with the Chairman and Managing Director and apprise accordingly. During the year, there were 62 IPs entered with the vendors for value aggregating ₹365.58 Crs.

Micro and Small Enterprises:

Keeping in view the effective implementation of Public Procurement Policy for Micro and Small Enterprises (MSEs) Order 2012, following steps have been adopted:

- List of components that could be sourced from MSEs are placed on the Company's web-site (www.bemlindia.com) for the information of MSE vendors.
- Communication has been sent to all the registered vendors regarding the said policy with the objective of achieving an overall procurement of 20% from MSEs out of the total annual purchases. Further, for enhancing the procurement from MSEs owned by SC/ST, all the vendors are approached to capture the details and update the data bank.
- Appropriate weightage has been given for MSEs in the MoU from year 2014-15 onwards in order to ensure effective implementation of the policy.
- In order to enhance the vendor base from MSEs, your Company is participating in various exhibitions organized by Micro, Small and Medium Enterprises, National Small Industries Corporation, etc, wherein components are being displayed for MSEs and details / advantages of the above policy is propagated.
- During 2014-15, your Company placed orders for goods and services to the extent of ₹169.34 crores from MSEs which constituted 12.70% of the total procurement value of ₹1333.80 crores.

**Compliance under the Right to Information Act, 2005:**

The information required to be provided to citizens under section 4(1)(b) of Right to Information Act, 2005 is placed on Company's website, www.bemlindia.com. It contains general information of the Company, functions, powers and duties of employees/officers, decision making process, rules, regulations, manuals and records held by the Company directory of the Company's officers, pay scales of officers / employees etc., and procedure for seeking information and inspection of records. The Company has nominated a Central Public Information Officer, Appellate Authority, Transparency Officer and five Central Assistant Public Information Officers representing Complex / Divisions to attend to the queries and appeals. Further, during the year 2014-15 the Company received 202 applications and queries and the same were disposed off.

Rajbhasha:

Your Company continued its efforts in implementing the Official Language (OL) Policy by adopting the following measures during the year:

- All the prescribed documents under the OL policy were prepared and issued in Hindi-English bilingual form.
- OL Implementation Committee is constituted to review the status of use of Hindi across the Company.
- OL Inspection was carried out by Joint Director, Department of Official Language, MoD, at District Offices in Cochin and Guwahati, Mysuru Complex and KGF Complex.
- First Sub-Committee of the Parliamentary Committee on OL inspected your Corporate Office and District Office-Udaipur, reviewed the implementation of OL policy and suggested additional measures for implementation.

- 354 executives/employees were trained in Hindi under Hindi Teaching Scheme of Government of India, during the period under review.
- 10 Hindi workshops were organized in which 204 officials were trained.
- Hindi Fortnight was observed from 16.09.2014 to 30.09.2014 throughout the Company and variety of competitions was organized.
- To encourage the employees reading Hindi books, a separate Hindi Library is functioning at Corporate Office with good number of Hindi books and periodicals.
- Website of your Company is made available in Hindi and are updated the contents periodically.

Corporate Governance:

A report on Corporate Governance and Management Discussion and Analysis Report along with a Compliance Certificate as required under the Equity Listing Agreement is placed at **Annexure-II**.

Awards:

- On 22.11.2014, your Company was awarded with 'India's Top Challenger Company' in the category of Construction and Engineering at the 12th Annual Construction World Global Awards-2014 function held at Mumbai.
- On 16.12.2014, your Company received two Awards for its equipment under the categories of Best Seller-Rigid Dump Trucks and Best Seller-Crawler Dozers in the 2nd Equipment India Awards-2014 at Delhi.
- On 05.01.2015, your Company has won 'Star Performer' award in the Export category for the year 2012-13 from EEPC India.

Manpower:

The number of employees of the Company as on 31.03.2015 stood at 9,599 as against 10,328 of the previous year.

The category-wise number of SC/ST and Ex-Servicemen employees as on 01.01.2015 and recruitment made are as under :

Category / Group	Total Strength As on		No. of SC/ST and Ex-servicemen					
			Scheduled Caste		Scheduled Tribe		Ex-Service Men	
	1.1.2014	1.1.2015	1.1.2014	1.1.2015	1.1.2014	1.1.2015	1.1.2014	1.1.2015
Group -A	1504	1523	257	268	51	56	10	7
Group -B	1228	976	214	178	82	76	14	11
Group -C	7737	7244	1649	1602	328	339	318	308
Group -D	30	27	16	16	4	4	-	-
Total	10499	9770	2136	2064	465	475	342	326

The Company recruited only two candidates, each one in Group B and C, from General category during the year.

Human Resources Development & Industrial Relations:

The HR Department identified several thrust areas for continuously updating technical/professional knowledge and skills of employees towards fostering a performance driven work culture in all areas of operations particularly at shop floors. During the year, the Company organized several in-house and external training programs covering 24,546 man-days.

The overall industrial relation situation in the Company was cordial during the year.

Sexual Harassment of Women at Workplace:

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 constituted in all the manufacturing units. No case was reported / filed under the said Act during the year 2014-15.

Corporate Social Responsibility & Sustainability:

In terms of DPE Guidelines on MoU and Section 135 of the Companies Act, 2013, the Corporate Social Responsibility & Sustainability Committee (CSRS) has been constituted to examine the proposals for the approval of CSRS plan and review the implementation / execution of the plan and steering the CSRS agenda of the Company. The CSRS Committee consists of the following Directors:

Shri. NP Gupta : Chairman / Independent Director

Shri. Deepak Kumar Hota : Member / Director (HR)

Shri. Aniruddh Kumar : Member/Director (Rail & Metro)

Board of Directors of your Company has approved a "Policy on Corporate Social Responsibility and Sustainability" to ensure commitment at all levels in the organization, operate the Company's business in an economically, socially and environmentally responsible and sustainable manner, while recognizing the interests of all stakeholders. The CSRS activities are monitored periodically by the Committee and an annual report on CSRS activities undertaken during the year 2014-15 is enclosed at **Annexure-III**. The average net profit of the Company for the last three financial years is nil. Hence, the amount to be spent on CSRS activities for the year is nil as per the provisions of the Companies Act, 2013. However, in continuing with the endeavour towards being a socially responsible business entity, the Company incurred a sum of ₹3.89 Crs towards CSRS Activities during the year.

The CSR policy of the Company and the activities undertaken are placed on the Company's web-link at http://www.bemlindia.com/documents/aboutus/BEML_CSR_Policy_19092014.pdf and http://www.bemlindia.com/documents/aboutus/BEML_CSR_SD_Activities_2014-15.pdf, respectively.

Environment and Pollution Control:

In order to protect the environment in and around the factory premises/township, tree plantation were



undertaken. Your Company planted saplings of various types of avenue trees / flower bearing trees in the vacant lands belonging to the Company for maintaining ecological balance in the surrounding areas.

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.

Statutory Auditors:

M/s. S.R.R.K Sharma Associates, Chartered Accountants, Bengaluru, were appointed by Comptroller & Auditor General of India as Statutory Auditors for the year 2014-15.

Observation, if any, made in the Independent Auditors' Report on the standalone and consolidated financial statements and the reply of the Board thereto will be given by way of an addendum to this report.

Cost Auditors:

Your Company appointed M/s. Murthy & Co., LLP, Cost Accountants, Bengaluru, as Cost Auditors for the year 2014-15 in terms of Section 148 of Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 for preparing and filing necessary 'Cost Audit Report' for Railway Rolling Stock and its Parts. Further, as required under the said Rules, the remuneration payable to the Cost Auditor is placed in the notice convening 51st Annual General Meeting for ratification of the members.

Secretarial Audit Report:

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed Shri S. Viswanathan, Practicing Company Secretary, to undertake the

Secretarial Audit of the Company for the year 2014-15. The report of the said Secretarial Audit is placed at ***Annexure-IV***.

Reply of the Board of Directors to the observation made in the said report regarding composition of Board and fixation of remuneration to Directors are provided in the 'Report on Corporate Governance' annexed to this report.

Directors:

(1) Appointment of Independent Directors:

No Independent Director was appointed during the year. The terms and conditions of the existing Independent Directors are posted on the web-site of the Company.

(2) Statement on declaration by Independent Directors:

Independent Directors have given declarations u/s 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down u/s 149(6) of the said Act.

(3) Remuneration of Directors:

Your Company being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Directors are decided by the President 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.

Pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration paid to the Functional Directors during 2014-15 are provided under the 'Report on Corporate Governance' annexed to this report.

Government Nominee Directors are not paid any remuneration including sitting fee for attending Board / Committee meetings. Further, none of the Government Nominee Directors had any pecuniary

relationship or transactions with the Company during the year.

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, sitting fee @ ₹10,000 is paid for second / subsequent meetings.

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

(4) Change of 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 terms of office of such Directors. Accordingly, Smt. Kusum Singh, Joint Secretary, Department of Defence Production, MoD, was appointed as Government Nominee Director w.e.f. 05.11.2014 in place of Shri P. K. Mishra, as per the directives of the President of India.

The Board placed on record its deep appreciation for the valuable services rendered by Shri P. K. Mishra whose term of office ended during the year.

(5) Appointment of Key Managerial Personnel:

Your Board of Directors appointed all the six Functional Directors and Company Secretary as the Key Managerial Personnel of the Company with effect from 13.02.2015.

(6) Number of meetings of Board:

During the year, 6 meetings of the Board were held on 27.05.2014, 28.05.2014, 12.08.2014, 18.09.2014, 14.11.2014 and 13.02.2015. Requirements on number and frequency of meetings, in terms of Clause 49(II)(D)(1) of the Equity Listing Agreement and Para 3.3.1 of the DPE Guidelines, were complied with in full.

(7) Directors' Responsibility Statement:

Pursuant to section 134(5) of the Companies Act, 2013, your Directors state that, based on the

representations received from the management,

- (a) in the preparation of the annual financial statements for the year ended 31.03.2015, the applicable accounting standards has been followed along with proper explanation relating to material departures;
 - (b) such accounting policies have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31.03.2015 and of the profitability of the Company for the year ended on that date;
 - (c) proper and sufficient care has been taken 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 annual financial statements have been prepared on a going concern basis;
 - (e) proper internal financial controls were in place and that the internal financial controls were adequate and operating effectively;
 - (f) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.
- (8) Your Company being a Central Public Sector Enterprise (CPSE) and also all the Directors are appointed by the President of India from time to time, the personnel policies and guidelines issued by DPE are being adopted in line with other CPSEs. Accordingly, your Company has not formulated policy for evaluation of the performance of Directors.

Extract of Annual Return:

In terms of Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in the prescribed form is placed at **Annexure-V**.



Acknowledgements

Your Directors express their hearty thanks to the Company's valued customers, in particular Defence Services, 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, M/s. Bangalore Metro Rail Corporation and M/s. Jaipur Metro Rail Corporation 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 and the Ministry of External 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
Sd/-

Bengaluru
29.05.2015

P Dwarakanath
Chairman & Managing Director

Annexures to Board's Report for the Financial Year 2014-15

CONSERVATION OF ENERGY

(a) Steps taken or impact on conservation of energy

(1) KGF Complex:

- (i) Used 4KW capacity Portable Air Compressor in place of 55KW capacity Motor Air Compressor resulted in conservation of 148920 kWh equivalent to ₹9.83 lakhs.
- (ii) Installation of energy conservation devices for roof lighting resulted in conservation of 33860 kWh equivalent to ₹2.24 lakhs.
- (iii) Fixing LED lightings in place of incandescent lamps resulted in conservation of 27672 kWh equivalent to ₹1.83 lakhs.

(2) Mysuru Complex:

- (i) Installation of timer circuits for all lighting system resulted in conservation of 60000 units equivalent to ₹4.20 lakhs.
- (ii) Installation of 100 KVA energy saver unit for road and perimeter lightings resulted in conservation of 45900 units equivalent to ₹3.21 lakhs.
- (iii) Installation of 24W twin solar lights in place of 250W HPSV lights for perimeter lighting resulted in conservation of 43800 units equivalent to ₹3.00 lakhs.
- (iv) Installation of 60W LED lights in place of 250W HPSV lights for road lightings resulted in conservation of 33288 units equivalent to ₹2.33 lakhs.
- (v) Installation of 150KVA energy saver unit for major assembly hangar resulted in conservation of 34200 units equivalent to ₹2.30 lakhs.

(3) Bengaluru Complex:

- (i) Installation of 2 Nos. of 5000 litres capacity

solar water heating system for canteen resulted in conservation of 103950 units equivalent to ₹5.56 lakhs.

- (ii) Installation of 150W Metal halide high bay fitting in place of 800W HPMV lamp for road lights resulted in conservation of 68041 units equivalent to ₹3.64 lakhs.

- (iii) Installation of energy efficient Induction Type 47 Nos. of 120W high bay fittings in shop floor in place of 400W HPMV Lamp fittings resulted in conservation of 53858 units equivalent to ₹2.88 lakhs.

(4) Palakkad Complex:

- (I) Installation of Automatic control for emergency lights in Hangars resulted in conservation of 4158 units equivalent to ₹0.32 lakhs.
- (ii) Operational control of hangar lights during idle timings resulted in conservation of 1320 units equivalent to ₹0.10 lakhs.

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

Your Company setup 5 MW Windmill during 2007 in Kappadagudda area of Gadag district in Karnataka for captive consumption. The existing Windmill generated 80.31 lakh kWh power during 2014-15 resulting in green house gas reduction. Further, your Company is in the process of setting-up 18 MW Wind Mill power generation to develop green energy and also being self sufficient on power requirements.

(c) Capital investment on energy conservation equipments

Nil



TECHNOLOGY ABSORPTION:

Research & Development (R&D):

(i) Efforts made towards Technology Absorption:

During the year, R&D Department designed and developed number of high technology products and aggregates for Mining & Construction, Defence and Rail & Metro segments as per customer requirements and the same were manufactured and launched for customer trials.

Depending on the sectoral needs for the year 2014-15, R&D launched the following products / projects:

Mining & Construction:

- BH205E, 205 ton capacity electric dump truck designed and developed for the first time in India.
- BE1000-1 Hydraulic Excavator - design and development of Engine Auto Idling Feature.
- BE75, BE220G and BE240 HD Excavators - design and development of CAN based 3.8" single LCD monochrome display instrumentation.
- BG825 Motor Grader & BL-40 Wheel Loader - emission up-gradation of 140 bore Engine to BS III norms.
- Excavators, Dozers & Loaders - development of CAN based Data Logger.
- BH60M Dumper - up-gradation with ABS/ASR features.
- BL10C Side Discharge Loader - up-gradation.
- BD355-1 - engineering of BS6D170EG engine.
- BD65-1 Dozer - design and development of CAN based 3.8" single LCD monochrome display instrumentation.

Defence:

- Cabin with add-on armour for trucks.
- Swing Axles.
- Electronic Control Unit.

Rail & Metro:

- DMRC RS9 - Conversion of existing 4 car RS3 trains to 6 car trains in standard gauge intermediate metro cars.
- Mainline Electric Multiple Unit (MEMU).
- Diesel Electrical Multiple Unit (DEMU).

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:

Major R&D initiatives widened the product range and also provided cutting edge technology features for the existing products that enabled the Company to retain the existing customers, expand the market share and also helped in exploring emerging markets.

These new initiatives enhanced the skill sets, knowledge, expertise of R&D personnel and raised the confidence level in taking up new challenges arising from time to time.

Design and development of BH205E, 205 ton capacity electric dump truck:

India's biggest electric drive Dump Truck BH205E (205T) for large scale mining applications was designed, developed and rolled out.

Mainline Electric Multiple Unit (MEMU) & Diesel Electrical Multiple Unit (DEMU):

The technology of MEMU and DEMU were absorbed from the drawings received from Indian Railways. The drawings were studied for manufacturing and testing process established during development of prototype. The prototype cars were inspected and cleared by RDSO. Additional

cars are under manufacture.

DMRC RS9 - Conversion of existing 4 car RS 3 trains to 6 car trains in standard gauge intermediate metro cars:

This is a new product development expected to generate revenues in future.

(iii) Imported technology (imported during last three years reckoned from the beginning of the financial year):

Nil.

(iv) Future plan of action:

Keeping in view the emerging trends in technology and also in line with the unfolding business scenario,

R&D has put in place a plan of action to take up number of projects with enhanced allocation of resources. Towards this, R&D infrastructure and resources are being continuously strengthened / upgraded, to handle and cope with the latest technologies effectively.

R&D has also planned to develop a series of products/aggregates covering all the three business segments i.e., Mining & Construction, Rail & Metro and Defence in the coming years.

(v) Expenditure on R&D:

Company has spent ₹82.92 crores on R&D during 2014-15 which is about 2.65% of the turnover (Gross Revenue including consortium supplies).



1. COMPANY'S PHILOSOPHY

Senior Management initiates the Corporate Governance standards and ensures that it is percolated throughout the organization. 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.

Your Company has a 'Code of Conduct and Business Ethics for Board Members and Senior Management', i.e., Directors, Key Managerial Personnel, Executive Directors and Chief General Managers. In addition, there is a 'BEML Code of Conduct to regulate, monitor and report trading by Insiders' to avoid unlawful enrichment by the connected persons based on unpublished price sensitive information.

Your Company is in compliance with the requirements of the Corporate Governance standards as stipulated under Clause 49 of the Equity Listing Agreement and the Department of Public Enterprises Guidelines on Corporate Governance for Central Public Sector Enterprises (DPE Guidelines).

2. BOARD OF DIRECTORS

(i) Composition:

As at 31.03.2015, the Board consisted of 6 Whole-time Directors including the Chairman & Managing Director, 2 Government Nominee Directors and 3 Independent Directors. There are 5 vacancies for Independent Directors on the Board. Appointment for these vacancies is under consideration of Government of India.

(ii) Meetings and Attendance:

During the year, 6 meetings of the Board were held on 27.05.2014, 28.05.2014, 12.08.2014, 18.09.2014, 14.11.2014 and 13.02.2015. Requirements on number and frequency of meetings, in terms of Clause 49(II)(D)(1) of the Equity Listing Agreement 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 the companies, during the year 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)	No. of other directorships held	* Number of Committee Memberships across all companies
Functional Directors:					
1	Chairman & Managing Director Shri P. Dwarakanath (DIN 02107805)	6/6	Yes	--	--
2	Director (Mining & Construction Business) Shri. C N Durgesh (DIN 03487810)	6/6	Yes	1	1
3	Director (Defence Business) Shri P R Naik (DIN 03579729)	6/6	Yes	--	--

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)	No. of other director-ships held	* Number of Committee Memberships across all companies
4	Director (HR) Shri Deepak Kumar Hota (DIN 06600812)	6/6	Yes	--	1
5	Director (Finance) Shri Pradeep Swaminathan (DIN 06565229)	6/6	Yes	1	2
6	Director (Rail and Metro Business) Shri Aniruddh Kumar ¹ (DIN 06861374)	6/6	Yes	--	--
Government Nominee Directors:					
7	Shri Rajnish Kumar (DIN 06368293)	3/6	No	--	1
8	Smt. Kusum Singh ² (DIN 06489228)	2/2	NA	1	--
9	Shri P K Mishra ³ (DIN 02889348)	0/4	No	--	--
Independent Directors:					
10	Shri C Balakrishnan (DIN 00040416)	5/6	Yes	1	1
11	Shri Suhas Anand Bhat (DIN 01627074)	1/6	No	2	1
12	Shri N P Gupta (DIN 02548988)	6/6	Yes	2	2

* As per Clause 49 of the Equity Listing Agreement, Chairmanship/membership of the Audit Committee and the Stakeholders Relationship Committee are only reckoned with.

1.Appointed w.e.f. 18.04.2014 2.Appointed w.e.f. 05.11.2014 3.Ceased to be Director on 05.11.2014.

(iii) Directors retiring by rotation

In terms of the provisions of the Companies Act, 2013, the Directors, S/s P Dwarakanath, C Balakrishnan, Suhas Anand Bhat and N P Gupta will be retiring by rotation and being eligible, offer themselves for re-appointment at the ensuing AGM. Further, in terms of Clause 49(VIII)(E) of the Equity Listing Agreement, brief resume of the said Directors are appended to the notice of the AGM. The Board commends the re-appointment of the said retiring directors.

(iv) Directors' Shareholding

Shri Aniruddh Kumar, Director (Rail & Metro Business), holds 15 equity shares in his personal capacity. No other Director is holding equity shares or debt securities in your Company as on 31.03.2015.



(v) CEO / CFO Certification

In terms of Clause 49(IX) of the Equity Listing Agreement, Chief Executive Officer (Chairman & Managing Director) and Chief Financial Officer (Director-Finance) have issued necessary certificate to the Board of Directors with respect to the financial statements for the year 2014-15. The said certificate was reviewed and recommended by the Audit Committee in terms of Para 4.5(vi) of the DPE Guidelines and taken on record by the Board at its 322nd meeting held on 29.05.2015.

(vi) Review of Compliance of Laws

In terms of Clause 49(II)(D)(3) of the Equity Listing Agreement, Para 3.3.3 of the DPE Guidelines and applicable provisions of the Companies Act, 2013, the Board reviewed the compliance reports relating to various laws applicable to the Company for the year 2014-15 and noted that there was no instance of non-compliance. 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) Training of Board Members

In terms of Clause 49(II)(B)(7) of the Equity Listing Agreement, Para 3.7 of the DPE Guidelines and applicable provisions of the Companies Act, 2013, a 'Policy on Familiarization / Training Programmes to Board Members' was formulated and approved by the Board as placed on the Company's web-link at http://www.bemlindia.com/documents/Financials/Policy_Trg_Board.pdf.

As per the terms of the said policy, the new Board members are provided with the familiarization programmes on 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 are nominated for various outside training programmes on corporate governance and other Board related topics from time to time.

(viii) Code of Conduct

In terms of Clause 49(II)(E) of the Equity Listing Agreement and Para 3.4 of the DPE Guidelines, Board of Directors of your Company has laid down a 'BEML Code of Conduct and Business Ethics for Board Members and Senior Management' of the Company as placed on the Company's web-link at <http://www.bemlindia.com/documents/aboutus/Code%20of%20Conduct.pdf>. 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/CEO is produced hereunder:

To the Members of BEML Limited,

I, P. Dwarakanath, Chairman & Managing Director of the Company, hereby declare that the Board of Directors and Senior Management personnel have affirmed their compliance with the Code of Conduct for the financial year ended March 31, 2015.

*Bengaluru
29.05.2015*

*For BEML Limited
Sd/-
P Dwarakanath
CMD/CEO*

(ix) Code of Conduct to regulate, monitor and report trading in securities by Insiders

Pursuant to regulation 8 and 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, Board of Directors of your Company has approved "BEML Code of Conduct to regulate, monitor and report trading by Insiders" in the securities issued by the Company on the basis of unpublished price sensitive information as placed on the Company's web-link at <http://www.bemlindia.com/documents/aboutus/Code%20of%20Conduct%20insider%20Trading.pdf>. The connected persons as defined under the Code should obtain permission from the Competent Authority to deal in securities during the trading window beyond the specified limits. Periodical disclosures are also required to be made as provided under the Code to prevent the instance of insider trading.

(x) Whistle Blower Policy

In terms of the provisions of the Companies Act, 2013, Clause 49(II)(F) of the Equity Listing Agreement and Para 4.3 of the DPE Guidelines, your Company is in the process of formulating necessary "Whistle Blower Policy" to provide a framework to the employees for reporting to the management instances of unethical behaviour, actual or suspected, fraud, or violation of the matters concerning the Company.

3. BOARD COMMITTEES:

(i) Audit Committee:

The Audit Committee complies with the terms of reference as enumerated under the applicable provisions of the Companies Act, Listing Agreement, DPE Guidelines as amended from time to time and also complies with the directives of the Board of Directors, Department of Defence Production, Central Vigilance Commission, and such other competent authority.

The Audit Committee met six times on 27.05.2014, 11.08.2014, 17.09.2014, 13.11.2014, 29.01.2015 and 12.02.2015 thereby complied with the requirements on number and frequency of meetings under Clause 49(III)(B) of the Listing Agreement and Para 4.4 of the DPE Guidelines.

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

S.No.	Name of the Director	Category	Attendance
<i>Chairman:</i>			
1	Shri C Balakrishnan	Independent Director	6/6
<i>Members:</i>			
2	Shri Rajnish Kumar	Government Nominee Director	4/6
3	Shri N P Gupta	Independent Director	6/6
4	Shri Suhas Anand Bhat	Independent Director	2/6
5	Shri C N Durgesh	Director (Mining & Construction)	6/6

The Company Secretary acts as Secretary of the Committee. The Chairman of the Audit Committee attended the 50th AGM of the Company.

**(ii) Nomination and Remuneration Committee**

Pursuant to the provisions of Chapter 5 of the DPE Guidelines, your Company had constituted Remuneration Committee of the Board with the terms of reference that the Committee would decide, inter-alia, the annual bonus / variable pay pool and policy for its distribution across the executives and non-unionized supervisors of the Company.

Further, pursuant to the provisions of Clause 49(IV) of the Equity Listing Agreement, the Remuneration Committee has been rechristened as “Nomination and Remuneration Committee” and constituted with the following members:

<i>S.No.</i>	<i>Name of the Director</i>	<i>Category</i>
<i>Chairman:</i>		
1	Shri N P Gupta	Independent Director
<i>Members:</i>		
2	Smt Kusum Singh*	Government Nominee Director
3	Shri C Balakrishnan*	Independent Director
4	Shri Deepak Kumar Hota	Director (HR)

* Part of the year

(iii) Stakeholders Relationship Committee

Investor Grievances Committee as originally constituted was rechristened as “Stakeholders Relationship Committee” in terms of Clause 49(VIII)(E)(4) of the Listing Agreement. The Committee consists of following

Directors / Compliance Officer:

<i>S.No.</i>	<i>Name of the Director</i>	<i>Category</i>
<i>Chairman :</i>		
1	Shri N P Gupta	Independent Director
<i>Members :</i>		
2	Shri Deepak Kumar Hota	Director (HR)
3	Shri Pradeep Swaminathan	Director (Finance)
<i>Company Secretary:</i>		
4	Shri M E V Selvamm	Compliance Officer

The terms of reference shall include considering and resolving the grievances of the security holders of the Company including complaints on transactions relating to securities, non-receipt of annual reports and non-receipt of benefits like dividend, interest, bonus and rights.

The Company has designed an exclusive e-mail ID investorgrievance@beml.co.in to enable the investors to register their complaints, if any. The Company endeavour to reply to the complaints within a period of 3 working days.

Further, pursuant to SEBI Circulars dated 03.06.2011 and 18.12.2014, M/s Karvy Computershare Pvt. Ltd., the Share Transfer Agent of the Company (STA), is authorized to monitor the on-line complaints placed by SEBI on SEBI Complaints Redress System (SCORES). From the inception of the said system, there were 21 complaints placed by SEBI, out of which 1 complaint was pending redressal as on 31.03.2015 for want of necessary details from the investor/complainant. Accordingly, the status of total complaints and redressal thereon are as under:

No. of complaints received during the year	: 46
No. of complaints resolved during the year	: 45
No. of complaints pending resolved at the end of the year	: 1

(iv) Corporate Social Responsibility & Sustainability Committee

In terms of DPE Guidelines on MoU and Section 135 of the Companies Act, 2013, the Corporate Social Responsibility & Sustainability Committee (CSRS) has been constituted to examine the proposals for the approval of CSRS plan and review the implementation / execution of the plan and steering the CSRS agenda of the Company.

The Committee consists of following Directors:

S.No.	Name of the Director	Category
<i>Chairman :</i>		
1	Shri N P Gupta	Independent Director
<i>Members :</i>		
2	Shri Deepak Kumar Hota	Director (HR)
3	Shri Aniruddh Kumar*	Director (Rail and Metro)
4	Shri C N Durgesh*	Director (Mining & Construction)

* Part of the year.

Board of Directors of your Company has approved a “Policy on Corporate Social Responsibility and Sustainability” to ensure commitment at all levels in the organization, operate the Company's business in an economically, socially and environmentally responsible and sustainable manner, while recognizing the interests of all stakeholders. The CSR activities are monitored periodically by the Committee and an annual report on CSR activities undertaken during the year 2014-15 is enclosed at **Annexure-III**. Further, the CSR policy of the Company and the activities undertaken are placed on the Company's web-link at http://www.bemlindia.com/documents/aboutus/BEML_CSR_Policy_19092014.pdf and http://www.bemlindia.com/documents/aboutus/BEML_CSR_SD_Activities_2014-15.pdf, respectively.

(v) Procurement Committee

Procurement Committee comprising one Independent Director, Director (HR), Director (Finance) and respective Business Group Director for considering and approving the procurements / award of contracts on open / limited tender for value exceeding ₹5 crores and on single tender basis for value exceeding ₹50 lakhs.

(vi) Independent Directors' Meeting

As per requirements of the Companies Act, 2013, Independent Directors met on 24.03.2015 and all the Independent Directors were present at the meeting.

4. REMUNERATION OF DIRECTORS

Your Company being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Directors are decided by the President 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.



(i) Details of Remuneration paid to Functional Directors during the year 2014-15:

<i>Name</i>	<i>Salary</i>	<i>Benefits</i>	<i>Bonus/P RP</i>	<i>PF Contri bution -</i>	<i>Perqui sites -</i>	<i>Pension</i>	<i>Total amount</i>
SRI P DWARAKANATH	2248723	895891	59283	268222	446452	1623	3920194
SRI C N DURGESH	2043657	674291	56126	245241	289684	0	3308999
SRI P R NAIK	2013666	909561	47718	241641	52524	0	3265110
SRI D K HOTA	2017320	548041	0	230621	387339	11455	3194776
SRI P SWAMINATHAN	1884276	440752	26217	214658	393749	11455	2971107
SRI ANIRUDDH KUMAR*	1770899	432583	0	201359	212425	11149	2628415

* Part of the year

(ii) Government Nominee / Independent Directors' compensation:

Government Nominee Directors are not paid any remuneration including sitting fee for attending Board / Committee meetings. Further, none of the Government Nominee Directors had any pecuniary relationship or transactions with the Company during the year.

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, 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 2014-15 are given below:

<i>Name of the Director</i>	<i>Sitting fee for the meeting(s) of</i>		<i>Total ₹</i>
	<i>Board</i>	<i>Committees</i>	
Shri C Balakrishnan	90,000	3,00,000	3,90,000
Shri Suhas Anand Bhat	20,000	90,000	1,10,000
Shri N P Gupta	1,10,000	3,00,000	4,10,000
Total	2,20,000	6,90,000	9,10,000

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>
2013 -14	API Bhavana, No.16/F, Millers Tank Bed Area, Vasanthanagar, Bengaluru - 560052	18.09.2014 at 15.15 hrs
2012 -13	API Bhavana, No.16/F, Millers Tank Bed Area, Vasanthanagar, Bengaluru - 560052	13.09.2013 at 10.00 hrs
2011 -12	API Bhavana, No.16/F, Millers Tank Bed Area, Vasanthanagar, Bengaluru - 560052	14.09.2012 at 10.30 hrs

During the year 2012-13, a special resolution was passed at the 49th Annual General Meeting held on 13.09.2013 for altering the Articles of Association by way of inserting Article No.7(a), on Buy-back of Shares, in compliance with the directive of Department of Public Enterprises, Government of India. No special resolution was put through postal ballot during the year under review.

6. SUBSIDIARY COMPANIES

In terms of Clause 49(VI) of the Listing Agreement and Chapter 6 of the DPE Guidelines, none of the subsidiary companies would be defined as a 'Material Non-listed Subsidiary Company'.

However, the Audit Committee periodically reviews the financial statements of the subsidiaries of the Company. 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 between the subsidiaries and Company.

7. ENTERPRISE RISK MANAGEMENT

Establishment of Risk Management System in terms of Clause 49(VI) of the Listing Agreement and the provisions of the Companies Act, 2013 is under process.

8. DISCLOSURES

In terms of Clause 49(VIII) of the Listing Agreement and also Chapter 7 of the DPE Guidelines, the following disclosures are made:

- a) Your Company has formulated a "Policy on Related Party Transactions" to regulate transactions entered into between the Company and its related parties. The said policy is placed on the web-site of the Company http://www.bemlindia.com/documents/Financials/Policy_RPT.pdf. During the year 2014-15, 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 duly considered and approved by the Audit Committee. Further, details of related party transactions as per Accounting Standard-18 issued by the Institute of Chartered Accountants of India is given in Note No.31(C) of the Notes forming part of Accounts. It may be noted that there was no related party transaction reported during the year involving the Directors, Key Managerial Personnel and other Designated Executives under Related Party Transactions Policy.

- b) The Company has prepared stand-alone and consolidated financial statements based on the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time.
- c) The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities during the last three years.
- d) 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.

9. MEANS OF COMMUNICATION

- a) The quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges by e-mail immediately after the same are approved by the Board.
- b) Financial results of the Company are normally published in a leading National Daily and a Kannada daily circulated in Bengaluru and the same are simultaneously posted on the Company's website www.bemlindia.com.
- c) BEML NEWS - a House Journal brought out periodically is sent to the Stock Exchanges.



- d) Corporate announcements and press releases are promptly notified to the Stock Exchanges.
- e) Company's Website - The website of the Company, www.bemlindia.com gives comprehensive information including the management, vision, mission, policies, corporate governance, sustainability, investor relations, sales network, updates and news. The section on 'Financials' provides necessary information to the shareholders/ investors.

10. GENERAL SHAREHOLDER INFORMATION

- (i) The 51st Annual General Meeting for the year 2014-15 is scheduled on Tuesday, the 15th September, 2015, at 11.30 hours at API Bhavana, No. 16/F, Millers Tank Bed Area, Vasanthanagar, Bengaluru – 560 052.
- (ii) Tentative calendar for declaration of results for 2015-16 is given as below:

For the quarter ending 30.06.2015	On or before 13.08.2015
For the quarter ending 30.09.2015	On or before 13.11.2015
For the quarter ending 31.12.2015	On or before 12.02.2016
For the year ending 31.03.2016	On or before 30.05.2016
52 nd Annual General Meeting	On or before 30.09.2016

- (iii) The Register of Members and Share Transfer Books shall remain closed from 09.09.2015 to 15.09.2015 (both days inclusive).
- (iv) Your Board of Directors has recommended dividend of ₹1.00 per share, i.e., 10% on the equity shares of ₹10 each (par value) for the year ended March 31, 2015. Dividend, if approved at the 51st annual general meeting, will be distributed among the shareholders within the due date.
- (v) Company's equity shares are listed on the following stock exchanges :

Bombay Stock Exchange Limited ('BSE')
National Stock Exchange of India Limited ('NSE')

Listing fee up to the year 2015-16 has been

paid to BSE and NSE.

- (vi) Stock Code:

Bombay Stock Exchange	500048
National Stock Exchange	BEML

- (vii) Custodial Fees to Depositories

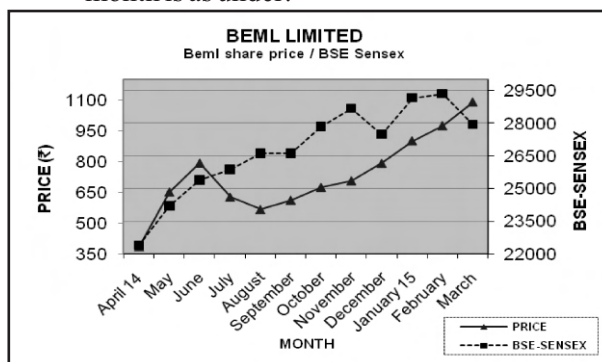
Your Company has paid custodial fees for the year 2014-15 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

- (viii) 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:

Month	BSE (₹ per Share)		NSE (₹ per Share)	
	High	Low	High	Low
April 2014	452	287	452	287
May	694	388	695	388
June	878	654	878	654
July	851	582	832	580
August	717	515	718	516
September	729	551	729	546
October	703	542	702	540
November	759	660	758	659
December	875	640	872	640
January 2015	951	748	952	747
February	1024	841	1024	840
March	1134	966	1134	965

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



(x) Registrar and Transfer Agent:

M/s Karvy Computershare Private Limited, a SEBI registered Category-I Registrar & Share Transfer Agent, is engaged as the Company's Share Transfer Agent (STA) of the Company. The contact details of the STA are as under:

Karvy Computershare 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@karvy.com,
 einward.ris@karvy.com
 Website : www.karvy.com

(xi) 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 to either 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 STA.

(xii) Distribution of shareholding as on 31.03.2015:

Range of equity shares held	No. of Shareholders	% to total holders	No. of Shares	% to total equity
1-100	53024	88.07%	1470617	3.53%
101-200	3370	5.60%	532765	1.28%
201-500	2414	4.01%	801470	1.92%
501-1000	776	1.29%	599262	1.44%
1001-5000	434	0.72%	952602	2.29%
5001-10000	82	0.14%	606487	1.46%
10001 and above	106	0.18%	36681297	88.08%
Total	60206	100%	41644500	100.00%

(xiii) Details of Shares held in Unclaimed Suspense Account

Company made FPO 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 Clause 5A(I) of the Listing Agreement, these unclaimed shares are kept in a separate Suspense Account and the same will be transferred to the rightful holders as and when they approach the Company/ STA. The voting rights on these shares shall remain frozen till the rightful owners of such shares claim the shares ;

Particulars	No. of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 01.04.2014	18	255
Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during the year	--	--
Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year	--	--
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 31.03.2015	18	255

(xiv) Dematerialization of shares and liquidity

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 31.03.2015, 99.51% of the equity shares of the Company are in electronic form. The Company's shares are being traded under International Securities Identification Number (ISIN) - INE258A01016.

The Equity Shares of the Company are traded on the Stock Exchanges 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 dematerialisation of shares.

(xv) There are no outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact thereon on equity shares.

(xvi) Listing of Debt Securities :

3000 Secured Redeemable Non-convertible Debentures of face value of ₹10 lakh each aggregating to ₹300 crores as allotted by the Board on 18.05.2012 on private placement basis to M/s Axis Bank Ltd are listed on BSE Debt Segment with effect from 02.07.2012. Your Company is regularly servicing the interest charges to the security holders.

(xvii) 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

(xviii) Address for correspondence with the Company:

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

(xix) 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 facility. 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.

(xx) 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 accordance with MCA Circular No.17 / 2011 dated 21.04.2011, the Company provides an opportunity to shareholders to register their email address and changes, if any, from time to time, with the STA/ DP. This would enable the Company to send notices and documents to the shareholders through email. There are about 34,745 shareholders as on 31.03.2015 consented to receive the notice, annual reports, etc., 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 mother earth with 'green cover'.

(xxi) Unclaimed Dividends

Under the provisions of the Companies Act, 1956, any amount that remains 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. Accordingly, all the unclaimed dividend amounts declared prior to 31.03.2008 were transferred to IEPF.

Pursuant to Section 205A(5) of the Companies Act, 1956, the unpaid dividends that are due for transfer to the Investor Education and Protection Fund (IEPF) are as follows:

<i>Dividend for the financial year</i>	<i>Date of Declaration</i>	<i>Unclaimed as on 31.03.2015 (₹ in lakhs)</i>	<i>Due for transfer on</i>
2007-08	30.09.2008	5.87	04.11.2015
2008-09	25.09.2009	11.74	30.10.2016
2009-10	13.08.2010	8.50	17.09.2017
2010-11	29.08.2011	7.19	04.10.2018
2011-12	14.09.2012	4.71	19.10.2019
2012-13	13.09.2013	2.48	18.10.2020
2013-14	18.09.2014	2.03	23.10.2021
Total		42.53	

Members who have not encashed their dividend warrants pertaining to the aforesaid years may approach the Company / STA, for obtaining payments thereof at least 20 days

before they are due for transfer to the IEPF.

11. COMPLIANCE

- (I) Your Company submitted quarterly compliance report on Corporate Governance as per prescribed format to the MoD and Stock Exchanges within 15 days from the close of each calendar quarter.
- (ii) Further, your Company submitted grading reports on the compliance with the Corporate Governance with MoD and Department of Public Enterprises on annual basis. As per the self-grading report for the year 2014-15, your Company has scored 'Excellent' rating in adhering to the Corporate Governance standards by achieving 94.47% of the compliances.



MANAGEMENT DISCUSSION & ANALYSIS REPORT

(i) Industry structure and developments:

Your Company is a Mini Ratna Category - I 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 by the Business Group Director concerned. The Trading Division deals in non-Company products. The International Division exports products manufactured by all the three verticals. The Company's manpower strength stood at 9,599 as on 31.03.2015.

Production Units

The Company has nine manufacturing units located at Bengaluru, Kolar Gold Fields (KGF), Mysuru and Palakkad & a subsidiary steel foundry functioning in Tarikere, Chikmagalur District.

Bengaluru Complex: The Bengaluru Complex manufactures various types of Railway products such as Rail coaches, AC Electrical Multiple Units (AC EMU), Diesel Electric Multiple Unit (DEMU), Main Line Electric Multiple Unit (MEMU), Stainless Steel Electrical Multiple Units (SSEMU), Overhead Equipment Inspection Car (OHE Car) etc., for Indian Railways. The Company has acquired technology for manufacture of state-of-the-art stainless steel Metro Cars and is presently supplying to DMRC. The Complex also manufactures Defence products such as Milrail Coaches, Ejector & Air Cleaner assemblies and Military Wagons.

KGF Complex: Earth Moving Division, Hydraulics and Power line Division, Rail Unit-II and Heavy Fabrication Unit located in KGF produce a wide range of equipment such as Bulldozers, Hydraulic Excavators, Wheel Loaders, Dozers, Pipe Layers, Tyre Handlers, Hydraulic Cranes, Walking Dragline, Electric Rope Shovels, Engineering Mine Ploughs,

Armoured Recovery Vehicles, Transmissions, Axles, Hydraulic aggregates and allied assemblies for all the manufacturing units of BEML. Rail Unit-II manufactures Rail Coaches and supports Bengaluru Complex by supplying components / aggregates for Rail Coaches and Wagons.

Mysuru Complex: The Truck Division at Mysuru 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. The Aerospace Manufacturing Division produces Ground Handling Equipment, Weapon Loaders and Tooling & Components for Aerospace applications. BEML's Engine Division and Aerospace Manufacturing Division have been accredited AS9100C certification. The Dredging Equipment Manufacturing Division caters to the requirements of Dredging line of activities.

Palakkad Complex: The Palakkad Complex manufactures products for Defence and Rail Business such as Heavy Duty High Mobility Vehicles, Sarvatra Bridge Systems, Heavy Recovery Vehicles and Rail coach parts / aggregates.

Subsidiary Units: (a) Vignyan Industries Limited (VIL), Tarikere, was taken over by BEML in 1984 as a subsidiary unit. VIL supplies quality steel and alloy castings to various manufacturing units of BEML. (b) M/s. MAMC Industries Limited (MIL) was formed and incorporated by the Company as a wholly owned subsidiary for the intended purpose of JV formation with M/s. Coal India Limited and M/s. Damodar Valley Corporation for restarting of MAMC factory at Durgapur. Shareholders' agreement, as duly approved by the Boards of all the three members of the consortium, has been submitted to MoD for necessary approval. After obtaining the said approval, MIL, would be converted into a joint venture Company by following due process of law.

Marketing: The Company's products are sold and serviced through its marketing network comprising 12 Regional Offices, 20 District Offices, and Service Centres.

International Business: The Company exports its products through its International Business Division. The major markets are Middle East countries, African countries and South East Asian countries.

Developments & Performance during 2014-15:

As per the advance estimates of Central Statistical Organization, the Indian economy has posted 7.4% growth in GDP in 2014-15. The Centre for Monitoring Indian Economy report of 22nd May 2015 mentions "Output of construction equipment and mining equipment is likely to have plummeted by 23 - 25% during the year 2014-15 as the Major mining companies postponed their investment".

The Company registered gross revenue of ₹3129.65 Cr during 2014-15. In Mining & Construction sector despite a de-growth in domestic and global market, as indicated above, a net sales of ₹1652.52 Cr was achieved with an impressive growth of 14.28% over previous year. The Rail & Metro vertical achieved net sales of ₹993.16 Cr, which is lower compared to previous year net sales of ₹1314.19 Cr. This was mainly due to the non availability of Rail Coach Orders from Indian Railways. The Defence business achieved a net sales of ₹160.86 Cr which is higher compared to previous year net sales of ₹143.42 Cr. The Company made a Profit Before Tax of ₹6.91 Cr as against ₹9.08 Cr during 2013-14.

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

Mining & Construction

- Won 'India's Top Challenger Company' award in the category of Construction & Engineering in the 12th Annual Construction World Global Awards-2014 by ASAPP Media Information Group.
- Bagged Dual Awards for Equipment under the categories of "Best Seller-Rigid Dump Trucks" and "Best Seller-Crawler Dozers" in the 2nd EQUIPMENT INDIA AWARDS-2014.
- Bagged "Silver Shield for Star Performer –

Large Enterprise (Machinery for Mining, Quarrying and Construction & Parts thereof)" award of EEPC.

- Rolled-out India's Biggest Electric Drive Dump Truck - BH205E (205T U.S.) for large scale Coal Mining applications as designed and developed by the Company's R&D team.
- Introduced the biggest Made-in-India Electrical Excavator BE1800E to the Market. With the thrust for 'Make in India,' this indigenously developed pollution-free Excavator will help to increase productivity in Mining Operations both domestically and globally.
- Designed, developed and rolled out 100 Ton Hydraulic Excavator BE1000-1 with Engine Auto Idling feature.

Defence

- Manufactured and supplied aggregates for section IV & V of Akash Missile to M/s. Bharat Dynamics Limited.
- Designing is under progress for manufacture of Arjun Repair & Recovery Vehicle (ARRV) in association with CVRDE and Army.

Rail & Metro

- Bagged new order for manufacture and supply of 70 Cars in addition to 92 Standard Gauge Metro Cars for the prestigious Phase III, RS-9 Project of Delhi Metro Rail Corporation Limited.
- Rolled-out 50th Metro Train Set to M/s. Bangalore Metro Rail Corporation Limited and also completed the supply of prestigious BMRCL 2 RS-DM Contract.
- Designed, developed and supplied Standard Gauge Intermediate Metro Cars to DMRC for conversion of 4 car train set to 6 car train set.

General

- The Company has launched 'Swachh Bharat'



campaign at its Units and Offices all over the Country. On 02.10.2014, coinciding with Gandhi Jayanthi, 'Swachhta Bharat Shapath' was administered and various programmes like Badge Wearing, Street Plays, Children's Rally, mass cleaning programme and planting saplings in and around the Company premises to promote 'Swachh Andolan' were conducted. Further, various programmes are chalked out throughout the year in respect of Swachh Bharat campaign.

(ii) Strength and Weakness:**(a) Strength**

- Established manufacturing Infrastructure, knowledge base, dedicated and skilled manpower.
- All manufacturing units accredited with ISO 9001-2000 certification.
- Established R&D base with technology absorption and design capability.
- Technology self-reliance for existing product range as well as for production / processes.
- Development of Electric Drive Dump Trucks and Excavator.
- First Indian Company which has acquired state-of-the-art Metro Car manufacturing capability in the country.
- Wide range of products to cater to customer needs.
- Well spread out Marketing network of Sales, Service and Spare parts distribution.
- Spare parts Depots and Service Centers located close to the mines.
- Established presence and brand image.
- Works on outsourcing model with strong and vibrant vendor base.

- Good industrial relations with conducive working atmosphere.

(b) Weakness

- High wage cost.
- Technology levels of certain products do not measure up to international levels and trends.
- No assured business from Defence unlike other defence public sector enterprises.
- Low margin levels, which are mainly due to the dictates of market environment.

(iii) Opportunities and Threats:**(a) Opportunities****Mining & Construction:**

- Coal India envisaged to increase production of coal from 0.5 billion ton to 1 billion ton in the next five years.
- Underground Mining is also expected to catch up and improve.
- Operationalization of additional coal blocks would increase business opportunities.
- Increased thrust by Government in infrastructure development.
- Scope for dredger equipment business and spares supplies to dredgers in operations.

Rail & Metro:

- Metro Rail 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 and tier-III cities.
- Indian Railways graduating to Medium Speed

LHB Coaches and Sub-urban Railways graduating to SSEMUs.

Defence:

- 'Make in India' Indian policy of Govt. is a boon to Indian industry and focus is on for Indigenous production.
- Emerging business for defence requirements.

New Areas:

- The demand for Electric Drive Dump Trucks and Excavators.
- OFB engagement for manufacture and supply of armoury vehicles.
- BDL engagement for supply of Akash Missile.
- Emerging business opportunity for Light Rail Metro which is also a feeder line for the main Metro in the tier-I cities is expected to emerge from tier-II and tier-III cities.

(b) Threats

- Domestic and global economic scenario yet to pick-up.
- Post-liberalization, more and more technology leaders operate directly than parting their technology with Indian counterparts.
- Mergers and Acquisitions in mining and construction equipment industry.
- Project delay, especially in Mining sector due to delay in resolving environmental and social issues.
- Demand for higher capacity M&C equipment, in line with the global market trend.
- High expectations of contractor segment for lower prices for equipment.
- Mounting pressure on reducing ownership costs.
- Improved technology for operational cost to stay ahead in business.

- Uncertainty in Defence business.
- Increased FDI caps in Defence sector.
- Opening up of Defence purchases to private sector increasing further competition.
- Dumping of products.
- Uncertainty in orders for Rail Coaches from Railway Board.

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

(₹ in Crs.)

Sl.No.	Segments	Revenue from operations	%age
1	Mining & Construction Business	1652.52	58.83
2	Defence Business	160.86	5.73
3	Rail & Metro Business	993.16	35.35
4	Others	2.65	0.09
	Total	2809.19	100.00

(v) Outlook:

The CMIE report of 22nd May 2015 mentions that - "We expect the demand for mining & construction equipments to revive in 2015-16. It will continue to remain healthy in 2016-17. This will be backed by a pick-up in demand from the user-industries like mining, power, steel, construction and infrastructure sectors. Several mining companies have already restarted operations in Goa, Jharkhand, Karnataka and Odisha. Other mining companies are also likely to resume operations in the ensuing months.

In March 2015, the President signed an ordinance to amend Mines and Minerals Development & Regulation Act (MMDR). The MMDR bill is expected to eliminate delays and improve transiency which would help the mining sector to revive. This is likely to ensure effective mining operations in India and in-turn generate demand for the mining & construction equipment industry.

In the Budget 2015-16, several announcements were made and initiatives were taken by the government to



boost the construction & infrastructure sectors. The government announced an investment increase of ₹700 billion by launching new infrastructure projects and by allowing huge domestic and foreign investments in infrastructure sector. Moreover, the government has shown strong intent to remove the bottlenecks and clear stalled projects without any further delay. These initiatives would bode well for the mining & construction equipment industry during 2015-17.

Construction & infrastructure sectors are likely to witness strong investments during 2015-17.

The growth in steel output is expected to push the demand for mining & construction equipment during 2015-17. It is expected to accelerate to 6.2 per cent in 2015-16 as compared to 5.3 per cent in the preceding year. Output is likely to further increase by 7.3 per cent in 2016-17.

Backed by a pick-up in demand from user-industries, CMIE expects the production of earth moving equipment and lifts & escalators to rise by 2-4 per cent in 2015-16. Output of cranes, forklifts and mining equipment is likely to rise in the range of 11-16 per cent. Construction equipment production is expected to increase by 19 percent in 2015-16."

This augurs well for the Company especially to the Mining & Construction segment. The Company expects orders for Mining and Construction equipments with more projects being cleared. Further improvement in the global economy will boost export performance.

For current fiscal, the Army has been allocated funds for acquisition of Heavy and Medium Vehicles. The Company is making all efforts to pick up business in the areas related to its product portfolio. Further, engagement for OFB is also being pursued for manufacturing of aggregates for armoury vehicles.

Indian Railways, coach manufacturing is graduating to Medium / High speed Coaches/ LHB Coaches. Sub-urban trains are expected to graduate to

Stainless Steel EMUs. Maintenance equipment requirements are increasing for Track Laying, Rail Grinding & Track Cleaning Machines. Light Rail Metro is fast catching up as a revenue line which is expected to emerge from tier-II and tier-III cities, as also a feeder line for the main Metro in the tier-I cities. These are expected to open up new business opportunities during the current and next 3~4 years.

In this scenario, the Company will focus on emerging new business opportunities and also develop new products / aggregates to align with the market requirements. Further, it is planned to grow in each of the vertical by expanding the business with new products and territories. The Company is committed to enhance customer satisfaction by providing quality products and services to its customers.

(vi) Challenges, Risks and Concerns:

The major challenges to the Company are:

- 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 MNCs.
- Reviving the supply of rail coaches.
- Meeting the challenges in defence business due to its 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 periodically.

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 provide a robust foundation to address several emerging business needs.

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

(₹ in Crs.)

Particulars	2014-15	2013-14
a. Gross Revenue	3129.65	3262.20
b. Revenue from Operations	2809.19	2911.51
c. Value of Production (excl. consortium & including ED)	2599.93	2814.45
d. Profit before tax	6.91	9.08
e. Profit after tax	6.76	4.68
f. Networth	2076.76	2079.84
g. Inventory	1921.20	2152.10
h. Trade Receivables (Net)	1242.07	1156.71
Total Inventory in no. of days of VoP (g/c)	270	279
Trade Receivables / Revenue from Operations in days (h/b)	161	145
Profit before Tax to Revenue from Operations (d/b) (%)	0.25	0.31
Profit after Tax to Networth (e/f) (%)	0.33	0.23

Your Company achieved Gross Revenue of ₹3129.65 crores including the value of consortium supplies as against ₹3262.20 crores of corresponding value in the previous year. The revenue from operations (net of consortium supplies and excise duty) stood at ₹2809.19 crores as against ₹2911.51 crores in the previous year, registering a marginal

decline in the growth of 3.51%. The Value of Production (net of consortium supplies and excise duty) is ₹2599.93 crores as against ₹2814.45 crores in the previous year. The Profit before Tax was ₹6.91 crores as against Profit before Tax of ₹9.08 crores recorded in the previous financial year. The decrease in revenue in Rail & Metro segment is due to lack of orders relating to Rail Coach GS/GSCN vis-à-vis the capacity available. In spite of persistent follow-up, orders from Railway Board have not materialized. However, Rail & Metro segment has registered a Net Sales of ₹993.16 crores in FY 2014-15 as against ₹1314.19 crores in FY 2013-14, thereby resulting in negative growth of 24.43%. The non-availability of further input materials for Defence supplies continued during financial year affecting the sales in the Defence Business segment. Defence Business segment has achieved a Net Sales of ₹160.86 crores in FY 2014-15 as against ₹143.42 crores in FY 2013-14, registering a growth of 12.16%. Despite sluggish market conditions in Mining & Construction segment, the Company has achieved a Net Sales of ₹1652.52 crores in FY 2014-15 as against ₹1446.08 crores in FY 2013-14, registering a growth of 14.28%. However, efforts are being made to improve overall performance of the Company.

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

The Company intensified focus on training and development of manpower. Training and development at middle management levels were in focus during the year. The Company Installation of competence management by way of a structured approach in major locations. A company-wide associate survey was undertaken to obtain feedback on various aspects, covering all employees. The Company intensified its communication with all levels and categories of employees by way of different internal forums. The Company also continued to excel in the field of training apprentices and workmen.

The industrial relations have been harmonious and cordial. The manpower strength as of 31.03.2015



stood at 9,599. During the year, 24,546 man-days of training were imparted to sharpen their skills and update their knowledge of employees.

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

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

(xi) Corporate Social Responsibility and Sustainability (CSRS):

The details of CSRS activities undertaken by the Company during the year are furnished in 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.

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No.: L35202KA1964GOI001530

Nominal Capital: ₹100 Crores

To the Members of BEML Limited

I have examined all the relevant records of BEML Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with the Stock Exchanges and DPE Guidelines on Corporate Governance for CPSEs-2010 for the year ended 31st March, 2015. 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 Clause 49 of the Listing Agreement and DPE Guidelines on Corporate Governance for CPSEs-2010 excepting composition of Board of Directors with regard to Independent Directors. Further, the 'Whistle Blower Policy' of the Company is under formulation.

Bengaluru
29.05.2015

For Velichety & Co.,
Chartered Accountants
Sd/-
CA. V. Vijaya Raghava Rao
Partner
M.No.: 028453
FRN.: 004588S

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY ACTIVITIES

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

- (a) A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSRS 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 may be accessed on web-page at site http://www.bemlindia.com/documents/aboutus/BEML_CSR_Policy_19092014. The details of the projects/programmes are also listed at http://www.bemlindia.com/documents/aboutus/BEML_CSR_SD_Activities_2014-15.pdf.

- (b) The Composition of the CSR Committee.

Shri. N P Gupta : Chairman / Independent Director
 Shri. Deepak Kumar Hota : Member / Director (HR)
 Shri. Aniruddh Kumar : Member / Director (Rail & Metro)

- (c) Average net profit of the company for last three financial years

The Average net profit of the Company for the last three financial years is nil. The Total amount to be spent for the year is nil as per the provisions of the Companies Act, 2013. However in continuing with the endeavour towards being a socially responsible business entity, the Company has incurred a sum of ₹326.64 Lakhs towards CSR Activities.

- (d) Prescribed CSR Expenditure : Nil

- (e) Details of CSR spent during the financial year.

- (i) Total amount to be spent for the financial year; Nil
- (ii) Amount unspent, if any; Nil
- (iii) Manner in which the amount spent during the financial year is detailed below.

Details in prescribed format is appended.

- (f) In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. : Nil

- (g) A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

It is hereby stated that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.

Sd/-
Chairman & Managing Director

Sd/-
Chairman CSR Committee



DETAILS OF THE CSR PROJECTS FOR THE YEAR 2014-15
[Format prescribed under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

Sl.No.	CSR project or activity identified	Projects or programs		Amount outlay (budget) project or programs in Lakhs	Amount spent on projects or programmes on the Projects or Programs			Cumulative Expenditure up to the reporting period	Amount Spent : Direct or through implementing agency
		(1) Local Area or other area	(2) Specify the State and District where projects or programs was undertaken		(1) Direct Expenditure	(2) Overheads			
1	2	3	4	5	6	7			
1	Rehabilitation of persons with disabilities in association with M/s ALIMCO (MoU Project)	Local Areas	Bangalore District, Karnataka, Corp. Office	5.00	4.42	0.50		4.92	M/s ALIMCO
2	Construction of 9 new toilets under Swachh Vidyalaya Campaign (new project undertaken in place of the project 'Construction of community toilet' by re-allocating the fund of Rs.5 Lakhs)	Local Areas	Bangalore District, Karnataka, Corp. Office	11.10	11.10	0.00		11.10	Department of Public Instructions, Sarva Siksha Abhiyaan, Bangalore South
3	LED Lighting	Local Areas	Bangalore District, Karnataka, Corp. Office	5.00	2.40	0.00		2.40	M/s Amni Energy Solutions Pvt. Ltd.
4	Nutrition to visually impaired, disabled and underprivileged children through Samarathanam Trust	Local Areas	Bangalore District, Karnataka, Corp. Office	1.00	1.00	0.00		1.00	Samarathanam Trust, Bangalore
5	Sponsorship to SC/ST Under Graduate Engineering Students (Under the sponsorship scheme of the Company)	Other Areas	Guntur District, Andhra Pradesh	0.00	0.40	0.00		0.40	Direct
6	Sponsoring of Mid-Day Meals through Akshaya Patra Foundation (New project)	Local Areas	Bangalore District, Karnataka, Corp. Office	0.00	4.50	0.00		4.50	Akshaya Patra Foundation
7	Training on BL9H Loader to the Faculty of Centurion University. Transport and transit insurance charges for the BL9H Loader. Cost of Spares supplied, Warranty spares expenses including local repair, TA/DA expenses and printing of Flex Board for display. Road tax and registration fees for BL9H Loader provided to Centurion University (On-going)	Other Areas	Bhubaneswar District, Odisha	0.00	0.00	0.77		0.77	Centurion University
8	Providing education to local population	Local Areas	Kolar District, Karnataka	200.00	290.28	0.00		290.28	Direct
9	Mobile medical camp	Local Areas	Kolar District, Karnataka	0.77	0.89	0.00		0.89	Direct
10	Medical treatment at adopted village at Dasarahosahalli (On-going)	Local Areas	Kolar District, Karnataka	0.00	0.01	0.00		0.01	Direct
11	Family Planning Camp (On-going)	Local Areas	Kolar District, Karnataka	0.00	1.80	0.00		1.80	Direct
12	Tree plantation (on-going)	Local Areas	KGF, Mysuru districts, Karnataka and Palakkad district in Kerala	0.00	6.88	0.00		6.88	Karnataka & Kerala State Forest Department
13	Training workshop for Science Teachers at KGF Under "Yusuf Hamied Inspirational Chemistry Programme". (New project)	Local Areas	Kolar District, Karnataka	0.00	0.04	0.00		0.04	Royal Society of Chemistry (RSC)
14	Joint Tree Plantation program in association with Karnataka Forest department	Local Areas	Bangalore, KGF, Mysuru District, Karnataka and Palakkad district, Kerala	5.00	0.00	0.00		0.00	Karnataka State Forest Department
15	Carbon Footprint study	Local Areas	Bangalore District, Karnataka, Bang. Complex	2.00	1.40	0.00		1.40	M/s First Climate Pvt. Ltd.
16	Sponsoring Artificial limbs	Local Areas	Palakkad District, Kerala	0.00	0.25	0.00		0.25	Palakkad Fort Town Lions Trust
	GRAND TOTAL			229.87	325.12	1.27		326.64	

Note : Modular Employment Scheme(MES) for training youth, women for skill development was not undertaken for the financial year as the same was kept in abeyance at the Directorate General of Employment & Training (DGET)

SECRETARIAL AUDIT REPORT - Form No. MR. 3**For the Financial Year ended 31st March 2015**

[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. I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.
2. Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31st March 2015, 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. I 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 2015 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 there under;
 - (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, 1992;
 - iii. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 1956/2013 and dealing with client;
- (f) The Electricity Act, 2003 and the Rules made there under.
- (g) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by the Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India – as relates to composition and appointment of Directors.
4. I have also examined compliance with the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.
5. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the qualification mentioned in paragraph 7 below.
6. Subject to the qualification mentioned in paragraph 7, I further report as below:
 - 6.1 that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, non Executive Directors and Independent Directors.



- 6.2 that, -
- (a) the Company has properly constituted the requisite Committees of Directors;
 - (b) proper advance notices for Board and Committee meetings were issued to Directors during the year; such notices accompanied detailed notes on agenda items and draft minutes of respective meetings; 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 are captured and recorded as part of the minutes.
 - (c) the Company followed proper Board processes of 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 are recorded in the Minutes Book of General Meetings.
- 6.3 that there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliance with applicable laws including
- general laws, labour laws, competition law, environmental laws;
- 6.4 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;
- 6.5 that during the audit period, there were no instances of:
- (i) Public, Rights, 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.
7. *The Company did not maintain the composition of the Board comprising not less than 50% of its strength with Independent Directors. The Company also did not comply with the provision of Listing Agreements and the Companies Act, 2013 on fixation of remuneration to Directors and disclosure compliance thereon.*
- Sd/-
S Viswanathan
- Bengaluru
08.07.2015
- Practicing Company Secretary
ACS 5284; CP No. 5284

EXTRACT OF ANNUAL RETURN as on the financial year ended 31.03.2015**Form No. MGT-9**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L35202KA1964GOI001530
- ii) Registration Date : 11/05/1964
- iii) Name of the Company : BEML Limited
- iv) Category/Sub-Category of the Company : Company Limited by Shares / Union Government Company
- v) Address of the Registered office and contact details : 'BEML Soudha', No. 23/1, 4th Main, S R Nagar, Bengaluru -560 027. Ph.: 080-22963142/211
- vi) Whether listed company Yes/~~No~~ : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent : Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500 032. Ph.: 040-67162222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / services	% to total turnover of the com pany
A	Mining & Construction		
1.	Bulldozer	28243	58.83%
2.	Excavator	28243	
3.	Motor Grader	28243	
4.	Wheel Loader	28243	
5.	Dump Trucks	28243	
B	Rail & Metro		
6.	Railway Coaches	30203	35.35%
7.	Rail Wagons	30203	
8.	Metro Cars	30203	

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ subsidiary/ associate	% of shares held	applicable Section
1	M/s. Vignyan Industries Limited, Haliyur, B.H.Road., Tarikere Post, Chikamagalur Dist, Chikamagalur, Karnataka Pin 577228	L35202KA1964GOI001530	Subsidiary Company	96.56%	2(87)
2	M/s. MAMC Industries Limited, No.35/1A, Taratola Road, Kolkata, West Bengal Pin 700088	U29253WB2010GOI152567	Subsidiary Company	100.00%	2(87)
3	M/s. BEML Brazial Industrial Ltda., Av Princesa Isabel, #629, 12th floor, Room 1201, Centro, CEP 29010 -361	NA	Subsidiary Company	99.98%	2(87)
4	M/s. BEML Midwest Limited, 8-2-684/3 -55, Banjara Green Colony, Road No 12, Banjara Hills, Hyderabad, Andhra Pradesh Pin 500034	U13204AP2007PLC053653	Associate Company	45.00%	2(6)



IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year 31/03/2014				No. of Shares held at the end of the year 31/03/2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF									
(b)	Central Government/State Government(s)	22500000	0	22500000	54.03	22500000	0	22500000	54.03	0.00
(c)	Bodies Corporate									
(d)	Financial Institutions / Banks									
(e)	Others									
	Sub-Total A(1) :	22500000	0	22500000	54.03	22500000	0	22500000	54.03	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)									
(b)	Bodies Corporate									
(c)	Institutions									
(d)	Qualified Foreign Investor									
(e)	Others									
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	22500000	0	22500000	54.03	22500000	0	22500000	54.03	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	5100211	3300	5103511	12.25	4424978	3300	4428278	10.63	1.62
(b)	Financial Institutions /Banks	5796360	0	5796360	13.92	3933107	0	3933107	9.44	4.47
(c)	Central Government / State Government(s)									
(d)	Venture Capital Funds									

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(e)	Insurance Companies									
(f)	Foreign Institutional Investors	606862	1700	608562	1.46	2807061	1700	2808761	6.74	-5.28
(g)	Foreign Venture Capital Investors									
(h)	Qualified Foreign Investor									
(i)	Others									
	Sub-Total B(1) :	11503433	5000	11508433	27.63	11165146	5000	11170146	26.82	0.81
(2)	NONINSTITUTIONS									
(a)	Bodies Corporate	1884411	4150	1888561	4.53	3109796	4150	3113946	7.48	-2.94
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	4438891	136142	4575033	10.99	3800161	130809	3930970	9.44	1.55
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	371695	-	371695	0.89	402990	-	402990	0.97	-0.08
(c)	Others									
	CLEARING MEMBERS	250864	-	250864	0.60	167290	-	167290	0.40	0.20
	NON RESIDENT INDIANS	382461	63500	445961	1.07	290625	63500	354125	0.85	0.22
	TRUSTS	103953	-	103953	0.25	5033	-	5033	0.01	0.24
(d)	Qualified Foreign Investor									
	Sub-Total B(2) :	7432275	203792	7636067	18.34	7775895	198459	7974354	19.15	-0.81
	Total B=B(1)+B(2) :	18935708	208792	19144500	45.97	18941041	203459	19144500	45.97	0.00
	Total (A+B) :	41435708	208792	41644500	100.00	41441041	203459	41644500	100.00	0.00
(C)	Shares held by custodians, against which									
(1)	Depository Receipts have been issued Promoter and Promoter Group									
(2)	Public									
	GRAND TOTAL (A+B+C) :	41435708	208792	41644500	100.00	41441041	203459	41644500	100.00	

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	President of India	22499900	54.03	NIL	22499900	54.03	--	--
2	Subash Chandra Pandey	100	0.00	NIL	100	0.00	--	--



(iii) Change in Promoters' Shareholding

	Shareholding at the beginning of the year				Cumulative Shareholding during the year			
	No. of shares		% of total shares of the company		No. of shares		% of total shares of the company	
	President of India	S C Pandey	President of India	S C Pandey	President of India	S C Pandey	President of India	S C Pandey
At the beginning of the year	22499900	100	54.03%	0	22499900	100	54.03%	0
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change							
At the End of the year	22499900	100	54.03%	0	22499900	100	54.03%	0

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase /Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
1	LIFE INSURANCE CORPORATION OF INDIA	2777566	6.67	01/04/2014			2777566	6.67
				02/01/2015	-102159	Transfer	2675407	6.42
				09/01/2015	-28226	Transfer	2647181	6.36
				16/01/2015	-49805	Transfer	2597376	6.24
				23/01/2015	-286657	Transfer	2310719	5.55
				30/01/2015	-113343	Transfer	2197376	5.28
				13/03/2015	-80451	Transfer	2116925	5.08
				20/03/2015	-219549	Transfer	1897376	4.56
				27/03/2015	-25000	Transfer	1872376	4.50
				31/03/2015	-56480	Transfer	1815896	4.36
2	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIA	1606653	3.86	31/03/2015			1815896	4.36
				01/04/2014			1606653	3.86
				18/04/2014	-85169	Transfer	1521484	3.65
				30/05/2014	-10536	Transfer	1510948	3.63
				06/06/2014	-80385	Transfer	1430563	3.44
				13/06/2014	-7474	Transfer	1423089	3.42
				20/06/2014	-25000	Transfer	1398089	3.36
				30/06/2014	-58222	Transfer	1339867	3.22
				11/07/2014	-5113	Transfer	1334754	3.21
				24/10/2014	-11074	Transfer	1323680	3.18
3	RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIA	1361346	3.27	02/01/2015	-18250	Transfer	1305430	3.13
				16/01/2015	-50000	Transfer	1255430	3.01
				31/03/2015			1255430	3.01
				01/04/2014			1361346	3.27
				18/04/2014	-85169	Transfer	1276177	3.06
				30/05/2014	-10535	Transfer	1265642	3.04
				06/06/2014	-123183	Transfer	1142459	2.74
				13/06/2014	-152459	Transfer	990000	2.38
				30/06/2014	-23250	Transfer	966750	2.32
				11/07/2014	-25000	Transfer	941750	2.26
4	LIC OF INDIA MONEY PLUS GROWTH FUND	871788	2.09	23/01/2015	-40129	Transfer	901621	2.17
				31/03/2015			901621	2.17
				01/04/2014			871788	2.09
				20/03/2015	-31357	Transfer	840431	2.02
5	MERRILL LYNCH CAPITAL	77	0.00	27/03/2015	-29275	Transfer	811156	1.95
				31/03/2015			811156	1.95
				01/04/2014			77	0.00
5	MERRILL LYNCH CAPITAL	77	0.00	09/01/2015	170000	Transfer	170077	0.41

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase /Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
	MARKETS ESPANA S.A. S. V.			16/01/20 15	345000	Transfer	515077	1.24
				13/02/2015	70000	Transfer	585077	1.40
				31/03/2015			585077	1.40
6	MAX LIFE INSURANCE COMPANY LIMITED A/C ULIF0012	0	0.00	01/04/2014			0	0.00
				11/04/2014	8000	Transfer	8000	0.02
				18/04/2014	37000	Transfer	45000	0.11
				02/05/2014	25000	Transfer	70000	0.17
				09/05/2014	25000	Transfer	95000	0.23
				16/05/2014	-29495	Transfer	65505	0.16
				23/05/2014	-65000	Transfer	505	0.00
				30/05/2014	-505	Transfer	0	0.00
				06/03/ 2015	34665	Transfer	34665	0.08
				13/03/2015	260515	Transfer	295180	0.71
				20/03/2015	262642	Transfer	557822	1.34
				31/03/2015			557822	1.34
7	DORIC ASIA PACIFIC SMALL CAP (MAURITIUS) LIMITED	0	0.00	01/04/2014			0	0.00
				30/06/2014	44000	Transfer	44000	0.11
				18/07/2014	-26687	Transfer	17313	0.04
				08/08/2014	26687	Transfer	44000	0.11
				15/08/2014	16000	Transfer	60000	0.14
				05/09/2014	29400	Transfer	89400	0.21
				12/09/2014	600	Transfer	90000	0.22
				19/09/2014	23596	Transfer	113596	0.27
				30/09/2014	-23596	Transfer	90000	0.22
				31/10/2014	25000	Transfer	115000	0.28
				14/11/2014	25000	Transfer	140000	0.34
				05/12/2014	140000	Transfer	280000	0.67
				12/12/2014	70000	Transfer	350000	0.84
				19/12/2014	-45000	Transfer	305000	0.73
				02/01/2015	150000	Transfer	455000	1.09
				16/01/2015	15000	Transfer	470000	1.13
				06/02/2015	20000	Transfer	490000	1.18
				31/03/2015			490000	1.18
8	CANARA HSBC ORIENTAL BANK OF COMMERCE LIFE INSURAN	0	0.00	01/04/2014			0	0.00
				30/05/2014	36750	Transfer	36750	0.09
				06/06/2014	294795	Transfer	331545	0.80
				13/06/2014	176827	Transfer	508372	1.22
				30/06/2014	-3088	Transfer	505284	1.21
				04/07/2014	-4427	Transfer	500857	1.20
				18/07/2014	888	Transfer	501745	1.20
				01/08/2014	-731	Transfer	501014	1.20
				08/08/2014	-1454	Transfer	499560	1.20
				15/08/2014	-715	Transfer	498845	1.20
				22/08/2014	-1056	Transfer	497789	1.20
				05/09/2014	-1831	Transfer	495958	1.19
				12/09/2014	-1913	Transfer	494045	1.19



Sl. No.	Name of the Share Holder	Shareholding at the beginning of the Year		Date	Increase /Decrease in share holding	Reason	Cumulative Shareholding during the Year	
		No of Shares	% of total shares of the company				No of Shares	% of total shares of the company
				19/09/2014	-976	Transfer	493069	1.18
				30/09/2014	-1318	Transfer	491751	1.18
				10/10/2014	-1112	Transfer	490639	1.18
				17/10/2014	-2497	Transfer	488142	1.17
				24/10/2014	-1552	Transfer	486590	1.17
				31/10/2014	-3951	Transfer	482639	1.16
				07/11/2014	210	Transfer	482849	1.16
				14/11/2014	-439	Transfer	482410	1.16
				21/11/2014	-189	Transfer	482221	1.16
				28/11/2014	-1540	Transfer	480681	1.15
				05/12/2014	-1133	Transfer	479548	1.15
				12/12/2014	-1679	Transfer	477869	1.15
				19/12/2014	-2747	Transfer	475122	1.14
				31/12/2014	-610	Transfer	474512	1.14
				02/01/2015	-737	Transfer	473775	1.14
				09/01/2015	4349	Transfer	478124	1.15
				16/01/2015	6160	Transfer	484284	1.16
				23/01/2015	-4271	Transfer	480013	1.15
				30/01/2015	-3001	Transfer	477012	1.15
				06/02/2015	-1956	Transfer	475056	1.14
				13/02/2015	-1958	Transfer	473098	1.14
				20/02/2015	-3159	Transfer	469939	1.13
				06/03/2015	-1048	Transfer	468891	1.13
				20/03/2015	-1901	Transfer	466990	1.12
				27/03/2015	4012	Transfer	471002	1.13
				31/03/2015	-1120	Transfer	469882	1.13
				31/03/2015			469882	1.13
9	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP	252629	0.61	01/04 /2014			252629	0.61
				04/04/2014	143634	Transfer	396263	0.95
				11/04/2014	69648	Transfer	465911	1.12
				30/05/2014	-3050	Transfer	462861	1.11
				04/07/2014	-1244	Transfer	461617	1.11
				10/10/2014	-10000	Transfer	451617	1.08
				31/03/2015			451617	1.08
10	GENERAL INSURANCE CORPORATION OF INDIA	422612	1.01	01/04 /2014			422612	1.01
				06/03/2015	-22612	Transfer	400000	0.96
				31/03/2015			400000	0.96
11	RELIANCE CAPITAL TRUSTEE CO LTD A/C- RELIANCE REGUL	0	0.00	01/04 /2014			0	0.00
				27/02/2015	300000	Transfer	300000	0.72
				06/03/2015	100000	Transfer	400000	0.96
				31/03/2015			400000	0.96

(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
ANIRUDDH KUMAR (Director - Rail & Metro)				
At the beginning of the year	15	Negligible	15	Negligible
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Not Applicable		No change	
At the End of the year	15	Negligible	15	Negligible
M E V SELVAMM - Company Secretary				
At the beginning of the year	100	Negligible	100	Negligible
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Not Applicable		Transferred on 19.02.2015	
At the End of the year	-	Negligible	-	Negligible

*Except Shri Aniruddh Kumar & Shri M E V Selvamm, none of the Directors or Key Managerial Personnel is holding any shares in the Company

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding / accrued but not due for payment**

(₹ Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year as on 01.04.2014				
i) Principal Amount	84109.94	11480.63		95590.57
ii) Interest due but not paid	5.22			5.22
iii) Interest accrued but not due	1172.95			1172.95
Total (i+ii+iii)	85,288.11	11480.63		96768.74
Change in Indebtedness during the financial year				
· Addition				
· Reduction	29286.95	1983.01		31269.96
Net Change				
Indebtedness at the end of the financial year 31.03.2015				
i) Principal Amount	54845.81	9497.62		64343.43
ii) Interest due but not paid	35.49			35.49
iii) Interest accrued but not due	1119.86			11198.86
Total (i+ii+iii)	56001.16	9497.62	--	65498.78



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Whole-time Directors:

Sl. no.	Particulars of Remuneration	Name of MD/MTD/ Manager S / Shri						Total Amount
		Chairman and Managing Director/CEO P Dwarakanath	Director (Mining & Construction) C N Durgesh	Director (Defence) P R Naik	Director (HR) D K Hota	Director (Finance) /CFO P Swaminathan	Director (Rail & Metro) Aniruddh Kumar	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	3473742 446452	3019315 289684	3212586 52524	2807437 387339	2577358 393749	2415990 212425	17506428 1782173
2.	Stock Option							
3.	Sweat Equity							
4.	Commission - as % of profit - others, specify...							
5.	Others, please specify							
	Total (A)	3920194	3308999	3265110	3194776	2971107	2628415	19288601
	Ceiling as per the Act	Not Applicable						

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors Shri/Smt			Total Amount(‘)
Independent Directors				
	C Balakrishnan	N P Gupta	Suhas Anand Bhat	--
· Fee for attending board/ committee mee tings · Commission · Others, please specify	390000	410000	110000	910000
Total (1)	390000	410000	110000	910000
Other Non-Executive Directors - Government Nominee Directors				
	P K Mishra	Rajnish Kumar	Kusum Singh	--
· Fee for attending board/ committee mee tings · Commission · Others, please specify	Nil	Nil	Nil	Nil
Total (2)				
Total (B)=(1+2)	390000	410000	110000	910000
Total Managerial Re mun eration [A+B]	20198601			
Overall Ceiling as per the Act	Not Applicable			

C. Remuneration To Key Managerial Personnel Other Than Md/manager

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	1348514 148210	Not Applicable	1348514 148210
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total		1496724		1496724

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority[RD/ NCLT/ Court]	Appeal made, if any
A. COMPANY					
Penalty			None		
Punishment			None		
Compounding			None		
B. DIRECTORS					
Penalty			None		
Punishment			None		
Compounding			None		
C. OTHER OFFICERS IN DEFAULT					
Penalty			None		
Punishment			None		
Compounding			None		



SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared and presented under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India (GAAP), on the accrual basis of accounting, except as stated herein. GAAP comprises of the mandatory Accounting Standards (AS) specified under section 133 read with Rule 7 of Companies (Accounts) Rules, 2014 by the Central Government, to the extent applicable, and the provisions of the Companies Act, 2013.

2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires that the Management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liability as on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained.

3. Fixed Asset

A. Capitalisation

- (a) The Fixed Assets are stated at cost.
- (b) The cost of the Fixed Asset comprises its purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (c) Expenditure on land development is capitalised.
- (d) Expenditure on reconditioning, rebuilding and major overhaul of an asset are capitalized if technical assessment indicates increase in future benefits from the existing assets beyond its previously assessed standards of performance (increase in capacity or life or

efficiency or productivity).

- (e) Jigs and fixtures of unit value of ₹ 5 lakhs and above are capitalized and those with unit value below ₹ 5 lakhs are charged off in the year of incurrence.

B. Depreciation

- (a) Depreciation is charged on Straight Line Method basis adopting 'Useful Lives' as per Schedule-II of the Companies Act, 2013 (or such shorter useful lives which in the opinion of the management are appropriate), calculated from the month following the month of capitalisation. Depreciation on additions or extensions to existing assets is provided so as to co-terminate with the life of the original asset if it becomes integral part of the existing asset or on useful life of the asset if it is capable of independent use.
- (b) For Assets whose unit cost does not exceed ₹5000/- depreciation is provided at the rate of hundred percent in the year of capitalization.
- (c) Cost of leasehold land is amortised over the period of lease on pro-rata basis.
- (d) Jigs & Fixtures which are capitalized are depreciated over a period of three years.

C. Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying fixed asset are capitalised as part of the cost of the asset.

D. Impairment of Assets

The company assesses the impairment of assets at each Balance sheet date. The loss on account of impairment, if any, is accounted accordingly.

4. Intangible Assets

a) Software

The cost of software internally generated

/purchased for internal use which is not an integral part of the related hardware is recognised as an Intangible Asset and is amortised on straight line method based on technical assessment for a period not exceeding ten years. Software which is an integral part of related hardware is capitalised along with the hardware.

b) **Technical Know-how**

Expenditure on Technical Know-how is recognised as an Intangible Asset and amortised on straight line method based on technical assessment for a period not exceeding ten years.

For Sl.No. (a) & (b) above, amortization commences from the month following the month during which the asset is available for use.

5. **Inventory Valuation**

- (i) Raw materials, Components, Stores and Spare parts are valued at lower of Weighted Average Cost and estimated net realizable value.
- (ii) Work-in-progress is valued at lower of cost of materials, labour & production overheads based on normative capacity and estimated net realizable value.
- (iii) Finished stock is valued at lower of cost and estimated net realizable value.
- (iv) Estimated costs are considered wherever actual costs are not available.
- (v) The cost is adjusted for decline in value by writing down the value based on specific identification. Necessary provision is made for non-moving items.
- (vi) Based on technical assessment, provision is made for revalidation/refurbishment of finished goods.
- (vii) Scrap is valued at estimated net realizable

value.

6. **Advances from customers**

Advances from customers include advances / progress payments received as per letters of intent / sale contracts and are net after adjustments for sales accounted under respective contracts.

7. **Sales / Other Income**

- (i) Sales for products viz., equipment, aggregates, attachments, spares and ancillary products is recognised when risks and rewards of ownership pass on to the customer as per contractual terms.
- (ii) In the case of contracts for supply of complex equipment/systems where the normal cycle time of completion and delivery period is more than 12 months and the value of the equipment/system is more than ₹ 25 crores, revenue is recognised on the 'percentage completion method'. Percentage completion is based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total cost of the product.

Since the outcome of such a contract can be estimated reliably only on achieving certain progress, revenue is recognised up to 25% progress only to the extent of costs, thereafter revenue is recognised on proportionate basis and a contingency provision equal to 20% of the surplus of revenue over costs is made while anticipated losses are recognised in full.

- (iii) Where sale prices are not established, sales are recognised provisionally at prices likely to be realised. Difference, if any, is accounted in the year of finalization of price.
- (iv) Sales include excise duty wherever applicable but exclude sales tax.
- (v) Duty drawback claims on exports are accounted on preferring the claims.



- (vi) Claims for escalation are recognised as per escalation formula provided in the contract. If the contract does not provide for escalation, claim for the same is recognized on acceptance by the customer.
- (vii) Where the contract provides for installation and commissioning and price for the same is agreed separately, revenue for installation and commissioning is recognised on conclusion of installation and commissioning. Where installation and commissioning fee is not separately stipulated, the revenue for the product is recognised, however, estimated cost as technically assessed for such installation and commissioning to be incurred, is provided for.

8. Employee Benefits

- (i) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable, determined using actuarial valuation techniques. Actuarial gain and losses in respect of post-employment and other long term benefits are charged to the profit and loss account.

9. Accounting for Foreign Currency Transactions

- (i) Transactions in foreign currency are recorded in rupees by applying to the foreign currency amount, the exchange rate prevailing as on the date of transaction.
- (ii) The outstanding balances of monetary items relating to foreign currency transactions are stated in rupees by adopting the rate of

exchange prevailing on the date of Balance Sheet.

- (iii) Exchange rate differences consequent to restatement / settlement are recognised as income / expenditure.
- (iv) In the case of forward exchange contracts, the premium or discount arising at the inception of the contract is accounted for over the life of the contract. Exchange differences on such a contract are recognised in the statement of profit or loss in the reporting period in which the exchange rate changes.

10. Contractual Obligations

Warranty liability for contractual obligation in respect of equipment / spares sold to customers is ascertained on the basis of an annual technical assessment.

11. Research & Development

Research expenditure is charged off in the year of incurrence. The expenditure on development of new products is capitalized or where the same is intended for sale, it is inventorised. Amortization of the capitalised expenditure is on straight line method based on technical assessment for a period not exceeding ten years. The amortization commences from the month following the month during which the asset is available for use. Expenditure on fixed assets relating to Research & Development is capitalised.

12. Prior Period Items

Prior period adjustments are those adjustments, which are over ₹ 1 lakh in each case, arising out of correction of errors and omissions made in the past years.

13. Under / Over Absorption of Cost

Adjustments for under / over absorption of costs on jobs, is made only if the extent of under / over recovery exceeds one percent of turnover.

14. Taxes on Income

The tax expense comprises of current tax and deferred tax. The provision for current tax is ascertained on the basis of assessable profits computed in accordance with provisions of the Income Tax Act, 1961. The deferred tax is recognised on all timing differences resulting from the recognition of items in the financial statements and in estimating current income tax provision, subject to consideration of prudence in respect of deferred tax assets. The carrying amount of deferred tax asset/ liability is reviewed at each balance sheet date.

15. Leased Assets

Lease rentals recovered on assets given under operating leases are recognised in the Profit & Loss Account. Initial direct costs are expensed on incurrence.

16. Investments

Long-term investments are carried at cost. Permanent decline in the value of such investments is recognised and provided for. Current investments are carried at lower of cost and fair value.

17. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when

- A present obligation arises as a result of past events.
- It is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Provisions are determined based on the best estimates required to fulfill the obligations on the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

18. Others

- (i) Special Tools up to the unit value of ₹5000 are charged off in the year of incurrence and those above unit value of ₹ 5000 are amortized over a period of three years.
- (ii) Hand tools are charged to expenses at the time of issue.
- (iii) Expenditure on Voluntary Retirement Scheme is expensed in the year of incurrence.

Refer our report of even date attached
For M/s. S.R.R.K SHARMA ASSOCIATES
 Chartered Accountants
 Firm Registration Number: 003790S

For and on behalf of the Board of Directors

CA. S.R.R.K SHARMA
 Partner
 Membership No.: 018088

PRADEEP SWAMINATHAN
 Director (Finance)

P. DWARAKANATH
 Chairman & Managing Director

Bengaluru
 16.07.2015

M E V SELVAMM
 Company Secretary



BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	4,177.22	4,177.22
(b) Reserves and surplus	2	203,498.39	203,806.71
Sub-total		207,675.61	207,983.93
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings	3	41,392.67	46,520.11
(b) Other Long term liabilities	4	31,697.48	37,939.83
(c) Long-term provisions	5	16,435.86	13,587.26
Sub-total		89,526.01	98,047.20
(4) Current liabilities			
(a) Short-term borrowings	6	17,823.51	43,943.21
(b) Trade payables	7	54,328.65	38,579.63
(c) Other current liabilities	8	77,141.60	72,886.07
(d) Short-term provisions	9	12,597.46	14,643.39
Sub-total		161,891.22	170,052.30
Total		459,092.84	476,083.43
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	45,455.92	47,775.37
(ii) Intangible assets	10	1,415.24	2,094.25
(iii) Capital work-in-progress	11	14,994.98	13,533.63
(iv) Intangible assets under development	11A	4,174.86	3,753.73
(b) Non-current investments	12	257.64	257.64
(c) Deferred tax assets (net)	13	10,137.85	10,005.33
Sub-total		76,436.49	77,419.95
(d) Long-term loans and advances	14	23,391.01	29,760.71
(e) Other non-current assets	15	406.92	428.03
Sub-total		23,797.93	30,188.74
(2) Current assets			
(a) Current Investments	16	80.02	129.06
(b) Inventories	17	192,119.78	215,210.29
(c) Trade receivables	18	99,169.65	97,736.19
(d) Cash and cash equivalents	19	14,473.02	1,623.49
(e) Short-term loans and advances	20	16,631.50	23,437.98
(f) Other current assets	21	36,384.45	30,337.73
Sub-total		358,858.42	368,474.74
Total		459,092.84	476,083.43

Note nos.1 to 31 and Significant Accounting Policies annexed herewith form part of the financial statements.

As per our report of even date attached
For M/s. S.R.R.K SHARMA ASSOCIATES
Chartered Accountants
Firm Registration Number: 003790S

For and on behalf of the Board of Directors

CA. S.R.R.K SHARMA
Partner
Membership No.: 018088

PRADEEP SWAMINATHAN
Director (Finance)

P. DWARAKANATH
Chairman & Managing Director

Bengaluru
16.07.2015

M E V SELVAMM
Company Secretary

PROFIT AND LOSS STATEMENT

Particulars	Note No.	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Revenues:			
Revenue including Excise Duty	22	299,916.82	312,016.99
Less: Excise Duty [Refer Note 22(iii)]		18,997.75	20,865.59
Revenue from operations		280,919.07	291,151.40
Other income	23	5,950.42	6,338.95
Total Revenue		286,869.49	297,490.35
Expenses:			
Cost of materials consumed	24	137,335.86	161,421.76
Purchase of Stock-in-trade	24A	31.90	311.99
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	25	20,926.38	9,706.28
Employee benefits expense	26	76,911.39	71,675.65
Finance costs	27	7,051.41	11,045.74
Depreciation and amortization expense	10	5,213.76	5,355.81
Other expenses	28	38,748.92	36,719.59
Total Expenses		286,219.62	296,236.82
Profit / (Loss) before exceptional, extraordinary and prior period items and tax		649.87	1,253.53
Add/ (Less) : Exceptional items	29	14.66	1,588.63
Profit / (Loss) before Prior Period Adjustment		664.53	2,842.16
Add / (Less) Prior Period Adjustment	30	26.62	(1,933.94)
Profit / (Loss) before tax		691.15	908.22
Tax expense:			
(1) Current tax (MAT)		148.10	-
(2) Deferred tax		(132.52)	518.51
(3) Excess Provision of previous years written back		-	(78.09)
Profit / (Loss) for the year	31(A)	675.57	467.80
Earnings per equity share: (₹10/- each) in ₹			
Basic and diluted	31(A)	1.62	1.12

Note nos.1 to 31 and Significant Accounting Policies annexed herewith form part of the financial statements.

As per our report of even date attached
For M/s. S.R.R.K SHARMA ASSOCIATES
 Chartered Accountants
 Firm Registration Number: 003790S

For and on behalf of the Board of Directors

CA. S.R.R.K SHARMA
 Partner
 Membership No.: 018088

PRADEEP SWAMINATHAN
 Director (Finance)

P. DWARAKANATH
 Chairman & Managing Director

Bengaluru
 16.07.2015

M E V SELVAMM
 Company Secretary



CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015		For the Year ended 31st March 2014	
	Sub items	Main items	Sub items	Main items
A. Cash flow from operating activities				
Net profit before tax and extraordinary items		691.15		908.22
<i>Adjustments for</i>				
Depreciation	5,213.76		5,355.81	
Amortisation of Special Tools	209.52		121.73	
(Gain)/loss on disposal of fixed assets	(15.74)		(4.16)	
Foreign exchange loss / (gain)	(119.41)		315.25	
Provision for Obsolescence	702.60		1,154.77	
Bad debts written off	146.72		158.73	
Financing Cost	7,051.41		11,045.74	
Interest income	(945.94)		(2,054.46)	
Other Provisions	2,224.31	14,467.23	(106.55)	15,986.86
Operating Profit / (Loss) before changes in working capital		15,158.38		16,895.08
<i>Adjustment for</i>				
Inventories	23,821.76		24,236.33	
Trade & other receivables	(740.21)		16,463.40	
Other current assets	1,950.69		(6,670.46)	
Trade payables	15,768.80		(10,452.20)	
Other payables	(2,404.18)	38,396.86	1,574.07	25,151.14
Cash generated from operations		53,555.24		42,046.22
Direct taxes (paid) / refunded		1,288.75		(2,644.32)
Net cash flow from/used in operating activities		54,843.99		39,401.90
B. Cash flow from investing activities				
Purchase of Fixed Assets	(4,097.02)		(4,310.31)	
Purchase of intangible fixed assets	(483.44)		(949.41)	
Sale of tangible fixed assets	15.75		4.16	
Interest Received	938.66		2,457.07	
Net cash flow from/used in investing activities		(3,626.05)		(2,798.49)
C. Cash flow from financing activities				
Proceeds/(Repayments) from/to ECB & long-term borrowings	(3,144.43)		(3,394.95)	
Proceeds/(Repayments) of Inter corporate loans	(1,565.61)		(1,565.60)	
Proceeds/(Repayments) of Soft loan	(417.40)		2,087.00	
Proceeds/(Repayments) of short-term borrowings	(26,119.70)		(27,677.26)	
Financing Cost	(6,634.05)		(10,903.52)	
Dividend & Tax paid for equity shares	(487.22)		(1,218.05)	
Net cash flow from/used in financing activities		(38,368.41)		(42,672.38)
Net increase/(decrease) in cash and cash equivalents		12,849.53		(6,068.97)
Cash and Cash Equivalents, Beginning of the year		1,623.49		7,692.46
Cash and Cash Equivalents, Ending of the year		14,473.02		1,623.49

Refer our report of even date attached
For M/s. S.R.R.K SHARMA ASSOCIATES
Chartered Accountants
Firm Registration Number: 003790S

CA. S.R.R.K SHARMA
Partner
Membership No.: 018088

For and on behalf of the Board of Directors

PRADEEP SWAMINATHAN
Director (Finance)

P. DWARAKANATH
Chairman & Managing Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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.

Note 1 : Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2015		As at 31st March 2014	
	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				
	2014-15	2013-14	2012-13	2011-12	2010-11
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 2015		As at 31st March 2014	
	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



Equity Shares held by shareholders having 5% or more	As at 31st March 2015		As at 31st March 2014	
Name of the shareholder	No. of Shares	% held	No. of Shares	% held
President of India	22,500,000	54.03	22,500,000	54.03
Reliance capital Trustee Co. Ltd (Group)	2,968,702	7.12	2,967,999	7.13
LIC of India (Group)	2,764,061	6.63	2,777,566	6.67

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.

Note 2 : Reserves & Surplus (₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Capital Reserve		
Opening Balance	105.66	105.66
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	105.66	105.66
Nonimara Excellence Award Reserve		
Opening Balance	1.44	1.44
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	1.44	1.44
Securities Premium Reserve		
Opening Balance	61,204.07	61,204.07
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	61,204.07	61,204.07
Debenture Redemption Reserve		
Opening Balance	467.80	-
Additions during the year	675.57	467.80
Deductions during the year	-	-
Closing Balance	1,143.37	467.80
General Reserve		
Opening Balance	119,033.62	119,033.62
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	119,033.62	119,033.62
Balance in the Statement of Profit and Loss		
Opening Balance	22,994.12	23,481.34
Adjustment of Carrying amount of assets with Nil useful life as on 01.04.2014*	(482.67)	-
Additions / (deletions) during the year	675.57	467.80
Less: Appropriations		
- Transfer to Debenture Redemption Reserve	675.57	467.80
- Proposed dividend	416.45	416.45
- Tax on Dividend	84.77	70.77
- Transfer to General reserve	-	-
Closing Balance	22,010.23	22,994.12
Total	203,498.39	203,806.71

* Represents carrying amount of assets net of residual value whose remaining useful life as on 01.04.2014 is 'Nil', recognised in the retained earnings as per the requirement under Schedule II of Companies Act, 2013.

Note 3 : Long Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Non - Current	Current	Non - Current	Current
Term Loans				
Secured From Banks				
i. From State Bank of Travancore, Secured on first charge by way of hypothecation of all movable including machinery, spares, tools, accessories present and future (except receivables and current assets) and equitable mortgage of immovable property at Palakkad Complex. Rate of interest 10.40%	1,228.05	494.25	1,722.48	494.25
ii. From Standard Chartered Bank, secured by exclusive first charge on 61 Acres and 37 Guntas of BEML Residential Township Land and Buildings thereon (Bangalore Complex). Rate of interest 9.14%	2,650.00	2,650.00	5,300.00	2,650.00
iii. Secured Redeemable Non-convertible Debentures, secured by exclusive first charge on 46 Acres and 28 Guntas of BEML Residential Township Land and Buildings thereon (Bangalore Complex). Rate of interest 9.24%	30,000.00	-	30,000.00	-
Unsecured From Other Parties				
i. Inter corporate loans against company's corporate guarantee (from Coal India)	6,262.42	1,565.60	7,828.03	1,565.60
ii. Soft Loan - Interest Free Loan from Govt of Kerala	1,252.20	417.40	1,669.60	417.40
TOTAL	41,392.67	5,127.25	46,520.11	5,127.25

Maturity Pattern of Term Loans from Banks :

(₹ in Lakhs)

Name of the Bank	Maturity Pattern				
	Interest Rate	2015-16	2016-17	2017-18	2018-19
State Bank of Travancore	10.40%	494.25	494.25	494.25	239.55
Standard Chartered bank	9.14%	2650.00	2650.00	-	-

Maturity Pattern of Secured Redeemable Non-convertible Debentures :

(₹ in Lakhs)

Coupon Rate	2020-21	2021-22	2022-23
9.24% p.a payable semi-annually on 18th May & 18th November every year	10000.00	10000.00	10000.00

Maturity Pattern of Unsecured Inter Corporate Loan :

(₹ in Lakhs)

Rate of Interest	Interest Rate	2015-16	2016-17	2017-18	2018-19	2019-20
Bank Rate plus 3.50%, currently 12.25%	12.25%	1565.60	1565.61	1565.60	1565.61	1565.60

Maturity Pattern of Soft Loan - Interest free Loan from Govt. of Kerala

(₹ in Lakhs)

Rate of Interest	Interest Rate	2015-16	2016-17	2017-18	2018-19
Soft Loan - Interest free Loan, Re-payable in 10 equal instalments in 5 years	0.00%	417.40	417.40	417.40	417.40



Note 4 : Other Long Term Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Advance received	31,643.62	37,910.49
Staff related	0.19	-
Deposits & EMD received	53.67	29.34
Total	31,697.48	37,939.83

Note 5 : Long-Term Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Provision for employee benefits		
for Leave Salary	13,426.73	11,611.78
for Post retirement medical scheme	1,973.17	1,825.48
Provision-others		
for warranty	135.00	150.00
for unexpired obligations	900.96	-
Total	16,435.86	13,587.26

Note 6 : Short-Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
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)	17,823.51	43,943.21
Unsecured	-	-
Total	17,823.51	43,943.21

Note 7 : Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Micro & Small Enterprises	3,277.65	2,562.11
Others	51,051.00	36,017.52
Total	54,328.65	38,579.63

Micro and Small Enterprises (MSE)

The information under MSMED Act, has been disclosed to the extent such vendors have been identified by the company during the year. The details of amounts outstanding to them based on available information with the Company is as under :

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Amount due and Payable at the year end		
- Principal	976.42	1,142.95
- Interest on above Principal	23.10	43.69
Payments made during the year after the due date		
- Principal	7,799.40	3,418.73
- Interest	-	-
Interest due and payable for principals already paid	417.08	157.16
Total Interest accrued and remained unpaid at year end	440.18	200.85

Note 8 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Current maturities of long term debt (Refer Note No. 3)	5,127.25	5,127.25
Interest accrued but not due on Borrowings	1,119.86	1,172.95
Interest accrued and due on Borrowings	35.49	5.22
Unclaimed dividends	42.53	52.91
Other payables		
a. Staff related dues	1,592.40	1,421.54
b. Statutory dues	6,010.09	2,722.33
c. Deposits & EMD received	761.56	620.93
d. ED provision on FGI/Others	9,162.27	10,147.84
e. Other dues	7,334.93	7,680.75
f. Advances and Deposits	45,955.22	43,934.35
Total	77,141.60	72,886.07

Note 9 : Short-Term Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Provision for employee benefits		
for Gratuity	1,219.78	1,276.30
for Leave Salary	1,639.60	1,603.62
for Performance Related Pay	370.00	502.00
for Post retirement medical scheme	277.19	317.19
for Officers Pension	674.14	3,006.14
Provision-others		
Proposed dividend	416.45	416.45
Tax on dividend	84.77	70.77
for pending Legal cases	346.20	238.66
for warranty	6,070.36	5,024.17
for unexpired obligations	1,498.97	2,188.09
Total	12,597.46	14,643.39


Movement in Provisions (Short term and Long term)
(₹ in Lakhs)

Particulars	As at 01.04.2014	Additions	Utilization	Reversal	As at 31.03.2015	
					Long-term	Short-term
Gratuity	1,276.30	3,719.78	3,776.30	-	-	1,219.78
Leave Salary	13,215.40	5,789.81	3,938.88	-	13,426.73	1,639.60
Post retirement medical scheme	2,142.67	215.95	108.26	-	1,973.17	277.19
Performance Related Pay	502.00	-	132.00	-	-	370.00
Officers Pension	3,006.14	-	1,500.00	832.00	-	674.14
Pending legal cases	238.66	328.21	1.35	219.32	-	346.20
Warranty	5,174.17	6,005.03	4,973.84	-	135.00	6,070.36
Unexpired Obligation	2,188.09	895.76	18.30	665.62	900.96	1,498.97
Total	27,743.43	16,954.54	14,448.93	1,716.94	16,435.86	12,096.24

Note 10: Fixed Assets
(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at	Additions	Deduction / Re-classification & Adjustments	As at	As at	For the Year	Adj against Retained Earnings	Deduction / Re-classification & Adjustments	As at	As at	As at
	01.04.2014	During the Year	During the Year	31.03.2015	01.04.2014		During the Year	During the Year	31.03.2015	31.03.2015	31.03.2014
Tangible Assets											
Land											
Free Hold	1,647.78	-	(358.87)	1,288.91	-	-	-	-	-	1,288.91	1,647.78
Lease Hold	7,988.95	-	358.87	8,347.82	156.79	64.00	-	(0.01)	220.78	8,127.04	7,832.16
Roads & Drains	2,617.77	-	-	2,617.77	607.10	267.05	236.60	-	1,110.75	1,507.02	2,010.67
Water Supply Installations	715.26	0.89	(31.64)	684.51	404.66	24.64	19.25	(31.97)	416.58	267.93	310.60
Buildings	21,150.87	8.29	55.30	21,214.46	6,820.88	1,002.50	163.57	38.59	8,025.54	13,188.92	14,329.99
Railway sidings	929.22	-	-	929.22	337.65	90.87	-	-	428.52	500.70	591.57
Plant, Machinery and Equipment	70,611.47	1,471.92	(5,368.54)	66,714.85	52,326.22	2,153.84	5.98	(5,077.51)	49,408.53	17,306.32	18,285.25
Electrical Installation	3,811.05	462.57	128.75	4,402.37	3,081.28	123.69	-	105.75	3,310.72	1,091.65	729.77
Furniture & Fixtures	1,467.14	26.61	211.99	1,705.74	1,036.38	102.38	20.34	141.23	1,300.33	405.41	430.76
Vehicles											
Given on Lease	491.67	-	(4.50)	487.17	183.74	69.07	-	(1.69)	251.12	236.05	307.93
Own Use	2,259.66	56.36	(16.33)	2,299.69	1,295.72	210.70	23.38	(10.21)	1,519.59	780.10	963.94
Office Equipment	462.87	19.39	108.86	591.12	417.54	16.76	7.04	103.40	544.74	46.38	45.33
Jigs & Fixtures	1,632.35	429.79	132.67	2,194.81	1,342.73	267.77	-	66.45	1,676.95	517.86	289.62
Computers and Data processing units	-	93.78	4,675.78	4,769.56	-	79.56	6.51	4,491.86	4,577.93	191.63	-
Total Tangible Assets	115,786.06	2,569.60	(107.66)	118,248.00	68,010.69	4,472.83	482.67	(174.11)	72,792.08	45,455.92	47,775.37
Previous Year	114,152.96	2,066.84	(433.74)	115,786.06	63,899.03	4,577.70	-	(466.04)	68,010.69	47,775.37	50,253.93

(₹ in Lakhs)

Particulars	GROSS BLOCK				AMORTISATION					NET BLOCK	
	As at	Additions	Deduction / Re-classification & Adjustments	As at	As at	For the Year	Adj against Retained Earnings	Deduction / Re-classification & Adjustments	As at	As at	As at
	01.04.2014	During the Year	During the Year	31.03.2015	01.04.2014	During the Year	During the Year	During the Year	31.03.2015	31.03.2015	31.03.2014
Intangible Assets											
Computer software	1,339.33	62.31	40.16	1,441.80	851.93	251.43	-	40.56	1,143.92	297.88	487.40
Technical Know how	2,937.03	-	-	2,937.03	1,330.18	489.50	-	(0.01)	1,819.67	1,117.36	1,606.85
Total Intangible Assets	4,276.36	62.31	40.16	4,378.83	2,182.11	740.93	-	40.55	2,963.59	1,415.24	2,094.25
Previous Year	4,224.37	51.45	0.54	4,276.36	1,403.87	778.11	-	0.13	2,182.11	2,094.25	2,820.50
Total Tangible & Intangible Assets C Y	120,062.42	2,631.91	(67.50)	122,626.83	70,192.80	5,213.76	482.67	(133.56)	75,755.67	46,871.16	49,869.62
Total Tangible & Intangible Assets P Y	118,377.33	2,118.29	(433.20)	120,062.42	65,302.90	5,355.81	-	(465.91)	70,192.80	49,869.62	53,074.43

A. Useful life adopted by the Company for calculation of Depreciation in respect of the following assets are less than the useful life prescribed under Schedule II of the Companies Act, 2013. The reduced useful life has been adopted in view of large number of small value assets involved and faster rate of wear and tear for Jigs & Fixtures.

- i) Individual assets costing less than ₹ 5000 - useful life 1 year
- ii) Jigs & Fixtures capitalised - useful life 3 years.

B. Effective from 01.04.2014, for the calculation of Depreciation, the company has adopted "useful life of the assets" prescribed by Schedule II of the Companies Act, 2013 instead of the "Rate of Depreciation" specified in Schedule XIV of the Companies Act, 1956 followed up to 31.03.2014. Accordingly, an amount of ₹482.67 Lakhs have been recognised in the opening balance of Retained Earnings as on 01.04.2014. However, the impact on account of change in the method of Depreciation is not ascertainable.

C. Accounting Standard 19 (Leases)

- i) Office premises taken on lease

The Company's significant leasing arrangements are in respect of operating leases in respect of its leased office premises. These lease arrangements, which are cancellable, are generally renewable by mutual consent. The aggregate lease rentals paid is disclosed under rent in Note No. 28.

- ii) Cars given on Lease on non cancellable basis

I. a) Gross Carrying amount	₹487.17 Lakhs (Previous Year - ₹491.67 Lakhs)
b) Accumulated depreciation	₹251.12 Lakhs (Previous Year - ₹183.74 Lakhs)
c) Accumulated impairment losses	₹Nil
d) (i) Depreciation recognized in the Statement of Profit & Loss Account	₹69.07 Lakhs (Previous Year - ₹48.83 Lakhs)



(ii)	Impairment losses recognized in the Statement of Profit & Loss Account	₹Nil	(Previous Year - ₹Nil)
(iii)	Impairment losses reversed in the Statement of Profit & Loss Account	₹Nil	(Previous Year - ₹Nil)
II. Future minimum lease payments under non-cancellable operating leases – Leased cars			
(i)	Not later than one year	₹53.73 Lakhs	(Previous Year - ₹59.26 Lakhs)
(ii)	Later than one year but not later than five years	₹162.76 Lakhs	(Previous Year - ₹194.02 Lakhs)
(iii)	Later than five years	₹49.52 Lakhs	(Previous Year - ₹88.32 Lakhs)
III. Total rent recognized as income in the			
	Statement of Profit & Loss Account	₹45.88 Lakhs	(Previous Year - ₹47.45 Lakhs)

D. Gross value of vehicles own use includes equipment offered to customers for trials on No Cost No Commitment (NCNC) basis ₹763.68 Lakhs (WDV - ₹110.96 Lakhs) (Previous Year - ₹471.68 Lakhs (WDV - ₹316.48 Lakhs)).

E. Fixed Assets

- i) Buildings includes cost of building at Kolkotta ₹26.82 Lakhs (Previous Year - ₹26.82 Lakhs) on lease for 30 years.
- ii) Buildings includes cost of building at Mumbai and Ranchi pending registration / khatha transfer at ₹33.00 Lakhs (Previous Year - ₹33.00 Lakhs)
- iii) The company has taken land measuring 1109 acres and two workshops on lease initially 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 (A Company under orders of winding up by BIFR), and a sum of ₹100 Lakhs was paid as non-refundable deposit, (included under Long Term Loans and Advances (Note 14)). 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 the 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 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 (WDV ₹1141.93 Lakhs) on building (Previous Year - ₹1452.95 Lakhs (WDV ₹1191.95 Lakhs)) included in Fixed Assets (Note 10) 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.

- iv) 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) 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.
- v) Lease Hold Land includes land measuring 101175.92 Sq. Mtrs taken on perpetual lease from KIADB (Bangalore Aerospace, SEZ Park) at a cost of ₹5126.00 Lakhs (Previous Year - ₹5126.00 Lakhs).
- vi) Free Hold Land include land at cost ₹134.27 Lakhs at Hyderabad for which registration is pending.
- vii) 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.
- viii) As per the demand of KIADB, provision of interest amounting to ₹464.12 Lakhs (Previous Year - ₹441.64 Lakhs) up to period 31st March 2015 has been made. However, matter has been taken up with KIADB for waiving of interest which is pending before KIADB Board. Additional compensation demanded by KIADB authority amounting to ₹183.57 Lakhs has been capitalised and liability for both interest and additional compensation has been created. Registration will be made once the matter is settled with KIADB Board.

F. Amount of Borrowing cost capitalised on addition of Assets during the year is as under:-

- Plant & Machinery	₹500.04 Lakhs
- Any other asset (should be specified)	₹Nil

Note 11 : Capital Work-in-Progress

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Building	1,358.02	757.72
Equipment under inspection and in transit	59.11	-
Machinery	12,689.73	11,993.24
Others	888.12	782.67
Total	14,994.98	13,533.63

Note 11A: Intangible assets under development

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Development Expenditure for High capacity Dump Truck	4,174.86	3,753.73
Total	4,174.86	3,753.73


Note 12 : Non-Current Investments
(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Long Term, unquoted at cost		
Trade Investments		
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 14 (a)]	5.00	5.00
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: Provision for diminution in value of investment in BEML Midwest Ltd.	(542.25)	(542.25)
Total trade investments	257.60	257.60
Other Investments		
Investment in Ordinary Shares of Co-operative Societies - Un-quoted, fully paid up		
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.	-	-
Total other investments	0.04	0.04
Total - Unquoted at cost	257.64	257.64

Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures)

Names	Nature	% holding	Country of Incorporation
Delhi Metro Rail Consortium	Jointly Controlled Operation	-	-
BEML Midwest Limited	Jointly Controlled Entity	45.00	India

- The Joint Venture Company BEML Midwest Ltd. has not prepared its financial statements as at 31st March, 2015 due to litigation pending before Company Law Board. Hence, disclosure requirements under AS-27 (Financial Reporting of Interests in Joint Ventures) with regard to the Company's share in assets, liabilities, income & expenditure and its share in the contingent liabilities could not be complied with.
- The company had issued corporate guarantee to Bank for facilities extended to BEML Midwest Limited, for ₹1912.50 Lakhs. Since BEML Midwest failed to pay, the Bank concerned invoked the corporate guarantee and claimed from the company. However the company has refused to pay the claim on the ground that the claim relating to forward contracts were entered into without the approval of board of BEML Midwest Limited and that the majority shareholder has misappropriated and acted beyond the mandate without complying with the terms and conditions specified by the Board of BEML Midwest Limited. The matter is pending before Debt Recovery Tribunal (DRT). The company does not envisage any cash outflow in this regard.

Note 13: Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Deferred Tax Liabilities (DTL)		
Related to Fixed Assets	4,146.89	4,383.08
Special Tools	135.06	135.77
Total DTL (A)	4,281.95	4,518.85
Deferred Tax Assets (DTA)		
Timing differences under the Income Tax Act, 1961	14,419.80	12,967.59
Carry forward loss	-	1,556.59
Total DTA (B)	14,419.80	14,524.18
Net Total (B-A)	10,137.85	10,005.33

Note 14 : Long-Term Loans and Advances

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, considered good		
Capital Advances	121.37	274.06
Security Deposits	780.97	599.58
Loans and Advances to Related Parties [refer Note No.31 (C)]	601.20	600.93
Inter Corporate Loan	3,269.11	8,210.87
Other loans and advances [see note (a) below]	6,040.47	5,898.66
Advance Income Tax (net of provision)	12,493.99	14,071.64
Pre paid expenses & Other advances	83.90	104.97
Sub-total	23,391.01	29,760.71
Doubtful		
Other Loans and Advances	120.19	120.19
Less : Provision for doubtful advances	120.19	120.19
Sub-total	-	-
Total	23,391.01	29,760.71
Due by officers of the company	23.96	22.51

- 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 ₹818.55 Lakhs (Previous Year - ₹768.29 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 ₹5618.55 Lakhs (Previous Year - ₹5568.29 Lakhs) is included under the head 'Other Loans and Advances', pending allotment of equity shares in the capital of the JV company. Since the company intends to treat this as a long term investment, no



independent valuation of the assets taken over has been done and the diminution in value of investments, if any, can be ascertained only after the formulation of business plan and approval of shareholders' agreement from MOD and consequential share allotment.

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 ₹601.20 Lakhs (Previous Year - ₹600.93 Lakhs) on account of MIL, which is included under the head 'Loans and Advances to related parties'.

Note 15 : Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Others		
Gold coins on Hand	9.57	9.57
Special Tools	397.35	418.46
Total	406.92	428.03

Note 16 : Current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Short Term, unquoted at cost		
Trade Investments		
In Quotas of Foreign Subsidiary		
Investments in Quotas in BEML Brazil Industrial Ltda., 99.98% of the quotas held by BEML and balance held by the nominees of BEML.	185.55	185.55
Less: Provision for diminution in value	(105.53)	(56.49)
Total	80.02	129.06

Note 17 : Inventories (Lower of cost or Net realisable value)

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Raw materials & Components	38,871.58	43,062.11
Provision for obsolescence - Raw Material	(616.85)	(498.95)
Raw materials & Components in Transit	3,549.17	1,346.53
Stores and Spares	2,225.50	2,259.45
Work-in-Progress	58,494.87	57,929.22
Finished Goods	48,479.07	69,698.72
Provision for obsolescence - Finished Goods	(1,734.71)	(3,863.16)
Finished Goods in Transit	5,848.64	7,934.05
Stock of Spares	35,522.54	35,254.34
Provision for obsolescence - Stock of Spares	(2,077.02)	(1,500.32)
Stock of Spares in Transit	726.98	636.10
Hand tools	1,789.13	1,595.90
Scrap	1,040.88	1,356.30
Total	192,119.78	215,210.29

- a. Negative work orders amounting to ₹584.68 Lakhs (Previous Year - ₹722.60 Lakhs) were reduced to arrive at the closing value of Work in progress and the company does not expect to have any material impact on cost of production on this account.
- b. Raw materials & Components include materials lying with sub contractors ₹1101.09 Lakhs (Previous Year - ₹1052.93 Lakhs).
- c. 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.
- d. 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.
- e. Provision towards obsolescence is made as per the provisioning norms and is based on ageing of inventory.
Provisioning norms for obsolescence for Marketing Spares was first approved during the year 1970 and remained unchanged. Unlike at the time when the norms were first approved, there has been significant changes in Business scenario. Currently significant business in Mining & Construction Segment is achieved not only in sale of machines, but also in supporting these machines for a period ranging from 3 to 17 years through maintenance and Repair Contracts, Annual Maintenance Contracts and Guaranteed Parts and Cost Cap Agreements. In view of the changed business scenario, during the year the Company has revised the provisioning norms for obsolescence of non-moving inventory for Marketing Spares and provided an amount ₹ 576.70 Lakhs for the year towards obsolescence as against ₹ 3469.35 Lakhs under pre-revised provisioning norms.
- f. The inventory does not include the value of materials received free of cost from customers and supplies against LOI which are held in trust.


Note 18 : Trade Receivables
(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, considered good		
Outstanding for period exceeding six months *	41,498.62	44,970.85
Others	57,671.03	52,765.34
Unsecured, considered doubtful		
Outstanding for period exceeding six months	15,767.77	12,000.23
Allowance for bad and doubtful debts	15,767.77	12,000.23
Total	99,169.65	97,736.19

- *i. Trade receivables - Outstanding for period exceeding six months include ₹925.87 Lakhs (Previous Year - ₹925.87 Lakhs) towards interest rate difference on advance amount received from Ministry of Defence (MoD). This amount pertains to interest rate difference between deposit rate and interest recovered at the rate of 9.50% by MoD during FY 2006-07, 2007-08 and 2009-10 from various bills. The matter has been taken up with MoD and it is under their consideration.
- ii. Trade receivables - Outstanding for period exceeding six months include ₹4899.99 Lakhs (Previous Year ₹4139.92 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 Ministry of Defence (MoD) in 2001. This contract provided for import content denominated in US Dollar with a clause for escalation and exchange rate variation.

As the import of materials was from a country in the European Union which adopted Euro as its International transaction currency, the company was forced to import in Euro currency from January, 2007 to meet its obligations under the contract. The Euro as a trading currency was not contemplated at the time of entering the contract placed by the customer.

The request for amendment for US Dollar to Euro and the consequential Escalation and Exchange Rate variation is pending with the customer. The company does not expect any material impact on this account, sequel to the reassessment of the escalation and exchange rate variation, based on an acceptable formula for the customer.

Note 19 : Cash and Cash Equivalents
(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Balances with Banks	14,226.62	1,320.76
Balances with Banks - Unclaimed Dividend	42.53	52.91
Cheques, drafts on hand	191.23	238.26
Cash on hand	12.64	11.56
Total	14,473.02	1,623.49

Note 20 : Short-Term Loans and Advances

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, considered good		
Balances with Public Utility concern	13.77	3.74
Loans and Advances to Related Parties [refer Note No.31 (C)]	720.88	892.94
Inter Corporate Loan	817.28	1,642.17
Balances with Govt. departments for Customs Duty, Excise Duty etc including receivables	237.29	1,359.90
Other loans and advances	13,878.87	18,246.81
Pre paid expenses & Other advances	963.41	1,292.42
Sub-total	16,631.50	23,437.98
Doubtful		
Other loans and advances	4,107.14	3,978.37
Less : Provision for doubtful advances	4,107.14	3,978.37
Sub-total	-	-
Total	16,631.50	23,437.98
Due by Officers of the Company	160.65	68.96

Note 21 : Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Interest accrued on bank deposits	7.28	-
Claims receivable	11,339.46	12,402.70
Unbilled revenue net of advances	25,037.71	17,935.03
Sub-total	36,384.45	30,337.73
Doubtful		
Claims receivable	2,508.01	3,583.87
Less : Provision for doubtful claims	2,508.01	3,583.87
Sub-total	-	-
Total	36,384.45	30,337.73

i. Claims receivable includes:

- Claim Lodged pending under reconciliation amounting to ₹319.36 Lakhs (Previous Year - ₹436.80 lakhs).
- Claim lodged with Railway Board for excise duty and corresponding sale tax claim of ₹1452.54 Lakhs (Previous Year - ₹764.78 Lakhs). The Company doesn't expect any material impact on the final realization of the above amounts.

ii. Unbilled revenue include ₹12012.36 Lakhs (Previous Year - ₹7820.63 Lakhs) on account of additional provisional price accounted based on recommendation (for the years 2012-13 & 2013-14) by the Chief Advisor (Cost), Ministry of Finance. The recommended price is under consideration by the Rail Board.



Note 22 : Revenue including Excise Duty

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
(a) sale of products:		
Earth Moving Equipment	100,172.42	87,391.43
Rail & Metro Products	89,738.09	128,167.01
Defence Products	13,105.26	11,267.72
Traded Goods	58.00	343.83
Spare Parts	68,399.39	60,214.25
Wind Energy	265.06	290.28
Sub-total	271,738.22	287,674.52
(b) sale of services:		
Design / IT Services	-	109.98
Equipment Servicing	24,914.52	21,021.39
Sub-total	24,914.52	21,131.37
(c) other operating revenues		
Export incentives	171.31	153.53
Sale of Scrap	3,092.77	3,057.57
Sub-total	3,264.08	3,211.10
Revenue including Excise Duty	299,916.82	312,016.99

- Revenue including Excise Duty include ₹10345.47 Lakhs (Previous Year - ₹3259.13 Lakhs) recognised as additional provisional price in terms of Accounting Policy No. 7(iii) based on the price recommended for Rail coaches by the Chief Advisor (Cost), Ministry of Finance (which is under consideration by the Rail Board). The difference, if any, is accounted in the year of finalisation of price.
- Revenue including Excise Duty includes revenue recognized for ₹8754.77 Lakhs (Previous Year - ₹7244.49 Lakhs) in respect of FOR destination contracts, in accordance with Accounting Standard 9 - Revenue Recognition, on the basis of custodian certificates accepting billing and title to the goods, having a profit of ₹143.95 Lakhs (Previous Year - ₹1454.47 Lakhs) for the transactions.
- The company has entered into a consortium agreement with one international partner for the supply of Metro coaches to Delhi Metro Rail Corporation Ltd, (DMRCL). As per the agreement, the company is responsible to raise the bills at the full value of the contract including consortium scope on DMRCL and terminal excise duty and VAT thereon is discharged by the company.

Note 22A :

The total amount invoiced including the value of consortium scope of supply is as under:

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Rail & Metro Products	102,786.67	142,369.79
Other products, services and other operating revenue	210,178.73	183,849.98
Sub-total	312,965.40	326,219.77
Less: Value of Consortium Supplies	13,048.58	14,202.78
Revenue including Excise Duty	299,916.82	312,016.99

Note 23 : Other Income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Interest Income		
- From Banks	19.82	82.30
- From Inter Corporate Loans	797.33	1,341.36
- Others	128.79	630.80
Net gain on sale of Fixed Assets	18.94	6.07
Income from Commission	0.84	1.66
Provisions written back		
- Doubtful debts & Advances	243.22	111.33
- Others	3,272.60	1,993.73
Other non-operating income	1,468.88	2,171.70
Total	5,950.42	6,338.95

a. Tax Deducted at Source on Income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
a) Interest on Call and Term Deposit from Banks	0.81	0.06
b) Interest on Inter Corporate Loans	79.72	134.12
c) Others	8.22	8.00
b. Provision written back - Others, include ₹1378.89 Lakhs written back out of the provisions made in the earlier years towards claims on a supplier. The write back is done based on a written acceptance from the supplier to settle the claim of the amount through supply of spare parts over a period of time.		

Note 24 : Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Cost of Materials consumed for manufactured products	137,335.86	161,421.76

Note 24A : Purchase of Stock-in-trade

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Purchase of Stock-in-trade	31.90	311.99

Note 25 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade (₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Opening Stock		
Work-in-progress	57,929.22	73,029.04
Finished Stock	73,769.61	68,044.94
Scrap	1,356.30	1,687.43
	133,055.13	142,761.41
Closing Stock		
Work-in-progress	58,494.87	57,929.22
Finished Stock	52,593.00	73,769.61
Scrap	1,040.88	1,356.30
	112,128.75	133,055.13
(Increase) / Decrease		
Work-in-progress	(565.65)	15,099.82
Finished Stock	21,176.61	(5,724.67)
Scrap	315.42	331.13
Total	20,926.38	9,706.28



Note 26 : Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Salaries, Wages & Bonus	55,409.35	54,025.79
Leave Salary	5,789.81	4,385.42
Contribution to:		
- Gratuity Fund	3,719.78	1,276.30
- Provident Fund and Other Funds	5,714.25	5,599.25
Post retirement medical scheme	215.95	-
Staff welfare expenses	6,491.90	6,816.04
-Less receipts	429.65	427.15
Net staff welfare expenses	6,062.25	6,388.89
Total	76,911.39	71,675.65

A. Accounting Standard 15 (Employee Benefits)

a. Leave Salary

This is an unfunded defined benefit plan categorized under other long term employee benefits in terms of Revised Accounting Standard 15. The defined benefit obligation for compensated absence has been actuarially valued and liability provided accordingly.

Actuarial Assumptions	Current Year	Previous Year
	(Unfunded)	(Unfunded)
Mortality Table (IALM)	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount rate	7.80%	9.10%
Rate of escalation in salary	5.00%	5.00%

b. Post Retirement Medical Scheme

The company has a post retirement medical scheme where an insurance policy is taken by the company for providing mediclaim benefits to the superannuated officers / workers who opt for the scheme. Company pays 2/3 rd insurance premium and the balance is paid by the superannuated officers / workers. The scheme was actuarially valued during the year and liability has been provided for.

Actuarial Assumptions	Current Year	Previous Year
	(Unfunded)	(Unfunded)
Expected proportion of the existing employees who will opt for the scheme at the time of retirement	35.00%	35.00%
Discount rate	7.80%	9.10%
Long term Medical inflation	2.70%	1.59%

c. Interest Rate Guarantee on Provident Fund

Provident Fund Trust of the Company has to declare interest on Provident Fund at a rate not less than that declared by the Employees' Provident Fund Organisation. In case the Trust is not able to meet the interest liability, Company has to make good the shortfall. Company has got the same actuarially valued and there is no additional liability that need to be provided for the year.

Actuarial Assumptions	Current Year	Previous Year
	(Funded)	(Funded)
Discount rate	7.84%	8.79%
Rate of escalation in salary	5.00%	5.00%
Interest Rate Guarantee on Provident Fund	8.75%	8.75%

d. Officers Pension Scheme

Based on the guidelines of Ministry of Defence, Company during the year implemented "BEML Executive Superannuation (Pension) Scheme" for Officers of the Company. The Scheme is a defined contribution plan and the contribution made is being charged off in the year of contribution. Being a defined contribution plan no actuarial valuation is done

e. Gratuity

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

(₹ in Lakhs)

Changes in the Present value of obligation	Current Year	Previous Year
Present value of obligation at 01.04.2014	35,479.96	35,826.68
Interest Cost	2,986.05	2,733.09
Current Service Cost	854.41	1,098.03
Benefits Paid	(5,332.34)	(4,169.54)
Actuarial (gain)/loss on obligations	2,886.70	(8.30)
Present value of obligation at 31.03.2015	36,874.78	35,479.96
Changes in the Fair value of Plan assets		
Fair value of plan assets at 01.04.2014	34,203.66	27,034.01
Expected return on plan assets	3,008.31	2,787.83
Contributions	3,776.30	8,792.67
Benefits paid	(5,332.34)	(4,169.54)
Actuarial gain/(loss) on plan assets	(0.93)	(241.31)
Fair value of plan assets at 31.03.2015	35,655.00	34,203.66
Reconciliation of obligations and fair value of plan assets		
Present value of obligation at 31.03.2015	36,874.78	35,479.96
Fair value of plan assets at 31.03.2015	35,655.00	34,203.66
Funded Status	1,219.78	1,276.30
Liability Existing	-	-
Liability recognized during the year	1,219.78	1,276.30
Expenses recognized during the year		
Current Service Cost	854.41	1,098.03
Interest Cost	2,986.05	2,733.09
Expected return on plan assets	3,008.31	2,787.83
Actuarial (gain)/loss on obligation	2,886.70	(8.30)
Actuarial gain/(loss) on plan assets	(0.93)	(241.31)
Net Cost	3,719.78	1,276.30
Investment Details	%	%
GOI Bonds	0	0
Others	1	1
Investment with LIC	99	99
Actuarial Assumptions		
Gratuity	(Funded)	(Funded)
Mortality Table (IAL)	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount rate	7.80%	9.10%
Rate of return on plan assets	9.15%	9.00%
Rate of escalation in salary	5.00%	5.00%



- f. The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary.

Note 27 : Finance Costs
(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Interest expense		
On Cash Credit & Short term Loans	3,002.48	6,245.28
On Long Term Loans	826.25	1,138.17
On Non-convertible Debentures	1,911.29	2,122.11
On Inter Corporate Loans	1,016.32	1,300.43
On MSE vendors	243.08	82.96
Others	51.99	156.79
Total	7,051.41	11,045.74

Accounting Standard 16 (Borrowing Cost)

The amount of interest capitalized during the Year is ₹896.70 Lakhs (Previous Year - ₹685.87 Lakhs). Out of this a sum of ₹Nil (Previous Year - ₹35.75 Lakhs) related to previous Year.

Note 28 : Other Expenses
(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Consumption of stores and spare parts	843.10	1,030.64
Consumable Tools	340.08	393.02
Power and fuel	3,304.76	3,575.85
Rent	363.67	337.33
Hire Charges	572.04	538.84
Repairs & Maintenance		
Machinery & Equipment	467.00	556.34
Buildings	467.45	317.66
Others	902.20	966.61
Amortisation of Special Tools	209.52	121.73
Stationary	138.37	140.08
Insurance	932.25	342.56
Rates & Taxes	385.41	450.79
Bank Charges	519.78	1,613.41
Postage, Telephones and Courier etc.,	333.66	340.64
Commission on sales	581.43	114.22
Remuneration to Auditors (refer note 'b' below)	39.13	31.71
Legal & Professional Charge	190.52	151.67
Travelling Expenses	1,133.16	1,129.53
Publicity & Public Relation	199.53	221.55
Loss on Sale of Fixed Asset	3.20	1.91
Obsolescence	702.60	1,154.77
Bad Debts Written off	146.72	158.73
Defects & Spoilages	105.04	66.16
Works Contract Expenses	3,837.13	3,626.29
Expenses on Maintenance Contract	3,072.39	3,431.59
Sundry Direct Charges	2,146.23	2,928.07
Freight charges	2,913.67	2,570.38
Expenditure on CSR Activities	326.64	62.87
Excise duty on increase / (decrease) in Stock	(1,155.78)	(1,032.52)
Provision for Doubtful Debts & Advances	3,616.54	1,433.88
Provision for diminution in value of Current Investment	49.04	26.64
Warranty & Unexpired Obligations	2,403.31	1,971.76
Liquidated damages on sales	67.01	366.89
Miscellaneous expenses [refer Note 28(a)]	8,592.12	7,577.99
Total	38,748.92	36,719.59

a. Accounting Standard 11 (Foreign Exchange Fluctuations)

Effect of Foreign Currency Fluctuation included in the Miscellaneous Expenses for the year is ₹502.66 Lakhs. (Previous Year - ₹226.74 Lakhs).

b. Break up of Remuneration to Auditors :

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
(a) As Auditor	9.30	9.30
(b) Half yearly Audit fee	4.00	4.00
(c) for taxation matter	4.20	2.70
(d) Other Services - Certification Fees	8.30	7.51
(e) Reimbursement of Expenses	13.33	8.20
Total	39.13	31.71

Note 29 : Exceptional Items

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Income		
Warranty provision written back	-	1,211.69
Liability Written back	14.66	376.94
	<u>14.66</u>	<u>1,588.63</u>
Expenditure	-	-
Net Income / (Expenditure)	<u>14.66</u>	<u>1,588.63</u>

Note 30 : Prior Period Items

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Income		
MSME Interest write back	-	674.70
Others	4.14	129.83
	<u>4.14</u>	<u>804.53</u>
Expenditure		
Material Consumption	-	2,648.72
Others	(22.48)	89.75
	<u>(22.48)</u>	<u>2,738.47</u>
Net income / (Expenditure)	<u>26.62</u>	<u>(1,933.94)</u>

Note 31 : Other Disclosures**A. Basic/ Diluted Earnings Per Equity Share**

Particulars	Current Year	Previous Year
Net Profit / (Loss) after Tax (₹ in Lakhs)	675.57	467.80
Average Number of Shares	41,644,500	41,644,500
Earnings Per Share (Basic and Diluted) – Face Value ₹10/- Per Share (Amount in ₹)	1.62	1.12



- B. In terms of Notification No. S.O.301(E) Dt. 08-02-2011 of Ministry of Corporate Affairs, the Board was vested with powers with regard to non-disclosure of quantitative information in the Annual accounts, relating to purchases, sales, consumption of raw materials etc., to be shown under broad heads, as required under paragraphs 5(ii)(d), 5(iii) and 5 (viii) (a) to (e) except (d) of Part-II of Schedule VI of the Companies Act, 1956.

As per part-II of Schedule III of the Companies Act, 2013, company has to disclose the information covered under Para 5 (ii) (d), Para 5(iii), Para 5(viii) (a), (b), (c) and (e). Considering that the Company is a Defence Public Sector Undertaking and due to security and strategic consideration, Ministry of Defence has requested Ministry of Corporate Affairs to consider granting exemption from publication of the above information in the financial statements from FY 2014-15 and response of the Ministry of Corporate Affairs is awaited.

In view of the above, disclosure as per Para 5 (ii) (d), Para 5(iii), Para 5(viii) (a), (b), (c) and (e) of part-II to Schedule III of the Companies Act, 2013 have not been made.

C. Accounting Standard 18 (Related Party Transactions)

i. Name of the Subsidiary Company M/s. Vignyan Industries Limited, (VIL) Tarikere

Details of Transactions

(₹ in Lakhs)

Particulars	2014-15	2013-14
Sales	837.57	925.43
Purchases	3,221.85	3,858.02
Dividends Received	-	-
Corporate Guarantee given to Bankers	-	-
Amount payable towards supplies as on 31st March	-	0.26
Amount recoverable as on 31st March	589.34	763.19
Equity Investment held as on 31st March (at cost)	252.60	252.60
Salaries charged to VIL for BEML personnel deputed there.	54.87	58.57

ii. Name of the Subsidiary - M/s. MAMC Industries Limited [Refer Note 14 (a)]

Details of Transactions

(₹ in Lakhs)

Particulars	2014-15	2013-14
Equity Investment held as on 31st March (at cost)	5.00	5.00
Advances recoverable as on 31st March	601.20	600.93

iii. Name of the Subsidiary - M/s. BEML Brazil Industrial Ltda

Details of Transactions

(₹ in Lakhs)

Particulars	2014-15	2013-14
Investment in Quotas held as on 31st March (at cost)	185.55	185.55

iv. Name of the Joint Venture Company – M/s. BEML Midwest Limited, Hyderabad.

Shareholding 45%.

Details of Transactions

(₹ in Lakhs)

Particulars	2014-15	2013-14
Sales	-	-
Purchases	-	-
Advances recoverable as on 31st March	131.54	130.01
Corporate Guarantee given to Bankers as on 31st March (refer Note 12 (b))	1,912.50	1,912.50
Amount payable towards supplies as on 31st March	230.00	230.00
Equity Investment held as on 31st March (at cost)	542.25	542.25

v. Remuneration to key management personnel

(₹ in Lakhs)

Name	2014-15	2013-14	Designation
Shri P. Dwarakanath	39.20	34.53	Chairman and Managing Director
Shri. C.N. Durgesh	33.09	25.93	Director (Mining & Construction)
Shri. P.R. Naik	32.65	29.95	Director (Defence)
Shri. D.K. Hota	31.95	22.00	Director (HR)
Shri. Pradeep Swaminathan	29.71	16.77	Director (Finance)
Shri. Aniruddh Kumar*	26.28	-	Director (Rail & Metro)
Shri. M E V Selvam	14.97	13.57	Company Secretary

* For part of the year.

- vi. 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 Accounting Standard 18 and Listing Agreement, 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, Accounting Standard 18 and Listing Agreement 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.,) - ₹47797.57 Lakhs (Previous Year - ₹40217.09 Lakhs).
 - ii. Other claims - legal cases etc. ₹50409.61 Lakhs (Previous Year - ₹47077.13 Lakhs).
(This include a claim amounting to ₹38422.21 Lakhs against which the company has lodged a counter claim of ₹47348.00 Lakhs).
- b. Guarantees
Corporate Guarantee issued to bankers on behalf of M/s. BEML Midwest Ltd (Joint Venture company) ₹1912.50 Lakhs (Previous Year - ₹1912.50 Lakhs). The matter is subjudice.
- c. Other money for which the company is contingently liable - ₹11.29 Lakhs (Previous Year - ₹Nil).

II. Commitment.

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹1964.44 Lakhs (Previous Year - ₹1977.52 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.
3. The cash flow in respect of matters referred to in I (b) above is generally expected to occur within 3 years. However, the matter is under adjudication before DRT.

E. Aggregate amount of Research & Development Expenses:

(₹ in Lakhs)

Particulars	2014-15	2013-14
Revenue Expenditure*	8,244.39	8,622.39
Capital Expenditure**	47.17	0.96

* 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 2015	For the Year ended 31st March 2014
Material Cost	277.18	116.56
Employee Remuneration	3,359.21	3,410.95
Depreciation	862.26	997.72
Power and Fuel	166.78	25.74
Repairs and Maintenance	17.76	37.60
Consumable Tools	2.77	6.12
Travelling	103.95	81.77
Other Expenses	653.43	803.40
Payment to Technology Providers	-	656.29
Prototype held in WIP	-	1,132.31
Prototype held in FGI	-	316.26
Cost of Sales of Prototype sold	3,663.31	2,035.39
Total R&D Revenue Expenditure	9,106.65	9,620.11
Less: Depreciation	862.26	997.72
Net R & D Expenditure	8,244.39	8,622.39
Sale value of prototype sold - included in net Sales	5710.02	3323.87

**** The aggregate amount of Research & Development Expenditure recognised as Capital Expenditure till 31st March 2015 is as below:**

b. Research & Development Capital Expenditure

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2014	Additions During the Year	Deduction / Re- classification & Adjustments During the Year	As at 31.03.2015	As at 01.04.2014	For the Year	Adj against Retained Earnings During the Year	Deduction / Re- classification & Adjustments During the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets											
Land											
Free Hold	3.29	-	-	3.29	-	-	-	-	-	3.29	3.29
Lease Hold	-	-	-	-	-	-	-	-	-	-	-
Roads & Drains	51.39	-	-	51.39	30.50	4.44	14.81	-	49.75	1.64	20.89
Water Supply Installations	12.60	-	-	12.60	12.47	0.01	-	-	12.48	0.12	0.13
Buildings	508.92	-	-	508.92	366.06	28.28	2.63	-	396.97	111.95	142.86
Plant, Machinery and Equipment	4,748.95	12.38	(762.81)	3,998.52	4,098.91	93.91	(236.81)	(517.98)	3,438.03	560.49	650.04
Electrical Installation	168.41	-	2.63	171.04	159.33	1.19	-	-	160.52	10.52	9.08
Furniture & Fixtures	259.18	1.18	(0.72)	259.64	201.27	11.19	0.15	(0.50)	212.11	47.53	57.91
Transport Vehicles	74.48	-	(6.63)	67.85	42.84	6.88	2.65	(1.51)	50.86	16.99	31.64
Computers and Data processing units	-	18.63	760.87	779.50	-	6.11	245.43	508.73	760.27	19.23	-
Intangible Assets											
Software	1,189.48	14.98	(0.51)	1,203.95	790.43	220.75	-	(0.10)	1,011.08	192.87	399.05
Technical Knowhow	2,937.02	-	-	2,937.02	1,330.16	489.50	-	-	1,819.66	1,117.36	1,606.86
Total Tangible & Intangible Assets	9,953.72	47.17	(7.17)	9,993.72	7,031.97	862.26	28.86	(11.36)	7,911.73	2,081.99	2,921.75
Previous Year	10,244.43	0.96	(291.67)	9,953.72	6,384.08	997.72	-	(349.83)	7,031.97	2,921.75	3,860.35

F. Accounting Standard 17 (Segment Reporting)

a. Primary Reporting - Business Segment

(₹ in Lakhs)

Particulars	Railway		Defence		Mining & Construction		Others		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue*										
External Revenue	99,316.00	131,418.79	16,086.06	14,341.61	165,251.95	144,607.84	265.06	783.16	280,919.07	291,151.40
Results :										
Segment Results	2,957.94	4,698.24	(5,131.36)	(10,368.52)	12,258.11	20,351.53	160.59	(64.36)	10,245.28	14,616.89
Unallocated Corporate Expenses									3,489.94	4,372.08
Operating Profit									6,755.34	10,244.81
Finance costs									7,051.41	11,045.74
Interest Income									945.94	2,054.46
Exceptional Items									14.66	1,588.63
Income Taxes									15.58	440.42
Prior Period Adjustments									26.62	(1,933.94)
Net Profit									675.57	467.80

* The company does not have any inter segment sales.

Revenue under Railway customer does not include ₹13048.58 Lakhs (Previous Year - ₹14202.78 Lakhs) billed on behalf of the consortium by the company.

b. Segmental Capital Employed:

Fixed assets used in Company's business or liabilities incurred have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments.

c. Secondary Reporting

Since, more than 90% of total sales is within India, geographical reporting is considered not applicable.

G. Advances, Balances with government departments, Trade Payables and receivables, Other loans and advances and deposits classified under non current and current are subject to confirmation. There are certain old balances pending review / adjustment. The management does not expect any significant impact upon such reconciliation.

H. Figures of previous year have been regrouped/ reclassified/ recast wherever necessary to conform to current year's presentation.

I. Disclosures as required by clause 32 of the Listing Agreement

In compliance of amended clause 32 of the Listing Agreement with Stock Exchanges, the required information is given as under:



(₹ in Lakhs)

Particulars	Amount as on		Maximum amount outstanding during the year ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
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 BEMR and its subsidiaries	-	-	-	-
J.				
The Financial Statements for the year as approved by the Board of Directors and the report thereon issued by the Statutory Auditors were revised pursuant to C&AG's audit observation during the course of audit under Sec 143(6)(a) of the Companies Act, 2013 by amending Note No. 17e. This amendment has no impact on the reported figures in the Financial Statements.				

INDEPENDENT AUDITOR'S REPORT

To,

The Members of BEML Limited.

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of **BEML Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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, design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid



standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to

- a) Note No.18 (i) in respect of Trade receivables from Ministry of Defence (MOD) Rs.925.87 lakhs towards interest rate difference on advance amount received from MOD. This amount pertains to interest rate difference between deposit rate and interest recovered @ 9.50% by MOD during FY 2006-07, 2007-08, and 2009-10 from various bills. The matter has been taken up with MOD and it is under their consideration. And Note No. 18(ii) in respect of Trade receivable from MOD Rs.4899.99 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 realisation of these receivables depends on the final determination of the amount payable by the MOD.
- b) Note No.22 (ii) In respect of accounting of revenue including excise duty includes revenue recognized for Rs.8754.77 lakhs in respect of FOR destination contracts, in accordance with Accounting Standard-9 Revenue Recognition on the basis of custodian certificates accepting billing and title to the goods having a Profit of Rs.143.95 lakhs (Previous year Rs.1454.47 lakhs) for the transactions.
- c) Note No.14 (a) in respect of the amount advanced to MAMC consortium for Rs. 5,618.55 lakhs, valuation of which depends on approval from Ministry Of Defence, viable business plan and consequential assessment of diminution in the value of the investment, if any.
- d) Note No.31 (G) regarding pending review/adjustment of old balances and non receipt of confirmation of balance in respect of trade payable, trade receivable, other loans and advances and deposits.
- e) Note No. 10 (B) in respect of change in method of Depreciation followed by the Company as prescribed under Schedule II of the Companies Act, 2013 instead of method specified by Schedule XIV of the Companies Act, 1956 followed up to 31.03.2014.
- f) Note No.17 (e) in respect of provisioning for obsolescence, during the year the company has revised the provisioning norms for obsolescence of non – moving inventory for marketing spares and provided an amount of Rs.576.70 lakhs for the year towards obsolescence as against Rs.3,469.35 lakhs under pre-revised provisioning norms.

Our opinion is not qualified in respect of the above matters.

Other Matters :

- a. We have issued an Audit Report dated 1st June, 2015 (“the original report”), at Bangalore on the financial statements as adopted by Board of Directors on even date. Pursuant to the observation of Comptroller and Audit General of India under Section 143(6)(a) of the Companies Act, 2013, the company has amended Note No.17e. The amendment has no impact on the reported figures in the financial statements of the Company as disclosed in Note No.31J. This Audit report supersedes the original report, which has been suitably revised to consider observations of Comptroller and Audit General of India and the amendment made to the said Note No.17(e).
- b. Our audit procedure on events subsequent to the date of the original report is restricted solely to the amendment to Note No.17(e) of the financial statements.

Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2015 (the Order) issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in Annexure a statement on the matters specified in paragraphs 3 and 4 of the order.

8. As required by Section 143(3) of the Act, we further report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31st, March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Para (iv) of Annexure";
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 (D) (I) (a) (ii) to the financial statements;
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R.R.K Sharma Associates

Chartered Accountants

Firm Registration Number: 003790S

CA. S.R.R.K Sharma

Partner

Membership No: 018088

Place: Bangalore

Date: 16.07.2015



ANNEXURE TO AUDITOR'S REPORT

Annexure referred to in Paragraph 7 of our report of even date to the members of BEML Limited on the accounts of the Company for the year ended 31st March 2015.

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) a) The company is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
b) As explained to us, the fixed assets have been physically verified in accordance with the program designed to cover all assets over a phased manner by the management; as informed to us no material discrepancies were noticed on such verification.
- ii) a) As explained to us the Company has conducted physical verification of inventories excluding materials lying with third parties and work in progress during the year in accordance with program designed to cover all items over a phased manner. According to the information and explanations give to us and in our opinion the frequency of verification is reasonable
b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
c) The company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on physical verification between physical stocks and its books of account were not material. Process of material receipt accounting needs to be strengthened.
- iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. As such clause (iii) of Para 3 the order is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Company has an internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further on the basis of our examination of the books and records of the company no major weaknesses in internal control system has been noticed or reported.
- v) In accordance with the information and explanations given to us the company has not accepted any deposits during the year and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 and other relevant provisions of the Companies Act and the Rules framed there under, are not applicable. No order in this regard in respect of the Company has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi) Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act. We are of the opinion that, prima facie, the prescribed records have been made and maintained.
- vii) a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth 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 explanation given to us and in our opinion no undisputed amounts payable in respect of Income tax, Sales tax, Wealth tax, Service tax, Custom duty and Excise duty which are arrears as at 31st March 2015 for a period of more than six months from the date they became payable.

b) The details of dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of dispute, is furnished below.

Name of the Statute	Nature of disputed tax	Amount in lakhs	Period to which the amount relates	Forum where the amount is pending
Central Excise Act 1944, and Service Tax Act	Excise Duty in clu sive of Interest and Penalty	28200.47	2003 -04 to 2007 -08	CESTAT, Bangalore
	Excise Duty in clu sive of Interest and Penalty	854.00	2005 -06 to 2010 -11	Appellate Authority
	National Calamity Contingency Duty	5863.65	2006 -07 to 2011 -12	CESTAT
	Service Tax in clu sive of penalty	747.70	2004 -05, 2006 -07 & 2010 -11	CESTAT, Bangalore
	Service Tax	494.07	2006 -07 to 2010 -11	Appellate Authority
The Customs Act, 1962	Customs Duty	932.35	2006 -07	CESTAT, Chennai
The Karnataka Municipal Corporation Act, 1976	Municipality Taxes KGF	241.19	2012	City Municipality council - KGF
	Property Tax	357.50	1995 -96 to 2005 -06	City Civil Judge, Bangalore
Sales Tax Act of various States	Sales Tax /VAT	9.79	2003 -04	Maharashtra Sales Tax tribunal
	Sales Tax /VAT	6675.29	December 2005 to March 2008 & 2008 -09, 2009 -10, 2010 -11	Karnataka Sales Tax tribunal
	Sales Tax /VAT	892.69	1999 -2000, 2001 -02, 2002 -03, 2003 -04, 2005 -06, 2006 -07, 2007 -08, 2009 -10	Revision & Appellate Board of Various States
	Sales Tax /VAT	2528.87	From 1983 -84 to 2012 -13	Other appellate authorities

(c) There has not been an occasion in the case of the Company during the year under the report to transfer any sums to the Investors Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.

viii) The company does not have accumulated losses at the end of the financial year. It has not incurred cash



loss in the current financial year and in the immediately preceding financial year.

- ix) In accordance with the information and explanation given to us the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- x) The company has given corporate guarantee for the loan taken by M/s BEML Midwest Limited, a Joint Venture company. We are unable to comment whether the terms and conditions of this guarantee are prejudicial to the interest of the company in view of its invocation by the bank and the company's refusal to honor the guarantee on various grounds and pending litigation, including claims and counter claims. In this behalf, we drawn attention to the Note No. 12(b) of financial statements.
- xi) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the company as at 31st March 2015, the term loans are applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no fraud by or on the Company has not been noticed or reported during the year nor have we been informed of any such case by the management.

For S.R.R.K Sharma Associates

Chartered Accountants

Firm Registration Number: 003790S

CA. S.R.R.K Sharma

Partner

Membership No: 018088

Place: Bangalore

Date: 16.07.2015

ADDENDUM TO THE BOARD'S REPORT

Company's reply to the observation of Statutory Auditors in their Audit Report:

Para No.	Auditors' Observation	Company's Reply
(x)	The company has given corporate guarantee for the loan taken by M/s BEML Midwest Limited, a Joint Venture company. We are unable to comment whether the terms and conditions of this guarantee are prejudicial to the interest of the company in view of its invocation by the bank and the company's refusal to honor the guarantee on various grounds and pending litigation, including claims and counter claims. In this behalf, we drawn attention to the Note No. 12(b) of financial statements.	The matter has been disclosed in detail in Note No.12(b) in the financial statement, which is reproduced as under- “The company had issued corporate guarantee to Bank for facilities extended to BEML Midwest Limited, for ₹1912.50 Lakhs. Since BEML Midwest failed to pay, the Bank concerned invoked the corporate guarantee and claimed from the company. However the company has refused to pay the claim on the ground that the claim relating to forward contracts were entered into without the approval of board of BEML Midwest Limited and that the majority shareholder has misappropriated and acted beyond the mandate without complying with the terms and conditions specified by the Board of BEML Midwest Limited. The matter is pending before Debt Recovery Tribunal (DRT). The company does not envisage any cash outflow in this regard.”

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF M/s. BEML LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of financial statements of M/s. BEML Limited, Bengaluru for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 1 June 2015 and revised report dated 16 July 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of M/s. BEML Limited, Bengaluru for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. In view of the revisions made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No. 31J of the financial statements, I have no further comments to offer upon or supplement to the statutory auditors' report, under section 143(6)(b) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

Bengaluru
27 July 2015

(V.K.Girijavallabhan)
Principal Director of Commercial Audit.



CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements are prepared and presented under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India (GAAP), on the accrual basis of accounting, except as stated herein. GAAP comprises of the mandatory Accounting Standards (AS) specified under section 133 read with Rule 7 of Companies (Accounts) Rules, 2014 by the Central Government, to the extent applicable, and the provisions of the Companies Act, 2013.

2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires that the Management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liability as on the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained.

3. Fixed Asset**A. Capitalisation**

- (a) The Fixed Assets are stated at cost.
- (b) The cost of the Fixed Asset comprises its purchase price and any attributable cost of bringing the asset to its working condition for its intended use.
- (c) Expenditure on land development is capitalised.
- (d) Expenditure on reconditioning, rebuilding and major overhaul of an asset are capitalized if technical assessment indicates increase in future benefits from the existing assets beyond its previously assessed standards of performance (increase in capacity or life or

efficiency or productivity).

- (e) Jigs and fixtures of unit value of ₹ 5 lakhs and above are capitalized and those with unit value below ₹ 5 lakhs are charged off in the year of incurrence.

B. Depreciation

- (a) Depreciation is charged on Straight Line Method basis adopting 'Useful Lives' as per Schedule-II of the Companies Act, 2013 (or such shorter useful lives which in the opinion of the management are appropriate), calculated from the month following the month of capitalisation. Depreciation on additions or extensions to existing assets is provided so as to co-terminate with the life of the original asset if it becomes integral part of the existing asset or on useful life of the asset if it is capable of independent use.
- (b) For Assets whose unit cost does not exceed ₹5000/- depreciation is provided at the rate of hundred percent in the year of capitalization.
- (c) Cost of leasehold land is amortised over the period of lease on pro-rata basis.
- (d) Jigs & Fixtures which are capitalized are depreciated over a period of three years.

C. Borrowing Cost

Borrowing Costs that are directly attributable to the acquisition, construction or production of a qualifying fixed asset are capitalised as part of the cost of the asset.

D. Impairment of Assets

The company assesses the impairment of assets at each Balance sheet date. The loss on account of impairment, if any, is accounted accordingly.

4. Intangible Assets**a) Software**

The cost of software internally generated /purchased

for internal use which is not an integral part of the related hardware is recognised as an Intangible Asset and is amortised on straight line method based on technical assessment for a period not exceeding ten years. Software which is an integral part of related hardware is capitalised along with the hardware.

b) Technical Know-how

Expenditure on Technical Know-how is recognised as an Intangible Asset and amortised on straight line method based on technical assessment for a period not exceeding ten years.

For Sl.No. (a) & (b) above, amortization commences from the month following the month during which the asset is available for use.

5. Inventory Valuation

- (i) Raw materials, Components, Stores and Spare parts are valued at lower of Weighted Average Cost and estimated net realizable value.
- (ii) Work-in-progress is valued at lower of cost of materials, labour & production overheads based on normative capacity and estimated net realizable value.
- (iii) Finished stock is valued at lower of cost and estimated net realizable value.
- (iv) Estimated costs are considered wherever actual costs are not available.
- (v) The cost is adjusted for decline in value by writing down the value based on specific identification. Necessary provision is made for non-moving items.
- (vi) Based on technical assessment, provision is made for revalidation/refurbishment of finished goods.
- (vii) Scrap is valued at estimated net realizable value.

6. Advances from customers

Advances from customers include advances /

progress payments received as per letters of intent / sale contracts and are net after adjustments for sales accounted under respective contracts.

7. Sales / Other Income

(i) Sales for products viz., equipment, aggregates, attachments, spares and ancillary products is recognised when risks and rewards of ownership pass on to the customer as per contractual terms.

(ii) In the case of contracts for supply of complex equipment/systems where the normal cycle time of completion and delivery period is more than 12 months and the value of the equipment/system is more than ₹ 25 crores, revenue is recognised on the 'percentage completion method'. Percentage completion is based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total cost of the product.

Since the outcome of such a contract can be estimated reliably only on achieving certain progress, revenue is recognised up to 25% progress only to the extent of costs thereafter revenue is recognised on proportionate basis and a contingency provision equal to 20% of the surplus of revenue over costs is made while anticipated losses are recognised in full.

(iii) Where sale prices are not established, sales are recognised provisionally at prices likely to be realised. Difference, if any, is accounted in the year of finalization of price.

(iv) Sales include excise duty wherever applicable but exclude sales tax.

(v) Duty drawback claims on exports are accounted on preferring the claims.

(vi) Claims for escalation are recognised as per escalation formula provided in the contract. If the contract does not provide for escalation, claim for the same is recognized on acceptance by the customer.

(vii) Where the contract provides for installation and commissioning and price for the same is agreed separately, revenue for installation and



commissioning is recognised on conclusion of installation and commissioning. Where installation and commissioning fee is not separately stipulated, the revenue for the product is recognised, however, estimated cost as technically assessed for such installation and commissioning to be incurred, is provided for.

8. Employee Benefits

- (i) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (ii) Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable, determined using actuarial valuation techniques. Actuarial gain and losses in respect of post-employment and other long term benefits are charged to the profit and loss account.

9. Accounting for Foreign Currency Transactions

- (i) Transactions in foreign currency are recorded in rupees by applying to the foreign currency amount, the exchange rate prevailing as on the date of transaction.
- (ii) The outstanding balances of monetary items relating to foreign currency transactions are stated in rupees by adopting the rate of exchange prevailing on the date of Balance Sheet.
- (iii) Exchange rate differences consequent to restatement / settlement are recognised as income / expenditure.
- (iv) In the case of forward exchange contracts, the premium or discount arising at the inception of the contract is accounted for over the life of

the contract. Exchange differences on such a contract are recognised in the statement of profit or loss in the reporting period in which the exchange rate changes.

10. Contractual Obligations

Warranty liability for contractual obligation in respect of equipment / spares sold to customers is ascertained on the basis of an annual technical assessment.

11. Research & Development

Research expenditure is charged off in the year of incurrence. The expenditure on development of new products is capitalized or where the same is intended for sale, it is inventorised. Amortization of the capitalised expenditure is on straight line method based on technical assessment for a period not exceeding ten years. The amortization commences from the month following the month during which the asset is available for use. Expenditure on fixed assets relating to Research & Development is capitalised.

12. Prior Period Items

Prior period adjustments are those adjustments, which are over ₹ 1 lakh in each case, arising out of correction of errors and omissions made in the past years.

13. Under / Over Absorption of Cost

Adjustments for under / over absorption of costs on jobs, is made only if the extent of under / over recovery exceeds one percent of turnover.

14. Taxes on Income

The tax expense comprises of current tax and deferred tax. The provision for current tax is ascertained on the basis of assessable profits computed in accordance with provisions of the Income Tax Act, 1961. The deferred tax is recognised on all timing differences resulting from the recognition of items in the financial statements

and in estimating current income tax provision, subject to consideration of prudence in respect of deferred tax assets. The carrying amount of deferred tax asset/ liability is reviewed at each balance sheet date.

15. Leased Assets

Lease rentals recovered on assets given under operating leases are recognised in the Profit & Loss Account. Initial direct costs are expensed on incurrence.

16. Investments

Long-term investments are carried at cost. Permanent decline in the value of such investments is recognised and provided for. Current investments are carried at lower of cost and fair value.

17. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when

- A present obligation arises as a result of past events.
- It is probable that an outflow of resources will be

required to settle the obligation in respect of which a reliable estimate can be made.

Provisions are determined based on the best estimates required to fulfill the obligations on the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognized but are disclosed in the notes.

Contingent Assets are neither recognized nor disclosed in the financial statements.

18. Others

- (i) Special Tools up to the unit value of ₹ 5000 are charged off in the year of incurrence and those above unit value of ₹ 5000 are amortized over a period of three years.
- (ii) Hand tools are charged to expenses at the time of issue.
- (iii) Expenditure on Voluntary Retirement Scheme is expensed in the year of incurrence.

Refer our report of even date attached
For M/s. S.R.R.K SHARMA ASSOCIATES
 Chartered Accountants
 Firm Registration Number: 003790S

CA. S.R.R.K SHARMA
 Partner
 Membership No.: 018088

Bengaluru
 16.07.2015

For and on behalf of the Board of Directors

PRADEEP SWAMINATHAN
 Director (Finance)

P. DWARAKANATH
 Chairman & Managing Director

M E V SELVAMM
 Company Secretary



CONSOLIDATED BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2015	As at 31st March 2014
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	1	4,177.22	4,177.22
(b) Reserves and surplus	2	203,496.52	203,925.29
Sub-total		207,673.74	208,102.51
(2) Share application money pending allotment		-	-
(3) Non-current liabilities			
(a) Long-term borrowings	3	41,392.67	46,520.11
(b) Other Long term liabilities	4	31,697.48	37,939.83
(c) Long-term provisions	5	16,435.86	13,587.26
Sub-total		89,526.01	98,047.20
(4) Current liabilities			
(a) Short-term borrowings	6	18,016.75	44,130.28
(b) Trade payables	7	54,585.89	38,872.45
(c) Other current liabilities	8	77,234.27	72,973.47
(d) Short-term provisions	9	12,782.37	14,829.31
Sub-total		162,619.28	170,805.51
(5) Minority Interest		17.50	18.25
Total		459,836.53	476,973.47
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	46,800.20	49,227.05
(ii) Intangible assets	10	1,415.24	2,094.25
(iii) Capital work-in-progress	11	14,994.98	13,533.63
(iv) Intangible assets under development	11A	4,174.86	3,753.73
(b) Non-current investments	12	0.04	0.04
(c) Deferred tax assets (net)	13	10,097.92	9,919.82
Sub-total		77,483.24	78,528.52
(d) Long-term loans and advances	14	22,862.98	29,339.21
(e) Other non-current assets	15	406.92	428.03
Sub-total		23,269.90	29,767.24
(2) Current assets			
(a) Current Investments	16	-	-
(b) Inventories	17	192,869.92	216,079.74
(c) Trade receivables	18	99,169.67	97,736.19
(d) Cash and cash equivalents	19	14,554.77	1,754.17
(e) Short-term loans and advances	20	16,099.58	22,699.67
(f) Other current assets	21	36,389.45	30,407.94
Sub-total		359,083.39	368,677.71
Total		459,836.53	476,973.47

Note nos.1 to 31 and Consolidated Significant Accounting Policies annexed herewith form part of the financial statements.

As per our report of even date attached
For M/s. S.R.R.K SHARMA ASSOCIATES
Chartered Accountants
Firm Registration Number: 003790S

For and on behalf of the Board of Directors

CA. S.R.R.K SHARMA
Partner
Membership No.: 018088

PRADEEP SWAMINATHAN
Director (Finance)

P. DWARAKANATH
Chairman & Managing Director

Bengaluru
16.07.2015

M E V SELVAMM
Company Secretary

CONSOLIDATED PROFIT AND LOSS STATEMENT

(₹ in Lakhs)

Particulars	Note No.	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Revenues:			
Revenue including Excise Duty	22	299,119.13	311,135.63
Less: Excise Duty [Refer Note 22(iii)]		18,909.93	20,768.64
Revenue from operations		280,209.20	290,366.99
Other income	23	5,973.53	6,369.65
Total Revenue		286,182.73	296,736.64
Expenses:			
Cost of materials consumed	24	135,552.41	158,755.92
Purchase of Stock-in-trade	24A	31.90	311.99
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade	25	20,843.09	10,308.29
Employee benefits expense	26	77,497.33	72,267.10
Finance costs	27	7,075.28	11,068.05
Depreciation and amortization expense	10	5,300.84	5,432.41
Other expenses	28	39,283.76	37,252.39
Minority Interest		(0.75)	(3.33)
Total Expenses		285,583.86	295,392.82
Profit / (Loss) before exceptional, extraordinary and prior period items and tax		598.87	1,343.82
Add/ (Less) : Exceptional items	29	14.66	1,588.63
Profit / (Loss) before Prior Period Adjustment		613.53	2,932.45
Add / (Less) Prior Period Adjustment	30	(67.87)	(1,929.84)
Profit / (Loss) before tax		545.66	1,002.61
Tax expense:			
(1) Current tax (MAT)		148.10	-
(2) Deferred tax		(178.11)	470.54
(3) Excess Provision of previous years written back		(17.33)	(78.09)
Profit / (Loss) for the year	31(A)	593.00	610.16
Earnings per equity share: (₹10/- each) in ₹			
Basic and diluted	31(A)	1.42	1.47

Note nos.1 to 31 and Consolidated Significant Accounting Policies annexed herewith form part of the financial statements.

As per our report of even date attached
For M/s. S.R.R.K SHARMA ASSOCIATES
Chartered Accountants
Firm Registration Number: 003790S

For and on behalf of the Board of Directors

CA. S.R.R.K SHARMA
Partner
Membership No.: 018088

PRADEEP SWAMINATHAN
Director (Finance)

P. DWARAKANATH
Chairman & Managing Director

Bengaluru
16.07.2015

M E V SELVAMM
Company Secretary



CONSOLIDATED CASH FLOW STATEMENT

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015		For the Year ended 31st March 2014	
	Sub items	Main items	Sub items	Main items
A. Cash flow from operating activities				
Net profit before tax and extraordinary items		545.66		1,002.61
<i>Adjustments for</i>				
Depreciation	5,300.84		5,432.41	
Amortisation of Special Tools	209.52		121.73	
(Gain)/loss on disposal of fixed assets	(15.74)		(4.16)	
Foreign exchange loss / (gain)	(119.41)		315.25	
Provision for Obsolescence	702.60		1,154.77	
Bad debts written off	146.72		158.73	
Financing Cost	7,075.28		11,068.05	
Interest income	(955.65)		(2,065.47)	
Minority Interest	(0.75)		(3.33)	
Other Provisions	2,233.80	14,577.21	(100.78)	16,077.20
Operating Profit / (Loss) before changes in working capital		15,122.87		17,079.81
<i>Adjustment for</i>				
Inventories	23,941.07		24,557.30	
Trade & other receivables	(870.24)		15,912.11	
Other current assets	2,016.66		(6,671.18)	
Trade payables	15,733.22		(10,463.93)	
Other payables	(2,398.91)	38,421.80	1,582.10	24,916.40
Cash generated from operations		53,544.67		41,996.21
Direct taxes (paid) / refunded		1,237.75		(2,644.32)
Net cash flow from/used in operating activities		54,782.42		39,351.89
B. Cash flow from investing activities				
Purchase of Fixed Assets	(4,075.64)		(4,310.30)	
Purchase of intangible fixed assets	(483.44)		(949.41)	
Sale of tangible fixed assets	15.75		4.16	
Investments in subsidiaries	-		-	
Interest Received	947.62		2,468.11	
Net cash flow from/used in investing activities		(3,595.71)		(2,787.44)
C. Cash flow from financing activities				
Proceeds/(Repayments) from/to ECB & long-term borrowings	(3,144.43)		(3,394.95)	
Proceeds/(Repayments) from/to Bonds	-		-	
Proceeds/(Repayments) from/to Unsecured loans	-		-	
Proceeds/(Repayments) of Inter corporate loans	(1,565.61)		(1,565.60)	
Proceeds/(Repayments) of Soft loan	(417.40)		2,087.00	
Proceeds/(Repayments) of short-term borrowings	(26,113.53)		(27,642.36)	
Financing Cost	(6,657.92)		(10,925.83)	
Dividend & Tax paid for equity shares	(487.22)		(1,218.05)	
Net cash flow from/used in financing activities		(38,386.11)		(42,659.79)
Net increase/(decrease) in cash and cash equivalents		12,800.60		(6,095.34)
Cash and Cash Equivalents, Beginning of the year		1,754.17		7,849.51
Cash and Cash Equivalents, Ending of the year		14,554.77		1,754.17

As per our report of even date attached
For M/s. S.R.R.K SHARMA ASSOCIATES
Chartered Accountants
Firm Registration Number: 003790S

For and on behalf of the Board of Directors

CA. S.R.R.K SHARMA
Partner
Membership No.: 018088

PRADEEP SWAMINATHAN
Director (Finance)

P. DWARAKANATH
Chairman & Managing Director

Bengaluru
16.07.2015

M E V SELVAMM
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

Basis of Preparation of Financial Statements

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.

Note 1 : Share Capital

(₹ in Lakhs)

Particulars	As at 31st March 2015		As at 31st March 2014	
	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				
	2014-15	2013-14	2012-13	2011-12	2010-11
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 2015		As at 31st March 2014	
	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



Equity Shares held by shareholders having 5% or more	As at 31st March 2015		As at 31st March 2014	
Name of the shareholder	No. of Shares	% held	No. of Shares	% held
President of India	22,500,000	54.03	22,500,000	54.03
Reliance capital Trustee Co. Ltd.	2,968,702	7.12	2,967,999	7.13
LIC of India	2,764,061	6.63	2,777,566	6.67

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.

Note 2 : Reserves & Surplus

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Capital Reserve		
Opening Balance	105.82	105.82
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	105.82	105.82
Nonimara Excellence Award Reserve		
Opening Balance	1.44	1.44
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	1.44	1.44
Capital Reserve on Consolidation		
Opening Balance	26.60	26.60
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	26.60	26.60
Securities Premium Reserve		
Opening Balance	61,204.09	61,204.09
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	61,204.09	61,204.09
Capital Redemption Reserve		
Opening Balance	10.00	10.00
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	10.00	10.00
Debenture Redemption Reserve		
Opening Balance	467.80	-
Additions during the year	675.57	467.80
Deductions during the year	-	-
Closing Balance	1,143.37	467.80
General Reserve		
Opening Balance	118,997.02	118,997.02
Additions during the year	-	-
Deductions during the year	-	-
Closing Balance	118,997.02	118,997.02

(₹ in Lakhs)		
Particulars	As at 31st March 2015	As at 31st March 2014
Foreign Currency Translation Account		
Opening Balance	19.09	20.50
Additions during the year	-	-
Deductions during the year	30.15	1.41
Closing Balance	(11.06)	19.09
Balance in the Statement of Profit and Loss		
Opening Balance	23,093.43	23,438.29
Adjustment of Carrying amount of assets with Nil useful life as on 01.04.2014*	(490.40)	-
Additions / (deletions) during the year	593.00	610.16
Less: Appropriations		
- Transfer to Debenture Redemption Reserve	675.57	467.80
- Proposed dividend	416.45	416.45
- Tax on Dividend	84.77	70.77
- Transfer to General reserve	-	-
Closing Balance	22,019.24	23,093.43
Total	203,496.52	203,925.29

* Represents the carrying amount of assets as on 01.04.2014 whose useful life as on that date is 'Nil' recognised in the retained earnings as per the requirement under Schedule II of Companies Act, 2013.

Note 3 : Long Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2015		As at 31st March 2014	
	Non-Current	Current	Non-Current	Current
Term Loans				
Secured From Banks				
i. From State Bank of Travancore, Secured on first charge by way of hypothecation of all movable including machinery, spares, tools, accessories present and future (except receivables and current assets) and equitable mortgage of immovable property at Palakkad Complex.	1,228.05	494.25	1,722.48	494.25
Rate of interest 10.40%				
ii. From Standard Chartered Bank, secured by exclusive first charge on 61 Acres and 37 Guntas of BEML Residential Township Land and Buildings thereon (Bangalore Complex). Rate of interest 9.14%	2,650.00	2,650.00	5,300.00	2,650.00
iii. Secured Redeemable Non-convertible Debentures, secured by exclusive first charge on 46 Acres and 28 Guntas of BEML Residential Township Land and Buildings thereon (Bangalore Complex). Rate of interest 9.24%	30,000.00	-	30,000.00	-
Unsecured From Other Parties	6,262.42	1,565.60	7,828.03	1,565.60
i. Inter corporate loans against company's corporate guarantee (from Coal India)	1,252.20	417.40	1,669.60	417.40
ii. Soft Loan - Interest Free Loan from Govt of Kerala				
Total	41,392.67	5,127.25	46,520.11	5,127.25


Maturity Pattern of Term Loans from Banks :

(₹ in Lakhs)

Name of the Bank	Maturity Pattern				
	Interest Rate	2015-16	2016-17	2017-18	2018-19
State Bank of Travancore	10.40%	494.25	494.25	494.25	239.55
Standard Chartered bank	9.14%	2650.00	2650.00	-	-

Maturity Pattern of Secured Redeemable Non-convertible Debentures :

(₹ in Lakhs)

Coupon Rate	2020-21	2021-22	2022-23
9.24% p.a payable semi-annually on 18th May & 18th November every year	10000.00	10000.00	10000.00

Maturity Pattern of Unsecured Inter Corporate Loan :

(₹ in Lakhs)

Rate of Interest	Interest Rate	2015-16	2016-17	2017-18	2018-19	2019-20
Bank Rate plus 3.50%, currently 12.00%	12.25%	1565.60	1565.61	1565.60	1565.61	1565.60

Maturity Pattern of Soft Loan - Interest free Loan from Govt. of Kerala

(₹ in Lakhs)

Rate of Interest	Interest Rate	2015-16	2016-17	2017-18	2018-19
Soft Loan - Interest free Loan, Re-payable in 10 equal instalments in 5 years	0.00%	417.40	417.40	417.40	417.40

Note 4 : Other Long Term Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Advance received	31,643.62	37,910.49
Staff related	0.19	-
Deposits & EMD received	53.67	29.34
Total	31,697.48	37,939.83

Note 5 : Long-Term Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Provision for employee benefits		
for Leave Salary	13,426.73	11,611.78
for Post retirement medical scheme	1,973.17	1,825.48
Provision-others		
for warranty	135.00	150.00
for unexpired obligations	900.96	-
Total	16,435.86	13,587.26

Note 6 : Short-Term Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
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)	18,016.75	44,130.28
Unsecured	-	-
Total	<u>18,016.75</u>	<u>44,130.28</u>

Note 7 : Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Micro & Small Enterprises	3,279.27	2,562.11
Other	<u>51,306.62</u>	<u>36,310.34</u>
Total	<u>54,585.89</u>	<u>38,872.45</u>

Micro, Small and Medium Enterprises

The information under MSMED Act, has been disclosed to the extent such vendors have been identified by the company during the year. The details of amounts outstanding to them based on available information with the Company is as under :

Particulars	As at 31st March 2015	As at 31st March 2014
Amount due and Payable at the year end		
- Principal	976.42	1,142.95
- Interest on above Principal	23.10	43.69
Payments made during the year after the due date		
- Principal	7,799.40	3,418.73
- Interest	-	-
Interest due and payable for principals already paid	417.08	157.16
Total Interest accrued and remained unpaid at year end	<u>440.18</u>	<u>200.85</u>


Note 8 : Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Current maturities of long term debt (Refer Note No. 3)	5,127.25	5,127.25
Interest accrued but not due on Borrowings	1,119.86	1,172.95
Interest accrued and due on Borrowings	35.49	5.22
Unclaimed dividends	43.88	54.07
Other payables		
a. Staff related dues	1,611.16	1,464.52
b. Statutory dues	6,052.68	2,746.62
c. Deposits & EMD received	790.52	639.09
d. ED provision on FGI/Others	9,162.27	10,147.84
e. Other dues	7,335.94	7,681.56
f. Advances and Deposits	45,955.22	43,934.35
Total	77,234.27	72,973.47

Note 9 : Short-Term Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Provision for employee benefits		
for Gratuity	1,337.81	1,393.68
for Leave Salary	1,642.82	1,603.83
for Performance Related Pay	370.00	502.00
for Post retirement medical scheme	277.19	317.19
for Officers Pension	674.14	3,006.14
for Pay Revision	63.66	-
Provision-others		
Proposed dividend	416.45	416.45
Tax on dividend	84.77	70.77
Income Tax	-	68.33
for pending Legal cases	346.20	238.66
for warranty	6,070.36	5,024.17
for unexpired obligations	1,498.97	2,188.09
Total	12,782.37	14,829.31

Movement in Provisions (Short term and Long term)

(₹ in Lakhs)

Particulars	As at 01.04.2014	Additions	Utilization	Reversal	As at 31.03.2015	
					Long-term	Short-term
Gratuity	1,393.68	3,746.26	3,802.13	-	-	1,337.81
Leave Salary	13,215.61	5,796.34	3,942.40	-	13,426.73	1,642.82
Post retirement medical scheme	2,142.67	215.95	108.26	-	1,973.17	277.19
Performance Related Pay	502.00	-	132.00	-	-	370.00
Officers Pension	3,006.14	-	1,500.00	832.00	-	674.14
Pay Revision	-	63.66	-	-	-	63.66
Pending legal cases	238.66	328.21	1.35	219.32	-	346.20
Warranty	5,174.17	6,005.03	4,973.84	-	135.00	6,070.36
Unexpired Obligation	2,188.09	895.76	18.30	665.62	900.96	1,498.97
Total	27,861.02	17,051.21	14,478.28	1,716.94	16,435.86	12,281.15

Note 10: Consolidated Fixed Assets

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01.04.2014	Additions During the Year	Deduction / Re- classification & Adjustments During the Year	As at 31.03.2015	As at 01.04.2014	For the Year	Adj against Retained Earnings During the Year	Deduction / Re- classification & Adjustments During the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets											
Land											
Free Hold	1,648.34	-	(358.87)	1,289.47	-	-	-	-	-	1,289.47	1,648.34
Lease Hold	8,529.50	-	358.87	8,888.37	156.79	73.01	-	28.52	258.32	8,630.05	8,372.71
Roads & Drains	2,619.14	15.25	-	2,634.39	608.07	269.23	236.60	-	1,113.90	1,520.49	2,011.07
Water Supply Installations	719.64	0.89	(31.64)	688.89	408.59	25.08	19.25	(31.97)	420.95	267.94	311.05
Buildings	21,305.74	8.29	55.30	21,369.33	6,892.34	1,007.06	168.01	38.59	8,106.00	13,263.33	14,413.40
Railway sidings	929.22	-	-	929.22	337.65	90.87	-	-	428.52	500.70	591.57
Plant, Machinery and Equipment	72,031.03	1,472.09	(5,368.54)	68,134.58	52,929.59	2,217.94	8.57	(5,077.52)	50,078.58	18,056.00	19,101.44
Electrical Installation	3,811.05	462.57	128.75	4,402.37	3,081.28	123.69	-	105.75	3,310.72	1,091.65	729.77
Furniture & Fixtures	1,482.26	27.45	211.41	1,721.12	1,046.40	106.82	20.34	140.98	1,314.54	406.58	435.86
Vehicles											
Given on Lease	491.67	-	(4.50)	487.17	183.74	69.07	-	(1.69)	251.12	236.05	307.93
Own Use	2,283.14	56.36	(16.33)	2,323.17	1,315.80	211.86	24.00	(10.21)	1,541.45	781.72	967.34
Office Equipment	502.89	19.39	108.86	631.14	455.94	17.95	7.12	103.40	584.41	46.73	46.95
Jigs & Fixtures	1,632.35	429.79	132.67	2,194.81	1,342.73	267.77	-	66.45	1,676.95	517.86	289.62
Total Tangible Assets	117,985.97	2,585.86	(108.24)	120,463.59	68,758.92	4,559.91	490.40	(145.84)	73,663.39	46,800.20	49,227.05
Previous Year	116,352.89	2,066.84	(433.76)	117,985.97	64,570.67	4,654.30	-	(466.05)	68,758.92	49,227.05	51,782.22
(₹ in Lakhs)											
Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK		
	As at 01.04.2014	Additions During the Year	Deduction / Re- classification & Adjustments During the Year	As at 31.03.2015	As at 01.04.2014	For the Year	Adj against Retained Earnings During the Year	Deduction / Re- classification & Adjustments During the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Intangible Assets											
Computer software	1,339.33	62.31	40.16	1,441.80	851.93	251.43	-	40.56	1,143.92	297.88	487.40
Technical Know how	2,937.03	-	-	2,937.03	1,330.18	489.50	-	(0.01)	1,819.67	1,117.36	1,606.85
Total Intangible Assets	4,276.36	62.31	40.16	4,378.83	2,182.11	740.93	-	40.55	2,963.59	1,415.24	2,094.25
Previous Year	4,224.37	51.45	0.54	4,276.36	1,403.87	778.11	-	0.13	2,182.11	2,094.25	2,820.50
Total Tangible & Intangible Assets C Y	122,262.33	2,648.17	(68.08)	124,842.42	70,941.03	5,300.84	490.40	(105.29)	76,626.98	48,215.44	51,321.30
Total Tangible & Intangible Assets P Y	120,577.26	2,118.29	(433.22)	122,262.33	65,974.54	5,432.41	-	(465.92)	70,941.03	51,321.30	54,602.72

- A.** Useful life adopted by the Company for calculation of Depreciation in respect of the following assets are less than the useful life prescribed under Schedule II of the Companies Act, 2013. The reduced useful life has been adopted in view of large number of small value assets involved and faster rate of wear and tear for Jigs & Fixtures.
- Individual assets costing less than ₹ 5000 - useful life 1 year.
 - Jigs & Fixtures capitalised - useful life 3 years.
- B.** Effective from 01.04.2014, for the calculation of Depreciation, the company has adopted "useful life of the assets" prescribed by Schedule II of the Companies Act, 2013 instead of the "Rate of Depreciation" specified in Schedule XIV of the Companies Act, 1956 followed up to 31.03.2014. Accordingly, an amount of ₹482.67 Lakhs have been recognised in the opening balance of Retained Earnings as on 01.04.2014. However, the impact on account of change in the method of Depreciation is not ascertainable.
- C. Accounting Standard 19 (Leases)**
- Office premises taken on lease

The Company's significant leasing arrangements are in respect of operating leases in respect of its leased office



premises. These lease arrangements, which are cancellable, are generally renewable by mutual consent. The aggregate lease rentals paid is disclosed under rent in Note No. 28.

ii) Cars given on Lease on non cancellable basis

I.	a)	Gross Carrying amount	₹487.17 Lakhs	(Previous Year - ₹491.67 Lakhs)
	b)	Accumulated depreciation	₹251.12 Lakhs	(Previous Year - ₹183.74 Lakhs)
	c)	Accumulated impairment losses	₹Nil	
	d) (i)	Depreciation recognized in the Statement of Profit & Loss Account	₹69.07 Lakhs	(Previous Year - ₹48.83 Lakhs)
	(ii)	Impairment losses recognized in the Statement of Profit & Loss Account	₹Nil	(Previous Year - ₹Nil)
	(iii)	Impairment losses reversed in the Statement of Profit & Loss Account	₹Nil	(Previous Year - ₹Nil)

II. Future minimum lease payments under non-cancellable operating leases – Leased cars

(i)	Not later than one year	₹53.73 Lakhs	(Previous Year - ₹59.26 Lakhs)
(ii)	Later than one year but not later than five years	₹162.76 Lakhs	(Previous Year - ₹194.02 Lakhs)
(iii)	Later than five years	₹49.52 Lakhs	(Previous Year - ₹88.32 Lakhs)

III. Total rent recognized as income in the Statement of

Profit & Loss Account	₹45.88 Lakhs	(Previous Year - ₹47.45 Lakhs)
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D. Gross value of vehicles own use includes equipment offered to customers for trials on No Cost No Commitment (NCNC) basis ₹763.68 Lakhs (WDV - ₹110.96 Lakhs) (Previous Year - ₹471.68 Lakhs (WDV - ₹316.48 Lakhs)).

E. Fixed Assets

- i) Buildings includes cost of building at Kolkotta ₹26.82 Lakhs (Previous Year - ₹26.82 Lakhs) on lease for 30 years.
- ii) Buildings includes cost of building at Mumbai and Ranchi pending registration / khatha transfer at ₹33.00 Lakhs (Previous Year - ₹33.00 Lakhs)
- iii) The company has taken land measuring 1109 acres and two workshops on lease initially 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 (A Company under orders of winding up by BIFR), and a sum of ₹100 Lakhs was paid as non-refundable deposit, (included under Long Term Loans and Advances (Note 14)). 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 the 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 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 (WDV ₹1141.93 Lakhs) on building (Previous Year - ₹1452.95 Lakhs (WDV ₹1191.95 Lakhs)) included in Fixed Assets (Note 10) 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.

- iv) 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) 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.
- v) Lease Hold Land includes land measuring 101175.92 Sq. Mtrs taken on perpetual lease from KIADB (Bangalore Aerospace, SEZ Park) at a cost of ₹5126.00 Lakhs (Previous Year - ₹5126.00 Lakhs).
- vi) Free Hold Land include land at cost ₹134.27 Lakhs at Hyderabad for which registration is pending.
- vii) 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.
- viii) As per the demand of KIADB, provision of interest amounting to ₹464.12 Lakhs (Previous Year - ₹441.64 Lakhs) up to period 31st March 2015 has been made. However, matter has been taken up with KIADB for waiving of interest which is pending before KIADB Board. Additional compensation demanded by KIADB authority amounting to ₹183.57 Lakhs has been capitalised and liability for both interest and additional compensation has been created. Registration will be made once the matter is settled with KIADB Board.
- ix) Lease Hold Land includes Land measuring 193.67 acres valuing ₹540.55 Lakhs taken on lease from Asansol Durgapur Development Authority, Durgapur for a period of 60 years.
- x) Free Hold Land includes 3 acres of land leased to M/s. Sharada Engineering Works Pvt Ltd., for a period of 30 years (since 1998).

F. Amount of Borrowing cost capitalised on addition of Assets during the year is as under:

- Plant & Machinery	₹500.04 Lakhs
- Any other asset (should be specified)	₹ Nil



Note 11 : Capital Work-in-Progress

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Building	1,358.02	757.72
Equipment under inspection and in transit	59.11	-
Machinery	12,689.73	12,002.03
Others	888.12	782.67
Sub-total	14,994.98	13,542.42
Less: Provision	-	8.79
Total	14,994.98	13,533.63

Note 11A: Intangible assets under development

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Development Expenditure for High capacity Dump Truck	4,174.86	3,753.73
Total	4,174.86	3,753.73

Note 12 : Non-Current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Long Term, unquoted at cost		
Trade Investments		
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: Provision for diminution in value of investment in BEML Midwest Ltd.	(542.25)	(542.25)
Total trade investments	-	-
Other Investments		
Investment in Ordinary Shares of Co-operative Societies - Un-quoted, fully paid up		
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.	-	-
Total other investments	0.04	0.04
Total - Unquoted at cost	0.04	0.04

Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures)

Names	Nature	% holding	Country of Incorporation
Delhi Metro Rail Consortium	Jointly Controlled Operation	-	-
BEML Midwest Limited	Jointly Controlled Entity	45.00	India

- a. The Joint Venture Company BEML Midwest Ltd. has not prepared its financial statements as at 31st March, 2015 due to litigation pending before Company Law Board. Hence, disclosure requirements under AS-27 (Financial Reporting of Interests in Joint Ventures) with regard to the Company's share in assets, liabilities, income & expenditure and its share in the contingent liabilities could not be complied with.
- b. The company had issued corporate guarantee to Bank for facilities extended to BEML Midwest Limited, for ₹1912.50 Lakhs. Since BEML Midwest failed to pay, the Bank concerned invoked the corporate guarantee and claimed from the company. However the company has refused to pay the claim on the ground that the claim relating to forward contracts were entered into without the approval of board of BEML Midwest Limited and that the majority shareholder has misappropriated and acted beyond the mandate without complying with the terms and conditions specified by the Board of BEML Midwest Limited. The matter is pending before Debt Recovery Tribunal (DRT). The company does not envisage any cash outflow in this regard.

Note 13: Deferred Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Deferred Tax Liabilities (DTL)		
Related to Fixed Assets	4,233.53	4,485.71
Special Tools	135.06	135.77
Total DTL (A)	4,368.59	4,621.48
Deferred Tax Assets (DTA)		
Timing differences under the Income Tax Act, 1961	14,419.80	12,967.59
Carry forward loss	-	1,556.59
Others	9.24	(19.21)
Gratuity / Leave Liability	37.47	36.33
Total DTA (B)	14,466.51	14,541.30
Net Total (B-A)	10,097.92	9,919.82

Note 14 : Long-Term Loans and Advances

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, considered good		
Capital Advances	126.49	307.60
Security Deposits	836.54	655.15
Inter Corporate Loan	3,269.11	8,210.87
Other loans and advances [see note (a) below]	6,047.82	5,906.01
Advance Income Tax (net of provision)	12,499.12	14,154.61
Pre paid expenses & Other advances	83.90	104.97
Sub-total	22,862.98	29,339.21
Doubtful		
Other Loans and Advances	120.19	120.19
Less : Provision for doubtful advances	120.19	120.19
Sub-total	-	-
Total	22,862.98	29,339.21
Due by officers of the company	23.96	22.51



- 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 ₹818.55 Lakhs (Previous Year - ₹768.29 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 ₹5618.55 Lakhs (Previous Year - ₹5568.29 Lakhs) is included under the head 'Other Loans and Advances', pending allotment of equity shares in the capital of the JV company. Since the company intends to treat this as a long term investment, no independent valuation of the assets taken over has been done and the diminution in value of investments, if any, can be ascertained only after the formulation of business plan and approval of shareholders' agreement from MOD and consequential share allotment.

Note 15 : Other Non-Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Others		
Gold coins on Hand	9.57	9.57
Special Tools	397.35	418.46
Total	406.92	428.03

Note 16 : Current Investments

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Total	-	-

Note 17 : Inventories (Lower of cost or Net realisable value)

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Raw materials & Components	39,014.98	43,414.11
Provision for obsolescence - Raw Material	(616.85)	(498.95)
Raw materials & Components in Transit	3,549.18	1,346.54
Stores and Spares	2,268.06	2,306.65
Work-in-Progress	59,054.62	58,377.54
Finished Goods	48,515.57	69,763.36
Provision for obsolescence - Finished Goods	(1,734.71)	(3,863.16)
Finished Goods in Transit	5,848.64	7,934.05
Stock of Spares	35,522.54	35,254.34
Provision for obsolescence - Stock of Spares	(2,077.02)	(1,500.32)
Stock of Spares in Transit	726.98	636.10
Patterns & Other Materials	12.53	14.61
Hand tools	1,789.13	1,595.90
Scrap	1,040.88	1,356.30
Unrealised Profit on Stock	(44.61)	(57.33)
Total	192,869.92	216,079.74

- a. Negative work orders amounting to ₹584.68 Lakhs (Previous Year - ₹722.60 Lakhs) were reduced to arrive at the closing value of Work in progress and the company does not expect to have any material impact on cost of production on this account.
- b. Raw materials & Components includes materials lying with sub contractors ₹1120.21 Lakhs (Previous Year - ₹1910.63 Lakhs).
- c. 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.
- d. 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.
- e. Provision towards obsolescence is made as per the provisioning norms and is based on ageing of inventory. Provisioning norms for obsolescence for Marketing Spares was first approved during the year 1970 and remained unchanged. Unlike at the time when the norms were first approved, there has been significant changes in Business scenario. Currently significant business in Mining & Construction Segment is achieved not only in sale of machines, but also in supporting these machines for a period ranging from 3 to 17 years through Maintenance and Repair Contracts, Annual Maintenance Contracts and Guaranteed Parts and Cost Cap Agreements. In view of the changed business scenario, during the year the Company has revised the provisioning norms for obsolescence of non-moving inventory for Marketing Spares and provided an amount of ₹576.70 Lakhs for the year towards obsolescence as against ₹3469.35 Lakhs under pre-revised provisioning norms.
- f. The inventory does not include the value of materials received free of cost from customers and supplies against LOI which are held in trust.

Note 18 : Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, considered good		
Outstanding for period exceeding six months *	41,498.62	44,970.85
Others	57,671.05	52,765.34
Unsecured, considered doubtful		
Outstanding for period exceeding six months	15,767.77	12,000.23
Allowance for bad and doubtful debts	15,767.77	12,000.23
Total	99,169.67	97,736.19

- * i. Trade receivables - Outstanding for period exceeding six months include ₹925.87 Lakhs (Previous Year - ₹925.87 Lakhs) towards interest rate difference on advance amount received from Ministry of Defence (MoD). This amount pertains to interest rate difference between deposit rate and interest recovered at the rate of 9.50% by MoD during FY 2006-07, 2007-08 and 2009-10 from various bills. The matter has been taken up with MoD and it is under their consideration.
- ii. Trade receivables - Outstanding for period exceeding six months include ₹4899.99 Lakhs (Previous Year ₹4139.92 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 Ministry of Defence (MoD) in 2001. This contract provided for import content denominated in US Dollar with a clause for escalation and exchange rate variation.

As the import of materials was from a country in the European Union which adopted Euro as its International transaction currency, the company was forced to import in Euro currency from January, 2007 to meet its obligations under the contract. The Euro as a trading currency was not contemplated at the time of entering the contract placed by the customer.

The request for amendment for US Dollar to Euro and the consequential Escalation and Exchange Rate variation is pending with the customer. The company does not expect any material impact on this account, sequel to the reassessment of the escalation and exchange rate variation, based on an acceptable formula for the customer.



Note 19 : Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Balances with Banks	14,228.11	1,322.20
Balances with Banks - Unclaimed Dividend	42.53	52.91
Cheques, drafts on hand	191.23	238.26
Cash on hand	92.90	140.80
Total	14,554.77	1,754.17

Note 20 : Short-Term Loans and Advances

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Unsecured, considered good		
Balances with Public Utility concern	13.77	3.74
Loans and Advances to Related Parties [refer Note No.31 (C)]	131.54	130.01
Inter Corporate Loan	817.28	1,642.17
Balances with Govt. departments for Customs Duty, Excise Duty etc including receivables	275.40	1,365.44
Other loans and advances	13,882.83	18,253.96
Pre paid expenses & Other advances	978.76	1,304.35
Sub-total	16,099.58	22,699.67
Doubtful		
Other Loans and advances	4,107.14	3,978.37
Less : Provision for doubtful advances	4,107.14	3,978.37
Sub-total	-	-
Total	16,099.58	22,699.67
Due by Officers of the Company	160.65	68.96

Note 21 : Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2015	As at 31st March 2014
Interest Accrued on bank deposits	12.28	4.25
Claims receivable	11,339.46	12,402.70
Unbilled revenue net of advances	25,037.71	17,935.03
Preliminary expenses	-	63.99
Pre-operative expenses	-	1.97
Sub-total	36,389.45	30,407.94
Doubtful		
Claims receivable	2,508.01	3,583.87
Less : Provision for doubtful claims	2,508.01	3,583.87
Sub-total	-	-
Total	36,389.45	30,407.94

- i. Claims receivable includes:
- a. Claim Lodged pending under reconciliation amounting to ₹319.36 Lakhs (Previous Year - ₹436.80 lakhs).
- b. Claim lodged with Railway Board for excise duty and corresponding sale tax claim of ₹1452.54 Lakhs (Previous Year - ₹764.78 Lakhs).
- The Company doesn't expect any material impact on the final realization of the above amounts.
- ii. Unbilled revenue include ₹12012.36 Lakhs (Previous Year - ₹7820.63 Lakhs) on account of additional provisional price accounted based on recommendation (for the years 2012-13 & 2013-14) by the Chief Advisor (Cost), Ministry of Finance. The recommended price is under consideration by the Rail Board.
- iii. MAMC Industries Limited has incurred a loss of ₹103.97 Lakhs up to F.Y 2014-15, resulting in erosion of Net worth due to charging off of ₹98.97 Lakhs as prior period expenditure treated upto F.Y 2013-14 as Preliminary and Pre-operative expenses and also providing for amortization of lease hold land.

Note 22 : Revenue including Excise Duty

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
(a) sale of products:		
Castings	-	-
Earth Moving Equipment	100,172.42	87,391.43
Rail & Metro Products	89,738.09	128,167.01
Defence Products	13,105.26	11,267.72
Traded Goods	58.00	343.83
Spare Parts	68,399.39	60,214.25
Wind Energy	265.06	290.28
Sub-total	271,738.22	287,674.52
(b) sale of services;		
Design / IT Services	-	109.98
Equipment Servicing	24,914.52	21,021.39
Sub-total	24,914.52	21,131.37
(c) other operating revenues		
Export incentives	171.31	153.53
Sale of Scrap	2,295.08	2,176.21
Sub-total	2,466.39	2,329.74
Revenue including Excise Duty	299,119.13	311,135.63

- i. Revenue including Excise Duty include ₹10345.47 Lakhs (Previous Year - ₹3259.13 Lakhs) recognised as additional provisional price in terms of Accounting Policy No. 7 (iii) based on the price recommended for Rail coaches by the Chief Advisor (Cost), Ministry of Finance (which is under consideration by the Rail Board). The difference, if any, is accounted in the year of finalisation of price.
- ii. Revenue including Excise Duty includes revenue recognized for ₹8754.77 Lakhs (Previous Year - ₹7244.49 Lakhs) in respect of FOR destination contracts, in accordance with Accounting Standard 9 - Revenue Recognition, on the basis of custodian certificates accepting billing and title to the goods, having a profit of ₹143.95 Lakhs (Previous Year - ₹1454.47 Lakhs) for the transactions.
- iii. The company has entered into a consortium agreement with one international partner for the supply of Metro coaches to Delhi Metro Rail Corporation Ltd, (DMRCL). As per the agreement, the company is responsible to raise the bills at the full value of the contract including consortium scope on DMRCL and terminal excise duty and VAT thereon is discharged by the company.



Note 22A :

The total amount invoiced including the value of consortium scope of supply is as under: (₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Rail & Metro Products	102,786.67	142,369.79
Other products, services and other operating revenue	209,381.04	182,968.62
Sub-total	312,167.71	325,338.41
Less: Value of Consortium Supplies	13,048.58	14,202.78
Revenue including Excise Duty	299,119.13	311,135.63

Note 23 : Other Income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Interest Income		
- From Banks	29.53	93.31
- From Inter Corporate Loans	797.33	1,341.36
- Others	128.79	630.80
Net gain on sale of Fixed Assets	18.94	6.07
Income from Commission	0.84	1.66
Provisions written back		
- Doubtful debts & Advances	243.22	111.33
- Others	3,272.60	1,993.73
Other non-operating income	1,482.28	2,191.39
Total	5,973.53	6,369.65

a. Tax Deducted at Source on Income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
a) Interest on Call and Term Deposit from Banks	0.81	0.06
b) Interest on Inter Corporate Loans	79.72	134.12
c) Others	8.22	8.00

- b. Provision written back - Others, include ₹1378.89 Lakhs written back out of the provisions made in the earlier years towards claims on a supplier. The write back is done based on a written acceptance from the supplier to settle the claim of the amount through supply of spare parts over a period of time

Note 24 : Cost of Materials Consumed

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Cost of Material for manufactured products	135,565.13	158,990.57
Unrealised profit on stock	(12.72)	(234.65)
Cost of Material consumed for manufactured products	135,552.41	158,755.92

Note 24A : Purchase of Stock-in-trade

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Purchase of Stock-in-trade	<u>31.90</u>	<u>311.99</u>

Note 25 : Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-trade

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Opening Stock		
Work-in-progress	58,377.54	74,012.04
Finished Stock	73,834.25	68,176.91
Scrap	<u>1,356.30</u>	<u>1,687.43</u>
	133,568.09	143,876.38
Closing Stock		
Work-in-progress	59,054.62	58,377.54
Finished Stock	52,629.50	73,834.25
Scrap	<u>1,040.88</u>	<u>1,356.30</u>
	112,725.00	133,568.09
(Increase) / Decrease		
Work-in-progress	(677.08)	15,634.50
Finished Stock	21,204.75	(5,657.34)
Scrap	<u>315.42</u>	<u>331.13</u>
Total	<u>20,843.09</u>	<u>10,308.29</u>

Note 26 : Employee Benefits Expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Salaries, Wages & Bonus	55,866.67	54,456.18
Leave Salary	5,796.34	4,393.04
Contribution to:		
- Gratuity Fund	3,746.26	1,323.81
- Provident Fund and Other Funds	5,748.43	5,630.87
Post retirement medical scheme	215.95	-
Staff welfare expenses	6,553.33	6,890.35
-Less receipts	429.65	427.15
Net staff welfare expenses	<u>6,123.68</u>	<u>6,463.20</u>
Total	<u>77,497.33</u>	<u>72,267.10</u>

A. Accounting Standard 15 (Employee Benefits)**a. Leave Salary**

This is an unfunded defined benefit plan categorized under other long term employee benefits in terms of Revised Accounting Standard 15. The defined benefit obligation for compensated absence has been actuarially valued and liability provided accordingly.



Actuarial Assumptions	Current Year	Previous Year
	(Unfunded)	(Unfunded)
Mortality Table (IALM)	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount rate	7.80%	9.10%
Rate of escalation in salary	5.00%	5.00%

b. Post Retirement Contributory Medical Scheme

The company has a post retirement medical scheme where an insurance policy is taken by the company for providing mediclaim benefits to the superannuated officers / workers who opt for the scheme. Company pays 2/3 rd insurance premium and the balance is paid by the superannuated officers / workers. The scheme was actuarially valued during the year and liability has been provided for.

Actuarial Assumptions	Current Year	Previous Year
	(Unfunded)	(Unfunded)
Expected proportion of the existing employees who will opt for the scheme at the time of retirement	35.00%	35.00%
Discount rate	7.80%	9.10%
Long term Medical inflation	2.70%	1.59%

c. Interest Rate Guarantee on Provident Fund

Provident Fund Trust of the Company has to declare interest on Provident Fund at a rate not less than that declared by the Employees' Provident Fund Organisation. In case the Trust is not able to meet the interest liability, Company has to make good the shortfall. Company has got the same actuarially valued and there is no additional liability that need to be provided for the year.

Actuarial Assumptions	Current Year	Previous Year
	(Funded)	(Funded)
Discount rate	7.84%	8.79%
Rate of escalation in salary	5.00%	5.00%
Interest Rate Guarantee on Provident Fund	8.75%	8.75%

d. Officers Pension Scheme

Based on the guidelines of Ministry of Defence, Company during the year implemented "BEML Executive Superannuation (Pension) Scheme" for Officers of the Company. The Scheme is a defined contribution plan and the contribution made is being charged off in the year of contribution. Being a defined contribution plan no actuarial valuation is done.

e. Gratuity

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

(₹ in Lakhs)

Changes in the Present value of obligation	Current Year	Previous Year
Present value of obligation at 01.04.2014	35,792.48	36,180.14
Interest Cost	3,010.43	2,764.90
Current Service Cost	864.21	1,108.32
Benefits Paid	(5,395.48)	(4,264.46)
Actuarial (gain)/loss on obligations	2,894.56	3.58
Present value of obligation at 31.03.2015	37,166.20	35,792.48
Changes in the Fair value of Plan assets		
Fair value of plan assets at 01.04.2014	34,385.99	27,304.79
Expected return on plan assets	3,023.87	2,807.11
Contributions	3,802.13	8,792.67
Benefits paid	(5,395.48)	(4,264.46)
Actuarial gain/(loss) on plan assets	(0.93)	(254.12)
Fair value of plan assets at 31.03.2015	35,815.58	34,385.99
Reconciliation of obligations and fair value of plan assets		
Present value of obligation at 31.03.2015	37,166.20	35,792.48
Fair value of plan assets at 31.03.2015	35,815.58	34,385.99
Funded Status	1,350.62	1,406.49
Liability Existing	12.81	12.81
Liability recognized during the year	1,337.81	1,393.68
Expenses recognized during the year		
Current Service Cost	864.21	1,108.32
Interest Cost	3,010.43	2,764.90
Expected return on plan assets	3,023.87	2,807.11
Actuarial (gain)/loss on obligation	2,894.56	3.58
Actuarial gain/(loss) on plan assets	(0.93)	(254.12)
Net Cost	3,746.26	1,323.81
Investment Details	%	%
GOI Bonds	0	0
Others	1	1
Investment with LIC	99	99
Actuarial Assumptions		
Gratuity	(Funded)	(Funded)
Mortality Table (IAL)	2006-08	2006-08
	(Ultimate)	(Ultimate)
Discount rate	7.80%	9.10%
Rate of return on plan assets	9.15%	9.00%
Rate of escalation in salary	5.00%	5.00%

- f. The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors. The above information is certified by the actuary.


Note 27 : Finance Costs

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Interest expense		
On Cash Credit & Short term Loans	3,024.51	6,267.51
On Long Term Loans	826.25	1,138.17
On Non-convertible Debentures	1,911.29	2,122.11
On Inter Corporate Loans	1,016.32	1,300.43
On MSE vendors	243.08	82.96
Others	53.83	156.87
Total	7,075.28	11,068.05

Accounting Standard 16 (Borrowing Cost)

The amount of interest capitalized during the Year is ₹896.70 Lakhs (Previous Year - ₹685.87 Lakhs). Out of this a sum of ₹Nil (Previous Year - ₹35.75 Lakhs) related to previous Year.

Note 28 : Other Expenses

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Consumption of stores and spare parts	843.10	1,030.64
Consumable Tools	340.08	393.02
Power and fuel	3,586.88	3,856.05
Machining & Fetting Charges	121.28	104.67
Moulding Charges	51.69	38.84
Rent	363.86	337.33
Hire Charges	572.04	538.84
Repairs & Maintenance		
Machinery & Equipment	468.20	560.63
Buildings	467.64	317.76
Others	908.02	973.25
Amortisation of Special Tools	209.52	121.73
Stationary	139.86	141.55
Insurance	932.98	344.01
Rates & Taxes	388.59	453.83
Bank Charges	520.73	1,614.07
Postage, Telephones and Courier etc.,	337.26	346.28
Commission on sales	581.43	114.22
Remuneration to Auditors (refer note 'b' below)	40.27	32.72
Legal & Professional Charges	195.38	154.90
Travelling Expenses	1,138.71	1,136.14
Publicity & Public Relations	199.53	221.55
Loss on Sale of Fixed Asset	3.20	1.91
Obsolescence	702.60	1,154.77
Bad Debts Written off	146.72	158.73
Defects & Spoilages	105.04	66.16
Works Contract Expenses	3,837.13	3,626.29
Expenses on Maintenance Contract	3,072.39	3,431.59
Sundry Direct Charges	2,146.23	2,928.07
Freight charges	2,913.67	2,570.38
Expenditure on CSR Activities	326.70	63.35
Excise duty on increase / (decrease) in Stock	(1,157.12)	(1,027.13)
Provision for Doubtful Debts & Advances	3,616.54	1,433.88
Warranty & Unexpired Obligations	2,403.31	1,971.76
Liquidated damages on sales	67.01	366.89
Miscellaneous expenses [refer Note 27(a)]	8,693.29	7,673.71
Total	39,283.76	37,252.39

a. Accounting Standard 11 (Foreign Exchange Fluctuations)

Effect of Foreign Currency Fluctuation included in the Miscellaneous Expenses for the year is ₹502.66 Lakhs. (Previous Year - ₹226.74 Lakhs).

b. Break up of Remuneration to Auditors :

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
(a) As Auditor	10.01	9.90
(b) Half yearly Audit fee	4.30	4.30
(c) for taxation matter	4.20	2.70
(d) Other Services - Certification Fees	8.30	7.51
(e) Reimbursement of Expenses	13.46	8.31
Total	40.27	32.72

Note 29 : Exceptional Items

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Income		
Warranty provision written back	-	1,211.69
Liability Written back	14.66	376.94
	14.66	1,588.63
Expenditure	-	-
	-	-
Net Income / (Expenditure)	14.66	1,588.63

Note 30 : Prior Period Items

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2015	For the Year ended 31st March 2014
Income		
MSME Interest write back	-	674.70
Others	4.14	135.65
	4.14	810.35
Expenditure		
Material Consumption	-	2,648.72
Depreciation	28.53	-
Others	43.48	91.47
	72.01	2,740.19
Net income / (Expenditure)	(67.87)	(1,929.84)


Note 31 : Other Disclosures
A. Basic/ Diluted Earnings Per Equity Share

Particulars	Current Year	Previous Year
Net Profit / (Loss) after Tax (₹ in Lakhs)	593.00	610.16
Average Number of Shares	41,644,500	41,644,500
Earnings Per Share (Basic and Diluted) – Face Value ₹10/- Per Share (Amount in ₹)	1.42	1.47

- B.** In terms of Notification No. S.O.301(E) Dt. 08-02-2011 of Ministry of Corporate Affairs, the Board was vested with powers with regard to non-disclosure of quantitative information in the Annual accounts, relating to purchases, sales, consumption of raw materials etc., to be shown under broad heads, as required under paragraphs 5(ii)(d), 5(iii) and 5(viii) (a) to (e) except (d) of Part-II of Schedule VI of the Companies Act, 1956.

As per part-II of Schedule III of the Companies Act, 2013, company has to disclose the information covered under Para 5 (ii) (d), Para 5(iii), Para 5(viii) (a), (b), (c) and (e). Considering that the Company is a Defence Public Sector Undertaking and due to security and strategic consideration, Ministry of Defence has requested Ministry of Corporate Affairs to consider granting exemption from publication of the above information in the financial statements from FY 2014-15 and response of the Ministry of Corporate Affairs is awaited.

In view of the above, disclosure as per Para 5 (ii) (d), Para 5(iii), Para 5(viii) (a), (b), (c) and (e) of part-II to Schedule III of the Companies Act, 2013 have not been made.

C. Accounting Standard 18 (Related Party Transactions)
**i. Name of the Joint Venture Company – M/s. BEML Midwest Limited, Hyderabad. Shareholding 45%.
Details of Transactions** (₹ in Lakhs)

Particulars	2014-15	2013-14
Sales	-	-
Purchases	-	-
Advances recoverable as on 31st March	131.54	130.01
Corporate Guarantee given to Bankers as on 31st March (refer Note 12 (b))	1,912.50	1,912.50
Amount payable towards supplies as on 31st March	230.00	230.00
Equity Investment held as on 31st March (at cost)	542.25	542.25

ii. Remuneration to key management personnel

(₹ in Lakhs)

Name	2014-15	2013-14	Designation
Shri P. Dwarakanath	39.20	34.53	Chairman and Managing Director
Shri. C.N. Durgesh	33.09	25.93	Director (Mining & Construction)
Shri. P.R. Naik	32.65	29.95	Director (Defence)
Shri. D.K. Hota	31.95	22.00	Director (HR)
Shri. Pradeep Swaminathan	29.71	16.77	Director (Finance)
Shri. Aniruddh Kumar*	26.28	-	Director (Rail & Metro)
Shri. M E V Selvamm	14.97	13.57	Company Secretary

* For part of the year.

- iii. 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 Accounting Standard 18 and Listing Agreement, 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, Accounting Standard 18 and Listing Agreement 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
- Disputed statutory demands (Customs Duty, Central Excise, Service Tax, Sales Tax/VAT etc.,) - ₹47797.57 Lakhs (Previous Year - ₹40217.09 Lakhs).
 - Other claims - legal cases etc. ₹50418.47 Lakhs (Previous Year - ₹47085.99 Lakhs).

(This include a claim amounting to ₹38422.21 Lakhs against which the company has lodged a counter claim of ₹47348.00 Lakhs).

- b. Guarantees

Corporate Guarantee issued to bankers on behalf of M/s. BEML Midwest Ltd (Joint Venture company) ₹1912.50 Lakhs (Previous Year - ₹1912.50 Lakhs). The matter is subjudice.

- c. Other money for which the company is contingently liable - ₹11.29 Lakhs (Previous Year - ₹Nil).

II. Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹1964.44 Lakhs (Previous Year - ₹1977.52 Lakhs)
- Uncalled liability on shares and other investments partly paid - ₹Nil (Previous Year - ₹Nil).
- Other commitments (specify nature) - ₹Nil (Previous Year - ₹Nil).

NOTES

- The company does not expect any cash outflow in respect of above contingent Liabilities.
- 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.
- The cash flow in respect of matters referred to in I (b) above is generally expected to occur within 3 years. However, the matter is under adjudication before DRT.



E. Aggregate amount of Research & Development Expenses:

(₹ in Lakhs)

Particulars	2014-15	2013-14
Revenue Expenditure*	8,244.39	8,622.39
Capital Expenditure**	47.17	0.96

* 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 2015	For the Year ended 31st March 2014
Material Cost	277.18	116.56
Employee Remuneration	3,359.21	3,410.95
Depreciation	862.26	997.72
Power and Fuel	166.78	25.74
Repairs and Maintenance	17.76	37.60
Consumable Tool	2.77	6.12
Travelling	103.95	81.77
Other Expenses	653.43	803.40
Payment to Technology Providers	-	656.29
Prototype held in WIP	-	1,132.31
Prototype held in FGI	-	316.26
Cost of Sales of Prototype sold	3,663.31	2,035.39
Total R&D Revenue Expenditure	9,106.65	9,620.11
Less: Depreciation	862.26	997.72
Net R & D Expenditure	8,244.39	8,622.39
Sale value of prototype sold - included in net Sales	5,710.02	3,323.87

** The aggregate amount of Research & Development Expenditure recognised as Capital Expenditure till 31st March 2015 is as below.

b. Research & Development Capital Expenditure

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01.04.2014	Additions During the Year	Deduction / Re- classification & Adjustments During the Year	As at 31.03.2015	As at 01.04.2014	For the Year	Adj against Retained Earnings During the Year	Deduction / Re- classification & Adjustments During the Year	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014
Tangible Assets											
Land											
Free Hold	3.29	-	-	3.29	-	-	-	-	-	3.29	3.29
Lease Hold	-	-	-	-	-	-	-	-	-	-	-
Roads & Drains	51.39	-	-	51.39	30.50	4.44	14.81	-	49.75	1.64	20.89
Water Supply Installations	12.60	-	-	12.60	12.47	0.01	-	-	12.48	0.12	0.13
Buildings	508.92	-	-	508.92	366.06	28.28	2.63	-	396.97	111.95	142.86
Plant, Machinery and Equipment	4,748.95	12.38	(762.81)	3,998.52	4,098.91	93.91	(236.81)	(517.98)	3,438.03	560.49	650.04
Electrical Installation	168.41	-	2.63	171.04	159.33	1.19	-	-	160.52	10.52	9.08
Furniture & Fixtures	259.18	1.18	(0.72)	259.64	201.27	11.19	0.15	(0.50)	212.11	47.53	57.91
Transport Vehicles	74.48	-	(6.63)	67.85	42.84	6.88	2.65	(1.51)	50.86	16.99	31.64
Computers and Data processing units	-	18.63	760.87	779.50	-	6.11	245.43	508.73	760.27	19.23	-
Intangible Assets											
Software	1,189.48	14.98	(0.51)	1,203.95	790.43	220.75	-	(0.10)	1,011.08	192.87	399.05
Technical Knowhow	2,937.02	-	-	2,937.02	1,330.16	489.50	-	-	1,819.66	1,117.36	1,606.86
Total Tangible & Intangible Assets	9,953.72	47.17	(7.17)	9,993.72	7,031.97	862.26	28.86	(11.36)	7,911.73	2,081.99	2,921.75
Previous Year	10,244.43	0.96	(291.67)	9,953.72	6,384.08	997.72	-	(349.83)	7,031.97	2,921.75	3,860.35

F. Accounting Standard 17 (Segment Reporting)

a. Primary Reporting - Business Segment - Customers

(₹ in Lakhs)

Particulars	Railway		Defence		Mining & Construction		Others		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue*										
External Revenue	99,316.00	131,418.79	16,086.06	14,341.61	164,542.08	143,823.43	265.06	783.16	280,209.20	290,366.99
Results :										
Segment Results	2,957.94	4,698.24	(5,131.36)	(10,368.52)	12,220.52	20,449.79	160.59	(64.36)	10,207.69	14,715.15
Unallocated Corporate Expenses									3,489.94	4,372.08
Operating Profit									6,717.75	10,343.07
Minority Interest									(0.75)	(3.33)
Finance costs									7,075.28	11,068.05
Interest Income									955.65	2,065.47
Exceptional Items									14.66	1,588.63
Income Taxes									(47.34)	392.45
Prior Period Adjustments									(67.87)	(1,929.84)
Net Profit									593.00	610.16



- * The company does not have any inter segment sales.

Revenue under Railway customer does not include ₹13048.58 Lakhs (Previous Year - ₹14202.78 Lakhs) billed on behalf of the consortium by the company.

b. Segmental Capital Employed:

Fixed assets used in Company's business or liabilities incurred have not been identified to any of the reportable segments, as the fixed assets are used interchangeably between segments.

c. Secondary Reporting

Since, more than 90% of total sales is within India, geographical reporting is considered not applicable

- G.** Advances, Balances with government departments, Trade Payables and receivables, Other loans and advances and deposits classified under non current and current are subject to confirmation. There are certain old balances pending review / adjustment. The management does not expect any significant impact upon such reconciliation.

- H.** Figures of previous year have been regrouped/ reclassified/ recast wherever necessary to conform to current year's presentation.

I. Disclosures as required by clause 32 of the Listing Agreement

In compliance of amended clause 32 of the Listing Agreement with Stock Exchanges, the required information is given as under:

(₹ in Lakhs)

Particulars	Amount as on		Maximum amount outstanding during the year ended	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
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.** The Financial Statements for the year as approved by the Board of Directors and the report thereon issued by the Statutory Auditors were revised pursuant to C&AG's audit observation during the course of audit under Sec 143(6)(a) of the Companies Act, 2013, by amending Note No.17e. This amendment has no impact on the reported figures in the Financial Statements.

Form AOC-1**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**

1 Sl. No.	1	2	3
2 Name of Subsidiary Company	Vignyan Industries Limited	MAMC Industries Limited	BEML Brazil Industrial Ltda
3 Reporting period of the Subsidiary Company	31.03.2015	31.03.2015	31.03.2015
4 Reporting currency of Foreign Subsidiary	-	-	Brazilian Reais
5 Exchange rate as on 31.03.2015	-	-	₹ 19.59 per BR. Reais
6 Share Capital (₹ in Lakhs)	278.97	5.00	185.55
7 Reserves & Surplus (₹ in Lakhs)	136.95	(103.97)	(104.65)
8 Total Assets (₹ in Lakhs)	1,772.33	503.15	80.90
9 Total Liabilities (₹ in Lakhs)	1,356.41	602.12	-
10 Investments (₹ in Lakhs)	Nil	Nil	Nil
11 Turnover Gross (₹ in Lakhs)	3,066.72	Nil	Nil
12 Profit before taxation (₹ in Lakhs)	(84.60)	(103.97)	(19.43)
13 Provision for taxation (₹ in Lakhs)	(62.92)	-	-
14 Profit after taxation (₹ in Lakhs)	(21.68)	(103.97)	(19.43)
15 Proposed Dividend	₹Nil	₹Nil	₹Nil
16 % of Shareholding	96.56%	100.00%	100.00%

Note: MAMC Industries Ltd is yet to commence operation.

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% paidup capital and the bank 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 considered in Consolidation

As per our report of even date attached
For M/s. S.R.R.K SHARMA ASSOCIATES
 Chartered Accountants
 Firm Registration Number: 003790S

CA. S.R.R.K SHARMA
 Partner
 Membership No.: 018088

Bengaluru
 16.07.2015

For and on behalf of the Board of Directors

PRADEEP SWAMINATHAN
 Director (Finance)

P. DWARAKANATH
 Chairman & Managing Director

M E V SELVAMM
 Company Secretary



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Members of BEML Limited.

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of BEML LIMITED (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (herein after referred to as “the Act”) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

6. As explained in Note.12, the financial statements of 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 company, net of provision for diminution already made in the value of the investment, has not been determined.

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

8. We draw attention to:

- a) Note No.18 (i) in respect of Trade receivables from Ministry of Defence (MOD) Rs.925.87 lakhs towards interest rate difference on advance amount received from MOD. This amount pertains to interest rate difference between deposit rate and interest recovered @ 9.50% by MOD during FY 2006-07, 2007-08, and 2009-10 for various bills. The matter has been taken up with MOD and it is under their consideration. And Note No. 18(ii) in respect of Trade receivable from MOD Rs.4899.99 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 realisation of these receivables depends on the final determination of the amount payable by the MOD.
- b) Note No.22 (ii) In respect of accounting of revenue including excise duty includes revenue recognized for Rs.8754.77 lakhs in respect of FOR destination contracts, in accordance with Accounting Standard-9 Revenue Recognition on the basis of custodian certificates accepting billing and title to the goods having a Profit of Rs.143.95 lakhs for the transactions.
- c) Note No.14 (a) in respect of the amount advanced to MAMC consortium of Rs. 5,618.55 lakhs, valuation of which depends on approval from Ministry Of Defence, viable business plan and consequential assessment of diminution in the value of the investment, if any.
- d) Note No.31 (G) regarding pending review/adjustment of old balances and non receipt of confirmation of balance in respect of trade payable, trade receivable, other loans and advances and deposits
- e) Note No. 10 (B) in respect of change in method of Depreciation followed by the Company as prescribed under Schedule II of the Companies Act, 2013 instead of method specified by Schedule XIV of the Companies Act, 1956 followed up to 31.03.2014.



- f) Note No.17 (e) in respect of provisioning for obsolescence, during the year the company has revised the provisioning norms for obsolescence of non – moving inventory for marketing spares and provided an amount of Rs.576.70 lakhs for the year towards obsolescence as against Rs.3,469.35 lakhs under pre-revised provisioning norms.

Our opinion is not qualified in respect of the above matters

Other Matters

9. (a) We have issued an Audit Report dated 1st June, 2015 (“the original report”) at Bangalore on the consolidated financial statements as adopted by Board of Directors on even date. The said report has been revised Pursuant to observations of Comptroller and Auditor General of India under Sec 143(6)(a) of the Companies Act, 2013. This report supersedes our earlier report to replace addressee (Board of Directors to members) , to include matters u/s.143(11) and 143(3) of Companies Act, 2013 and to report on the Companies amended Note No.17e. These changes have no impact on the reported figures in the financial statements of the company as disclosed in Note No.31J.

b) Our audit procedure on events subsequent to the date of the original report is restricted solely to the matters mentioned in Para (a) above.

c) We did not audit the financial statements of the subsidiary Vignyan Industries Limited, whose financial statements reflect total assets of Rs.1772.33 lakhs as at 31.03.2015 and loss of Rs.21.68 lakhs and net cash inflow amounting to Rs.0.11 lakhs for the then year ended. The financial statements have been audited by other auditor whose report has been furnished to us and our opinion, so far as it relates to the amounts included in respect of the subsidiary is solely based on the report of the other auditor.

d) We did not audit the financial statements of the subsidiary MAMC Industries Limited, whose financial statements reflect total assets of Rs.503.15 lakhs as at 31.03.2015 and loss of Rs.103.97 lakhs and net cash flow amounting to NIL for the then year ended. The financial statements have been audited by other auditor whose report has been furnished to us, and our opinion, so far as it relates to the amounts included in respect of the subsidiary is solely based on the report of the other auditor.

e) We did not audit the financial statements of the subsidiary BEML Brazil Industrial Ltd a, whose financial statements reflect total assets of Rs. 80.90 lakhs as at 31.03.2015 and loss of Rs.19.42 lakhs and net cash out flow amounting to Rs.49.03 lakhs for the then year ended. The financial statements have been audited by other auditor under local laws of Brazil whose report has been furnished to us, and our opinion, so far as it relates to the amounts, included in respect of the subsidiary is solely based on the report of the other auditor, converted into Indian Rupees by the Company on the basis of average exchange rate for the year in respect of Statement of Profit and Loss and closing exchange rate as on the last day of the financial year in respect of Balance Sheet items except Share Capital which is considered on actual investments made in Indian Rupees by the Holding Company.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015 (“the Order”), issued by the Central

Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable except in respect of M/s.BEML Midwest Limited, a Joint Venture Company in the absence of financial statements and M/s.BEML Brazil Industrial Limited, whose accounts have been audited by other auditors under the local laws of the Brazil.

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and, except for the possible effect of the matter described in paragraph of the Basis for Qualified Opinion above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant statements maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, and jointly controlled companies incorporated in India, none of the other directors of the Group's companies, and jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected there with are as stated in the Basis for Qualified Opinion paragraph above.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. Except for the possible effect of the matter described in paragraph of the Basis of Qualified Opinion above, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities—Refer Note 31(D)(1)(a)(ii) to the consolidated financial statements.



- ii. Except for the possible effect of the matter described in paragraph of the Basis of Qualified Opinion above, the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. Except for the possible effect of the matter described in paragraph of the Basis of Qualified Opinion above, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, and jointly controlled companies incorporated in India.

For S.R.R.K Sharma Associates

Chartered Accountants

Firm Registration Number: 003790S

CA. S.R.R.K Sharma

Partner

Membership No: 018088

Bangalore

16.07.2015

ANNEXURE TO AUDITOR'S REPORT

ON CONSOLIDATED FINANCIAL STATEMENTS – BEML LIMITED

Annexure referred to in Paragraph 10 of our report of even date to the members of BEML Limited on the Consolidated accounts of the Company for the year ended 31st March 2015.

On the basis of Auditors Reports on the accounts of BEML Limited, Vignan Industries Limited and MAMC Industries Limited and according to the information and explanations given to us, we report on the consolidated financial statements that:

- i) a) The Group is maintaining proper records to show full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, the fixed assets have been physically verified in accordance with the program designed to cover all assets over a phased manner by the management; as informed to us no material discrepancies were noticed on such verification.
- ii) a) As explained to us the Group has conducted physical verification of inventories excluding materials lying with third parties and work in progress during the year in accordance with program designed to cover all items over a phased manner. According to the information and explanations give to us and in our opinion the frequency of verification is reasonable
- b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The Group is maintaining proper records of inventory. As explained to us, the discrepancies noticed on physical verification between physical stocks and its books of account were not material. Process of material receipt accounting needs to be strengthened.
- iii) The Group has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. As such clause (iii) of para 3 the order is not applicable.
- iv) In our opinion and according to the information and explanations given to us, the Group has an internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Further on the basis of our examination of the books and records of the company no major weaknesses in internal control system has been noticed or reported.
- v) In accordance with the information and explanations given to us the Group has not accepted any deposits during the year and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 and other relevant provisions of the Companies Act and the Rules framed there under, are not applicable. No order in this regard in respect of the Company has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- vi) Maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act in respect of BEML Limited. We are of the opinion that, prima facie, the prescribed records have been made and maintained.



- vii) a) The Group is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth 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 explanation given to us and in our opinion no undisputed amounts payable in respect of Income tax, Sales tax, Wealth tax, Service tax, Custom duty and Excise duty which are arrears as at 31st March 2015 for a period of more than six months from the date they became payable.
- b) The details of dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of dispute, is furnished below.

Name of the Statute	Nature of disputed tax	Amount in lakhs	Period to which the amount relates	Forum where the amount is pending
Central Excise Act 1944, and Service Tax Act	Excise Duty inclusive of Interest and Penalty	28200.47	2003 -04 to 2007 -08	CESTAT, Bangalore
	Excise Duty inclusive of Interest and Penalty	854.00	2005 -06 to 2010 -11	Appellate Authority
	National Calamity Contingency Duty	5863.65	2006 -07 to 2011 -12	CESTAT
	Service Tax inclusive of penalty	747.70	2004 -05, 2006 -07 & 2010 -11	CESTAT, Bangalore
	Service Tax	494.07	2006 -07 to 2010 -11	Appellate Authority
The Customs Act, 1962	Customs Duty	932.35	2006 -07	CESTAT, Chennai
The Karnataka Municipal Corporation Act, 1976	Municipality Taxes KGF	241.19	2012	City Municipality council - KGF
	Property Tax	357.50	1995 -96 to 2005 -06	City Civil Judge, Bangalore
Sales Tax Act of various States	Sales Tax /VAT	9.79	2003 -04	Maharashtra Sales Tax tribunal
	Sales Tax /VAT	6675.29	December 2005 to March 2008 & 2008-09, 2009 -10, 2010 -11	Karnataka Sales Tax tribunal
	Sales Tax /VAT	892.69	1999 -20 00, 2001 -02, 2002 -03, 2003-04, 2005-06, 2006 -07, 2007-08, 2009 -10	Revision & Appellate Board of Various States
	Sales Tax /VAT	2528.87	From 1983-84 to 2012-13	Other appellate authorities

- (c) There has not been an occasion in the case of the Group during the year under the report to transfer any sums to the Investors Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.

-
- viii) The Group does not have accumulated losses at the end of the financial year. It has not incurred cash loss in the current financial year and in the immediately preceding financial year.
- ix) In accordance with the information and explanation given to us the Group has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- x) BEML Limited has given corporate guarantee for the loan taken by M/s BEML Midwest Limited, a Joint Venture company. We are unable to comment whether the terms and conditions of this guarantee are prejudicial to the interest of the company in view of its invocation by the bank and the company's refusal to honor the guarantee on various grounds and pending litigation, including claims and counter claims. In this behalf, we drawn attention to the Note No. 12(b) of financial statements.
- xi) According to the information and explanation given to us and on an overall examination of the Consolidated Balance Sheet of the Group company as at 31st March 2015, the term loans are applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no fraud by or on the Group has not been noticed or reported during the year nor have we been informed of any such case by the management.

For S.R.R.K Sharma Associates

Chartered Accountants

Firm Registration Number: 003790S

CA. S.R.R.K Sharma

Partner

Membership No: 018088

Bangalore

16.07.2015



ADDENDUM TO THE BOARD'S REPORT

Company's reply to the observations of Statutory Auditors in their Consolidated Audit Report

Para No.	Auditors' Observations	Company's Reply
1	Point no. 6 under the section 'Basis for Qualified Opinion' As explained in Note.12, the financial statements of 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 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. The impact, if any, on account of non-consolidation is not expected to be material
(x)	The company has given corporate guarantee for the loan taken by M/s BEML Midwest Limited, a Joint Venture company. We are unable to comment whether the terms and conditions of this guarantee are prejudicial to the interest of the company in view of its invocation by the bank and the company's refusal to honor the guarantee on various grounds and pending litigation, including claims and counter claims. In this behalf, we drawn attention to the Note No. 12(b) of financial statements.	The matter has been disclosed in detail in Note No.12(b) in the financial statement, which is reproduced as under- “The company had issued corporate guarantee to Bank for facilities extended to BEML Midwest Limited, for ₹1912.50 Lakhs. Since BEML Midwest failed to pay, the Bank concerned invoked the corporate guarantee and claimed from the company. However the company has refused to pay the claim on the ground that the claim relating to forward contracts were entered into without the approval of board of BEML Midwest Limited and that the majority shareholder has misappropriated and acted beyond the mandate without complying with the terms and conditions specified by the Board of BEML Midwest Limited. The matter is pending before Debt Recovery Tribunal (DRT). The company does not envisage any cash outflow in this regard.”

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 M/s. BEML LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of consolidated financial statements of M/s. BEML Limited, Bengaluru for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 1 June 2015 and revised report dated 16 July 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of M/s. BEML Limited, Bengaluru for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of M/s. BEML Limited, Bengaluru and M/s. Vignyan Industries Limited, Tarikere, but did not conduct supplementary audit of the financial statements of M/s. MAMC Industries Limited, Durgapur, M/s. BEML Brazil Industrial Ltda, Brazil and M/s. BEML Midwest Limited, Bengaluru for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

In view of the revisions made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No.31J of consolidated financial statements, I have no further comments to offer upon or supplement to the statutory auditors' report, under section 143(6)(b) read with section 129(4) of the Act.

For and on the behalf of the
Comptroller & Auditor General of India

(V.K.Girijavallabhan)
Principal Director of Commercial Audit.

Bengaluru
27 July 2015

**Corporate Data*****BOARD OF DIRECTORS:***Functional Directors:*

Shri P Dwarakanath
Chairman & Managing Director

Shri C N Durgesh
Director (Mining and Construction
Business)

Shri P R Naik
Director (Defence Business)

Shri Deepak Kumar Hota
Director (HR)

Shri Pradeep Swaminathan
Director (Finance)

Shri Aniruddh Kumar
Director (Rail & Metro Business)

Government Nominee Directors:

Shri Rajnish Kumar
Addl. Financial Adviser & Joint
Secretary
Department of Defence Production
Ministry of Defence

Smt. Kusum Singh
Joint Secretary (P&C)
Department of Defence Production
Ministry of Defence

Independent Directors:

Shri C Balakrishnan
Shri Suhas Anand Bhat
Shri N P Gupta

COMPANY SECRETARY:

Shri M E V Selvamm

CHEIF VIGILANCE OFFICER:

Smt Kavitha Kestur

EXECUTIVE DIRECTORS:

Shri Umesh Chandra
Shri Haldar, AK
Shri Vishwanatha, BR
Shri Prasad, S

CHIEF GENERAL MANAGERS:

Shri Prakash, HS
Shri Ravi, S
Shri Nagaraj Kumar, PV
Shri Panneer Selvam, R
Shri Ramachandra Rao, C
Shri Rajendran, S
Shri Manjunath, BL
Shri Krishna Murthy, KV
Shri Ravi Chander, G
Shri Muralidhara, RH
Shri Suresh S Vastrad
Shri Hasainabba, UK
Shri Venkatesan, S
Shri Sastry, NVS
Shri Krishna, BS
Shri Asit Kumar Nanda
Shri Shankar, B
Shri Sharadkumar K Kalagi

GENERAL MANAGER:

Shri Doshi, TK
Shri Venkatesh, BS
Shri Ravishankar, N
Shri Shivakumar, P
Shri Joe Pulickel
Shri Bhattacharya, BC
Shri Satheesha, NV
Shri Vinod Kumar Pareek
Shri Amit Banerjee
Shri Sreekumar Varma, TK
Shri Ravi Kumar, KS
Shri Kumaresan, S
Shri Radhakrishna, Kr
Shri Kanyana Narayana Bhat
Shri Subramani, C
Shri Narayanayya Hasanadka
Shri Srinivasulu Reddy, S

Shri Raja Sekar, MV
Shri Visweswara Rao, M
Shri Nagaraja Rao, SR
Shri Ranganath, HS
Shri Muthuvalavan, R
Shri Parashar, RR
Shri Kodandaram, N
Shri Mathai, IYPE
Shri Umashankar
Shri Satyesha Simha
Shri Ajit Kumar Srivastav
Shri Nagaraj, P
Shri Aggarwal, VM
Shri Sivasankara Rao, P
Shri Mohanavelan, E
Shri Sanjay Som
Shri Ramamurthy, KB
Shri Mihir Kiron Ray
Shri Jaskan Hemram
Shri Sumanta Kumar Saha
Shri Santosh Kumar Mallick
Shri Ilangovan, K
Shri Sekhar BS
Shri Srinivasan G

BANKERS:

State Bank of India
Canara Bank
State Bank of Mysore
State Bank of Patiala
Bank of India
Bank of Baroda
Union Bank of India
State Bank of Hyderabad
Indian Bank
Axis Bank
Exim Bank
HDFC Bank
IDBI Bank
Deutsche Bank

LEGAL ADVISORS:

M/s Just Law
Bengaluru

M/s Sundaraswamy & Ramdas
Bengaluru

Justice K A Swamy
Bengaluru

National Law School of India
University
Bengaluru

TAX CONSULTANTS:

M/s King & Patridge
Bengaluru

M/s Lakshmi Kumaran & Sridharan
Bengaluru

STATUTORY AUDITORS:

M/s S.R.R.K Sharma Associates,
Chartered Accountants
Bengaluru

SECRETARIAL AUDITORS:

S. Vishwanathan
Practicing Company Secretaries

OFFICES:

**Registered, Corporate Office,
International Business Division &
Technology Division:**

"BEML SOUDHA",
No. 23/1, 4th Main,
Sampangiramanagar
Bengaluru - 560 027

Trading & Marketing Division:

4th & 5th Floor,
Unity Buildings, J C Road
Bengaluru - 560 002

UNITS :

Bengaluru Complex:

P B No. 7501
New Tippasandra Post
Bengaluru – 560075

KGF Complex:

BEML Nagar
Kolar Gold Fields - 563 115

Mysuru Complex:

Belvadi Post
Mysuru - 570018

Palakkad Complex:

KINFRA Park
Menon Para Road
Kanjikode East
Palakkad - 678 621

Subsidiary Companies:

Vignyan Industries Limited
Haliyur, BH Road,
Tarikere Post - 577 228

MAMC Industries Limited
No. 35/1-A, Taratala Road
Kolkata - 700 088

Joint Venture Company:

BEML Midwest Limited
Srinivasa Nilayam
8-2-684/3-55, Banjara Green
Colony
Road No.12, Banjara Hills
Hyderabad - 500 034

Regional Offices:

Bengaluru

Bilaspur
Chennai
Dhanbad
Hyderabad
Kolkata
Mumbai
Nagpur
New Delhi
Ranchi
Sambalpur
Singrauli

District Offices :

Ahmedabad
Asansol
Bacheli
Bengaluru
Bhilai
Bhopal
Bhubaneswar
Chandrapur
Guwahati
Hospet
Jammu
Kochi
Kothgudem
Leh
Madurai
Neyveli
Panjim
Ramagundam
Udaipur
Visakhapatnam

Ongole (Service Activity Centre)
K. D. Hesalong (Project Office)
Meghahatuburu, W.B. (Depot)
Nagpur, Global Service HQ

Overseas Offices :

Brazil
Indonesia



BEML LIMITED

ROUTE MAP

for the venue of 51st AGM of BEML at:

‘API Bhavan, No.16/F, Millers Tank Bed Area, Vasanthanagar, Bangalore - 560052’





Shri Manohar Parrikar, Hon'ble Defence Minister rolled out 750th Metro Car manufactured at Bengaluru Complex during his visit on 17.01.2015 in the presence of Air Chief Marshal Arup Raha, CMD, Directors, Executives and Employees.

Shri K. Siddaramaiah, Hon'ble Chief Minister of Karnataka, inaugurated BEML Stall in the Aero India-2015 at Yelahanka on 18.02.2015.



Parliamentary Committee on Defence lead by Maj. Gen. BC Khanduri, AVSM (Retd) visited Bengaluru Complex on 02.06.2015 and went round the manufacturing facilities in the Complex. CMD and Directors are seen with the Hon'ble Members of the Parliamentary Committee on Defence during equipment demonstration session.



Shri G. Mohan Kumar, Secretary (Defence), rolled out Diesel Electric Multiple Unit (DEMU) manufactured at Bengaluru Complex during his visit to Bengaluru as Secretary (DP) on 13.01.2015.

Shri P. Dwarakanath, CMD has launched Country's Biggest Excavator BE1800E at KGF Complex in the presence of Directors, Executives and Employees on 03.12.2014.



Shri G. Mohan Kumar, Secretary (Defence), launched the Nation's First Electric Dump Truck BH205E at Mysuru Complex during his visit as Secretary (DP) in the presence of CMD and Directors on 05.03.2015.

FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the Standalone annual audit report to be filed with the stock exchanges

1.	Name of the Company	M/s BEML Limited		
2.	Annual financial statements for the year ended	31 st March 2015		
3.	Type of Audit observation	Sl No	Emphasis of Matter in the Statutory Auditors Report	Reference of the Notes in the Accounts
		(i)	Point No.(a) under the section Emphasis of Matter : Note No.18 (i) in respect of Trade receivables from Ministry of Defence (MOD) Rs.925.87 lakhs towards interest rate difference on advance amount received from MOD. This amount pertains to interest rate difference between deposit rate and interest recovered @ 9.50% by MOD during FY 2006-07, 2007-08, and 2009-10 from various bills. The matter has been taken up with MOD and it is under their consideration. And Note No. 18(ii) in respect of Trade receivable from MOD Rs.4899.99 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 realisation of these receivables depends on the final determination of the amount payable by the MOD.	Facts have been elaborated in the Accounts under Note no. 18(i) & 18(ii).
		(ii)	Point No. (b) under the section Emphasis of Matter: Note No.22 (ii) In respect of accounting of revenue including excise duty includes revenue recognized for Rs.8754.77 lakhs in respect of FOR destination contracts, in accordance with Accounting Standard-9 Revenue Recognition on the basis of custodian certificates accepting billing and title to the goods having a Profit of Rs.143.95 lakhs (Previous year Rs.1454.47 lakhs) for the transactions.	Facts have been elaborated in the Accounts under Note no. 22(ii).

		(iii)	Point No. (c) under the section Emphasis of Matter: Note No.14 (a) in respect of the amount advanced to MAMC consortium for Rs. 5,618.55 lakhs, valuation of which depends on approval from Ministry Of Defence, viable business plan and consequential assessment of diminution in the value of the investment, if any.	Facts have been elaborated in the Accounts under Note no. 14(a).
		(iv)	Point No. (d) under the section Emphasis of Matter: Note No.31 (G) regarding pending review/adjustment of old balances and non receipt of confirmation of balance in respect of trade payable, trade receivable, other loans and advances and deposits.	Facts have been elaborated in the Accounts under Note no. 31(G).
		(v)	Point No. (e) under the section Emphasis of Matter: Note No. 10 (B) in respect of change in method of Depreciation followed by the Company as prescribed under Schedule II of the Companies Act, 2013 instead of method specified by Schedule XIV of the Companies Act, 1956 followed up to 31.03.2014.	Facts have been elaborated in the Accounts under Note no. 10(B).
		(vi)	Point No. (f) under the section Emphasis of Matter: Note No.17(e) in respect of provisioning for obsolescence, during the year the company has revised the provisioning norms for obsolescence of non-moving inventory for marketing spares and provided an amount of Rs.576.70 lakhs for the year towards obsolescence as against Rs.3,469.35 lakhs under pre-revised provisioning norms.	Facts have been elaborated in the Accounts under Note no. 17(e).
4.	Frequency of observation	Point no (i) - Relating to Note no. 18(i) repeated from 2011-12 Relating to Note no. 18(ii) repeated from 2013-14 Point no (ii) - Repeated since year 2012-13 Point no (iii) – Repeated since year 2013-14 Point no (iv) - Repeated since year 2008-09 Point no (v) - Appearing for the first time in 2014-15 Point no (vi) – Appearing for the first time in 2014-15		

5. To be signed by

- CMD


- Shri. P. Dwarakanath

- Director (Finance)


- Shri. Pradeep Swaminathan

- Auditor of the company - Shri. S.R.R.K. Sharma, Partner,
S.R.R.K. Sharma Associates.





- Audit Committee Chairman – Shri. C. Balakrishnan



FORM A

(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the Consolidated annual audit report to be filed with the stock exchanges

1.	Name of the Company	M/s BEML Limited		
2.	Annual financial statements for the year ended	31 st March 2015		
3.	Type of Audit observation	Sl No	Emphasis of Matter in the Statutory Auditors Report	Reference of the Notes in the Accounts
		(i)	Point No.(a) under the section Emphasis of Matter : Note No.18 (i) in respect of Trade receivables from Ministry of Defence (MOD) Rs.925.87 lakhs towards interest rate difference on advance amount received from MOD. This amount pertains to interest rate difference between deposit rate and interest recovered @ 9.50% by MOD during FY 2006-07, 2007-08, and 2009-10 for various bills. The matter has been taken up with MOD and it is under their consideration. And Note No. 18(ii) in respect of Trade receivable from MOD Rs.4899.99 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 realisation of these receivables depends on the final determination of the amount payable by the MOD.	Facts have been elaborated in the Accounts under Note no. 18(i) & 18(ii).
		(ii)	Point No. (b) under the section Emphasis of Matter: Note No.22 (ii) In respect of accounting of revenue including excise duty includes revenue recognized for Rs.8754.77 lakhs in respect of FOR destination contracts, in accordance with Accounting Standard-9 Revenue Recognition on the basis of custodian certificates accepting billing and title to the goods having a Profit of Rs.143.95 lakhs for the transactions.	Facts have been elaborated in the Accounts under Note no. 22(i).

		(iii)	Point No. (c) under the section Emphasis of Matter: Note No.14 (a) in respect of the amount advanced to MAMC consortium for Rs. 5,618.55 lakhs, valuation of which depends on approval from Ministry Of Defence, viable business plan and consequential assessment of diminution in the value of the investment, if any.	Facts have been elaborated in the Accounts under Note no. 14(a).
		(iv)	Point No. (d) under the section Emphasis of Matter: Note No.31 (G) regarding pending review/adjustment of old balances and non receipt of confirmation of balance in respect of trade payable, trade receivable, other loans and advances and deposits.	Facts have been elaborated in the Accounts under Note no. 31(G).
		(v)	Point No. (e) under the section Emphasis of Matter: Note No. 10 (B) in respect of change in method of Depreciation followed by the Company as prescribed under Schedule II of the Companies Act, 2013 instead of method specified by Schedule XIV of the Companies Act, 1956 followed up to 31.03.2014.	Facts have been elaborated in the Accounts under Note no. 10(B).
		(vi)	Point No. (f) under the section Emphasis of Matter: Note No.17(e) in respect of provisioning for obsolescence, during the year the company has revised the provisioning norms for obsolescence of non-moving inventory for marketing spares and provided an amount of Rs.576.70 lakhs for the year towards obsolescence as against Rs.3,469.35 lakhs under pre-revised provisioning norms.	Facts have been elaborated in the Accounts under Note no. 17(e).
4.	Frequency of observation	Point no (i) - Relating to Note no. 18(i) repeated from 2011-12 Relating to Note no. 18(ii) repeated from 2013-14 Point no (ii) - Repeated since year 2012-13 Point no (iii) – Repeated since year 2013-14 Point no (iv) - Repeated since year 2008-09 Point no (v) - Appearing for the first time in 2014-15 Point no (vi) – Appearing for the first time in 2014-15		

5. To be signed by


• CMD - Shri. P. Dwarakanath

• Director (Finance) - Shri. Pradeep Swaminathan


• Auditor of the company - Shri. S.R.R.K. Sharma, Partner,
S.R.R.K. Sharma Associates



• Audit Committee Chairman – Shri. C. Balakrishnan


FORM B

(Pursuant to Clause 31(a) of the Listing Agreement)

Format of covering letter of the Consolidated annual audit report to be filed with the stock exchanges

1.	Name of the Company	M/s BEML Limited								
2.	Annual financial statements for the year ended	31 st March 2015								
3.	Type of Audit observation	Qualified								
4.	Frequency of observation	Repeated since year 2009-10								
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<table border="1"> <thead> <tr> <th>Sl No</th> <th>Basis for Qualified Opinion in the Consolidated Statutory Auditors Report</th> <th>Management's response</th> </tr> </thead> <tbody> <tr> <td>(i)</td> <td>As explained in Note 12, the financial statements of the 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 company, net of provision for diminution already made in the value of investment, has not been determined.</td> <td>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. The impact, if any, on account of non-consolidation is not expected to be material.</td> </tr> </tbody> </table> Point no. (i) - Facts have been elaborated in the Accounts under Note no. 12 of Consolidated financial statements and management responses at page no. 138 of Annual Report 2014-15.			Sl No	Basis for Qualified Opinion in the Consolidated Statutory Auditors Report	Management's response	(i)	As explained in Note 12, the financial statements of the 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 company, net of provision for diminution already made in the value of 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. The impact, if any, on account of non-consolidation is not expected to be material.
Sl No	Basis for Qualified Opinion in the Consolidated Statutory Auditors Report	Management's response								
(i)	As explained in Note 12, the financial statements of the 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 company, net of provision for diminution already made in the value of 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. The impact, if any, on account of non-consolidation is not expected to be material.								

6	Additional comments from the board / audit committee chair:	The Consolidation of Accounts can be done only after the JV prepares its accounts after the legal issues are settled. However, the full amount of investment in the JV (₹5.42 crores) is already provided for in the books of BEML Ltd.
7.	To be signed by	• CMD  - Shri.P.Dwarakanath Director (Finance)  - Shri.Pradeep Swaminathan  • Auditor of the company - Shri. S.R.R.K.Sharma, Partner, S.R.R.K.Sharma Associates  • Audit Committee Chairman – Shri.C.Balakrishnan