

Manufacturing Units :

Bangalore Complex

Tel : 080-25242414
e-mail : bemlbgmr@vsnl.com

KGF Complex

Tel : 08153-263020
e-mail : bemlede@vsnl.net.in

Mysore Complex

Tel : 0821-2402422
e-mail : bemlmys@sancharmet.in

International Business Division

Tel : + 91-80-2222 2730, 2223 3350
e-mail : office@export.beml.co.in

Technology Division

Tel : + 91-80-2296 3100-109
e-mail : office@ctd.beml.co.in

Trading Division

Tel : + 91-80-22963113
e-mail : office@trading.beml.co.in

Regional Offices :

Bilaspur

Tel : 07752-252082
e-mail : bilaspur@rm.beml.co.in

Chennai

Tel : 044-28270792
e-mail : chennai@rm.beml.co.in

Hyderabad

Tel : 040-23227032
e-mail : hyderabad@rm.beml.co.in

Kolkata

Tel : 033-22826314
e-mail : kolkata@rm.beml.co.in

Mumbai

Tel : 022-22049490
e-mail : mumbai@rm.beml.co.in

Nagpur

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e-mail : nagpur@rm.beml.co.in

New Delhi

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Ranchi

Tel : 0651-2560370
e-mail : ranchi@rm.beml.co.in

Sambalpur

Tel : 0663-2521604
e-mail : sambalpur@rm.beml.co.in

Singrauli

Tel : 07805-268260
e-mail : singrauli@rm.beml.co.in

BEML Service Centres :

Moula Ali, Hyderabad

Tel : 040-27240873
e-mail : sh@Zonal.beml.co.in

Ongole - Service Activity Centre
Mobile No. : 9440312607

Service Activity Centre

Katni - 483501 (M. P.)
Mobile No. : 9425156473

Service Centre & Stores

Kolkata - 700088
Tel : 033-24010782
e-mail : storeskolkata@rm.beml.co.in

Ref: CS/SEs/66

09.10.2018

National Stock Exchange of India Ltd.
Listing Compliance Department
Exchange Plaza, Bandra-Kurla
Complex, Bandra (East),
MUMBAI - 400 051

The BSE Limited
Listing Compliance Department
P.J.Towers, 26th Floor,
Dalal Street,
MUMBAI - 400 001

Dear Sir/Madam,

Sub: Submission of Annual Report for the Financial Year 2017-18 - Reg.

In terms of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith Annual Report of the Company for the Financial Year 2017-18, as approved and adopted at the 54th Annual General Meeting of the Company held on 27.09.2018.

Thanking you.

Yours faithfully
For BEML LIMITED



S V Ravisekhar Rao
Company Secretary & Compliance officer

Encl: As above



54th ANNUAL REPORT 2017 - 18



Partnering Nation's Progress

BEML LIMITED

DEFENCE & AEROSPACE | MINING & CONSTRUCTION | RAIL & METRO

www.bemlindia.in

CORPORATE VISION, MISSION AND VALUES

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 organizational transformation and 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.
- Adoption of state-of-the-art technologies and bring in new products through Transfer of Technology and in-house R&D.
- Continue to diversify and grow addressing new products and markets with higher turnover from in-house R&D developed products.
- Attract and retain people in a rewarding and inspiring environment by fostering creativity and innovation with lesser attrition levels.
- Offer technology and cost effective total solutions for enhanced customer satisfaction.

C) Values

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

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



Explaining the features of ARRV to Hon'ble RM.



Releasing Hull of T-72 Tank at KGF Complex.



Parliamentary Committee going around canteen facilities at BC.



Unveiling the Medium Bullet Proof Vehicle at DEFEXPO 2018.



BEML Rail Pavilion at IREE 2017.



2017-18



CHAIRMAN'S LETTER

Dear Fellow Shareholders

It is my pleasure to share with you that your Company has posted an excellent performance during the year 2017-18 despite severe competition and challenging business environment.

The Annual Report brings to you the audited statement of accounts and other related documents for the financial year 2017-18 for your consideration and adoption at the ensuing Annual General Meeting.

Performance Highlights

Your Company has recorded an **all-time high net revenue of ₹3246 Crs.** for the financial year ended 31.03.2018 with an impressive **growth of 30% over previous year.**

The **Rail & Metro business** achieved record production / sales of 244 Metro cars and registered a **growth of 114%** over the previous year.

The **Mining & Construction business** registered a **growth of 11%** over the previous year.

The **Defence business** posted a **growth of 10%** over the previous year despite constraints. The Spare Parts business registered two-fold increase in revenue.

With increased business and continued focus on cost control, your company has registered a **Profit Before Tax of ₹164 Crs, - a jump of 67% over previous year** which is the highest in the last seven years.

Value added per Employee has **jumped by 25% over previous year.**

Employee cost to revenue from operations, - **down by 6%.**

Earnings per Share (EPS) of ₹31.08, - **highest in last 8 years.**

Competition

Amidst stiff competition, **83% of sales was achieved from orders obtained through competition mode.** We have maintained a major market share in Dozers and Dumpers market of Mining & Construction equipment.

Research & Development

During the year, in-house R&D took many initiatives for design and development of high technology products, aggregates and upgradation of existing products in all the 3 business verticals including design and development of 180T Excavator Model BE1800D, 800 HP Bulldozer Model BD475-1, Arjun- Armoured Repair & Recovery vehicle, Intermediate Metro Cars for Bangalore Metro and Metro Cars for Kolkata Metro.

An Innovation Cell has been created to scout for new technologies, explore potential partnerships with academic institutions and start-ups to **develop new products and aggregates**, R&D awards have been instituted to identify and encourage R&D Engineers.

Engaging with premier academic institutions and working closely with R&D establishments like DRDO and ARAI to develop new products, have yielded significant dividends.

Defence

Arjun Armoured Recovery and Repair Vehicle (ARRV) has been Designed & Developed and supplied to CVRDE.

Manufacturing of Trawl assembly for T-72 tanks and Development of aggregates for the Quick Reaction Surface to Air Missile (QRSAM) were also completed during the year.

Under 'Make in India' initiative, Medium Bullet Proof Vehicle (MBPV) and 155mm Mounted Gun System were developed and showcased at DEFEXPO 2018.

Rail & Metro

First 3-car Metro Train set was supplied to BMRCL ahead of schedule.

2 Train sets to KMRCL have also been supplied and further orders will be executed during 2018-19.

Your Company has received developmental orders for supply of 20 sets of LHB Shells and Boggles.

Mining & Construction

Your Company has bagged Trial-cum-sale Order for in-house designed and developed High End Dump Trucks (BH150E and BH205E).

Furthermore, orders for other High End products viz. Dozers (BD475-1), Excavators (BE1800D) are being pursued.

Your Company also is in the process of finalizing the technology partner in other high capacity products.

BHEL has drawn a road map to maximize geo-strategic reach, minimize import bill, and increase domestic production capacity and integration of innovation & research through '**Centers of Excellence**' to drive integrated R&D, collaboration among CPSEs on specific R&D projects and leveraging technology platforms.

Performance vis-à-vis MoU

Your Company has performed well in all key performance parameters for the financial year 2017-18, in terms of the Memorandum of Understanding (MoU) signed with the Department of Defence Production, Ministry of Defence (MoD), Government of India.

Self-Reliance

Your company is committed to the success of 'Make in India' programme launched by Government of India.

Achieved **level of indigenization** over **90%** in the mainline M&C products, Rail Coaches & EMU's, over **80%** in High Mobility Vehicles (HMV) and over **67%** in Metro cars. Further, efforts are underway to reach higher levels.

The new Public Procurement Policy announced by GoI has given a new impetus for local manufacturers by way of eligibility to address the surging Metro Market in India.

Procurement from MSEs was 26% of the total indigenous procurement as against 20% stipulated by the Government of India.

IT Initiatives

Your Company under took various initiatives on the Information Technology front to enable business operations on e-mode viz. e-procurement, upgradation of SRM, data recovery center, video conferencing, procurement through government e-portal, bio-metric attendance etc.

To leverage Information Technology and to draw more mileage commercially, your Company has drawn up a **comprehensive IT plan** covering Cyber Security Systems, Complaint Handling System, FLMS, amongst others.

Digital Initiatives

Under Digital initiatives, **100% digitization of all business activities for payments and receipts** have been implemented. Some of these are as follows:

- (i) Online payment to all vendors, employees and statutory authorities with no cash payment.
- (ii) For imprest payments, pre-paid cards have been issued to all employees concerned.
- (iii) Point of Sale machines have been installed at all Company Guest House locations.
- (iv) Company arranged seminars and presentations at work locations and townships to sensitize and promote the digital modes available for payments and receipts.

Human Resources

Your Company views its **people as central to the success of its journey of value creation** thus focusing on creating a vibrant work environment.

The promotion policy of executives was reframed to ensure more objectivity and transparency in the process with the introduction of Assessment Development Centers for promotion to senior management levels and online promotion tests for middle and junior management levels.

HR portal SAMPARK was developed with the features of Employee Self Service, online performance system and online Vigilance clearance.

The **HR Utilization study** which was conducted has given valuable inputs for process re-engineering, and optimization of human capital.

Your Company has put in place a succession plan framework for critical positions and **Leadership Development Program** for various levels of management.

Senior executives are deputed on continuous basis to prestigious leadership programs in IIMs/ XLRI and abroad to keep them updated on various national & international developments.

Centers of Excellence have been established at all Manufacturing Complexes and imparted training and skill development programs to in-house employees as well as customers and students from educational institutes.

Over 1200 Graduates / Diploma / Trade Apprentices have been trained during the year – which was more than 10% of the laid norms.

Biometric attendance system with central monitoring facility was installed across the Company to bring in efficiency and transparency.

Future Outlook

In Defence & Aerospace sector thrust on **import substitution through indigenization and the Make-in-India initiative** has opened up many opportunities.

Defence & Aerospace

Plans are put in place to **diversify into new products** viz. Recovery & Repair vehicles for Battle Tanks, Mounted Gun Systems, Mine Protected Vehicles, Futuristic Infantry Combat Vehicles, Overhauling of High Mobility Vehicles & Armoured Recovery Vehicles, Mine Clearing Systems & aggregates for Missile Systems and Fighting Vehicles.

Spare parts business structure has been revamped to increase the business.

Your Company is also working with **other DPSUs for supply of Launching Vehicles and aggregates for various Missile Programs and Aerospace Components** in addition to its core business. Further, development of 1500 HP engine for Defence application is under progress, which will be first of its kind in India.

Rail & Metro

In Rail & Metro segment, your Company has been successfully executing Metro Rail projects in multiple cities in India and is presently executing orders from Bangalore & Kolkata Metro corporations.

Metro Rail projects have been planned in a number of Metro & Non-Metro cities in India as part of urban development programme and should provide a steady growth opportunities for your Company.

Your Company has **received developmental Orders** for supply of **LHB Coach Shells and Bogies**. Sub-urban trains are also graduating to IGBT-based 3 phase electrics and BHEL is geared up to supply first set of Main Line Electric Multiple Units during current year.

Maintenance equipment requirements are also increasing for Overhead Inspection Cars, Track Laying, Rail Grinding & Track Cleaning Machines.

In the above scenario, the Company will focus on **emerging new business opportunities** including Medium / High Speed Coaches and also develop new products / aggregates to align with the market requirements.

Mining & Construction

In Mining & Construction segment, with the Government's increased emphasis on infrastructure projects, the **demand for construction equipment is going up** which augurs well for the Company.

Towards **business expansion**, your Company has planned to enter into High-end Mining Equipment, Continuous Miner & Mine Cruiser and also design & development of Rope Shovels through in-house R&D / Partnership.

Exports

Your Company **continues to pursue international business opportunities** for increase in Export Business and is in the process of augmenting distributor network in identified countries for supplying Rail & Metro and Defence Equipment in addition to Mining & Construction equipment.

Your Company has an **order book position of over ₹6700 Crs.**

Your Company's vision is to emerge as a strong player in each of the three business verticals.

With a view to **upgrade and augment the existing production facilities and to meet the future requirements**, the Company has incurred a **Capex of ₹70 Crs** during the year and has planned an **outlay of ₹148 Crs.**

Your Company stays mindful of and responsible to corporate governance developments and responsible for the oversight and review of the Company's rules and regulations and dealing in a transparent, fair and corruption free operational environment.

A detailed report on **compliance of the guidelines on Corporate Governance** under the listing regulations and the guidelines issued by the Department of Public Enterprises for CPSEs form part of the Board's Report.

Several **preventive vigilance activities** were undertaken across the Company with the objective of promoting integrity, transparency, accountability, equity, efficiency and productivity in work areas by leveraging technology and making systemic improvements.

I am confident that with continuous dedicated efforts, commitment and hard work, and a conducive business environment your Company shall move to achieve greater heights in 2018-19.

I assure you, that your Company is committed to enhance value creation for its stakeholders and society at-large by taking up activities and initiatives for sustainable growth with environmental concern.

CSR & Sustainable Development

Sustainability and Social Responsibility are an integral part of the Company's business strategy. Your Company has brought in a wider perspective to Corporate Social Responsibility and Sustainability through various programs on health, education, Swachh Bharat Campaign, skill-building, reducing carbon emissions etc.

The projects undertaken by your Company to reach the **goal of utilizing 75% renewable energy** for captive consumption and reduce the carbon footprint, is almost nearing realization. Number of other initiatives to ensure cleaner environment and complete change over to LED lighting was undertaken across the Company. Bio gas plants have been set-up for utilization of organic and canteen waste.

Customer Satisfaction

Your Company has initiated various measures for availability of **Spare Parts and serviceability 24x7** and has opened 3 new Service Centers / Spare Parts Office at Jodhpur, Likabali and Pune to support Defence Forces.

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

Awards

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

- 'Metro Team' won the prestigious **QCI – DL Shah National Quality Award 2017** - A case study on 'Ensuring Zero Defect in Metro Coach Bogey manufacturing by Business Process Reengineering' based on Six Sigma using Taguchi Method.
- Received **Certificate of Yellow Dot Award from Government of Karnataka** for 50+ years of invaluable contribution in the field of infrastructure and construction sector to build a strong Nation.
- Bagged the **SKOCH ORDER-OF-MERIT Award** for qualifying amongst 'Top 80 Technology Projects in India' for Design and Development of '180T Electric Excavator BE1800E'.
- Bagged '**Top Public Sector Exporter in Southern Region (GOLD)**' award for the year 2015-16 organized by Federation of Indian Export Organization (FIEO), under Ministry of Commerce.
- Our employee from Mysuru Complex was awarded Prime Minister's '**Shram Shree Award**' for the year 2016.
- Two R&D engineers received **Technology Innovation awards from SODET** (Society of Defence Technologists) for Design & Development of 'Stainless Steel EMU' & 'Design and Development of All Wheel Steering System (AWS) for BEML HDT 8x8 Vehicle'.

Acknowledgements

On behalf of the Board of Directors of the Company, I would like to thank our valuable customers, our extended partners including suppliers and other stakeholders for their trust and support. I would also like to express my deep appreciation to all Unions, Associations, Employees and Executives for their untiring efforts and contribution.

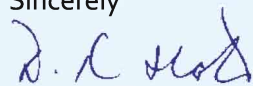
I wish to take this opportunity to thank all my fellow Directors on the Board for their invaluable guidance and support rendered for running the operations of your Company.

I also gratefully acknowledge the support and encouragement extended by our Administrative Ministry, the Ministry of Defence and in particular, the Department of Defence Production and other allied Administrative Departments of the Government of India in steering the Company and co-operation received from partners in progress.

Finally I thank you all for your continued trust, confidence and support.

Best regards

Sincerely



Deepak Kumar Hota

Chairman & Managing Director
Bengaluru

BOARD OF DIRECTORS



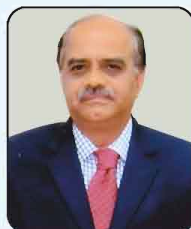
Shri D K Hota
Chairman & Managing Director



Shri Rajib Kumar Sen
Government Nominee Director
Economic Advisor
Ministry of Defence



Shri B R Viswanatha
Director (Mining &
Construction Business)



Shri R H Muralidhara
Director
(Defence Business)



Shri Suraj Prakash
Director (Finance)



Shri Sudhir Kumar Beri
Independent Director



Shri M G Raghuveer
Independent Director



Shri B P Rao
Independent Director



Shri Gurmohinder Singh
Independent Director

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Cleanliness Drive at Mysuru Brindavan Garden.



Observing Swachhta Pakhwada 2017.



PM's Shram Shree award for BEML Employee



Say no 'Plastic pet water bottles' and promoting to use RO treated water.



New Bio Gas Plant at Bangalore Complex towards Go-Green Initiative.

FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

S. No	PARTICULARS	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
A	Our earnings										
	Gross Revenue	327762	280682	314769	264532	318115	309164	350432	342957	343268	270913
	Export	2814	3016	27523	48433	8105	19813	14405	21750	15625	30434
	Total Gross Revenue	330576	283698	342292	312965	326220	328977	364837	364707	358893	301347
	Less: Value of Consortium supplies	35	232	13859	13048	14203	29090	72779	82091	58302	8257
	Revenue net of Consortium Supplies	330541	283466	328433	299917	312017	299887	292058	282616	300591	293090
	Less: Excise Duty	5987	33585	30372	18998	20866	18996	19409	17392	13641	13373
	Revenue from operations	324554	249881	298061	280919	291151	280891	272649	265224	286950	279717
	Change in WIP/SIT	(1866)	12509	(24371)	(20926)	(9706)	6992	42882	14800	15099	28072
	Value of Production (with Revenue from Operations)	322688	262390	273690	259993	281445	287883	315531	280024	302049	307789
	Value of Production (with Gross Revenue)	328710	296207	317921	292039	316514	335969	407719	379507	373992	329419
B	Our outgoings										
	Cost of materials	172544	134573	147724	137368	161734	172427	184633	165880	180084	185089
	Employee Remuneration & Benefits	80850	78072	75453	76911	71676	73940	72508	68315	55514	56919
	Interest	4809	4780	4903	7051	11046	14099	8843	6127	4893	3925
	Depreciation & amortisation exp	6424	6198	5577	5214	5356	5025	4392	3364	3222	2731
	Other Expenses	50160	68768	66829	57720	59520	64992	65310	55330	50637	44669
C	Our savings										
	PBDIT	27612	20807	18272	12956	17310	6891	19881	28166	40070	45403
	PBIT	21188	14609	12695	7742	11954	1866	15489	24802	36848	42672
	PBT	16379	9829	7792	691	908	(12233)	6646	18675	31955	38747
	PAT	12945	8444	6366	676	468	(7987)	5725	14976	22285	26884
	Other Comprehensive Income (net of tax)	7066	1189	1,051	-	-	-	-	-	-	-
	Total Comprehensive income	5879	7255	5315	676	468	(7,987)	5,725	14,976	22,285	26,884
D	Own capital										
	Equity	4177	4177	4177	4177	4177	4177	4177	4177	4177	4177
	Other Equity	215846	213978	208728	203914	203807	203826	213031	209727	199607	187360

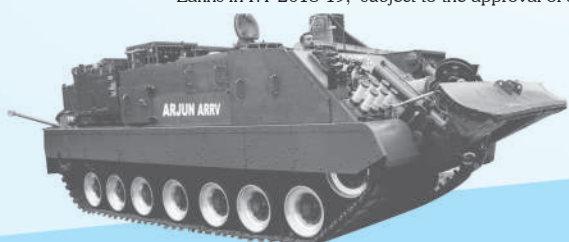


FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

S. No	PARTICULARS	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09
E	Loan capital										
	Loans from Banks	13502	11285	19245	24553	54110	85181	83335	67419	75305	47091
	Other loans	31055	32286	37515	39498	41481	40959	12525	14091	15550	9673
F	Financial Statistics										
	Net worth	220023	218155	212905	208091	207984	208003	217208	213904	203639	190708
	Property, Plant & Equipment and Intangible assets (at cost)	75597	68294	59789	47230	120062	118377	112845	94543	79871	74951
	Accumulated depreciation & amortisation	17312	11208	5344	-	70193	65303	59923	55590	52484	49402
	Net Block	58285	57086	54445	47230	49869	53074	52922	38953	27387	25549
	Inventories	179951	197446	169628	192117	215210	245620	242241	188891	165300	162058
	Trade Receivables	164223	144137	124043	124182	115671	122452	100598	128840	136074	154527
	Working capital	207781	212666	202534	202954	198422	206756	205462	162399	259646	218771
	Capital Employed	266066	269752	256979	250184	248291	259830	258384	201352	287033	244320
	Value added	150144	127817	125966	122625	119711	115456	130898	114144	121965	122700
	Dividend-Excl. Tax *	3332	1666	416	416	1041	2082	4164	4164	4997	4997
	R&D Expenditure	10204	7808	6663	8292	8623	9436	9779	9433	9720	3198
	No. of Employees (Nos)	7722	8221	8827	9599	10328	11005	11644	11798	12052	12600
G	Financial Ratios										
	Revenue from operations per Employee	42.03	30.40	33.77	29.27	28.19	25.52	23.42	22.48	23.81	22.20
	Value Added per Employee	19.44	15.55	14.27	12.77	11.59	10.49	11.24	9.67	10.12	9.74
	PBT to Revenue from operations (%)	5.05	3.93	2.61	0.25	0.31	(4.36)	2.44	7.04	11.14	13.85
	PBIT to Capital employed (%)	7.96	5.42	4.94	3.09	4.81	0.72	5.99	12.32	12.84	17.47
	PAT to Net worth (%)	5.88	3.87	2.99	0.32	0.23	(3.84)	2.64	7.00	10.94	14.10
	Debt Equity ratio (Times)	0.20	0.20	0.27	0.31	0.46	0.61	0.44	0.38	0.45	0.30
	EPS (₹)	31.08	20.28	15.29	1.62	1.12	(19.18)	13.75	35.96	53.51	64.56
	Dividend (%) *	80.00	40.00	10.00	10.00	25.00	50.00	100.00	100.00	120.00	120.00
	Revenue from operations to Capital employed (%)	121.98	92.63	115.99	112.28	117.26	108.11	105.52	131.72	99.97	114.49

* For FY 2017-18, Board has recommended a dividend of ₹8/- per equity share (i.e., 80%), this would result in a cash outflow of approximately ₹3332 Lakhs in FY 2018-19, subject to the approval of shareholders at the Annual General Meeting.



NOTICE

NOTICE is hereby given that the 54th Annual General Meeting of BEML Limited will be held on **Thursday, the 27th September, 2018 at 11.30 hours** at **'Grand Ball Room', The Chancery Pavilion, No.135, Residency Road, Opp. Bangalore Club, Shanthala Nagar, Ashok Nagar, Bengaluru - 560 025**, to transact the following business:

I. ORDINARY BUSINESS

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

“RESOLVED that the Audited Standalone Financial Statement of the Company for the year ended 31.03.2018 and the Reports of the Board of Directors and Auditors thereon, and also the Audited Consolidated Financial Statement of the Company as on that date and Report of Auditors thereon, be and are hereby received, considered and approved.”

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

“RESOLVED that a Dividend of ₹8/- per share i.e., 80% on the paid-up value of the equity shares of the Company, absorbing ₹33.32 Crs for the year 2017-18, as recommended by the Board of Directors, be and is hereby considered and declared out of the profits for the year 2017-18 and the same be paid to those shareholders whose names appear on the Register of Members of the Company as on the date of Book Closure and beneficial owners under demat form as per the list furnished by the Depositories based on the said date of book closure.”

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

“RESOLVED that Shri B R Viswanatha (DIN-07363486), who retires by rotation and

being eligible, offering himself for re-appointment, be and is hereby re-appointed as Director (Mining & Construction Business) of the Company.”

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

“RESOLVED that Shri R H Muralidhara (DIN-07363484), who retires by rotation and being eligible, offering himself for re-appointment, be and is hereby re-appointed as Director (Defence Business) of the Company.”

5. Fixation of remuneration of the Auditors for the year 2018-19:

“RESOLVED that pursuant to the provisions of Section 142 of the Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to fix the remuneration and other terms and conditions of the Statutory Auditors of the Company appointed by the Comptroller and Auditor General of India for the year 2018-19.”

II. SPECIAL BUSINESS

6. To consider and if thought fit, to pass the following resolution for Appointment of Director (Finance) as an Ordinary Resolution:

“RESOLVED that the appointment of Shri Suraj Prakash (DIN-08124871), as Director (Finance) of the Company with effect from 10.05.2018 on the terms and conditions as stipulated by the Government of India, be and is hereby approved.”

7. To consider and if thought fit, to pass the following resolution for Appointment of Government Nominee Director as an Ordinary Resolution:

“RESOLVED that the appointment of Shri Rajib Kumar Sen (DIN-07669981), as Government



Nominee Director of the Company with effect from 30.05.2018 on the terms and conditions as stipulated by the Government of India, be and is hereby approved.”

8. To consider and if thought fit, to pass the following resolution for Appointment of Independent Director as an Ordinary Resolution:

“RESOLVED that the appointment of Shri Gurmohinder Singh (DIN-08199586), as an Independent Director of the Company with effect from 13.08.2018 on the terms and conditions as stipulated by the Government of India, be and is hereby approved.”

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 ₹1,21,000 inclusive of GST and out-of-pocket expenses, payable to M/s. R M Bansal and Co, Bengaluru, Cost Auditors, as duly appointed by the Board of Directors of the Company to conduct the audit of the Cost Records of the Company for the FY 2018-19, be and is hereby ratified.”

By order of the Board
For BEML Limited

Sd/-

Bengaluru
23.08.2018

S V Ravi Sekhar Rao
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. 11.30 Hours on 25.09.2018.
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. Members are requested to bring this Annual Report to the AGM.

7. Pursuant to the provisions of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as 'Listing Regulations'] permits companies to send documents like Notice of AGM, Annual Report and other documents through electronic means to its members at their registered email addresses. Accordingly, the Annual Report including Notice is being sent in electronic form to the shareholders whose registered e-mail IDs are available with the Company / Registrar and Share Transfer Agent (RTA). These documents will also be available on the website of the Company www.bemlindia.in. Printed copies of Annual Report including Notice of AGM for the year ended 31.03.2018 would be dispatched to those Members, whose Depository Participant accounts do not contain the email address. The physical copies of relevant documents including audited financial statements of the subsidiary companies will be made available at the Company's registered office at



Bengaluru for inspection between 9.00 A.M. to 5.45 P.M. on working days (barring Saturday and Sunday) prior to the AGM.

8. Members may visit the website of the Company www.bemlindia.in for more information on the Company.
9. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least ten days in advance of the AGM so that the replies may be made available at the AGM.
10. 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.karvycomputershare.com

11. Investor Grievance Redressal:

The Company has an exclusive page for lodging complaints online through 'Online Investor Complaints' which enables investors to register their complaints, if not adequately addressed by the STA.

12. 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.
13. Pursuant to SEBI circular ref SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders whose ledger folios do not have or

having incomplete details with regard to PAN and Bank particulars are required to compulsorily furnish the details to the RTA / to the company for registration in the folio, so that investments held by the shareholders will be fully protected with proper KYC compliance.

14. Further, pursuant to amendment notified in the Listing Regulations on 08.06.2018 which would come into force on 05.12.2018, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.
15. 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.
16. Pursuant to Regn. 36(3) of the Listing Regulations, the brief resume / profile of the Director eligible for re-appointment is attached hereto.
17. In terms of Regn. 42 of the Listing Regulations, the Register of Members and Share Transfer Book will remain closed from 22.09.2018 to 27.09.2018 (both days inclusive) for the purpose of the AGM.
18. Member(s) can opt for either voting through electronic means or physical voting at the AGM. Any member, who has exercised e-voting can participate in the AGM. However, he shall not be allowed to vote in the meeting again and his earlier e-voting shall be treated as final.
19. Pursuant to Regn. 44 of the Listing Regulations, 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 22.09.2018 to 5.00 P.M. on 26.09.2018. 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 21.09.2018.

20. The dividend declared at the AGM will be paid on or after 03.10.2018, 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 21.09.2018. 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.

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

Dividend for the financial year	Date of Declaration	Unclaimed as on 31.03.2018 (₹ in lakhs)	Due for transfer on
2010-11	29.08.2011	6.84	04.10.2018
2011-12	14.09.2012	4.54	20.10.2019
2012-13	13.09.2013	2.41	19.10.2020
2013-14	18.09.2014	1.69	24.10.2021
2014-15	15.09.2015	1.43	21.10.2022
2015-16	15.09.2016	6.27	21.10.2023
2016-17	21.09.2017	10.86	27.10.2024
Total		34.04	--

Members who have not received their dividend 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.6 to 8 - Appointment 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, the following appointments on the Board of your Company were effected as per the directives of the President of India:

- Shri Suraj Prakash (DIN-08124871), General Manager, M/s BHEL Limited, was appointed as Director (Finance) of the Company vide MoD letter No.8(2)/2016-D(BEML) dated 09.05.2018, as per the directives of the President of India. He took charge on 10.05.2018.
- Shri Rajib Kumar Sen (DIN-07669981), Economic Adviser, Ministry of Defence was appointed as Government Nominee Director vide MoD letter No.8(80)/2015-D(Coord/DDP) dated 30.05.2018 in place of Shri Sanjay Prasad.

- Shri Gurmohinder Singh (DIN-08199586), was appointed as Independent Director vide MoD letter No. 8(2)/2014-D(BEML) dated 10.08.2018 and his appointment had taken effect from 13.08.2018.

Pursuant to the provisions of the Companies Act, 2013, relating to appointment of Directors, it is necessary to place the aforesaid appointments before the members of the Company seeking their consent.

Further, as per the terms of Regulation 36(3) of the Listing Regulations, brief profile of the said Directors is given as under:

Shri Suraj Prakash, Director (Finance)

Shri Suraj Prakash (DIN-08124871) has been appointed as Director (Finance) and Member on the Board of BEML Limited. He assumed charge on 10.05.2018. Shri Prakash is a Cost Accountant from the Institute of Cost Accountants of India. Prior to assuming charge of the post of Director (Finance),



he was the General Manager (Finance) of M/s BHEL Limited. He has rich and varied experience in Indirect Taxation, Tax Management, Tax optimisation, Systems improvement, Role as a core member in various key policies decision like policy formulation, formation of consortium, technology collaboration, merger & acquisition, evaluation / appraisal of investment in JVs and capex investment etc. He was Chairman, Noida Chapter of the Institute of Cost Accountants of India during 1999-2001 and 2009-2012.

Shri Rajib Kumar Sen, Government Nominee Director

Shri Rajib Kumar Sen (*DIN-07669981*) is double post-graduate, M.Sc. in “Public Management and Governance” from London School of Economics and M.Sc. (Economics) from Calcutta University. He joined Indian Economic Service (IES) in September 1993. Presently posted as Economic Adviser in the Ministry of Defence and handling the work relating to International Cooperation, Offsets, Policy Related issues of the Department. Over the period, Shri Sen has served in various capacities in different functional areas as Research Officer in Financial Resources Division in Planning Commission, Government of India. He has worked as Assistant Commissioner in Ministry of Rural Development, Government of India. He has worked in various capacities in State Govt. of Goa.

Shri Gurmohinder Singh, Independent Director

Shri Gurmohinder Singh (*DIN-08199586*) holds Ph.D (1995) from Delhi University and having Post Graduate Diploma in Journalism (1992) from Bhartiya Vidya Bhawan. Presently Shri Singh is working as Vice Principal of Sri Guru Nanak Dev Khalsa College, Delhi University and also Associate Professor in Department of Punjabi. He is having about 24 years of academic and teaching experience. Shri Singh has published various books and articles from time to time.

Shri Suraj Prakash, Shri Rajib Kumar Sen and Shri Gurmohinder Singh, do not hold any equity shares

in the capital of the Company and also not having any inter-se relationship among the directors of the Company. The said Directors, being the appointees concerned, are considered to be interested in the proposed resolutions. The Board commends the resolutions for the approval of the members.

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. R M Bansal and Co, Bengaluru, Cost Accountants, upon annual remuneration of ₹1,21,000 inclusive of GST and out-of-pocket expenses to conduct the audit of the Cost Records of the Company for the financial year 2018-19.

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 2018-19 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 above proposed resolutions.

By order of the Board
For BEML Limited

Sd/-

Bengaluru
23.08.2018

S V Ravi Sekhar Rao
Company Secretary



Details of Directors seeking re-appointment as required under Regn. 36(3) of the Listing Regulations:

Shri B R Viswanatha, Director (Mining & Construction Business):

Shri B R Viswanatha assumed charge as Director (Mining & Construction Business) w.e.f. 01.02.2016. Shri B R Viswanatha is a Mechanical Engineer from National Institute of Engineering, Mysuru, and holds Master's degree in Engineering from the Indian Institute of Science, Bengaluru. He joined the Company in 1974. Over the period, he has served in various capacities in different functional areas of the Company like Production, Quality Engineering and Marketing. Prior to assuming charge as Director, Shri. B R Viswanatha was the Executive Director heading KGF Complex.

Further, he is the Chairman of Share Certificate Committee and a member of Audit Committee, Stakeholder Relationship Committee, Corporate Social Responsibility & Sustainability Committee and Procurement Committee of the Company.

He is also the Chairman of the Board of M/s. Vignyan Industries Limited, M/s. MAMC Industries Limited and Director on the Board of M/s. BEML Midwest Limited.

Shri R H Muralidhara, Director (Defence Business)

Shri R H Muralidhara assumed charge as Director (Defence Business) w.e.f. 01.03.2016. Shri R H Muralidhara is graduated in Mechanical Engineering from Mysore University. He joined the Company in the year 1983. Over the period, Shri. Muralidhara served in various capacities in different functional areas of the Company including Quality, Planning, Production in Defence as well as in Mining & Construction vertical apart from heading Mysuru Complex. Prior to assuming the present position, Shri Muralidhara was the Chief General Manager, Defence Production at KGF Complex.

Further, he is the member of Stakeholder Relationship Committee, Share Certificate Committee, Corporate Social Responsibility & Sustainability Committee and Procurement Committee of the Company.

He is also the Member of the Board of M/s. MAMC Industries Limited and M/s. BEML Midwest Limited.

Shri B R Viswanatha and Shri R H Muralidhara, do not hold any equity shares in the capital of the Company and also not having any inter-se relationship among the directors of the Company.



BOARD'S REPORT

Your Board of Directors has pleasure in presenting the 54th Annual Report and Audited Accounts for the year ended 31.03.2018.

Financial results:

	(₹ Crores)	
Particulars	2017-18	2016-17
Gross Revenue	3306	2837
Revenue from operations	3305	2835
Profit before Depreciation, Interest and Tax	276	208
Finance costs	48	48
Depreciation and amortization expense	64	62
Profit Before Tax	164	98
Tax Expense	34	14
Other Comprehensive Income	71	12
Total Comprehensive Income	59	73
Profit available for appropriations	280	292
Debenture Redemption Reserve	-	31
Balance c/f	280	261

Turnover & Profitability:

Your Company achieved all time high Revenue from Operations of ₹3305 crores as against ₹2835 crores in the previous year, registering growth of 16.61% compared to previous year Revenue from Operations. The increase in sales is mainly on account of increase in the turnover of Rail & Metro Business due to increase in sale of metro cars to Delhi Metro Rail Corporation under RS-10, RS-13 and Kolkata Metro Rail Corporation projects. In addition to the above, Mining & Construction business and Defence business also contributed to the growth in turnover over previous year.

The Value of Production (net of consortium supplies and excise duty) is ₹3227 crores as against ₹2624 crores in the previous year. The Profit before Tax was about ₹164 crores as against Profit before Tax of ₹98 crores recorded in the previous financial year, which is the highest ever in the last six years.

There was no change in the nature of business of the Company during the year. Further, there was no material change / commitment occurred affecting the financial position of the Company subsequent to the financial year ended 31.03.2018 till the date of this report.

Performance vis-à-vis MoU:

Performance of your Company, in terms of the Memorandum of Understanding (MoU) signed with the Department of Defence Production, Ministry of Defence (MoD), Government of India, was rated as "Very Good" for the financial year 2016-17 and the rating for the financial year 2017-18 is under self-evaluation.

Dividend:

Your Board of Directors has recommended a dividend of ₹8/- per equity share i.e., 80%, for the year 2017-18 keeping in view the future prospects of the Company and at the same time meeting the aspirations of the shareholders.

Order Book Position:

The Order Book of Company as on 01.04.2018 is over ₹6700 crores. The Order book comprises of three business verticals, i.e., Mining & Construction, Defence, Rail & Metro.

Exports:

During 2017-18, your Company made exports aggregating ₹28.53 crores (physical exports of ₹28.13 crores and export incentive of ₹0.40 crores) as against ₹30.80 crores (physical exports of ₹20.18 crores, deemed exports of ₹9.98 crores and export incentive of ₹0.64 crores) during the previous year.



Strategic Disinvestment:

Ministry of Defence vide its letter dated 01.12.2016 communicated that Cabinet Committee on Economic Affairs (CCEA) had accorded “in-principle” approval for strategic disinvestment of the Company. Department of Investment and Public Asset Management (DIPAM) vide its O.M. dated 19.12.2016 communicated that an Inter-Ministerial Group (IMG) had been constituted by the competent authority for the purpose of appointing intermediaries such as Asset Valuer (AV), Transaction Advisor (TA) and Legal Advisor (LA) for the strategic disinvestment of 26% equity in the Company out of Government of India shareholding of 54.03%. After confirmation, the Company vide letter dated 06.01.2017 intimated NSE and BSE about the ‘in-principle’ approval of CCEA and also posted on the web-site of the Company, in terms of Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [hereinafter referred to as ‘Listing Regulations’].

As per the terms, MoD has appointed M/s RBSA Valuation Advisors LLP, Ahmedabad as Asset Valuer, and DIPAM has appointed M/s. SBI Capital Markets Limited as TA and M/s Crawford Bayley as LA respectively.

Further, DIPAM has advised that due diligence to be undertaken for taking further action in the matter.

Quality:

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

All manufacturing divisions have been certified for Quality Management System (QMS) as per ISO 9000-2008 standard. KGF Complex, Bengaluru Complex and Mysuru Complex are also certified for Environmental Management System (EMS) as per ISO 14000. Two manufacturing divisions, Bengaluru

Complex and Hydraulics & Powerline Division have been awarded with the above certifications as per 2015 version standards and for remaining manufacturing units, the same certification is planned by September 2018.

Further, Bengaluru Complex is certified as per BS OHSAS 18001-2007 Integrated Management System standard and Aerospace Manufacturing Division (ASMD), Mysuru complex is certified as per AS9100C standard.

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

- Customer complaint handling system was created to enable direct on-line logging of complaints through company website and analyzing complaints to channelize quality improvement actions.
- Vendor development remains a continuous “focus area” to improve quality of vendors’ supplies. Focus is given to upgrade the quality system of vendors by extending support and encouraging vendors to upgrade facilities and implement quality systems. These initiatives have resulted in increase in the number of ISO 9000 certified vendors and improved quality performance.
- Various Quality Assurance initiatives have been taken up such as introduction of additional jigs and fixtures, imbibing the Concept of 5S, Kaizen, Zero defect work centers and Quality Circles, across the company with target based monitoring of progress by each manufacturing division, and have resulted in lower internal and external failure costs.
- Periodic process / system audits are being conducted, and feedbacks are given to vendors on continuous basis with regard to the rejections and necessary guidance given for corrective and preventive action, for process / system improvements right from development stage to ensure quality in their supplies.



- Quality Improvement Projects are identified across the divisions, through Cross Functional Teams. Wherever design modifications are required the same is effected to enhance product reliability in the form of Design improvement projects.
- Quality Circle Team “Metro” from Bengaluru complex has won the prestigious QCI – DL Shah National Quality award 2017 for the case study “Ensuring Zero defect in Metro coach bogie manufacturing by Business Process Re-engineering”.
- Your Company has upgraded the existing Laboratory facilities, at Kolar Gold Fields and Mysuru manufacturing divisions, and is in the process of obtaining National Accreditation Board for Testing and Calibration Laboratories certification during 2018-19.

Make in India Initiative and Indigenization:

Your Company is committed for the success of “Make in India” programme and has adopted various initiatives under ‘Make in India’ concept launched by the Government of India. It is Company’s endeavour to achieve self-reliance by wholeheartedly participating in ‘Make in India’ drive with increased sourcing from local manufacturers.

During the year, under this initiative Company has designed and developed products such as 180T (BE1800D) Diesel Excavator, 850HP BD475-1 Bull Dozer under Mining & Construction Segment, Arjun Armed Repair & Recovery Vehicle, Truck Mounted Crane, Medium Bullet Proof Vehicle, High Mobility Vehicle for 155mm caliber Mounted Gun System under Defence Segment and Metro Cars for Kolkata Metro Rail Corporation and Intermediate Metro Cars for Bangalore Metro Rail Corporation Limited under Rail & Metro Segment.

Your Company has achieved level of indigenization over 90% in the mainline M&C products, Rail Coaches & EMU’s, over 80% in High Mobility Vehicles (HMV) and over 60% in Metro cars. Further, efforts are underway to reach higher levels. Company has nominated a Nodal Officer for ‘Make in India’

drive and list of items for indigenization are hosted on Company’s website www.bemlindia.in. Also a display center is set-up in Bengaluru Complex, where prospective vendors can have access to samples, drawings and technical specifications and explore opportunities to partner with the Company. The new Public Procurement (Preference to Make in India), Order 2017 announced by Govt. of India has given a new impetus for local manufacturers by way of eligibility to address the surging metro market in India.

Start Ups:

The Ministry of Commerce & Industry, Government of India has launched ‘Start Up’ concept under ‘Make in India’ initiative during 2016.

An entity working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property, if it aims to develop and commercialize a new product or service or process or a significantly improved existing product or service or process, that will create or add value for customers or workflow are covered under this Startup.

A Company that has been in existence for less than seven years and with sales revenues not exceeding ₹25 crores will be recognized under Start Ups. However, your Company has relaxed the aforesaid eligibility criteria of prior turnover and experience for registration from Start Ups in order to encourage them to participate in supplies for Company’s procurements. Further, the Company’s identified areas of Start Up are hosted on Company’s web-site www.bemlindia.in and vendors need to contact Quality wing of the Company for Start Up activities.

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

(i) Renewable Energy Development:

In realizing the goal of ‘Go Green’, your Company has commenced its initiation by setting up a 5MW Windmill Project at Gadag District, Karnataka which is generating power



since 2007. It has generated 84 Lakh Kwh power during 2017-18 aggregating to 899 Lakh Kwh from the date installation resulting in green house gas reduction. In addition, the Company has also set up 9MW Windmill Project at Dammur Village, Koppal district and has generated 87 Lakh Kwh power during 2017-18, aggregating to 193 Lakh Kwh from the date of installation. Another, 9MW project at Mittalkode has been commissioned. With this, the total commissioned renewable energy capacity of over 23MW which will meet major portion of captive consumption of the Company. The Company's 5MW Windmill at Gadag and 9MW Windmill at Bagalkot District have contributed towards ensuring clean energy as part of sustainable development by mitigating 15710 tons of carbon during the year 2017-18.

(ii) Energy Conservation:

Your Company continues to give emphasis on conservation of energy. The efficiency of energy utilization is closely monitored to attain higher level of energy conservation. In order to conserve energy, your Company has replaced all its light fittings with LED Lighting and has undertaken to replace other energy saving equipment in a phased manner.

(iii) Research & Development and Technology Absorption:

Your Company has an in-house Research and Development setup. It continues to play a vital role in design and development of new products/aggregates, continuous up-gradation of existing products and indigenization activity.

R&D centre at KGF Complex ("R&D Facility"), the biggest design and development center for earth moving machinery in India is supplemented by R&D centers located at Truck Division and Engine Division at Mysuru Complex and Product Engineering teams co-located at all manufacturing divisions. Facilities in specialized areas like hydraulics, power train, structural engineering, and material science are available

at the R&D Centre. Computer Aided Design (CAD) / Computer Aided Engineering facilities are established for digital design and virtual simulation for product design and validation. R&D facilities for diesel engine design and development, including emission measuring infrastructure and testing facilities are located at Mysuru Complex.

The R&D set-up in Defence business vertical is engaged in the areas of High Mobility Heavy Duty vehicles, Armoured Recovery and Repair Vehicles (ARRVs), Mine Ploughs, Transmissions and Engines. The Company has entered into technology tie-ups with M/s. Pearson Engineering Ltd, UK for Mine ploughs.

The R&D set-up in Rail & Metro business vertical is basically involved in design & development of Metro & Railway rolling stock products, up-gradation of existing products based on the market need and indigenization of imported aggregates. In this regard, the Company has entered into technology tie-up with M/s. Hyundai Rotem Company for Metro Cars.

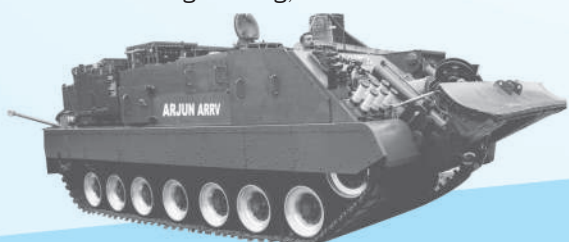
During the year, R&D designed, developed and launched upgraded version of various products under Mining & Construction, Rail & Metro and Defence segments of the Company.

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

Foreign Exchange Earnings and Outgo:

During the year, the Company's foreign exchange earnings stood at ₹23 crores and the total foreign exchange utilized was ₹396 crores.

A sum of ₹0.88 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 accruals and credit facilities availed from banks. There was no overdue installment of principal and/or interest to the banks. ICRA has reaffirmed the long-term rating of [ICRA]A+ and the short-term rating of [ICRA]A1+ for ₹2,750 Crores limit towards fund based cash credit and non fund based bank guarantee limit for the year 2017-18. The outlook on the long term rating is Stable.

The Vision-2018 for Payment and Settlement Systems in India brought by the RBI in June 2016 reiterated the commitment to encourage greater use of electronic payments by all sections of society so as to achieve a “less-cash” society. Government also made fiscal measures for the encouragement of card culture in 2016 budget. In this direction, BEML has also adopted cashless transactions across the Company. The Company has organised various awareness programmes on Digital India initiative, for employees and executives including their dependants residing in townships also. To take stock of the effectiveness of the cashless initiatives of the Company, Internal Audit has taken up the Audit on cashless transactions periodically.

Goods and Service Tax (GST), one of the biggest tax reforms since independence, has been rolled out by Govt. of India with effect from 01.07.2017. GST has subsumed several of the erstwhile indirect taxes levied by Union of India and States/Union Territories. GST is an integrated tax which works on the concept of “One Nation One Tax”. Some of the major benefits of GST implementation accruing to the industry at large and your Company in particular, would be removal of cascading effect of taxes and seamless flow of Input Tax credit benefits, reduced compliances. The Company has migrated to GST regime by enrolling in 17 States covering all its plants, Regional and District offices spread across the country within the statutory time lines. The Company has upgraded and customized ERP system to be totally GST compliant. With the above, GST was effectively implemented from 01.07.2017. Further to the implementation of GST, all transactions are being carried out in compliance to the GST law.

The Company’s contributions to Central and State Exchequers were in the order of ₹948.44 crores during the year by way of Excise Duty, Customs Duty, Sales Tax, Service Tax, GST, Dividend and Tax there on, and other taxes and duties.

Internal Financial Controls:

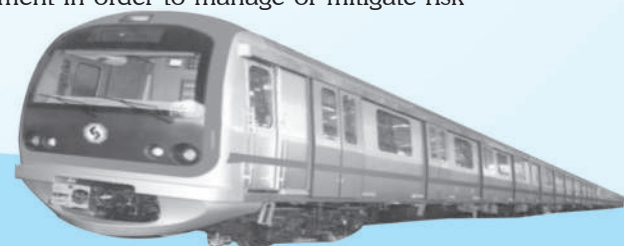
Your Company has put in place adequate Internal Financial Controls (IFCs) with respect to Financial Statements. The Company has various manuals such as, Manual for Accounts, Cost Accounting & Pricing, Stores, Purchase, Audit, etc., and the same are being periodically updated, circulated and also uploaded in ‘BEML Bulletin Board’ for viewing and compliance by concerned employees and officers for carrying out various activities in a transparent manner and in line with the delegation of powers and no instances of material weakness in the operations has been observed. The adequacy of internal financial controls over financial reporting is covered by the Statutory Auditors in their Audit Report. In addition, the details of the IFCs are included under the heading ‘Internal control systems and their adequacy’ in the Management Discussion & Analysis Report which forms part of this report.

Fixed Deposits:

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

Enterprise Risk Management:

In terms of Section 134(3)(n) of the Companies Act, 2013, Regulation 17(9) of the Listing Regulations, and Para 7.3 of DPE Guidelines, your Company has formulated “Risk Management Policy” with an objective to ensure sustainable business growth with stability and to promote a pro-active approach in identifying, evaluating, reporting and managing or mitigating risks associated with the business. In order to achieve the key business objectives, the policy establishes a structured and disciplined approach to risk management in order to manage or mitigate risk



related issues. The said policy is also placed on the Company's website www.bemlindia.in.

In terms of Regulation 21 of the Listing Regulations, the Company has constituted Risk Management Committee consists of Director (Rail & Metro Business), Director (Mining & Construction Business), Director (Defence Business), Director (Finance) and one Independent Director as per the policy.

Further, the aforesaid Risk Management Committee shall appraise the key risks along with mitigation plans and report to the Board periodically.

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. In terms of Regulation 46(2)(g) of the Listing Regulations, the said policy is placed on the web-site of the Company at www.bemlindia.in.

During the year 2017-18, all transactions that were entered into with the related parties were fair, transparent and at arm's length basis and also in the ordinary course of business of the Company. The said related party transactions were also duly considered and noted by the Audit Committee. Information as required under section 188 in Form AOC-2, pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, is attached to this report as **Annexure-II**.

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 Revenue from Operations (Net of ED) of ₹30 crores which is at the same level recorded during FY 2016-17. The value of production of the Company stood at ₹31 crores as against ₹29 crores and the Company achieved

Profit before Tax of ₹0.43 crores as against profit of ₹0.13 crores in the previous year. Further, VIL Board has recommended a dividend of ₹5 per share i.e., 5% on the paid up equity share capital amounting ₹14 lakhs excluding tax, after a gap of 7 years.

VIL is planning to explore new markets for reducing dependency on M/s BEML Limited, the holding company. However, in anticipation of order from BEML 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 about ₹74 Crs by 2020-21 as envisaged in the Perspective Plan.

The order book position remained at 1,444 MTs as on 01.04.2018. 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 2018-19.

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

Your Company entered into a Consortium Agreement with M/s. Coal India Limited (CIL) and M/s. Damodar Valley Corporation (DVC) on 08.06.2010 for acquiring specified assets of M/s. Mining and Allied Machinery Corporation Limited (under liquidation). The agreement, inter-alia, provided for formation of a Joint Venture company (JV) with a shareholding pattern of 48:26:26 among BEML, CIL and DVC respectively. The Company has paid the proportionate share of ₹48 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 2017-18, the Company has incurred a sum of ₹10.01crores 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 ₹58.01 crores is disclosed as 'Advance to MAMC Consortium' pending allotment of equity shares in the capital of JV company.

In the meantime, a company in the name of 'MAMC Industries Limited' (MIL) was formed and incorporated by your Company as a wholly owned subsidiary for the intended purpose of JV formation. Shareholders' agreement, as duly approved by the Boards of all three members of the consortium, has been submitted to MoD for necessary approval. Further, MoD has directed to submit 'Business Plan' and 'Financial Viability Report' of the proposed JV. A meeting of Interim Board of Management of Consortium has decided to engage M/s SBI Caps for preparing the "Financial viability & Business Plan" report.

Considering that further investment / expenditure on this project would be an additional burden on the Company, the Board of Directors suggested taking up the matter with Interim Board of Management of Consortium of BEML, CIL and DVC for exit option rather than pursuing with M/s. SBI Caps for the aforesaid report. Hence, it was proposed to take up with IBM for exploring the possibility of selling the assets of erstwhile MAMC purchased through Court auction either by Consortium as a whole or the share of BEML to a prospective buyer, if any. Further to the discussion held on 25.04.2018 among the members of MAMC Consortium, a draft Deed of Conveyance has been proposed to submit to the Official liquidator of Calcutta High Court for further action.

(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. In view of this, BBIL is kept under dormant state. BEML has decided to close the office for which legal action is underway and BBIL's registration will be cancelled soon after capital repatriation.

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. The Company has



filed an application with CLB praying for necessary directions to Regional Director (RD), Ministry of Corporate Affairs, Hyderabad for time bound completion of investigation so that the matter could effectively be heard by CLB. In the meanwhile, the Government has constituted National Company Law Tribunal (NCLT) by dissolving CLB and notified that the jurisdiction is shifted to Hyderabad from Chennai. The case files were transferred to NCLT. Regular hearings are taking place at NCLT, however, RD, MCA is yet to submit the investigation report for deciding the matter. In the meanwhile, based on the order of NCLT dated 22.12.2017 consequent to the request from the landlord to vacate the premises of Registered Office (RO) of BMWL for his bonafide use, it has been shifted to a suitable place.

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

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

Particulars of Loans, Guarantees or Investments:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

Consolidated Financial Statement:

Consolidated Financial Statement of your Company and its subsidiaries and Joint Venture Company prepared in terms of Section 129(3) of the Companies Act, 2013, is attached to this report.

Vigilance:

The Company has an independent Vigilance department headed by Chief Vigilance Officer (CVO). The Vigilance activities were carried out in a holistic manner and covered prevention, detection and

enforcement. CVO has provided aid and advice to the executives of the Company on all matters pertaining to Vigilance, as an extension of the CVC in its exercise of superintendence over Vigilance Administration of the Company and provided the link to the Administrative Ministry and the CBI.

- Complaint Handling Policy - The CVO after determining the 'Vigilance Angle', handled 16 registered Complaints during the FY 2017-18 (12 Complaints added during the FY 2017-18, 04 Complaints brought forward from last year).
- During the year, 16 complaints were handled, out of which 7 complaints were disposed. Disciplinary action and system / process improvements have been recommended and implemented.
- Online Vigilance Clearance for Executives and Employees has been set up.
- CCTV Cameras at Sensitive areas and Display of Vigilance Boards at prominent locations were positioned across BEML complexes.
- Vigilance Manual of 2nd edition (updated version) was published during August 2017, wherein, certain new topics have been added. All the latest Revisions to the Rules, Instructions & Circulars issued by Central Vigilance Commission, are also incorporated into this Edition, in a user friendly format.
- Keeping in view the changing business scenario, after risk assessment exercise the sensitive areas list was reviewed and fresh areas were notified as sensitive.
- The Vigilance Awareness Week-2017 with the theme "My Vision – Corruption Free India" was observed in BEML Limited from 30.10.2017 to 04.11.2017. Citizens Integrity pledge was also administered to the Students & Staff at Schools and Colleges where the Company had organized events as part of Observance of Vigilance Awareness Week – 2017 (VAW). Vendors meet organised on 07.11.2017, wherein, vendors from all over India were invited to share business



prospects of the Company and also to address their Grievances. Company jointly with BEL and HAL, has organised a 2 km Walkathon – Vigithon on 05.11.2017 with the caption ‘Clean-Green-Vigil’. About 400 staff from all the three organisations participated in the Vigithon. To inculcate values of Integrity, Morality and Ethics among school students, an “Integrity Club” was opened at BEML Shishya School, Bengaluru, and Kendriya Vidyalaya & BEML Composite Pre-university College at Kolar Gold Fields. Thus, VAW-2017 was observed at all BEML Complexes/ Divisions in line with the directives of CVC.

Integrity Pact

Pursuant to the directives from Central Vigilance Commission and Ministry of Defence, your Company is adopting Integrity Pact with all vendors / suppliers / contractors / service providers for all orders / contracts of value ₹1 crore and above. The pact essentially envisages an agreement between the prospective vendors / bidders and the Company, committing the persons / officials of both sides, not to resort to any corrupt practices in any aspect / stage of the contract. Only those vendors / bidders, who commit themselves to such a pact with the principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of contract. Any violation of the same would entail disqualification of the bidders and exclusion for future business dealings. Two Independent External Monitors (IEMs) have been appointed to review the cases on bi-monthly basis. During the year, ₹858 crores worth of purchase orders were entered into Integrity pact.

Procurements

BEML Supplier Relationship Management (SRM) is aiming to establish web based seamless relationship and collaboration of procurement process with its global business partners. Your Company endeavours to procure all materials and services through e-procurement platform on ERP system. Presently, the

Company upgraded the SRM e-procurement software which is having encryption facility for better security. During the year, about 86% of the total requirements were sourced through e-procurement.

Micro and Small Enterprises:

Following steps have been adopted under the Micro and Small Enterprises (MSEs) Order 2012:

- Your Company is procuring materials required for production and for others through Micro & Small Enterprises (MSEs). 358 items which are reserved are being procured exclusively from MSEs.
- Appropriate weightage has been given for MSEs in the MoU from the year 2015-16 onwards in order to ensure the objective of achieving overall procurement of 20% from MSEs.
- In order to encourage MSEs, vendors meet has been organized and list of components that could be sourced from MSEs are placed on the Company’s website www.bemlindia.in for the information of MSE vendors. Further, local procurement made by your Company is uploaded on ‘MSME SAMBANDH’ Portal.
- As per the directives of Government, minimum 20% of procurements have to be procured from MSE’s, out of which 4% from SC/ST Enterprises. During 2017-18, your Company placed orders for goods and services to the extent of ₹323 crores from MSEs which constituted 26.09% (includes ₹0.18 crores constituting 0.0145% from SC/ST Enterprises) of the indigenous procurement of ₹1238 crores.

Vendor Development:

Vendor development is a continuous process to identify and develop new vendors to bring in competition among the vendors and to reduce costs. The methods followed to identify potential new vendors are publication of Expression of Interest (EoI) in BEML website, participation in exhibitions and seminars and organize vendor meets. In order to increase vendor base, open ended EoI is published and made



available on BEML website. During the year 2017-18, 44 vendors have responded. The procurements from single source are being reviewed periodically by Audit Committee and at Board Level.

Your Company recognizes outsourcing as one of the strategic tools to achieve cost benefits and also complement the strengths of private sector to build a strong industrial base. Your Company is well on its journey to become a system integrator by outsourcing a substantial part of manufacturing activities from Indian vendors, enabling the Company to enhance the capacity, attain cost effectiveness and improve competitiveness in the global market. To facilitate outsourcing, the Company has well established policies, procedures and guidelines -

- Your Company has a Vendor Development Cell to work as a single window help desk for new vendors.
- New vendors can register through Online / Manual.
- New vendors are supported by way of imparting knowledge on manufacturing processes, specifications, quality plans, etc.
- Company also extends its testing facilities to its vendors wherever required.
- To attract new vendors, Company resorts to publishing of EoI periodically, participation in all vendor development programs organized by MSMEs, CII, FICCI, CODISSIA, NSIC, PIA, NSSH and other agencies.
- To enhance transparency in all its procurement processes, Company has well established e-Procurement Portal.

Further, as per the directives of Ministry of Defence, the Company has framed an 'Outsourcing and Vendor Development Policy' as duly approved by the Board. The objective of the policy is to enhance cost effectiveness and improve competitiveness of the Company in global market. The other significant objective of this Outsourcing and Vendor Development Policy is to build a manufacturing eco system in the

country to attain self-reliance. On the other hand, participation of Indian private industry will be an enabler in building technological and manufacturing capability inside the country. Based on the policy so framed, a Road Map for vendor development has been prepared with yearly targets and monitored at the Board level periodically.

Compliance under the Right to Information Act, 2005:

The information required to be provided to citizens under Section 4(1)(b) of RTI Act, 2005 is placed on Company website at www.bemlindia.in. It contains general information of the Company and its functions and duties, 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 six Central Assistant Public Information Officers representing Complex / Divisions to attend to the queries and appeals. Further, during the year 2017-18 the Company received 154 applications seeking information pertaining to human resources, recruitment, contracts, tenders, business related matters etc and the same were disposed of.

Rajbhasha:

Your Company continued its efforts in implementing the Official Language (OL) Policy. OL Implementation Committee is constituted under the Chairmanship of CMD to review the status of the use of Hindi across the Company. The said Committee met quarterly during the year and reviewed the implementation status.

OL inspection was carried out by the Officials of Department of Defence Production, Ministry of Defence, New Delhi at Palakkad complex, Regional office at Kolkata and District offices at Guwahati and Bhilai. Further OL inspection carried out by Deputy Director (RIO) at RO, Kolkata.

252 executives/employees were trained in various courses of Hindi under Hindi Teaching Scheme of



Government of India during the period under review. 15 Hindi workshops were organized in which 394 officials were trained. Hindi Fortnight was observed from 14.09.2017 to 28.09.2017 throughout the Company and variety of competitions was organized. World Hindi Day was observed on 10.01.2018 at RO, Singrauli.

District office, Bhilai has been awarded with Rajbhasha Vishisht Seva Samman-2017 by TOLIC, Bhilai.

The newly revamped website of your company is made available in Hindi also and the contents are updated periodically.

Composition of Audit Committee:

In terms of Section 177 of the Companies Act, 2013, Regulation 18 of the Listing Regulations and Chapter 4 of the DPE Guidelines on Corporate Governance for CPSEs, your Company has constituted the Audit Committee. The Committee comprises of Shri B P Rao, Independent Director as Chairman, Shri Sudhir Kumar Beri and Shri M G Raghuveer, Independent Directors and Shri B R Viswanatha, Director (Mining & Construction Business) as its members. All the recommendations made by the Audit Committee were accepted by the Board.

Whistle Blower Policy:

In terms of the provisions of Section 177(9) of the Companies Act, 2013, Regulation 22 of the Listing Regulations and Para 4.3 of the DPE Guidelines, your Company has formulated necessary "Vigil Mechanism/ Whistle Blower Policy" for directors and employees to report genuine concerns. The said policy provides for adequate safeguards against victimization of director/s or employee/s or any other person who avail the said mechanism and also provides for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. As per the said policy, none of the employees have been denied access to Audit Committee. In terms of Regulation 46(2)(e) of the Listing Regulations, the said policy is placed on the Company's website www.bemlindia.in.

Compliance of applicable Secretarial Standards:

Section 118(10) of the Companies Act 2013, stipulates that the Company shall observe secretarial standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) as specified by the Institute of Company Secretaries of India. Further, the Standard 9 of SS-1 stipulated that the Report of the Board of Directors shall include a statement on compliances of applicable Secretarial Standards. Accordingly, your Company has complied with the provisions of applicable standards of SS-1 and SS-2 issued by the Institute of Company Secretaries of India in letter and spirit.

Corporate Governance Report:

In terms of Para 8.2.3 of the DPE Guidelines of CPSEs grading is done by DPE on the basis of compliance with Corporate Governance guidelines / norms. Accordingly, your Company is graded as 'Excellent' for the year 2017-18. Further, in terms of Regulation 34 of the Listing Regulations and Chapter 8 of the DPE Guidelines, a report on Corporate Governance along with Compliance Certificate is placed at **Annexure-III**.

Management Discussion and Analysis Report:

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

Business Responsibility Report:

In terms of Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the annual report of the top 500 listed entities based on market capitalization shall contain Business Responsibility Report (BRR) w.e.f. FY 2016-17. The said BRR contains the initiatives taken by the Company from an environmental, social and governance perspective, which is placed at **Annexure-V**.



Awards & Recognitions:

- On 15.08.2017, your Company has bagged many prizes during the Independence Day Horticulture Show 2017 conducted by Mysore Horticultural Society, Bengaluru, which is a matter of pride to the Company.
- On 22.09.2017, "Metro Team" of your Company won the prestigious QCI – DL Shah National Quality Award -2017. The team made a presentation on 'Metro Quality Assurance' with a case study on "Ensuing Zero Defect in Metro Coach Bogie Manufacturing by Business Process Reengineering" based on six sigma using Taguchi Method.
- On 12.12.2017, your Company received Certificate of Yellow Dot Award for 50 plus years of invaluable contribution in the field of infrastructure and construction sector to build strong Nation.
- On 17.12.2017, your Company has bagged the SKOCH ORDER-OF-MERIT Award for qualifying amongst "Top 80 Technology Projects in India" for Design and Development of "180T Electric Excavator BE1800E".
- On 16.01.2018, your Company bagged best seller award for Crawler Dozers at the "5th Annual Equipment India Awards 2018" held in New Delhi.
- On 19.01.2018, the Company has bagged "Top Public Sector Exporter in Southern Region (GOLD)" award for the year 2015-16 organized by Federation of Indian Export Organisations (FIEO), under Ministry of Commerce. The award was presented to BEML after considering various parameters including export turnover, presence in emerging markets, product diversification and growth.
- On 23.01.2018, Mr. M.S. Nagendra of Mysuru Complex won the Gold medal in the All India level open Rifle shooting championship in the Para Senior men section held at Hubballi.

- On 25.01.2018, Mr T.M Thammaiah, Machinist, Mysuru Complex was awarded Prime Minister's "Shram Shree" award for the year 2016 in recognition of his duties.
- On 25.01.2018, Company has bagged many prizes under Industrial category at the Republic Day Horticultural Flower Show, which is a matter of pride to the Company.
- On 10.02.2018, two R&D engineers received Technology Innovation awards from SODET (Society of Defence Technologists) for Design & Development of 'Stainless Steel EMU' & "Design and Development of All Wheel Steering System (AWS) for BEML HDT 8x8 Vehicle".

Manpower:

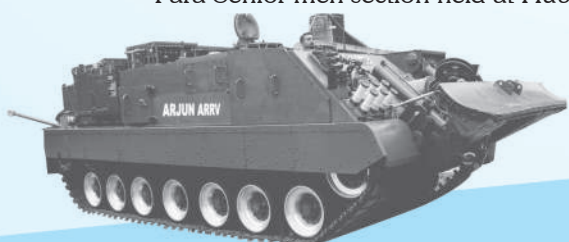
The number of employees of the Company as on 31.03.2018 stood at 7,722 as against 8,221 of the previous year, resulting in 6% reduction.

The category-wise number of SC/ST and Ex-Servicemen employees as on 01.01.2018 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	
	1.1.2018	1.1.2017	1.1.2018	1.1.2017	1.1.2018	1.1.2017	1.1.2018	1.1.2017
Group-A	1824	1735	394	318	109	73	13	6
Group-B	383	518	5	88	5	43	8	15
Group-C	5619	6041	1286	1373	279	284	246	258
Group-D	19	23	10	13	3	4	0	0
Total	7845	8317	1695	1792	396	404	267	279

The Company has recruited 45 candidates in Group A during the year under review as under:

- 29 from General category
- 8 from OBC category and
- 7 from Scheduled Caste and 1 from Scheduled Tribe category



Human Resource Development & Industrial Relations:

In your Company's approach to value creation, emphasis is given on the people and their engagement, well-being and development which has been the key factor in achieving business success in today's competitive scenario.

The financial year 2017-18 was a milestone year for the Company, as major improvements and initiatives were implemented in the HR areas related to leveraging IT for HR, Succession Planning for critical senior positions, process re-engineering and optimization of human capital, Leadership development programmes through training abroad and also at IIM's / XLRI etc.

Special efforts have been put in place to create a comprehensive HR Portal "SAMPARK" which provides various Employee Self Services, On-line Performance Management System, On-line Vigilance Clearance System, On-line Promotion Test, On-line submission of Property Returns, On-line Attendance Management System etc.

During the year, based on the Assessment Development Centres (ADC) scores and Individual Development Plan recommendation senior level executives were nominated for Strategic and Leadership Programmes abroad and also premier institutions such as IIM's/ XLRI. Continued importance was also given on Project Management, Creativity, Ethical & Moral Competencies, Conflict Resolutions & Skill Development.

To ensure systematic Talent Management, Company implemented revised Promotion Policy for more objectivity and transparency with due linkage to Assessment Development Centres scores and also through on-line written test.

The Industrial Relations Scenario in the Company has been peaceful. Cordial and smooth relations were maintained between the Management and the Unions / Associations. Regular Meetings with the representatives of the recognized Unions / Officers Associations at the Divisional, Complex and Corporate Levels were held and employee related matters were resolved amicably.

The functioning of various bi-partite Committees at Complex level resolved production related matters.

Outstanding contribution and dedication of our employee to his duties was also recognized through winning of Prime Minister Shram Shree Award by Shri. T.M.Thammaiah, Mysuru Complex.

Grievance Redressal System for SCs/STs

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

Public Grievance Redressal through CPGRAMS

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

Compliance under Persons with Disabilities Act, 1995:

Your Company complies with the provisions under the Persons with Disabilities (Equal opportunities, Protection of rights and full participation) Act, 1995 (PwD Act). In terms of various provisions under PwD Act, your Company has ensured reservation of vacancies for the posts identified for each disability, carry forward of vacancies which could not be filled up due to non-availability of suitable persons with disability during the year.



Corporate Social Responsibility & Sustainability:

The Company has constituted Corporate Social Responsibility & Sustainability (CSR) Committee in terms of Section 135 of the Companies Act, 2013 and DPE Guidelines on MoU. The Committee comprises of Shri. Sudhir Kumar Beri, Independent Director as Chairman, Shri. B R Viswanatha, Director (Mining & Construction Business) and Shri. R H Muralidhara, Director (Defence Business) as members. The CSR Committee oversees the CSR & SD activities and its implementation in compliance with the Companies Act, 2013 and DPE Guidelines on the subject. Further details of CSR are placed under the same heading in Annexure-III and an annual report on CSR activities undertaken during the year are placed at **Annexure-VI**.

Environment and Pollution Control

In order to protect the environment in the vicinity of 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. The Company in association with the State Forest Department had undertaken planting of saplings at all its Manufacturing Complexes and Townships on a regular basis. During the year, a total of 10,298 Nos. of Tree Saplings have been planted at Bengaluru, Mysuru and Palakkad Complexes as part of sustainable development. Apart from this an exclusive Dr. B.R. Ambedkar 'Environment Park' was inaugurated at KGF Complex on the eve of 'World Environment Day' and around 4,500 saplings were planted. Thus total saplings planted during the year is about 14,798.

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.

Skill India Initiatives

Your Company has undertaken 'Skill Development Initiatives' (SDI) in line with Government of India's 'Skill India' initiative launched during 2015. Skill development programmes in your Company is aimed to hone the skills of the productive manpower, ensure optimum utilization of resources and also to skill the marginalized / unskilled manpower of the organization. Apart from such organizational requirements, various other skill development initiatives have also been undertaken to contribute towards 'Skilling India' in addition to apprenticeship training conducted to hone the skill/trade of students passing out of various ITIs/ Polytechnics/Engineering Colleges. At BEML, the SDI includes the following main activities:

- Centres of Excellence(CoE) for Hydraulics, Structural Welding, Electrical and Engine at KGF Complex, Stainless Steel welding & Electrical and Wire Harnessing at Bengaluru Complex and for Electrical & Electronics at Mysuru(Imparting training Programme on assembling and Testing of Electrical aggregates, skill development of advanced/upgraded electrical system of BEML Equipments), Power Train of Tatra vehicle at Palakkad are established.
- Service training Programme for the customers from all over the country and abroad, and for BEML Service personnel are conducted at Global Service Centre at Nagpur, Service Training Centre at KGF and at Mysuru.
- Apprenticeship training under the Apprenticeship Act is imparted at Training Centres to upgrade the skills of ITI passed students in their respective Trades as also that of Diploma Holders and Engineering Graduates. As per the Apprentices Act 1961, the Company has imparted training to the apprentices constituting 10.08% of the total workforce.
- Capability Building in the area of Technology to enhance the capability of the Engineers working in Production, R&D and allied areas, a tie-up



has been established with Indian Institute of Technology – Madras (IIT-M) and a MoU signed for long term collaboration for Sponsoring R&D projects and training of Engineers through Continuing Education Programmes. Having a permanent BEML facility at IIT-M Technology Park for utilizing R&D facilities of IIT-M is also under consideration. Tie-up with Advanced Product Design and Prototyping (APDAP) setup of Indian Institute of Science, Bengaluru (IISc), Centre for Railway Research at IIT Kharagpur and National Institute of Design, Ahmedabad (NID) for Engineering Consultancy Services are in advanced stages of finalization.

- (e) Other SDI such as Unskilled to Skilled training, Skilling the unskilled by imparting Semi-Skilled Training and multi-skilling for training in other trade/s viz. Welder/Fitter/Electrician/Crane Operators etc. so that their services can be optimally utilized.

For the Society at large, your Company has also adopted Govt. ITI at KGF and Govt. ITI at Mysuru as a part of SDI. Trainees of Govt ITI at KGF are being provided with six month practical training in KGF Complex while Mysuru Complex is the industrial partner to ITI at KM Dodi and is being provided with assembly items etc.

Prohibition of 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 functional in all Complexes / Divisions for receiving complaints of Sexual Harassment, if any, and it has been displayed in all the prominent locations for the information of all women employees. No cases have been filed under this Act during the year 2017-18.

IT Initiatives:

IT is being seen as a great enabler at your Company having undertaken several initiatives on Technology front. State-of-the-art video conferencing facilities

at Corporate Office and at other major offices have improved communication capabilities. The Company has improved infrastructure resiliency by setting up disaster recovery data center and redundant connectivity to improve availability of the systems. File Life-Cycle Management (FLM), a step towards paperless office has been introduced. 'Sampark' a portal for employee has been launched and the same is aimed at improving employee experience through several workflow enabled processes like performance appraisal and is going to work as a platform for further automation to be added in future. Further, transparent information sharing has been enabled using 'BEML Bulletin Board'.

Your Company is investing in securing the business environment by implementing the concept of Air Gap and Network Operations Centre monitoring links, device health and security alerts. Implementation of Customer Complaint Management System will help to improve customer service experience and bring in more transparency through on-line tracking. Company has implemented Biometric Attendance Tracking system that integrates with ERP system to improve workforce management process by recording accurate attendance of our workforce.

Swachh Bharat Abhiyan:

Swachh Bharat Mission was launched by the Government of India during 2014 with the objective of fulfilling the dream of transforming urban India in totally sanitized, healthy and livable cities and towns during next five years. The Company has committed towards realization of the dream of Father of the Nation for a 'Clean India' through the Swachh Bharat Abhiyan.

Your Company had organized 'Swachh Bharat Pakhwada' from 1st December to 15th December 2017, across the Company. Various Programmes related to cleanliness and competitions were conducted across the Company on daily basis during the fortnight, as per the calendar of activities drawn for the purpose.



Your Company has celebrated the “Third Anniversary of Swachh Bharat Campaign” on October 2, 2017 to coincide with the ‘Gandhi Jayanthi’. Various programmes like administration of Swachhta Pledge, organizing special cleaning drives, Walkathon to spread the message of cleanliness, distribution and planting of saplings etc, were conducted across the Company including its subsidiary, VIL.

The following activities were undertaken during the year 2017-18 under the Swachh Bharat Abhiyan:

- Pledge taking and conducting public awareness programmes on cleanliness and environment protection such as walkathons, skit/street play to create awareness on cleaning surroundings etc. All employees have taken a pledge to devote 100 hours in a year as ‘Shramadaan’ to ensure cleanliness of the work area & surroundings. Various training programmes on waste management, need and significance of cleanliness have been conducted as part of the initiative.
- Construction of toilets, bio-gas units for utilization of organic waste and vermi-compost bins, painting of buildings, extensive cleaning of production hangars, high standard of house-keeping, renovation of toilets, fogging and eradication of mosquito menace etc are being undertaken.
- Separate bins for collection of dry / wet waste, paper, plastic etc are kept at required places to ensure segregation of waste.
- In addition, your Company has undertaken various activities as per the Annual Action Plan based on the recommendations of the Group of Secretaries on ‘Swachh Bharat & Ganga Rejuvenation’(GoS) for the period from 2017-18 up to 02.10.2019. The main activities are conducting awareness programmes, construction of Toilets, construction of Bio-gas Units, Vermi-Compost Bins, Tree plantation, Renovation of Toilets, Adoption of Dual Pipeline system & Rain Water Harvesting System etc.

Dividend Distribution Policy

In terms of Regulation 43A of the Listing Regulations, the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in its annual report and on its website. Accordingly, the Board of Directors at their meeting held on 25.05.2018 has approved the Dividend Distribution Policy including the parameters and circumstances in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The said Policy is posted on Company’s website www.bemlindia.in.

Statutory Auditors

The Comptroller & Auditor General of India has appointed M/s. S.R.R.K Sharma Associates, Chartered Accountants, Bengaluru, as the Statutory Auditors for the financial year 2017-18.

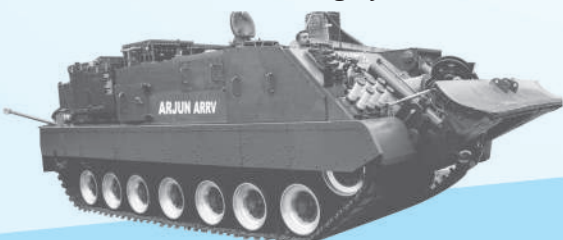
Observation, if any, made in the Independent Auditors’ Report on the financial statement including consolidated financial statement and the reply of the Board of Directors thereto will be given by way of an addendum to this report.

Cost Auditors

Your Company appointed M/s R M Bansal and Co, Cost Accountants, Bengaluru, as Cost Auditors for the year 2017-18 in terms of Section 148 of Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 to conduct the audit of the cost records of the Company. Further, as required under the said Rules, the remuneration payable to the Cost Auditor was ratified by the members in the 53rd Annual General Meeting held on 21.09.2017.

Secretarial Auditors

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 M/s. V N Associates, Practicing Company Secretaries, Bengaluru, to undertake the Secretarial Audit of the Company for the year 2017-18.



The Secretarial Audit Report and the replies to the observations made in the said report are placed at **Annexure-VII.**

C&AG Audit

The Comments of the Comptroller & Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the financial statement including consolidated financial statement are appended at page No. 154 & 220 to the annual report.

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-VIII.**

Directors:

(1) Appointment of Independent Directors

During the year, no Independent Directors have been appointed on the Board of the Company.

Pursuant to Schedule IV of the Companies Act, 2013, the appointment of the Independent Directors would be formalized through a letter of appointment setting out the terms and conditions of their appointment, which is also placed on the web-site of the Company at www.bemlindia.in. In terms of section 149 of the Companies Act, 2013, the provisions of section 152(6) and (7) in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

(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) Board Evaluation:

The Board of Directors of the Company comprises Functional Directors, Government Nominee Directors

and Independent Directors appointed by the Government of India from time to time pursuant to Article 97 of Articles of Association of the Company.

Further, the tenure and remuneration of Functional Directors including Chairman and Managing Director are decided by the Government of India through Public Enterprises Selection Board / Search Committee and the pay scales are governed by the Presidential Directives received from the Ministry of Defence. The Government communication also indicates the detailed terms and conditions of their appointment based on applicability of the relevant rules of the Company. The Government Nominee Directors are not entitled to any remuneration / sitting fee. The Independent Directors are entitled to sitting fees for attending the Board / Committee meetings as duly approved by the Board considering the government directives, statutory acts, rules and regulations.

In view of the above, the performance of all Functional Directors and Government Nominee Directors is being evaluated by the Administrative Ministry every year based on own evaluation methodology. Further, considering the educational qualifications, age, rich and varied experience of the applicants, the Administrative Ministry / Department would appoint the IDs on the Board on the recommendation of Search Committee after obtaining approval of competent authority. In addition, the assessment / evaluation of performance of Independent Directors who will be completing their 3 years tenure was undertaken by the Administrative Ministry.

Considering the above, a separate evaluation criteria has not been framed by the Company.

(4) Remuneration of Directors:

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



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

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

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

Further, none of the Directors had any pecuniary relationship nor entered into any related party transactions with the Company during the year.

Pursuant to the provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details of remuneration paid to the Directors during 2017-18 are provided under the 'Report on Corporate Governance' annexed to this report.

(5) Change of Directors and Key Managerial Personnel

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

- Shri Suraj Prakash (DIN-08124871), was appointed as Director (Finance) of the Company vide MoD letter No.8 (2)/2016-D (BEML) dated 09.05.2018. He assumed the charge of the post w.e.f 10.05.2018. Further, in terms of section 179 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Section 203 of the Companies Act, 2013, Shri Suraj Prakash is appointed as a Key Managerial Personnel and Chief Financial Officer of the Company.

- Shri Rajib Kumar Sen (DIN-07669981), Economic Adviser, Ministry of Defence was appointed as Government Nominee Director on the Board vide MoD letter No.8(80)/2015-D(Coord/DDP) dated 30.05.2018 in place of Shri Sanjay Prasad. Consequent to the supersession of earlier orders issued by MoD for appointment of Government Directors on the Board, nomination of Smt. Surina Rajan, Government Nominee Director was withdrawn on 13.06.2018.
- Shri Gurmohinder Singh (DIN-08199586), was appointed as Independent Director vide MoD letter No. 8(2)/2014-D(BEML) dated 10.08.2018 and his appointment had taken effect from 13.08.2018.

Shri B R Viswanatha (DIN- 07363486), Director (Mining & Construction Business) and Shri R H Muralidhara (DIN-07363484), Director (Defence Business) retires by rotation at this annual general meeting and being eligible, offered themselves for re-appointment. Shri. Aniruddh Kumar (DIN - 06861374) Director (Rail & Metro Business), ceased to be Director with effect from 01.11.2017 on attaining the age of superannuation.

The Board placed on record its deep the appreciation of the valuable services rendered by the Directors whose term of office ended during the year.

(6) Number of meetings of Board:

During the year, seven meetings of the Board were held on 12.04.2017, 30.05.2017, 11.08.2017, 20.09.2017, 10.11.2017, 18.12.2017 and 07.02.2018. Requirements on number and frequency of meetings, in terms of Section 173(1) of the Companies Act, 2013, Regulation 17(2) of the Listing Regulations, and Para 3.3.1 of the DPE Guidelines, were complied with in full.

(7) Directors' Responsibility Statement:

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

- (a) in the preparation of the annual accounts for



the year ended 31.03.2018, the applicable accounting standards has been followed along with proper explanation relating to material departures;

- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2017-18 and of the profit of the Company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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 Limited, M/s Bangalore Metro Rail Corporation Limited, M/s Jaipur Metro Rail Corporation, M/s Kolkata Metro Rail Corporation, Integral Coach Factory-Chennai, M/s Bharat Electronics Limited, M/s Bharat Dynamics

Limited, Ordnance Factory Board, Defence Research & Development Organization (DRDO), M/s Brahmos Aerospace Pvt. Ltd., Indian Space Research Organization, M/s Hindustan Aeronautics Limited, Aeronautical Development Agency for their patronage and confidence reposed on the Company. The Directors also acknowledge and thank all collaborators, vendors and other service providers for their valuable assistance and cooperation extended to the Company.

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

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

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

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

For and on behalf of the Board of Directors

Sd/-

Bengaluru
25.05.2018

D K Hota
Chairman & Managing Director



Annexure-I

Annexure to Board's Report for the Financial Year 2017-18

CONSERVATION OF ENERGY

(a) Steps taken or impact on conservation of energy

- (i) Replacement of conventional Fluorescent Tube Lights, Street Light Fittings, High bay Light fittings, Retrofit types tubes, HPMV Lights, HPSV Lamp etc, with LED lightings at various locations across the Company.
- (ii) Reduction in Heat Losses by improving thermal efficiency in Westerwork Sealed Quench F/C.
- (iii) Provided 120W Induction Lights in place of 250W and 400W HPMV Lights at production hangers at Bengaluru Complex.
- (iv) DG sets, water cooling Circuit & Foil roll, seam welding Machine, water chillers, connected water pipe line circuit are being cleaned periodically.
- (v) The Plant BESCOM Electricity power factor (PF lagging) being maintained more than 0.90 lag close to unity power factor for energy conservation benefits at RC-II unit.
- (vi) In place of Main 215 HP Air compressor, lower rating 20HP Air compressors are being used for PBB painting application during 2nd & 3rd shifts.
- (vii) Premixed engine coolant used in captive power generation DG sets as well as Forklifts to enhance the engine efficiency.
- (viii) Use of Lower rating captive power DG sets during second & third shift based on Plant Electrical Load for Diesel conservation.
- (ix) Replacement of old open type Cooling tower with closed type air cooled Fluid Cooler for 1000 KVA DG Set.

- (x) Water Chiller unit in place of existing conventional water circulating cooling system for 1000 KG PTC-1 furnace and Reconditioning of Endo Gas Generator at HT shop.

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

- (i) Installed 50KWp grid connected Solar Roof Top Solar Power plant in Canteen Building (30KWp) and Admin Building(20 KWp) in Palakkad Complex.
- (ii) Installation of 200 KW Solar Plant at Mysuru Complex.
- (iii) Further to the above, please refer para (i) of the 'Renewable Energy Development, Energy Conservation, Research & Development and Technology of Board's Report.

(c) Capital investment on energy conservation equipments

During the year under review, your Company has invested ₹8.22 crores for implementing various energy saving measures.

TECHNOLOGY ABSORPTION

Research & Development (R&D):

(i) Efforts made towards Technology Absorption:

During the year, R&D Department took initiatives for design and development of high technology products and aggregates for Mining & Construction, Defence and Rail & Metro segments as per customer requirements. Further, R&D absorbed the collaborator technology and further developed on it which has resulted in the development of new products and technologies



as well as up-gradation of existing products. Some of such products were also manufactured and launched for customer trials.

Depending on the sectoral needs for the year 2017-18, R&D launched the following products/projects:

Mining & Construction

I. New products Development

- (a) 180 T class Hydraulic Excavator (Diesel version) Model : BE1800D with 2 x 475 hp engines, 10.2 cu m Face Shovel bucket and 10.5 cu m Backhoe bucket.
- (b) Bull Dozer model BD475-1 with 850 hp engine.
- (c) Front End Loader Model : BL30-FEL with 3.1 cu m and payload 5.4 T.
- (d) Low Height Side Discharge Loader model BL11C-LHSDL with 1.1 cu m bucket for under ground coal mines application.

II. Product Up-gradation

- (a) Engineering of Cummins engine & Parker Hydraulics on 22 T class Hydraulic Excavator Model : BE220G.
- (b) Engineering of Power Angle Tilt (PAT) attachment on Dozer Model : BD50 .
- (c) Engineering of combi-cooler on dozer model BD65-1.
- (d) Engineering of anti vibration mounts for engine mounting on Dozer BD355 cabin.
- (e) Introduction of Automatic blade/Grade control system on Motor Grader.
- (f) Engineering of BEML Transmission with Cummins Engine (NTA 855C) on Water Sprinkler Model : WS28-2.
- (g) Design and development of Electronic based Traction control system for BH60M Dump truck.

- (h) Engineering of cabin with viscous mounts on Water Sprinkler model BWS 70.
- (i) Design & Development of up-graded Front LH, RH and Rear Suspension for Water Sprinkler Model: WS70.
- (j) Design & Development of up-graded Front and Rear Suspension for Dumper Model: BH100S.
- (k) Up-gradation of Electronic engines to meet BSIII CEV norms Model : BSA6D140EG for BE1800D & BE700 Excavator.
- (l) Up-gradation of Electronic engine to meet BSIII CEV norms Model: BSAA6D125EG for BD85 Dozer.

Defence

- (a) Arjun-ARRV was designed and developed in association with CVRDE, Chennai. 2 prototypes have been delivered which is undergoing trials.
- (b) Trawl assembly for T-72 tank was developed with R&DE Engineers, Pune.
- (c) BEML Tatra 8x8 vehicle was modified to built superstructure for mounting 155 mm / 52 Cal Gun developed by OFB (Gun Carriage Factory, Jabalpur)
- (d) 4x4 - Medium Bullet Proof Vehicle (MBPV) was designed and developed considering the requirement of Ministry of Home Affairs (MHA).

Rail & Metro

- (a) **Kolkata Metro (E-W):** Full scale mock up developed and delivered. Development of first fully functional prototype trainset is completed and delivered. Standard gauge bogie frames developed & successfully tested in-house have been used in KMRC trains. Testing and commissioning of 6 car formation at depot and mainline is under progress.



- (b) **Bangalore Metro (Intermediate Cars):**
Design and Development of Intermediate units for converting existing 3 car trains of Bangalore Metro into 6 car trains is completed. Testing and commissioning of 6 car formation at depot is completed and mainline testing is under progress.

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

Major R&D initiatives like new product / aggregates development, product up-gradation, indigenization etc. have ensured increase in the indigenization level of your Company and the existing products range are enhanced with cutting edge technology features that will help in sustaining the existing market and also in exploring the new emerging markets. There has been a considerable foreign exchange savings on account of the indigenization plan. Some of the benefits derived from the above are:

- (a) Road worthiness certificate received from Automotive Research Association of India for Motor Grader model : BG405.
- (b) Absorption of Armoured Manufacturing technology, integrated fuel monitoring system, integration of open / close cycle hydraulic system, armoring of the existing BEML Tatra cabin. These technologies will enable better design of products in future development.
- (c) An indigenous High Altitude Kit (HAK) was developed for fitment on BEML Tatra vehicles for operation in high altitudes. This product has resulted in exploitation of equipments on the vehicles such as Radars, Mounted Gun Systems at high altitudes.
- (d) Indigenous development and successful evaluation of trails of Euro III Engine for BEML Tatra 8x8 vehicles resulted in import substitution and cost benefit.

- (e) In association with Defence Research & Development Laboratory, Rocket motor has been developed for Quick Reaction Surface to Air Missile (QRSAM). Special manufacturing process have been developed using special purpose machines for development activity. This will be a new product in the company's range of products with missile technology. This will open additional business line for the company.
- (f) Cost reduction through indigenization / alternate sources has been achieved in Kolkata Metro Rail Corporation Limited project (Bogie, Outfitting and Electrical aggregates).
- (g) In Bangalore Metro Rail Corporation Limited project, New Motor car has been designed and developed for 15 Ton axle load and this can be used for upcoming metro projects. Also, a new design feature of Current Collector Device (CCD) up/down monitoring has been implemented which was not available in existing BMRCL trains.

Further as a result of successful completion and commercialization of the projects, the turnover of the company increased. The skill sets, knowledge & expertise of R&D personnel has enhanced and induced confidence in taking up future challenges.

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



continuously strengthened / upgraded, to handle and cope with the latest technologies effectively.

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

Mining & Construction:

Your Company has taken up initiatives to launch new products and upgrade existing products in line with the latest emission norms as mandated by the government and safety features on par with upcoming CEMM Act and ISO20474 in the areas of Dump Trucks, Dozers, Excavators, Wheel Loaders and Underground Mining Equipment apart from up-gradation of existing products with innovative and new features in line with major global competitors.

Defence:

Your Company is taking up new design & development programmes to meet the acquisition needs of the Indian Army such as Upgraded and Euro III version for PINAKA 5th to 10th Regiment, Wheeled Infantry Combat vehicles (WICV), Mine Protected Vehicles (MPV), partnering with Ordnance Factory Board for development of Futuristic Infantry Combat Vehicle

(FICV). The Company is also exploring opportunities for manufacture of additional modules of Surface to Air Missiles and integration of Missiles. Company is also exploring opportunities in Aerospace sector by being a lead supplier for Airborne modules.

Rail & Metro:

Your Company has planned to develop products with improved technology like driverless metro cars, incorporation of 3 phase propulsion in EMUs running in the country. MoU signed with IIT, Kharagpur for working on developing Bogie design know-how under the Uchathar Aavishkar Yojana (UAY) project of Ministry of Human Resources Development.

(v) Expenditure on R&D:

Company has spent ₹102.04 crores on R&D during 2017-18 which is about 3.09% of the turnover (Gross Revenue).

For and on behalf of the Board of Directors

Sd/-

Bengaluru
25.05.2018

D K Hota
Chairman & Managing Director



Annexure-II

FORM NO. AOC-2

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

Form for disclosure of particulars of contracts / agreements entered into by the Company with related parties referred to in sub-section (i) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

- Name(s) of the related party and nature of relationship: Nil
- Nature of contracts / arrangements / transactions: Not applicable
- Duration of contracts / arrangements / transactions: Not applicable
- Salient terms of the contracts or arrangements or transactions including the value, if any : Not applicable
- Justification for entering into such contracts or arrangements or transactions: Not applicable
- Date(s) of approval by the Board: Not applicable
- Amount paid as advances, if any: Not applicable
- Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

- Name(s) of the related party and nature of relationship: Nil
- Nature of contracts / arrangements / transactions: Not applicable
- Duration of contracts / arrangements / transactions: Not applicable
- Salient terms of the contracts or arrangements or transactions including the value, if any : Not applicable
- Date(s) of approval by the Board: Not applicable
- Amount paid as advances, if any: Not applicable

For and on behalf of the Board of Directors

Sd/-

Bengaluru
25.05.2018

D K Hota
Chairman & Managing Director



Annexure-III

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

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

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

2. BOARD OF DIRECTORS

(i) Composition:

As on 31.03.2018, the Board consisted of 3 Whole-time Directors including the Chairman and Managing Director, 2 Government Nominee Directors and 3 Independent Directors. There are 2 vacancies for Independent Directors on the Board. Accordingly, the composition did not comply with the requirements under Regulation 17 of the Listing Regulations. There is no inter-se relationship among the directors.

(ii) Meetings and Attendance:

During the year, seven meetings of the Board were held on 12.04.2017, 30.05.2017, 11.08.2017, 20.09.2017, 10.11.2017, 18.12.2017 and 07.02.2018. Requirements on number and frequency of meetings, in terms of Section 173(1) of the Companies Act, 2013, Regulation 17(2) of Listing Regulations, and Para 3.3.1 of the DPE Guidelines, were complied with in full.

The details of attendance of the Directors at the Meetings of Board, Annual General Meeting (AGM) and their other directorships and Committee memberships held by them across 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/NA)	No. of other directorships held	* Number of Committee Memberships across all companies
Functional Directors:					
1	Chairman & Managing Director Shri D K Hota (DIN 06600812)	7/7	Yes	--	--
2	Director (Mining & Construction Business) Shri B R Viswanatha (DIN 07363486)	7/7	Yes	3	2



3	Director (Defence Business) Shri R H Muralidhara (DIN 07363484)	7/7	Yes	2	1
4	Director (Rail and Metro Business) Shri Aniruddh Kumar** (DIN 06861374)	4/4	Yes	3	1
Government Nominee Directors:					
5	Smt. Surina Rajan (DIN 06699602)	1/7	No	2	--
6	Shri Sanjay Prasad (DIN 01577730)	6/7	Yes	1	--
Independent Directors:					
7	Shri Sudhir Kumar Beri (DIN 07367157)	7/7	Yes	--	1
8	Shri M G Raghuvver (DIN 02703301)	7/7	Yes	--	2
9	Shri B P Rao (DIN 00467226)	7/7	Yes	3	1

* As per Regulation 26 of Listing Regulations, Chairmanship/Membership of the Audit Committee and the Stakeholders Relationship Committee are only reckoned with.

**Ceased to be Director on 31.10.2017.

(iii) Directors' Shareholding

None of the Directors are holding equity shares or debt securities in your Company as on 31.03.2018.

(iv) CEO / CFO Certification

In terms of Regulation 17(8) of the Listing Regulations, Chairman and Managing Director (Chief Executive Officer) and Director-Finance (Chief Financial Officer), have issued necessary certificate to the Board of Directors with respect to the financial statement for the year 2017-18. 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 344th meeting held on 25.05.2018.

(v) Review of Compliance of Laws

In terms of Regulation 17(3) of the Listing Regulations, Para 3.3.3 of the DPE Guidelines

and applicable provisions of the Companies Act, 2013, the Board reviewed the compliance reports relating to various laws applicable to the Company for the year 2017-18 and noted that there was no instance of non-compliance. Further, there was no significant or material order passed during the year by any regulator or court or tribunal impacting the going concern status and Company's operations in future.

(vi) Familiarization/Training of Board Members

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

As per the terms of the said policy, the Board members including Independent Directors are provided with the familiarization programmes



on their roles, rights, responsibilities, nature of industry, Company's business model, procedures and practices and also provided with necessary documents, brochures and reports to keep the Directors abreast of the necessary information relating to the Company. Further, the Board members participated in various training programmes on corporate governance and other Board related topics from time to time.

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

(vii) Code of Conduct

In terms of Regulation 17(5) of the Listing Regulations and Para 3.4 of the DPE Guidelines, the Board of Directors of your Company has laid down a 'BEML Code of Conduct and Business Ethics for Board Members and Senior Management' of the Company and the same is also placed on the Company's web-site www.bemlindia.in, as required under Regulation 46(2)(d) of the said Regulations. Board Members and Senior Management, i.e., Directors, Key Managerial Personnel, Executive Directors and Chief General Managers have affirmed compliance with the said Code. A declaration to this effect signed by the Chairman and Managing Director (Chief Executive Officer) is produced hereunder:

To the Members of BEML Limited,

I, D K Hota, Chairman and Managing Director of the Company, hereby declare that the Board of Directors and Senior Management personnel have affirmed their compliance with the Code of Conduct for the financial year ended 31.03.2018.

On behalf of the Board of Directors

Sd/-

Bengaluru
25.05.2018

D K Hota
CMD/CEO

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

Pursuant to Regulations 8 and 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the 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 and the same is placed on the Company's website www.bemlindia.in. 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 made as provided under the Code to prevent the instance of insider trading.

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

(ix) Whistle Blower Policy

In terms of the provisions of Section 177(9) of the Companies Act, 2013, Regulation 22 of the Listing Regulations and Para 4.3 of the DPE Guidelines, your Company has formulated necessary "Vigil Mechanism / Whistle Blower Policy" for directors and employees to report genuine concerns. The said policy provides for adequate safeguards against victimization of director/s or employee/s or any other person who avail the said mechanism and also provides for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. As per the said policy, none of the employees have been denied access to Audit Committee. In terms of Regulation 46(2)(e) of the Listing Regulations, the said policy is placed on the Company's website www.bemlindia.in.

3. BOARD COMMITTEES:

The Board of Directors has constituted various Committees as detailed hereunder together with



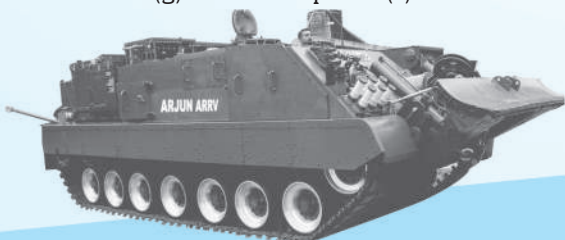
brief terms of reference. Further, the composition of such Committees are also placed on the Company's web-site www.bemlindia.in, in terms of Regulation 46(2)(c) of the Listing Regulations.

(i) Audit Committee:

The Audit Committee complies with the terms of reference as enumerated under the applicable provisions under the Companies Act, 2013, Listing Regulations, DPE Guidelines as amended from time to time and should also comply with the directives of the Board of Directors, Department of Defence Production, Central Vigilance Commission, and such other competent authority.

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

- (a) Oversight of financial reporting process and the disclosure of the financial information to ensure that the financial statement is correct, sufficient and credible;
- (b) to review with the management, the quarterly financial statements before submission to the board for approval;
- (c) to discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (d) to review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to (a) matters required to be included in the director's responsibility statement forming part of the board's report in terms of Section 134(5) of the Companies Act, 2013; (b) changes, if any, in accounting policies and practices and reasons for the same; (c) major accounting entries involving estimates based on the exercise of judgment by management; (d) significant adjustments made in the financial statements arising out of audit findings; (e) compliance with listing and other legal requirements relating to financial statements; (f) disclosure of any related party transactions; and (g) modified opinion(s) in the draft audit report;
- (e) to recommend to the Board, fixation of remuneration to statutory auditors and to approve payment to statutory auditors for services rendered other than statutory audit as may be permitted under law;
- (f) to recommend to the Board the fixation of remuneration, re-imbursement of out-of-pocket expenses and other allowances, if any, to cost auditors and transaction auditors;
- (g) to evaluate internal financial controls and risk management systems;
- (h) to review with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
- (i) to review the adequacy of internal audit function of the Company, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (j) to discuss with internal auditors of any significant findings and follow up there on; and to review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and make suitable recommendation to the board;
- (k) to review the functioning of the whistle blower mechanism;
- (l) to meet at least once every two months and inter-alia look at all cases of procurements which are made from single sources [Source - MoD directive vide No.8(94)/2012-D(Coord/DDP) dated 29.10.2012];
- (m) to review the follow up action on the audit observations of the C&AG audit;
- (n) to review inventory position periodically and also review and recommend the cost audit reports for the consideration and approval of the Board [Source - 313th meeting of Board held on 04.02.2014];



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

Sl.No.	Name of the Director	Category	Attendance
Chairman:			
1	Shri B P Rao	Independent Director	6/6
Members:			
2	Shri Sudhir Kumar Beri	Independent Director	6/6
3	Shri M G Raghuveer	Independent Director	6/6
4	Shri B R Viswanatha	Director (Mining & Construction Business)	6/6

During the year, the Audit Committee met six times on 11.04.2017, 24.05.2017, 10.08.2017, 20.09.2017, 09.11.2017 and 06.02.2018. Further, in terms of Regulation 18(2) of the Listing Regulations and Para 4.4 of the DPE Guidelines, the Audit Committee complied with the requirements on number and frequency of meetings. In terms of section 177(8) of the Companies Act, 2013, the Board accepted all the recommendations made by the Audit Committee during the year.

The Company Secretary acts as Secretary of the Committee. The Chairman of the Audit Committee attended the 53rd AGM of the Company held on 21.09.2017.

(ii) Nomination and Remuneration Committee

Pursuant to the provisions under Section 178(1) of the Companies Act, 2013 and Regulation 19 of the

Listing Regulations, a Committee by the nomenclature “Nomination and Remuneration Committee” has been constituted.

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

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

Sl.No.	Name of the Director	Category	Attendance
Chairman:			
1	Shri Sudhir Kumar Beri	Independent Director	4/4
Members:			
2	Shri M G Raghuveer	Independent Director	4/4
3	Shri B P Rao	Independent Director	4/4

During the year, the Nomination and Remuneration Committee met four times on 10.08.2017, 09.11.2017, 18.12.2017 and 06.02.2018 during the year.



(iii) Stakeholders Relationship Committee

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

The terms of reference would include, monitoring the grievance redressal by the Company as well as the Registrar and Share Transfer Agent of the Company, and to review and recommend to the Board the redressal status of grievances registered on SEBI Complaints Redress System (SCORES).

The Committee consists of following Directors / Compliance Officer:

Sl.No.	Name of the Director	Category
Chairman :		
1	Shri M G Raghuveer	Independent Director
Members :		
2	Shri B R Viswanatha	Director (Mining & Construction Business)
3	Shri R H Muralidhara	Director (Defence Business)
Company Secretary:		
4	Shri S V Ravisekhar Rao	Compliance Officer

The Company has an exclusive platform to enable investors for on-line registration of their complaints. The Company endeavour to reply to the complaints within a period of 3 working days. In terms of Regulation 46(2)(j&k) of the Listing Regulations, the said e-mail ID and other relevant details are placed on the Company's web-site www.bemlindia.in.

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 SCORES. From the inception of the said system on 18.07.2011, there were 27 complaints placed and there was no complaint pending as on 31.03.2018. Further, the redressal status of the said complaints is reviewed by the Board of Directors from time to time.

In terms of Regulation 13(4) of the Listing Regulations, a quarterly statement on investor complaints received and redressal thereof, as submitted with BSE and NSE, are placed before the Board for information.

Accordingly, the status of total investor complaints and redressal thereon during the year are as under:

No. of complaints pending beginning of the year	:	0
No. of complaints received during the year	:	26
No. of complaints resolved during the year	:	26
No. of complaints pending resolved at the end of the year	:	0

(iv) Share Certificate Committee

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

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



The Committee consists of following Directors / Compliance Officer:

S.No.	Name of the Director	Category
Chairman :		
1	Shri B R Viswanatha	Director (Mining & Construction Business)
Members :		
2	Shri R H Muralidhara	Director (Defence Business)
Company Secretary:		
3	Shri S V Ravisekhar Rao	Compliance Officer

The Share Certificate Committee met 2 times on 12.09.2017 and 16.01.2018 during the year under review.

(v) Corporate Social Responsibility & Sustainability Committee

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

The terms of reference of CSR Committee would include -

- (a) to formulate and recommend to the Board CSR Policy of the Company.
- (b) to recommend CSR projects / programmes / activities along with the estimated budgets, and
- (c) to monitor the implementation of CSR projects / programmes / activities of the Company and expenditure thereon.

The Committee consists of the following directors:

S.No.	Name of the Director	Category
Chairman :		
1	Shri Sudhir Kumar Beri	Independent Director
Members :		
2	Shri B R Viswanatha*	Director (Mining & Construction Business)
3	Shri R H Muralidhara	Director (Defence Business)

*Part of year

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

The CSR Committee met once during the year on 10.08.2017. Annual report on CSR activities undertaken during the year 2017-18 is enclosed at **Annexure-VI.**

(vi) Procurement Committee

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



The Committee consists of following directors:

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

The Procurement Committee met 15 times on 10.05.2017, 01.06.2017, 22.06.2017, 11.08.2017, 31.08.2017, 11.09.2017, 06.10.2017, 23.10.2017, 20.11.2017, 25.11.2017, 19.12.2017, 21.12.2017, 16.01.2018, 14.02.2018 and 14.03.2018 during the year under review.

(vii) Independent Directors Meeting

In terms of the provisions under the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, the Independent Directors met on 06.02.2018 and reviewed the action taken on the minutes of the previous meeting on quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the

Board to effectively and reasonably perform their duties. All three Independent Directors have attended the meeting.

4. REMUNERATION OF DIRECTORS

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

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

(i) Details of Remuneration paid to Functional Directors during the year 2017-18:

(In ₹)

Name Shri	Salary	Benefits	PF Contribution	Perqui-sites	Pension	Incen-tives	Total amount 2017-18	Total amount 2016-17
D K HOTA	2589942	710871	295794	561298	15000	361191	4534096	3888132
B R VISWANATHA	2202981	641237	261856	368663	2500	362606	3839843	3205909
R H MURALIDHARA	2185521	485392	247260	491162	15000	342165	3766500	3192531
ANIRUDDH KUMAR*	1331750	149457	159809	376487	0	228094	2245597	3478905
TOTAL	8310194	1986957	964719	1797610	32500	1294056	14386036	13765477

*Part of year



(ii) Government Nominee / Independent Directors compensation:

- (a) 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.
- (b) None of the Independent Directors had pecuniary relationship or transaction with the Company excepting receipt of sitting fee of ₹20,000 per meeting of the Board/ Committee of the Board attended by them. Further, if there are more than one such meeting on the same day, a sitting

fee @ ₹10,000 is paid for the second and subsequent meeting/s. Details of sitting fees paid to the Independent Directors during the year 2017-18 are given below:

Name of the Director Shri	Sitting fee for the meeting(s) of		Total ₹
	Board	Committees	
Sudhir Kumar Beri	1,20,000	1,90,000	3,10,000
M G Raghuveer	1,20,000	1,80,000	3,00,000
B P Rao	1,20,000	1,80,000	3,00,000
Total	3,60,000	5,50,000	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:

Year	Location	Date & Time
2016-17	Dr. B.R. Ambedkar Bhavan, Millers Road, Next to Jain Hospital, Kaverappa Layout, Vasanth Nagar, Bengaluru - 560052	21.09.2017 at 11:30 hrs
2015-16	API Bhavana, 16/F, Millers Tank Bed Area, Vasanth Nagar, Bengaluru - 560052	15.09.2016 at 11.30 hrs
2014-15	API Bhavana, 16/F, Millers Tank Bed Area, Vasanth Nagar, Bengaluru - 560052	15.09.2015 at 11.30 hrs

During the year 2015-16, a special resolution was passed at the 51st AGM held on 15.09.2015 for altering the Articles of Association (AoA) with the insertion of a new clause as Article 120(24) - General Authority necessitated by the enactment of the Companies Act, 2013. No special resolution was put through postal ballot during the year under review.

6. SUBSIDIARY COMPANIES

In terms of Regulation 16(c) of the Listing Regulations and Chapter 6 of the DPE Guidelines, none of the subsidiaries of the Company would be defined as 'Material Subsidiary'. However,

your Company has formulated a "Policy for Determining Material Subsidiaries" and the same is placed on the Company's web-site www.bemlindia.in, as required under Regulation 46(2)(h) of the said Regulations.

In terms of Regulation 24 of the Listing Regulations, 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 the Company.



7. ENTERPRISE RISK MANAGEMENT

In terms of Section 134(3)(n) of the Companies Act, 2013, Regulation 17(9) of the Listing Regulations, and Para 7.3 of DPE Guidelines, your Company has formulated "Risk Management Policy" with the objective to ensure sustainable business growth with stability and to promote a pro-active approach in identifying, evaluating, reporting and managing or mitigating risks associated with the business. In order to achieve the key business objectives, the policy establishes a structured and disciplined approach to risk management in order to mitigate risk related issues. The said policy is also placed on the Company's website www.bemlindia.in.

In terms of Regulation 21 of the Listing Regulations, Company has constituted Risk Management Committee consists of Director (Rail & Metro Business), Director (Mining & Construction Business), Director (Defence Business), Director (Finance) and one Independent Director.

Further, the Corporate Risk Committee shall review the key risks along with mitigation plans report to the Risk Management Committee for apprising the Board periodically.

8. DISCLOSURES

In terms of Regulation 34(3) of the Listing Regulations and 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. In terms of Regulation 46(2)(g) of the Listing Regulations, the said policy is placed on the web-site of the Company www.bemlindia.in. During the year 2017-18, all related party transactions that were entered into with the related parties were fair, transparent and at arm's length basis and also in the ordinary course of business of the Company. The said related party transactions were duly considered and noted by the Audit Committee. Further,

details of related party transactions as required under Ind-AS 24 issued by the Institute of Chartered Accountants of India is given in Note No.39(C) of the Notes forming part of Accounts. It may be noted that no related party transaction was reported during the year involving the Directors, Key Managerial Personnel and other Designated Executives under Related Party Transactions Policy.

- (b) The Company has prepared the financial statement, including consolidated financial statement based on the applicable Ind-AS issued by the Institute of Chartered Accountants of India from time to time.
- (c) The Company has complied with Presidential Directives, if any, issued by the Central Government during the year and also in the last three years.
- (d) 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.
- (e) The Company has not entered into any contract or arrangement in which the Directors are interested in terms of section 184(2) and 188 of the Companies Act, 2013.
- (f) 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.
- (g) The expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management were – NIL.
- (h) There were no items of expenditure debited in books of account, which are not for the purposes of the business.



- (i) Details of finance cost and reasons for increase are given below:

Finance cost increased by 0.60% for the year 2017-18 as compared to last year mainly due to increase in interest on cash credit and short term loans.

9. MEANS OF COMMUNICATION

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

- (g) Company's Website:

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

10. RECONCILIATION OF SHARE CAPITAL AUDIT:

Pursuant to Regulation 55A of SEBI (Depositories & Participants) Regulations, 1996, 'Reconciliation of Share Capital Audit Report' is being submitted on quarterly basis to BSE and NSE within 30 days of end of each quarter and also placed on the website of the Company www.bemlindia.in. The said report is issued by a Practicing Company Secretary, after reconciliation, confirming that the share capital issued in physical and demat form tally with the issued, paid-up, listed and admitted share capital of the Company and also the Register of Members is up-to-date and that the dematerialisation requests, transfers, transmissions etc., are completed within the stipulated period. Further, in terms of SEBI Circular No. D&CC/FITTC/CIR-16/2002, dt.31.12.2002, this report is placed before the Board of Directors of the Company on quarterly basis for information. The said audit reports confirmed that no exceptional issues were reported during the year under review.



11. HALF-YEARLY COMPLIANCE CERTIFICATE UNDER REG.7(3) OF LISTING REGULATIONS

Your Company ensure that all activities in relation to both physical and electronic share transfer facilities are maintained by M/s. Karvy Computershare Private Limited, a SEBI registered Category-I Registrar & Share Transfer Agent. Further, in terms of Reg.7(3) of Listing Regulations half-yearly compliance certificates for the year 2017-18 were submitted to BSE & NSE on time.

12. HALF-YEARLY COMPLIANCE CERTIFICATE UNDER REG.40(9) & 10 OF LISTING REGULATIONS

Your Company ensure that the share transfer agent produces a certificate from a Practicing company secretary within one month of the end of each half of the financial year, certifying that all share certificates have been issued within thirty days of the date of lodgment for transfer, subdivision, consolidation, renewal, exchange etc. Your Company has submitted the said half-yearly certificates for the year 2017-18 to BSE & NSE on time.

13. GENERAL SHAREHOLDER INFORMATION

- (i) The 54th Annual General Meeting for the year 2017-18 is scheduled on 27th September, 2018, at 11.30 hours at "Grand Ball Room, The Chancery Pavilion, No.135, Residency Road, Opp. Bangalore Club, Shanthala Nagar, Ashok Nagar, Bengaluru - 560 025.
- (ii) Tentative calendar for declaration of results for 2018-19 is given as below:

For the quarter ending 30.06.2018	On or before 14.08.2018
For the quarter ending 30.09.2018	On or before 14.11.2018
For the quarter ending 31.12.2018	On or before 14.02.2019

For the year ending 31.03.2019	On or before 30.05.2019
55 th Annual General Meeting	On or before 30.09.2019

- (iii) The Register of Members and Share Transfer Book shall remain closed from 22.09.2018 to 27.09.2018 (both days inclusive).
- (iv) Your Board of Directors has recommended a dividend of ₹8 per share, i.e., 80% on the equity shares of ₹10 each (par value) for the year ended 31.03.2018. Dividend, if approved at the 54th 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 :

The BSE Limited ('BSE')

P.J. Towers, 26th Floor,

Dalal Street, MUMBAI - 400 001

National Stock Exchange of India Limited ('NSE')

Exchange Plaza, Bandra-Kurla Complex

Bandra (East), MUMBAI - 400 051

Listing fee for the year 2017-18 was paid to BSE and NSE during April, 2017.

- (vi) Stock Code:

BSE	500048
NSE	BEML

- (vii) Custody / Issuer charges to Depositories

Your Company has paid custody / issuer charges for the year 2017-18 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

- (viii) Details of non-compliance

The Board of Directors of the Company is duly constituted with requisite balance of Executive Directors, Non-Executive Directors and Independent Directors. The Company had appointed adequate number of Independent



Directors as per the provisions of the Companies Act, 2013. However, the same is not complied as per the requirements of the Listing Regulations. It is informed that filling up of vacancies of the said Independent Directors is under the consideration of Government of India.

(ix) Compliance with discretionary requirements

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

- The Company has Chairman and Managing Director who is an Executive Chairman.
- Process of communicating with shareholders is very robust and the procedure has been explained under “Means of Communication”.
- The consolidated financial statement is disclosed with modified audit opinion.
- The Government of India has appointed the Chairman and Managing Director who is also a Chief Executive Officer of the Company and hence there are no separate Chairperson and Managing Director.
- The Chief of Internal Audit reports directly to Chairman and Managing Director and is a permanent invitee to the meetings of Audit Committee.

(x) Commodity price / Foreign exchange risk and hedging activities

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

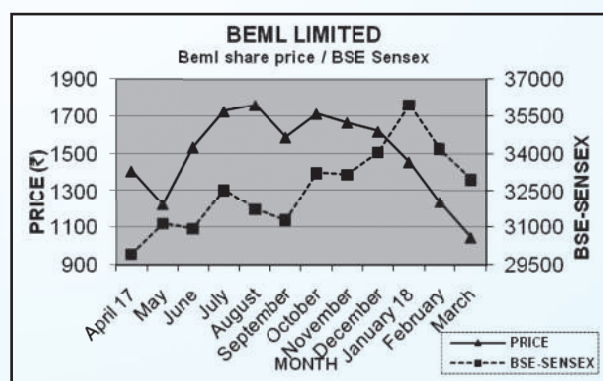
(xi) Market Price Data:

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

(a) BEML Share price on BSE vis-a-vis BSE Sensex from April 2017 to March 2018.

Month	BSE Sensex	BSE (₹ per share)		
	Close	High	Low	Close
April, 2017	29,918	1,440	1,291	1,406
May	31,146	1,410	1,126	1,223
June	30,922	1,570	1,211	1,534
July	32,515	1,731	1,506	1,727
August	31,730	1,918	1,414	1,762
September	31,284	1,947	1,565	1,587
October	33,213	1,824	1,588	1,714
November	33,149	1,813	1,615	1,666
December	34,057	1,696	1,431	1,618
January, 2018	35,965	1,623	1,440	1,454
February	34,184	1,494	1,140	1,236
March	32,969	1,418	996	1,044

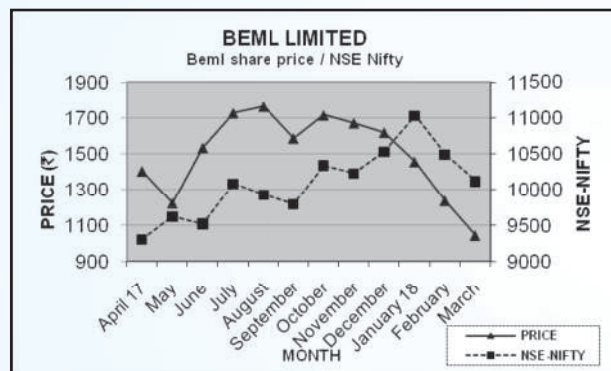
Performance in comparison to broad-based BSE Index based on last trading day of each month is as under:



(b) BEML Share price on NSE vis-a-vis NSE NIFTY from April 2017 to March 2018:

Month	NSE Nifty	NSE (₹ per share)		
	Close	High	Low	Close
April, 2017	9,304	1,440	1,342	1,403
May	9,621	1,409	1,125	1,222
June	9,521	1,570	1,210	1,533
July	10,077	1,730	1,504	1,726
August	9,918	1,919	1,422	1,763
September	9,789	1,947	1,562	1,586
October	10,335	1,823	1,587	1,714
November	10,227	1,815	1,615	1,670
December	10,531	1,695	1,435	1,618
January, 2018	11,028	1,623	1,440	1,455
February	10,493	1,495	1,146	1,235
March	10,114	1,419	996	1,044

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



(xii) Registrar and Share 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.karvycomputershare.com

(xiii) Share Transfer System

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

(xiv) Shareholding pattern as on 31.03.2018:

Sl. No	Description	No. of Cases	Total Shares	% Equity
1	Government of India	1	2,25,00,000	54.03
2	Mutual Funds	56	84,65,714	20.33
3	Resident Individuals	63,904	46,91,784	11.27
4	Bodies Corporates	924	20,39,314	4.90
5	Foreign Portfolio Investors	64	16,60,139	3.98
6	Indian Financial Institutions	7	16,35,771	3.93
7	Non Resident Indians	889	2,54,752	0.61
8	HUF	1,647	1,80,656	0.43
9	Non Resident Indian Non Repatriable	384	90,687	0.22
10	Clearing Members	173	79,608	0.19
11	NBFC / Banks / Trusts / FII/ IEPF	25	46,075	0.11
Total		68,074	4,16,44,500	100.00



(xv) Top 10 shareholders as on 31.03.2018 based on PAN:

Sl. No.	Name of the shareholder	No. of shares	% holding
1	HDFC Trustee Company Limited - HDFC Equity Fund	37,47,580	8.99
2	Kotak Select Focus Fund	20,73,402	4.97
3	Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Pure Value Fund	11,92,636	2.86
4	Life Insurance Corporation of India	7,56,380	1.81
5	National Insurance Company Ltd	4,93,094	1.18
6	Reliance Strategic Investments Limited	4,05,150	0.97
7	Abu Dhabi Investment Authority	3,81,000	0.91
8	SBI Life Insurance Co. Ltd	3,62,705	0.87
9	General Insurance Corporation of India	3,00,000	0.72
10	HDFC Standard Life Insurance Company Limited	2,65,336	0.63
Total		99,77,283	23.91

(xvi) Distribution of shareholding as on 31.03.2018:

Range of equity shares held	No. of Shareholders	% to total holders	No. of Shares	% to total equity
1-100	60,031	88.18	16,19,867	3.89
101-200	3,810	5.60	6,00,194	1.44
201-500	2,731	4.01	9,02,026	2.16
501-1000	828	1.22	6,31,581	1.52
1001-5000	499	0.73	10,83,938	2.60
5001-10000	67	0.10	4,88,936	1.18
10001 and above	108	0.16	3,63,17,958	87.21
Total	68,074	100.00	4,16,44,500	100.00

(xvii) Details of Shares held in Unclaimed Suspense Account

Company made Follow-on Public Offer during 2007 and certain shares could not be delivered/credited to investors due to reasons such as incomplete / wrong / invalid demat account details, incomplete address, etc. In terms of Regulation 39(4) of the Listing Regulations, 255 unclaimed shares were kept in a separate

Suspense Account. During the year, 10 shares held by one of the shareholders were transferred to his demat account. The remaining 245 shares were transferred during the year to the IEPF established by the Central Government pursuant to the applicable provisions of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules 2017, as detailed below:



Particulars	No. of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 01.04.2017	18	255
Number of shareholders who approached the Company for transfer of shares from the unclaimed suspense account during the year	1	10
Number of shareholders to whom shares were transferred from the unclaimed suspense account during the year	1	10
Number of shareholders and the outstanding shares transferred to IEPF during the year.	17	245
Aggregate number of shareholders and the outstanding shares lying in the unclaimed suspense account as on 31.03.2018	--	--

(xviii) 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 31.03.2018, 99.63% 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 NSE and BSE only in dematerialized form. Considering the advantages of scrip-less trading, including enhanced marketability of the shares and security of the investments, shareholders holding shares in physical form are requested to consider dematerializing their shareholding so as to avail the advantages of dematerialisation of shares.

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

(xx) Listing of Debt Securities :

3000 Secured Redeemable Non-convertible Debentures of face value of ₹10 lakh each aggregating to ₹300 crores, as approved by the Board on 18.05.2012, allotted on private

placement basis to M/s. Axis Bank Limited are listed on BSE Debt Segment with effect from 02.07.2012. Your Company is servicing the interest charges on half-yearly basis to the security holders. The details of Debenture Trustee are as under:

M/s SBICAP Trustee Company Limited,
Debenture Trustee,
Khetan Bhavan, 5th Floor, 198, J.T. Road,
Churchgate, Mumbai - 400 020

(xxi) Credit Rating on Debt Securities / Working capital facilities:

- ICRA and Brickwork have reaffirmed the rating of long term non-convertible debenture of ₹300 Crs with [ICRA]A+ (Stable) and BWR AA with Stable outlook. These ratings are considered to have a high degree of safety regarding timely servicing of financial obligations.
- ICRA has reaffirmed the long-term rating of [ICRA]A+ and the short-term rating of [ICRA] A1+ for ₹2,750 Crores limit towards fund based cash credit and non fund based bank guarantee. The outlook on the long term rating is Stable.



(xxii) 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

(xxiii) Address for correspondence with the Company:

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

(xxiv) National Electronic Clearing Service / Mandates/
Bank Details

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

(xxv) 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 terms of the provisions of the Companies Act, 2013 and Listing Regulations, 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 e-mail. There are about 51890 shareholders registered their e-mail IDs with the depository for communication purposes as on 31.03.2018, to whom the notice, annual reports, etc, would be sent in e-mode.

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

(xxvi) Unclaimed Dividends

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

Further, MCA vide notification dated 05.09.2016 and subsequent amendments dated 28.02.2017 and 13.10.2017 stipulated that all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred to IEPF. That is, the shares pertaining to the shareholder for the dividend declared for 2009-10, if not claimed or unpaid any dividend by that shareholder up to 2016-17, will be transferred to IEPF during 2017-18. Accordingly, all the unclaimed dividend amounts declared prior to 31.03.2010 along with shares are transferred to IEPF. Any shareholder whose shares are transferred to the IEPF may approach STA / Company for claiming back the shares along with the unpaid dividend amount.



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

<i>Dividend for the financial year</i>	<i>Date of Declaration</i>	<i>Unclaimed as on 31.03.2018 (₹ in lakhs)</i>	<i>Due for transfer on</i>
2010-11	29.08.2011	6.84	04.10.2018
2011-12	14.09.2012	4.54	20.10.2019
2012-13	13.09.2013	2.41	19.10.2020
2013-14	18.09.2014	1.69	24.10.2021
2014-15	15.09.2015	1.43	21.10.2022
2015-16	15.09.2016	6.27	21.10.2023
2016-17	21.09.2017	10.86	27.10.2024
Total		34.04	

14. COMPLIANCE WITH CORPORATE GOVERNANCE

- Your Company submitted quarterly compliance report on Corporate Governance as per prescribed format to the MoD, BSE and NSE and also on half-yearly/yearly basis to BSE and NSE, within 15 days from the close of each calendar quarter.
- Further, your Company submitted grading reports on the compliance with the Corporate Governance with MoD and DPE on annual basis. As per the self-grading report for the year 2017-18, your Company has scored 'Excellent' rating in adhering to the Corporate Governance standards by achieving about 96% of the compliances.

For and on behalf of the Board of Directors

Sd/-

Bengaluru
25.05.2018

D K Hota
Chairman & Managing Director



CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

Corporate Identity No. : L35202KA1964GOI001530

Nominal Capital : ₹100 Crores

To the members of M/s. BEML Limited

I have examined all the relevant records of BEML Limited for the purpose of certifying compliance of the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and DPE Guidelines on Corporate Governance for CPSEs-2010 for the year ended 31st March, 2018. I have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

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

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

On the basis of my examination of the records produced and the explanations and information furnished, I certify that the Company has complied with mandatory requirements of the Listing Regulations and DPE Guidelines on Corporate Governance for CPSEs-2010 excepting composition of Board of Directors with regard to Independent Directors.

For Velichety & Co.,
Chartered Accountants

Sd/-

CA. V. Vijaya Raghava Rao
Partner

M.No.: 028453

FRN.: 004588S

Bengaluru

May 11, 2018



Annexure-IV

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(i) Industry structure and developments:

The 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 each by a Business Group Director. The International Business Division exports equipment and spares manufactured and also provide services by all the three verticals. The Company's manpower strength stood at 7,722 as on 31.03.2018.

Production Units

The Company has four manufacturing complexes located at Bengaluru, Kolar Gold Fields (KGF), Mysuru and Palakkad and a subsidiary steel foundry functioning in Tarikere, Chikkamagaluru District.

Bengaluru Complex: Bengaluru Complex manufactures various types of railway products such as rail coaches, AC Electrical Multiple Units (ACEMUs), Diesel Electric Multiple Units (DEMUs), Main Line Electric Multiple Units (MEMUs), Stainless Steel Electrical Multiple Units (SSEMUs), Overhead Equipment Inspection Cars (OHE Cars) / Diesel Electric Tower Car (DETC), Treasury Van, etc., for Indian Railways. The Company also manufactures Stainless Steel Metro Cars for Delhi Metro, Bengaluru Metro, Jaipur Metro and Kolkata Metro. The Bengaluru Complex also manufactures defence products such as military rail coaches, ejector & air cleaner assemblies and military wagons.

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

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



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

Subsidiary Units:

- (a) Vignyan Industries Limited (VIL), Tarikere, was taken over by BEML in 1984 as a subsidiary unit. It has an installed production capacity of around 5000 MT per annum and produces various types of carbon steel, alloy steel and manganese steel casting of different sizes and weights ranging from 2.0 kgs to 2,250 kgs. VIL is accredited with ISO9001-2008 Certification. It also has a Class – A foundry certified by the Research Designs and Standards Organization (RDSO).
- (b) M/s. MAMC Industries Limited (MIL) was formed and incorporated by the Company as a wholly owned Company for the intended purpose of JV formation with M/s. Coal India Limited (CIL) and M/s. Damodar Valley Corporation (DVC). 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. Further, MoD has directed to submit 'Business Plan' and 'Financial Viability Report' of the proposed JV. In the meanwhile, considering that further investment / expenditure on this project would be an additional burden on the Company, the Board of Directors of BEML at their meeting held on 07.02.2018 suggested taking up the matter with

Interim Board of Management of Consortium of BEML, CIL and DVC for exit option. Further to the discussion held on 25.04.2018 among the members of MAMC Consortium, a draft Deed of Conveyance has been proposed to submit to the Official liquidator of Calcutta High Court for disposal of assets 'as is where is what is there is condition'.

- (c) M/s BEML Brazil Industrial Ltda (BBIL) was established on May 17, 2007 as per the requirement under the local laws of Brazil. Your Company had entered the Brazil market primarily for local presence and brand building in anticipation of business potential for freight Wagons and Mining & Construction equipment. 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 Caterpillar 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. In view of this, BBIL is kept under dormant state. BEML has decided to close the office for which legal action is underway and BBIL's registration will be cancelled soon after capital repatriation.

Marketing: BEML's products are sold and serviced through its large marketing network comprising 12 Regional Offices, 15 District Offices, and 3 Service Centres across the country. The Company also establishes temporary activity centres at customer locations to support and service equipment. Further, the Company has established full-fledged 'Service Training Centres' at KGF Complex and Mysuru Complex for offering variety of programs, scheduled round-the-year.



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

Developments & Performance during 2017-18:

As per the advance estimates of Central Statistical Organization, the Indian economy has posted 6.6% growth in GDP in 2017-18.

Your Company achieved all time high Revenue from Operations of ₹3305 crores as against ₹2835 crores in the previous year, registering growth of 16.61% compared to previous year Revenue from Operations. The increase in sales is mainly on account of increase in the turnover of Rail & Metro Business due to increase in sale of metro cars to Delhi Metro Rail Corporation under RS-10, RS-13 and Kolkata Metro Rail Corporation projects. In addition to the above, Mining & Construction business and Defence business also contributed to the growth in turnover over previous year.

The Value of Production (net of consortium supplies and excise duty) is ₹3227 crores as against ₹2624 crores in the previous year. The Profit before Tax was about ₹164 crores as against Profit before Tax of ₹98 crores recorded in the previous financial year, which is the highest ever in the last six years.

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

Mining & Construction

- Company has bagged "Top Public Sector Exporter in Southern Region (GOLD)" award for the year 2015-16 organized by Federation of Indian Export Organisations (FIEO), under Ministry of Commerce.

- Company has Rolled-out the 180 Ton Hydraulic Excavator – BE1800D & 850 HP Bulldozer BD475-1, products designed and developed by in-house R&D efforts in-line with Govt. of India's 'Make in India' initiatives.
- Company has launched 5.4 ton, 3.1 cum bucket Wheel Loader BL30-1 during Excon Exhibition 2017.
- Company has bagged best seller award for Crawler Dozers at the "5th Annual Equipment India Awards 2018".
- Skoch Award for BE1800E Excavator under 'Design Effort' category.

Defence

- Company has opened spare parts and warehouse office at Pune, Maharashtra.
- Development Order for 2 nos. of Arjun Armoured Repair & Recovery Vehicle was completed and successfully supplied to CVRDE.

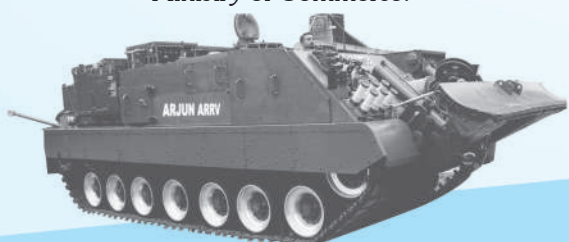
Rail & Metro

- Company has advanced delivery of the first intermediate car unit and supplied to BMRCL.
- Company has commenced supply of Metro Train sets to Kolkata Metro Rail Corporation Limited.
- Company has established the 3rd line Metro Manufacturing facilities at Bengaluru Complex to increase the production capacity of Metro cars.

(ii) Strength and Weakness:

(a) Strength

- Established manufacturing infrastructure, knowledge base, skilled manpower with dominant market share across categories.
- All manufacturing units accredited with ISO 9001-2000 certification and Quality Management System (QMS) as per ISO 9000-2008 standard.



- 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 High End Electric / Diesel Drive Dump Trucks and Excavator under 'Make in India' initiative.
- First Indian company which has acquired Metro Car manufacturing capability in the country.
- Dedicated Test Facilities and Test Tracks for Tracked and Wheeled Vehicles.
- Wide range of products to cater to customer needs.
- Well spread out marketing network of Sales, Service and Spare Parts distribution.
- Established presence and brand image.

(b) Weakness

- No assured business from Defence unlike some of the other DPSUs.
- Uncertainty in orders for Rail Coaches.
- Conservative approach in Marketing and Business Development.
- Margins are low due to dictates of market / current environment.
- Technology levels of certain products do not measure up to international levels and trends.

(iii) Opportunities and Threats:

(a) Opportunities

Mining & Construction:

- Coal India Limited has earmarked Capex of ₹9500 during 2018-19.

- Increased thrust by Government in infrastructure development.

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 & tier-III cities.
- Indian Railways is graduating to LHB Coaches and Stainless Steel EMUs.
- Thrust on GoI Public Procurement (Preference to Make in India), Order 2017.

Defence:

- 'Make in India' policy of Government is a boon to Indian industry and focus is on for Indigenous production.
- Increased impetus on modernisation of central paramilitary forces.
- Growing opportunities in Maintenance, Repair, Overhaul and Upgrade programs.

New Areas:

- Demand for high end Electric Drive Dump Trucks and Excavators.
- Emerging business opportunity for Light Rail.
- Monorail, which is also a feeder line for the main Metro in the tier-I cities is expected to emerge from tier-II & tier-III cities.
- Medium speed EMUs and high speed trains.

(b) Threats

- Post liberalization, technology leaders operating directly than parting technology to Indian counterparts.
- Mergers & Acquisitions in Mining and Construction equipment industry.



- Project delay, especially in Mining sector due to delay in resolving environmental and social issues.
- Demand for higher capacity Mining & Construction equipment, in line with the global market trend.
- High expectations of contractor segment.
- Increasing 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.
- Policy interventions favouring Private sector.

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

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

(v) Outlook:

The Indian Construction Equipment Manufacturers Association (ICEMA) report mentions:

“The Government of India will invest ₹5.97 lakh crore in creating and upgrading infrastructure in FY 2018-19. India needs massive investments estimated to be in excess of ₹50 lakh crore in infrastructure to increase growth of GDP, connect

and integrate the nation with a network of roads, airports, railways, ports and inland waterways and to provide good quality services to its citizens. The GoI and market regulators have taken necessary measures for development of monetizing vehicles like Infrastructure Investment Trust (InvIT) and Real Investment Trust (REITs) in India. The GoI would initiate monetizing select CPSE (Central Public Sector Enterprises) assets using InvITs from next year.

Further, Airport Authority of India plans to double the investment on airport infrastructure to ₹4,100 crore for 2019 fiscal.”

This augurs well for the Company especially to the Mining & Construction group as it derives demand for construction equipment.

This financial year, the Defence Services has been allocated higher funds for capital acquisition as compared to previous year. As per ICEMA Report “The Defence Ministry has relaxed its procurement norms, making it easier for Indian companies, including start-ups, to supply equipment and other products to the armed forces. Under the so-called Make II category of the Defence Procurement Procedure, (where no government funding is involved in production) industries can now make proposals to the armed forces, offering to supply products based on their own assessment of requirements.”

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

Indian Railways, coach manufacturing is graduating to Medium / High speed Coaches/ LHB Coaches. As per ICEMA Report “The Ministry of Railways may invest ₹50,000 crore to upgrade the suburban train networks of Mumbai



and Bengaluru. The ministry is planning to build elevated corridors along existing railway lines to increase capacity. Stations would also be revamped with separate arrival and departure terminals to resemble airports. For Bengaluru, a network that is 160 km long is being planned.”

It is worth to mention that we have received developmental orders for supply of LHB Coaches. Sub-urban trains are also graduating to IGBT-based 3 phase electrics and BEML is geared up to supply first set of Main Line Electric Multiple Units during current year. Maintenance equipment requirements are also increasing for Overhead Inspection Cars, Track Laying, Rail Grinding & Track Cleaning Machines.

In this scenario, the Company will focus on emerging new business opportunities and also develop new products / aggregates to align with the market requirements. The Company has plans to grow in each of its vertical by expanding the business by adding products and new territories. BEML is committed to enhance customer satisfaction by providing quality products and services to its customer. Further, BEML would pursue business generation through new allied products like Medium / High Speed Coaches, Intermediate Metro cars, Overhauling of recovery vehicles, Mine Ploughs, Passenger Boarding Bridges, Transmission & Engines for T-72 Tanks, etc., to add business.

(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.

- Support in terms of Orders from Indian Railways.
- 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.

The Statutory Auditors submit a report on internal financial controls over financial reporting along with their Audit Report on the financial statement every year.

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:

(₹ Crores)

Particulars	2017-18	2016-17
a. Gross Revenue	3306	2837
b. Revenue from Operations	3305	2835
c. Value of Production	3227	2624
d. Profit before Depreciation, Interest and Tax	276	208
e. Finance costs	48	48
f. Depreciation and amortization expense	64	62
g. Profit Before Tax	164	98
h. Tax Expense	34	14
i. Profit after Tax	129	84
j. Other Comprehensive Income	71	12
k. Total Comprehensive Income	59	73
l. Networth	2200	2182
m. Inventory	1800	1974
n. Trade Receivables (Net)	1642	1441
Total Inventory in no. of days of VoP (m/c)	204	275
Trade Receivables /Revenue from Operations in days (n/b)	181	186
Profit before Tax to Revenue from Operations (g/b) (%)	4.96%	3.47%
Profit after Tax to Networth (i/l) (%)	5.88%	3.87%

Your Company achieved all time high Revenue from Operations of ₹3305 crores as against ₹2835 crores in the previous year, registering growth of 16.61% compared to previous year Revenue from Operations. The increase in sales is mainly on account of increase in the turnover of Rail & Metro Business due to increase in sale of metro cars to Delhi Metro Rail Corporation under RS-10, RS-13 and Kolkata Metro Rail Corporation projects. In addition to the above, Mining & Construction business and Defence business also contributed to the growth in turnover over previous year.

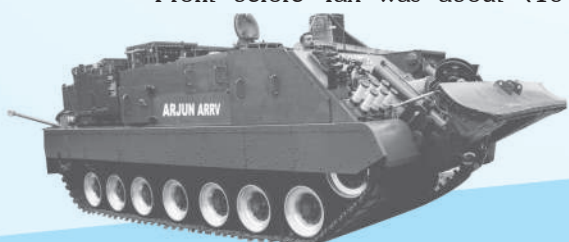
The Value of Production (net of consortium supplies and excise duty) is ₹3227 crores as against ₹2624 crores in the previous year. The Profit before Tax was about ₹164 crores as

against Profit before Tax of ₹98 crores recorded in the previous financial year, which is the highest ever in the last six years.

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

The financial year 2017-18 was a milestone year for the Company, as major improvements and initiatives were implemented in the HR areas related to leveraging IT for HR, Succession Planning for critical senior positions, process re-engineering and optimization of human capital, Leadership development programmes through training abroad and also at IIM's / XLRI etc.

Special efforts have been put in place to create a comprehensive HR Portal "SAMPARK" which



provides various Employee Self Services, On-line Performance Management System, On-line Vigilance Clearance System, On-line Promotion Test, On-line submission of Property Returns, On-line Attendance Management System etc.

During the year, based on the Assessment Development Centres (ADC) scores and Individual Development Plan recommendation senior level executives were nominated for Strategic and Leadership Programmes abroad and also premier institutions such as IIM's / XLRI. Continued importance was also given on Project Management, Creativity, Ethical & Moral Competencies, Conflict Resolutions & Skill Development.

To ensure systematic Talent Management, Company implemented revised Promotion Policy for more objectivity and transparency with due linkage to Assessment Development Centres scores and also through on-line written test.

The Industrial Relations Scenario in the Company has been peaceful. Cordial and smooth relations were maintained between the Management and the Unions / Associations. Regular Meetings with the representatives of the recognized Unions / Officers Associations at the Divisional, Complex and Corporate Levels were held and employee related matters were resolved amicably. The functioning of various bi-partite Committees at Complex level resolved production related matters.

Outstanding contribution and dedication of our employee to his duties was also recognized through winning of Prime Minister Shram Shree Award by Shri.T.M.Thammaiah, Mysuru Complex.

The manpower strength as of 31.03.2018 stood at 7,722. During the year, 17,341 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 (CSR):

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

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

For and on behalf of the Board of Directors

Sd/-

Bengaluru
25.05.2018

D K Hota
Chairman & Managing Director



Annexure-V

BUSINESS RESPONSIBILITY REPORT

Section A : General Information about the Company

- Corporate Identity Number (CIN) of the Company : L35202KA1964GOI001530
- Name of the Company : BEML Limited
- Registered address : BEML Soudha, No.23/1, 4th Main, S.R. Nagar, Bengaluru - 560 027
- Website : www.bemlindia.in
- E - mail id : cs@beml.co.in
- Financial Year reported : 2017-18
- Sector(s) that the Company is engaged in (industrial activity code - wise) :
 - (a) 28243 - Mining & Construction
 - (b) 30400 - Defence
 - (c) 30203 - Rail & Metro
- List three key products/services that the Company manufactures/provides (as in balance sheet) :
 - (i) Mining Equipments – Dozers, Dumpers, Excavators, Loaders, Shovels, etc.
 - (ii) Heavy Duty Trucks, Bridge Systems
 - (iii) Metro Cars, Electric Multiple Units, Maintenance Vehicles
- Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major five) :
Only overseas office at Brazil
 - (b) Number of National Locations:
Manufacturing Units at: Bengaluru (Karnataka), Mysuru (Karnataka), Kolar Gold Fields (Karnataka) and Palakkad (Kerala).

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

District Offices at: Ahmedabad, Asansol, Bacheli, Bhilai, Bhubaneshwar, Chandrapur, Chennai, Guwahati, Hospet, Jammu, Kothagudem, Leh, Ramagundem, Udaipur and Vijaywada.

Service Centres at: Hyderabad, New Delhi and Singrauli.

Warehouse for Defence at Pune

Activity Centres are Bhopal, Itanagar, Kochi, Madurai, Mahar, Panjim and Visakhapatnam.

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

Section B : Financial Details of the Company

1. Paid up Capital (₹) : 41.64 crores
2. Total Turnover (₹) : 3305.76 crores
3. Total Comprehensive Income(₹) : 58.78 crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

During the financial year 2017-18, Company has incurred an expenditure of ₹334.65 lakhs which is more than 2% of the average net profits of the Company made during the three immediately preceding financial years.

5. List of activities in which expenditure in 4 above has been incurred :
 - (a) Education,
 - (b) Medical facilities, and
 - (c) Support to Armed Forces



Section C : Other Details

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

Yes, the Company has the following three Subsidiary Companies:

- (a) M/s. Vignyan Industries Limited (VIL) :
CIN-U51101KA1963PLC001510
- (b) M/s. MAMC Industries Limited (MIL) :
CIN-U29253WB2010GOI152567
- (c) M/s BEML Brazil Industrial Ltda was established on May 17, 2007 as per the requirement under the local laws of Brazil.

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

No.

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

Outsourcing and vendor development strategy helps in identifying the blemish free vendors. Periodical vendor evaluation is carried out and added to the Approved Vendor List (AVL). Further, the Company has introduced e-procurement, e-payment to vendors, Integrity

Pact, etc., to further ensure transparency and fair business practices. Through vendor rating mechanism, feedback is provided to suppliers with regard to quality, delivery and performance. To summarize, about 65% of the vendors available in the AVL conform to key principles of business responsibility.

Section D : Business Responsibility (BR) Information

1. Details of Director/Directors responsible for BR

- a) Details of the Director/Directors responsible for implementation of the BR policy/policies.

1	DIN	07363486
2	Name	B R Viswanatha
3	Designation	Director (Mining & Construction Business)

- b) Details of the BR Head

S. No.	Particulars	Details
1	DIN (if applicable)	07363486
2	Name	B R Viswanatha
3	Designation	Director (Mining & Construction Business)
4	Telephone number	080-22963216
5	e-mail id	dmhq@beml.co.in

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

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

No.	Questions	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8
1	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y



3	Does the policy conform to any national/ international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

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

3. Governance related to BR

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

The Committee of Functional Directors will review the BRR periodically.

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

The Company has formulated Sustainable Development (SD) Policy and placed on the website of the Company at <https://www.bemlindia.in/writereaddata/Downloads/20170806183240Sustainable.pdf>. CSR and



SD Committee will monitor and review the SD projects periodically depending upon the nature of the performance indicators. Evaluation of the SD projects will be done on a yearly basis by the Committee. Further, the Company will publish BRR as part of its Annual Report posted on the website of the Company www.bemlindia.in.

Section E : Principle-wise performance

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

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

Yes. In addition, the Company has adopted Integrity Pact with all vendors / suppliers / contractors / service providers for all Orders / Contracts of value ₹1 Cr. and above. The pact essentially envisages an agreement between the prospective vendors / bidders and the Principal (BEML), committing the persons / officials of both sides, not to resort to any corrupt practices in any aspect / stage of the contract. Only those vendors/bidders, who commit themselves to such a Pact with the Principal, would be considered competent to participate in the bidding process. Integrity Pact, in respect of a particular contract, would be operative from the stage of invitation of bids till the final completion of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

Also, the Vigilance Department of the Company guides and facilitates for impartial, fair and transparent decision making and gives priority to preventive vigilance, with proactive attitude.

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

In BEML, there is constant effort to enhance stakeholders' satisfaction level. Accordingly, many initiatives have been taken to redress the complaints effectively. During the year, the Company has received about 26 complaints from shareholders and all of them were successfully resolved.

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

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - (a) Metro Cars
 - (b) Electric Multiple Units
 - (c) Heavy Duty Trucks

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

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

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

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

Yes.

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



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

Necessary steps have been taken to protect the environment which addresses conservation of natural resources. Substantial efforts have been made in sourcing energy efficient equipments, also in identifying and replacing energy in-efficient equipments to enhance energy conservation. More and more renewable energy systems are being implemented.

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

Yes.

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

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

To facilitate the vendors to scale up their capacity and capability, the vendors are evaluated through vendor rating mechanism including quality and delivery rating. Besides, the company adopts stringent criterion on various parameters including capacity and capability for evaluation.

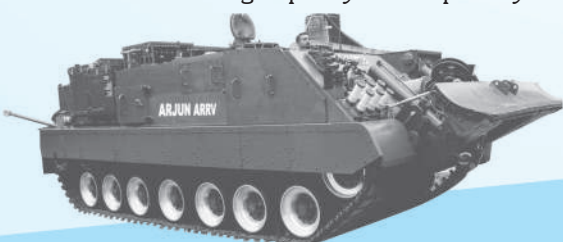
The various issues arising due to the above factors are addressed during the annual vendor meet of the company for mutual benefit.

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

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

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees : 7,722
2. Please indicate the Total number of employees hired on temporary/ contractual/casual basis : 5,087
3. Please indicate the Number of permanent women employees : 267
4. Please indicate the Number of permanent employees with disabilities : 172
5. Do you have an employee association that is recognized by management : Yes
6. What percentage of your permanent employees is members of this recognized employee association: 72% (all employees except executives).



7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

Sl. No.	Category	Total Employees	% of persons trained on Safety Aspects	% of persons trained for Skill Upgradation
1	Permanent Employees	7,722	33	39
2	Permanent Women Employees	267	22	20
3	Casual/ Temporary/ Contractual Employees	5,087	9	2
4	Employees with Disabilities	172	10	12

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

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

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

- Government & Regulatory authorities.
- Customers
- Investors
- Employees
- Local Community and other stakeholders

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

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

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

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

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



Principle 5: Businesses should respect and promote human rights

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

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

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

NIL

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

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

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

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

Yes. The Company addresses the issues such as climate change, global warming through

energy conservation measures, like energy efficient chillers, lighting management system, building management systems. There is a thrust to use renewable energy resources such as wind and solar for energy generation and captive consumption.

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

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

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

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

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

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

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

Yes. This is being closely monitored and reported.

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

Nil



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

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - (a) Standing Conference of Public Enterprises (SCOPE)
 - (b) Confederation of Indian Industry (CII)
 - (c) Federation of Indian Chambers of Commerce & Industry (FICCI)
 - (d) Engineering Export Promotion Council (EEPC)
 - (e) Society of Defence Technologists (SODET)
 - (f) Indian Construction Equipment Manufacturer's Association (ICEMA)
 - (g) Federation of Indian Export Organisations (FIEO)
 - (h) Federation of Karnataka Chambers of Commerce and Industry (FKCCI)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

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

Principle 8: Businesses should support inclusive growth and equitable development

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

Yes. The Company had established the CSR Policy, in line with the Companies Act, 2013. The Company is pursuing its cherished value

of endeavouring to fulfill its Corporate Social Responsibilities.

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

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

- (a) Education,
- (b) Medical facilities, and
- (c) Support to Armed Forces

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

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

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

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

During the year 2017-18, an amount of ₹334.65 Lakhs was set aside by the Company on various CSR programmes / projects. Some of the key programmes undertaken during the year are given in the Annexure VI : Report on CSR activities.

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



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

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

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

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

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

Yes.

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

No.

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

Yes.

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

For and on behalf of the Board of Directors

Sd/-

Bengaluru
25.05.2018

D K Hota
Chairman & Managing Director



Annexure-VI

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

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

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

- (b) The Composition of the CSR Committee

S.No.	Name of the Director	Category
Chairman :		
1	Shri Sudhir Kumar Beri	Independent Director
Members :		
2	Shri B R Viswanatha	Director (Mining & Construction Business)
3	Shri R H Muralidhara	Director (Defence Business)

- (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 ₹61.04 crores and 2% of the same would be ₹1.22 crores. Accordingly, the same was required to be spent during the year under review 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 ₹3.35 crores towards CSR Activities.

- (d) Prescribed CSR Expenditure : ₹1.22 crores

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

- Total amount to be spent for the financial year ; ₹1.22 crores
- Amount unspent, if any ; Not Applicable
- Manner in which the amount spent during the financial year is as per Annexure.

- (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.

Not Applicable



- (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

Annexure

DETAILS OF CSR PROJECTS FOR THE YEAR 2017-18

[Format prescribed under Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014]

S. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs identified		Amount outlay (budget) project or programs in Lakhs	Amount spent on project or programmer		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 the project or programs was under taken		(1) Direct Expenditure on the projects or Programs	(2) Over heads		
1	Providing of Education to local population at KGF	Education (Item No. (ii) of Schedule-VII)	Local areas	Kolar District, Karnataka	-	334.01	-	334.01	Direct
2	Mobile Medical camp & Medical facility at KGF for BGML & Dasarahosahalli	Health Care (Item No. (i) of Schedule-VII)	Local areas	Kolar District, Karnataka	-	0.44	-	0.44	Direct
3	Support to Armed Forces Flag Day Fund	Benefit to armed forces veterans, war widows and their dependents (Item No. (vi) of Schedule-VII)	Other Areas	New Delhi	-	0.20	-	0.20	Kendriya Sainik Board, Ministri of Defence, New Delhi
Total						334.65		334.65	

For and on behalf of the Board of Directors

Sd/-

Bengaluru
25.05.2018

D K Hota
Chairman & Managing Director



SECRETARIAL AUDIT REPORT

Annexure-VII

For the Financial Year ended 31.03.2018

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

To the Members of BEML Limited

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by BEML Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, and subject to our separate letter attached hereto as the Annexure, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.
3. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2018 according to the provisions of:
 - (a) The Companies Act, 2013 (the Act) and the Rules made there under;
 - (b) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - (c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (d) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (e) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Not applicable as the Company has not issued any shares capital during the period];
 - (iv) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; [Not applicable as the Company has not issued and listed any debt securities during the period];
 - (vi) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013 and dealing with client [Not applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the Financial Year];



- (vii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchange during the financial year];
 - (viii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable as the Company has not bought back/proposed to buy-back any of its securities during the financial year];
 - (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 Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India – as relates to composition and appointment of Directors.
4. We have also examined compliance with the Listing Agreements entered into by the Company and compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 5. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meeting.
 6. We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.
 7. During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above subject to the qualifications mentioned in paragraph 8 below.
 8. Subject to the qualifications mentioned in paragraph 9, we further report as below:

8.1 that -

- (a) 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 adopt a system to enable Directors to seek and obtain required information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (b) the Company followed proper Board processes in convening and conduct of Meetings Members and Directors; the Company has maintained proper Books to record Proceedings of General Meetings of Members, Minutes of Meetings of Board and Committee of Directors; resolutions passed by e-voting, if any, are recorded in the Minutes Book of General Meetings.

8.2 that, the changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

8.3 There were no instances of:

- (i) Public, Preferential Issue of Shares or Debentures or Sweat Equity.
- (ii) redemption buy-back of securities;
- (iii) major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013;
- (iv) merger, amalgamation, reconstruction etc.;
- (v) foreign technical collaborations.

9. Qualification:

9.1 During the year, the Company did not comply with the provisions of Section 149(1) of the Companies Act, 2013 and Regulations 17(1)(a) of the SEBI Regulations in as much as the Strength of Independent Directors was less than 50% of the total strength of the Board of Directors of the Company.



9.2 During the year, the Company did not appoint Chief Financial Officer in pursuance to Section 203(1) of the Companies Act which position was vacant from 3rd May 2016.

	for VN Associates Company Secretaries	
	Sd/-	Sd/-
	S Viswanthan	K N Nagesha Rao
Bengaluru	ACS 5284; CP 5284	FCS 3000 CP 12861
21st May, 2018	Partner	Partner

The Annexure to the Secretarial Audit Report for the Financial Year 2017-18

To BEML Limited

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

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

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we obtained the management representation on the compliances of laws, rules and regulations as well on happening of events.

	for VN Associates Company Secretaries
	Sd/-
	S Viswanthan
	ACS 5284; CP 5284
	Partner
Bengaluru	
21st May, 2018	

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

S.No	Observations	Company's Reply
9.1	During the year, the company did not comply with the provisions of Section 149(1) of the Companies Act, 2013 and Regulation 17(1)(a) of the SEBI Regulation in as much as the strength of Independent Directors was less than 50% of the total strength of the Board of Directors of the Company.	In terms of Articles of Association, the Directors are appointed by the President of India from time to time. Accordingly, the appointment for vacant positions for Independent Directors are under process and Director (Finance) has assumed the charge of the post on 10.05.2018, who is also appointed as Chief Financial Officer of the Company.
9.2	During the year, the Company did not appoint Chief Financial Officer in pursuance to Section 203(1) of the Companies Act which position is vacant from 3rd May 2016.	

For and on behalf of the Board of Directors

Bengaluru
25.05.2018

Sd/-
D K Hota
Chairman & Managing Director



Annexure-VIII

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN**

as on the financial year ended 31.03.2018

[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: 'BEML Soudha' 23/1, 4th Main, S R Nagar, Bengaluru -560 027. Ph.: 080-22963142/211
- vi) Whether listed company : Yes
- vii) Name, Address and Contact details: Karvy Computershare Private Limited of Registrar and Transfer Agent 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/ service	% to total turnover of the company
1.	Bulldozer	28243	51
2.	Excavator	28243	
3.	Motor Grader	28243	
4.	Wheel Loader	28243	
5.	Dump Trucks	28243	
6.	Railway Coaches	30203	32
7.	Rail Wagons	30203	
8.	Metro Cars	30203	
9.	Defence equipments	30400	17



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, Chikmagalur Dist, Karnataka Pin 577228	U51101KA1963PLC001510	Subsidiary Company	96.56%	2(87)
2	M/s. MAMC Industries Limited, No.35/1A, Taratola Road, Kolkata, West Bengal - 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, 'C-91,BEML Janatha Flats, Punjagutta, Hyderabad -560082'	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

CAT. CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% 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	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/ State Government(s)	22500000	0	22500000	54.03	22500000	0	22500000	54.03	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	22500000	0	22500000	54.03	22500000	0	22500000	54.03	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00



CAT. CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% 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)
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	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	7455421	3300	7458721	17.91	8465214	500	8465714	20.33	-2.42
(b)	Financial Institutions /Banks	2078363	0	2078363	4.99	1642789	0	1642789	3.94	1.05
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Foreign Institutional Investors	3239597	1700	3241297	7.78	1660139	600	1660739	3.99	3.80
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	12773381	5000	12778381	30.68	11768142	1100	11769242	28.26	2.42
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	1765839	4150	1769989	4.25	2037114	2200	2039314	4.90	-0.65
(b)	Individuals									
	(i) upto Rs.2 lakh	3535598	123525	3659123	8.79	4287392	97693	4385085	10.53	-1.74
	(ii) excess of Rs.2 lakh	260500	0	260500	0.63	487355	0	487355	1.17	-0.54
(c)	Others									
	CLEARING MEMBERS	308273	0	308273	0.74	79608	0	79608	0.19	0.55
	I E P F	0	0	0	0.00	27619	0	27619	0.07	-0.07
	NBFC	328	0	328	0.00	8603	0	8603	0.02	-0.02
	NON RESIDENT INDIANS	221594	61500	283094	0.68	200152	54600	254752	0.61	0.07



CAT. CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 31/03/2017				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2018				% 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)
	NRI NON-REPATRIATION	78042	0	78042	0.19	90687	0	90687	0.22	-0.03
	TRUSTS	6770	0	6770	0.02	2235	0	2235	0.01	0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	6176944	189175	6366119	15.29	7220765	154493	7375258	17.71	-2.42
	Total B=B(1)+B(2) :	18950325	194175	19144500	45.97	18988907	155593	19144500	45.97	0.00
	Total (A+B) :	41450325	194175	41644500	100.00	41488907	155593	41644500	100.00	0.00
(C) Shares held by custodians, against which Depository Receipts have been issued										
(1)	Promoter and Promoter Group									
(2)	Public									
	GRAND TOTAL (A+B+C) :	41450325	194175	41644500	100.00	41488907	155593	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	22500000	54.03	--	--

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

	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	President of India	President of India	President of India
At the beginning of the year	22500000	54.03%	22500000	54.03%
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):	Nil			
At the End of the year	22500000		22500000	54.03%



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

Sl. No.	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
1	HDFC TRUSTEE CO LTD A/C HDFC FOCUSED EQUITY FUND-P	3747580	9.00	31/03/2017			3747580	9.00
				04/08/2017	37000	Purchase	3784580	9.09
				04/08/2017	-37000	Sale	3747580	9.00
				08/12/2017	130000	Purchase	3877580	9.31
				08/12/2017	-130000	Sale	3747580	9.00
				23/02/2018	-40000	Sale	3707580	8.90
				09/03/2018	40000	Purchase	3747580	9.00
				31/03/2018			3747580	9.00
2	KOTAK EQUITY ARBITRAGE FUND	147000	0.35	31/03/2017			147000	0.35
				07/04/2017	24000	Purchase	171000	0.41
				14/04/2017	600	Purchase	171600	0.41
				28/04/2017	2400	Purchase	174000	0.42
				05/05/2017	3000	Purchase	177000	0.43
				12/05/2017	36800	Purchase	213800	0.51
				19/05/2017	5500	Purchase	219300	0.53
				19/05/2017	-2400	Sale	216900	0.52
				26/05/2017	4500	Purchase	221400	0.53
				26/05/2017	-4200	Sale	217200	0.52
				02/06/2017	9800	Purchase	227000	0.55
				09/06/2017	7898	Purchase	234898	0.56
				16/06/2017	77752	Purchase	312650	0.75
				16/06/2017	-3000	Sale	309650	0.74
				23/06/2017	259190	Purchase	568840	1.37
				23/06/2017	-101400	Sale	467440	1.12
				30/06/2017	84030	Purchase	551470	1.32
				07/07/2017	169400	Purchase	720870	1.73
				14/07/2017	95000	Purchase	815870	1.96



Sl. No.	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				21/07/2017	226992	Purchase	1042862	2.50
				28/07/2017	479253	Purchase	1522115	3.66
				04/08/2017	187155	Purchase	1709270	4.10
				11/08/2017	13800	Purchase	1723070	4.14
				18/08/2017	83217	Purchase	1806287	4.34
				18/08/2017	-11862	Sale	1794425	4.31
				25/08/2017	-25150	Sale	1769275	4.25
				01/09/2017	49800	Purchase	1819075	4.37
				08/09/2017	-20000	Sale	1799075	4.32
				22/09/2017	50000	Purchase	1849075	4.44
				22/09/2017	-64400	Sale	1784675	4.29
				29/09/2017	20000	Purchase	1804675	4.33
				29/09/2017	-27000	Sale	1777675	4.27
				06/10/2017	47305	Purchase	1824980	4.38
				13/10/2017	-57000	Sale	1767980	4.25
				27/10/2017	91600	Purchase	1859580	4.47
				31/10/2017	31500	Purchase	1891080	4.54
				10/11/2017	51650	Purchase	1942730	4.67
				17/11/2017	85000	Purchase	2027730	4.87
				17/11/2017	-42900	Sale	1984830	4.77
				24/11/2017	3000	Purchase	1987830	4.77
				24/11/2017	-5000	Sale	1982830	4.76
				01/12/2017	-3300	Sale	1979530	4.75
				08/12/2017	-9300	Sale	1970230	4.73
				22/12/2017	2100	Purchase	1972330	4.74
				05/01/2018	22472	Purchase	1994802	4.79
				19/01/2018	-3300	Sale	1991502	4.78
				26/01/2018	-300	Sale	1991202	4.78
				02/02/2018	600	Purchase	1991802	4.78



Sl. No.	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				09/02/2018	45000	Purchase	2036802	4.89
				09/02/2018	-18900	Sale	2017902	4.85
				16/02/2018	5000	Purchase	2022902	4.86
				23/02/2018	-14000	Sale	2008902	4.82
				02/03/2018	69000	Purchase	2077902	4.99
				09/03/2018	-1200	Sale	2076702	4.99
				23/03/2018	-3300	Sale	2073402	4.98
				31/03/2018			2073402	4.98
3	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C	4200	0.01	31/03/2017			4200	0.01
				21/04/2017	7200	Purchase	11400	0.03
				28/04/2017	82200	Purchase	93600	0.22
				05/05/2017	39000	Purchase	132600	0.32
				23/06/2017	94200	Purchase	226800	0.54
				23/06/2017	-4800	Sale	222000	0.53
				30/06/2017	100000	Purchase	322000	0.77
				07/07/2017	50000	Purchase	372000	0.89
				14/07/2017	24200	Purchase	396200	0.95
				21/07/2017	132000	Purchase	528200	1.27
				28/07/2017	20000	Purchase	548200	1.32
				11/08/2017	-1200	Sale	547000	1.31
				18/08/2017	10000	Purchase	557000	1.34
				08/09/2017	26000	Purchase	583000	1.40
				15/09/2017	13000	Purchase	596000	1.43
				29/09/2017	47000	Purchase	643000	1.54
				13/10/2017	75600	Purchase	718600	1.73
				20/10/2017	25000	Purchase	743600	1.79
				01/12/2017	53000	Purchase	796600	1.91
				08/12/2017	18000	Purchase	814600	1.96
				15/12/2017	14000	Purchase	828600	1.99



Sl. No.	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				12/01/2018	50000	Purchase	878600	2.11
				09/02/2018	25000	Purchase	903600	2.17
				09/02/2018	-1200	Sale	902400	2.17
				02/03/2018	324136	Purchase	1226536	2.95
				16/03/2018	-33900	Sale	1192636	2.86
				31/03/2018			1192636	2.86
4	LIFE INSURANCE CORPORATION OF INDIA - ULIF00420 091	1210235	2.91	31/03/2017			1210235	2.91
				23/06/2017	-1000	Sale	1209235	2.90
				30/06/2017	-1000	Sale	1208235	2.90
				07/07/2017	-6000	Sale	1202235	2.89
				14/07/2017	-8000	Sale	1194235	2.87
				21/07/2017	-238738	Sale	955497	2.29
				28/07/2017	-175262	Sale	780235	1.87
				04/08/2017	-18000	Sale	762235	1.83
				11/08/2017	-5855	Sale	756380	1.82
				31/03/2018			756380	1.82
5	NATIONAL INSURANCE COMPANY LTD	293094	0.70	31/03/2017			293094	0.70
				09/02/2018	100000	Purchase	393094	0.94
				23/02/2018	100000	Purchase	493094	1.18
				31/03/2018			493094	1.18
6	RELIANCE STRATEGIC INVESTMENTS LIMITED	0	0.00	31/03/2017			0	0.00
				13/10/2017	142250	Purchase	142250	0.34
				31/10/2017	162900	Purchase	305150	0.73
				09/03/2018	100000	Purchase	405150	0.97
				31/03/2018			405150	0.97
7	SBI LIFE INSURANCE CO. LTD	611868	1.47	31/03/2017			611868	1.47
				07/04/2017	8190	Purchase	620058	1.49
				14/04/2017	-10000	Sale	610058	1.46
				05/05/2017	-20000	Sale	590058	1.42



Sl. No.	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
				12/05/2017	-17719	Sale	572339	1.37
				02/06/2017	35000	Purchase	607339	1.46
				09/06/2017	15000	Purchase	622339	1.49
				16/06/2017	-35000	Sale	587339	1.41
				23/06/2017	-13000	Sale	574339	1.38
				07/07/2017	25122	Purchase	599461	1.44
				21/07/2017	-13500	Sale	585961	1.41
				04/08/2017	-48000	Sale	537961	1.29
				11/08/2017	-20000	Sale	517961	1.24
				18/08/2017	-28000	Sale	489961	1.18
				25/08/2017	-40000	Sale	449961	1.08
				22/09/2017	-3000	Sale	446961	1.07
				29/09/2017	-33000	Sale	413961	0.99
				06/10/2017	4727	Purchase	418688	1.01
				13/10/2017	45000	Purchase	463688	1.11
				31/10/2017	-15000	Sale	448688	1.08
				10/11/2017	-23756	Sale	424932	1.02
				24/11/2017	2675	Purchase	427607	1.03
				01/12/2017	1000	Purchase	428607	1.03
				19/01/2018	-14000	Sale	414607	1.00
				26/01/2018	-2000	Sale	412607	0.99
				02/02/2018	-25000	Sale	387607	0.93
				09/02/2018	-16000	Sale	371607	0.89
				16/02/2018	-5902	Sale	365705	0.88
				02/03/2018	7000	Purchase	372705	0.89
				23/03/2018	-10000	Sale	362705	0.87
				31/03/2018			362705	0.87
8	ABU DHABI INVESTMENT AUTHORITY - LGLI NV	284000	0.68	31/03/2017			284000	0.68
				18/08/2017	97000	Purchase	381000	0.91
				31/03/2018			381000	0.91



Sl. No.	Name of the Share Holder	No of Shares	% of total shares of the company	Date	Increase/ Decrease in share holding	Reason	No of Shares	% of total shares of the company
9	GENERAL INSURANCE CORPORATION OF INDIA	350000	0.84	31/03/2017			350000	0.84
				21/07/2017	-25000	Sale	325000	0.78
				31/10/2017	-12255	Sale	312745	0.75
				03/11/2017	-12745	Sale	300000	0.72
				31/03/2018			300000	0.72
10	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	196878	0.47	31/03/2017			196878	0.47
				07/04/2017	37000	Purchase	233878	0.56
				26/05/2017	233878	Purchase	467756	1.12
				26/05/2017	-233878	Sale	233878	0.56
				30/06/2017	581	Purchase	234459	0.56
				30/06/2017	-76	Sale	234383	0.56
				14/07/2017	-123	Sale	234260	0.56
				21/07/2017	556	Purchase	234816	0.56
				21/07/2017	-3308	Sale	231508	0.56
				28/07/2017	3431	Purchase	234939	0.56
				08/09/2017	-53700	Sale	181239	0.44
				22/09/2017	-987	Sale	180252	0.43
				06/10/2017	888	Purchase	181140	0.43
				24/11/2017	4960	Purchase	186100	0.45
				08/12/2017	8341	Purchase	194441	0.47
				15/12/2017	16109	Purchase	210550	0.51
				22/12/2017	-537	Sale	210013	0.50
				29/12/2017	-2082	Sale	207931	0.50
				30/12/2017	-2082	Sale	205849	0.49
				05/01/2018	339	Purchase	206188	0.50
				05/01/2018	-178	Sale	206010	0.49
				16/02/2018	-5465	Sale	200545	0.48
				23/02/2018	7184	Purchase	207729	0.50
				02/03/2018	5525	Purchase	213254	0.51
				23/03/2018	50000	Purchase	263254	0.63
				31/03/2018			265336	0.64



v) Shareholding of Directors and Key Managerial Personnel:

For Each 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	10	Negligible	10	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):	Ceased to be director consequent upon superannuation on 31.10.2017			
At the end of the year	-	-	-	-

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness (Borrowings) at the beginning of the financial year as on 01.04.2017				
i) Principal Amount	41,285.16	2,286.29	-	43,571.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,017.67	-	-	1,017.67
Total (i+ii+iii)	42,302.83	2,286.29	-	44,589.12
Change in Indebtedness (Borrowings) during the financial year				
• Addition	2,219.04	-	-	2,219.04
• Reduction	-	(1,231.56)	-	(1,231.56)
Net Change	2,219.04	(1,231.56)	-	987.48
Indebtedness (Borrowings) at the end of the financial year 31.03.2018				
i) Principal Amount	43,501.78	1,054.73	-	44,556.51
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,020.09	-	-	1,020.09
Total (i+ii+iii)	44,521.87	1,054.73	-	45,576.60



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Whole-time Directors:

Sl. No.	Particulars of Remuneration	Name of MD/MTD/ Manager Shri				Total
		Chairman and Managing Director/CEO D K Hota	Director (Mining & Construction) B R Viswanatha	Director (Defence) R H Muralidhara	Director (Rail & Metro) Aniruddh Kumar*	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,89,942	22,02,981	21,85,521	13,31,750	83,10,194
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,61,298	3,68,663	4,91,162	3,76,487	17,97,610
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweet Equity	-	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-	-
5.	Others-PF & Pension	13,82,856	12,68,199	10,89,817	5,37,360	42,78,232
	Total (A)	45,34,096	38,39,843	37,66,500	22,45,597	1,43,86,036
	Ceiling as per the Act	Not Applicable				

*Part of the year

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors Shri/Smt			
Independent Directors				
	Sudhir Kumar Beri	M G Raghuvveer	B P Rao	Total
• Fee for attending Board / Committee meetings	3,10,000	3,00,000	3,00,000	9,10,000
• Commission	-	-	-	-
• Others, please specify	-	-	-	-
Total (1)	3,10,000	3,00,000	3,00,000	9,10,000



Other Non-Executive Directors- Government Nominee Directors				
	Surina Rajan	Sanjay Prasad	--	--
• Fee for attending Board / Committee meetings	Nil	Nil	Nil	Nil
• Commission	Nil	Nil	Nil	Nil
• Others, please specify	Nil	Nil	Nil	Nil
Total (2)	Nil	Nil	Nil	Nil
Total (B)=(1+2)	9,10,000			
Total Managerial Remuneration [A+B]	1,52,96,036			
Overall Ceiling as per the Act	Not Applicable			

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CEO/ CFO	Company Secretary S V Ravisekhar Rao	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	11,90,868	11,90,868
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--
5.	Others-PF & Pension	--	7,54,627	7,54,627
Total		--	19,45,495	19,45,495

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board of Directors

Sd/-

Bengaluru
25.05.2018

D K Hota
Chairman & Managing Director



SIGNIFICANT ACCOUNTING POLICIES

Note No. 1: Corporate Information :

The accompanying financial statements comprise of the financial statements of BEML Limited (the Company) for the year ended 31 March 2018. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Bengaluru, Karnataka, India. The Company is a Mini Ratna Category – I public sector enterprise and is under the administrative control of the Department of Defence Production, Ministry of Defence. BEML manufactures and supplies defence ground support equipment such as Tatra based high mobility trucks, aircraft towing tractors etc. Under Mining and Construction business, the company manufactures and supplies equipment like bull dozers, excavators, dumpers, shovels, loaders and motor graders to various user segments and under Rail and Metro business, manufactures and supplies rail coaches, metro cars, ACEMUs, OHE cars, steel and aluminium wagons to the rail and metro sector. Information on other related party and nature of relationships of the Company is provided in Note 39C. These financial statements were authorised for issue in accordance with a resolution of the directors on 25-05-2018.

Note no. 2: Significant accounting policies

2.1. Basis of preparation and Statement of Compliance

- (a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These financial statements for the year ended 31 March 2018 with comparatives of year ended 31 March 2017 are prepared in accordance with Ind AS.

- (b) The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
- Derivative financial instruments,
 - Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
 - Defined benefit and other long-term employee benefits obligations.
- (c) The financial statements are presented in Indian Rupee (INR) which is the functional and the presentation currency of the Company and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.
- (d) Preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates.
- (e) Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company's operating cycle is considered as twelve months for the purpose of current / non-current classification of assets and liabilities.



- (f) The Company revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively. A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

2.2 Summary of significant accounting policies

A. Revenue Recognition:

Sales include excise duty wherever applicable but exclude sales tax

Sale of goods and rendering of services:

- (i) Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer as per the terms of sale agreement, recovery of the consideration is probable, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.
- (ii) Revenue and Costs relating to time and material contracts are recognized as the related services are rendered and there is no significant uncertainty regarding recovery of the consideration and if the cost incurred or to be incurred can be measured reliably. For fixed price contracts, revenue is recognized in proportion to the stage of completion of the transaction at the reporting date.

Construction contracts:

Contract revenue includes initial amount agreed in the contract and any variations in contract work, claims and incentive payments, to the extent it is probable that they will result in revenue and can be measured reliably. Contract revenue is recognised in proportion to the stage of completion of the contract. Stage of completion is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs to complete the contract. If the outcome cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognized to the extent of costs incurred. When it is probable that contract costs at completion will exceed total contract revenue, the expected loss at completion is recognised immediately as an expense.

Multiple element Contracts:

For multiple element contracts where price break-up for individual element is available separately, revenue is recognized based on the relative fair value of each element, when risk and reward of such element is transferred to the customer or as and when activities are performed.

Where a separate price break-up for each element is not available, revenue is allocated to separate elements on the basis of relative fair value.

Escalation:

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

Duty Drawback:

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

Revenue from wind energy:

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



Other Income

(i) Interest income:

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

(ii) Dividends:

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

(iii) Rental income:

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

B. Investments in associates and joint venture

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

C. Foreign Currencies:

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

D. Fair value measurement:

The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date. All assets and liabilities for

which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy.

E. Discontinued operation:

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

F. Government Grants:

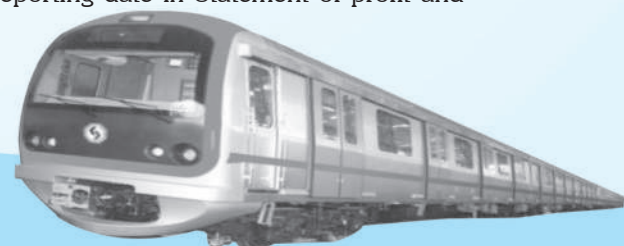
Government Grants are recognized as follows when there is reasonable assurance that the grant will be received and all attached terms and conditions will be complied with.

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

G. Income Taxes:

Current income tax:

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



Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

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

H. Property, Plant & Equipment:

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

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

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

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

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

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

Products given under No Cost No Commitment are capitalised appropriately under the relevant asset category and amortised over the useful life of that asset. They are also tested for impairment periodically.

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

I. Investment Property:

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

J. Intangible Assets:

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



Amortization

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

K. Borrowing Cost:

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

L. Lease:

A lease is classified at the inception date as a finance lease or an operating lease.

Company as a lessee:

Finance leases are capitalized at lower of fair value and the present value of minimum lease payments. A leased asset is depreciated over useful life of the asset or lease term whichever is earlier.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where lease payments escalate in accordance with general inflation.

Company as a lessor:

In case of an operating lease, initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the leased asset. In case of finance leases, amounts due from lessees are recorded as receivables.

M. Inventory:

Inventories are valued at the lower of cost and net realizable value. Cost for the purpose of the above is accounted as under:

- (i) Raw materials, Components, Stores and Spare parts: weighted average cost
- (ii) Finished goods and Work in Progress: Cost of materials, labour and production overheads

Scrap is valued at estimated realizable value.

Based on ageing assessment, on a periodic basis an allowance is recognized for obsolete, non-moving inventory.

N. Impairment of non-financial assets:

The company assesses at each reporting date for impairment of asset or cash generating units (CGU). If on assessment, the asset or CGU is considered impaired they are written down to the recoverable amount.

O. Employee Benefits:

Short-term employee benefits:

Short-term employee benefits are expensed as the related service is rendered.

Defined benefit plans:

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by actuarial valuation conducted annually by a qualified actuary using the projected unit credit method.

Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is recognized in the statement of profit and loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss.

Other long-term employee benefits:

The Company's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.



Defined contribution plan:

For defined contribution plans, the Company contributes to independently administered funds as per relevant scheme. These contributions are recorded in the statement of profit and loss. The Company's liability is limited to the extent of contributions made to these funds.

P. Provisions:

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted. Contingent liabilities and contingent assets are not recognized in the financial statements but are disclosed in the notes.

Warranty provisions:

Provision for warranty related costs are recognized on sale of product or service rendered based on historical experience and technical assessment and reviewed annually.

Onerous contracts:

A provision for onerous contracts other than construction contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Q. Financial Assets:

Recognition and measurement:

All financial assets are recognized initially at fair value. Subsequently, financial assets are measured at fair value or amortized cost based on their classification.

Embedded derivative:

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. If the hybrid contains a host that is not an asset within the scope of Ind AS 109, the embedded derivative is separated and accounted at fair value.

Derecognition:

A financial asset or part of a financial asset is derecognized when the rights to receive cash flows from the asset have expired.

Trade and other receivables:

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

Cash and cash equivalents:

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Impairment of financial assets:

In accordance with Ind-AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

R. Financial Liabilities:

Recognition and measurement:

Financial liabilities are classified, at initial recognition, at fair value through statement of profit and loss as loans, borrowings, payables, or derivatives, as appropriate.

Financial liabilities are measured based on their



classification at fair value through statement of profit and loss, amortized cost or fair value through other comprehensive income.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Trade and other payables:

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

S. Financial Assets and Liabilities Reclassification:

Reclassification of financial Assets and Liabilities:

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For other financial assets, a reclassification is made prospectively only if there is a change in the business model for managing those assets.

Offsetting of financial Assets and Liabilities:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

T. Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

U. Cash dividend and non-cash distribution to equity shareholders:

The Company recognizes a liability to make cash or non-cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Company.

V. Events after the reporting period:

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

As per our report of even date attached

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants
Firm Registration Number: 003790S

CA. S ANANDA KRISHNA

Partner
Membership No.: 027986

Place : Bengaluru

Date : 25-05-2018

For and on behalf of the Board of Directors

SURAJ PRAKASH

Director (Finance)
(DIN 08124871)

D K HOTA

Chairman & Managing Director
(DIN 06600812)

S V RAVI SEKHAR RAO

Company Secretary



BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
I. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	53,083.86	51,843.99
(b) Capital work-in-progress	4	6,802.27	7,942.33
(c) Intangible assets	5	5,201.39	5,242.26
(d) Intangible assets under development	6	-	-
(e) Financial assets			
(i) Investments	7	257.64	257.64
(ii) Loans	8	859.11	1,680.10
(iii) Other financial assets	9	38.09	157.13
(f) Deferred tax assets (net)	10	13,827.45	11,117.57
(g) Other non-current assets	11	12,633.62	10,026.27
Total non-current assets		92,703.43	88,267.29
(2) Current assets			
(a) Inventories	12	1,79,951.23	1,97,445.58
(b) Financial Assets			
(i) Investments	13	43.68	51.83
(ii) Trade receivables	14	1,64,223.32	1,43,037.35
(iii) Cash and cash equivalents	15	233.52	1,401.02
(iv) Loans	16	818.28	821.55
(v) Other financial assets	17	651.59	509.91
(c) Other current assets	18	28,841.70	37,905.85
Total current assets		3,74,763.32	3,81,173.09
Total Assets		4,67,466.75	4,69,440.38
II. Equity and Liabilities			
Equity			
(a) Equity share capital	19	4,177.22	4,177.22
(b) Other Equity		2,15,846.48	2,13,978.12
Total Equity		2,20,023.70	2,18,155.34
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	30,448.53	31,052.30
(ii) Other financial liabilities	21	41.60	41.60
(b) Provisions	22	16,636.98	17,494.24
(c) Other non-current liabilities	23	33,333.16	34,189.87
Total non-current liabilities		80,460.27	82,778.01
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	13,501.78	11,285.16
(ii) Trade payables	25		
(A) Micro & Small Enterprises		2,329.34	1,819.71
(B) Other than Micro & Small Enterprises		51,186.37	47,865.19
(iii) Other financial liabilities	26	2,683.12	3,216.48
(b) Other current liabilities	27	62,055.99	88,077.06
(c) Provisions	28	33,669.13	14,940.35
(d) Current tax liabilities (Net)	29	1,557.05	1,303.08
Total current liabilities		1,66,982.78	1,68,507.03
Total Equity and Liabilities		4,67,466.75	4,69,440.38

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

As per our report of even date attached

For and on behalf of the Board of Directors

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants

Firm Registration Number: 003790S

CA. S ANANDA KRISHNA

Partner

Membership No.: 027986

Place : Bengaluru

Date : 25-05-2018

SURAJ PRAKASH

Director (Finance)

(DIN 08124871)

D K HOTA

Chairman & Managing Director

(DIN 06600812)

S V RAVI SEKHAR RAO

Company Secretary



STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	Note No	For the Year ended 31st March 2018	For the Year ended 31st March 2017
I Revenue from operations	30	3,30,541.86	2,83,465.88
II Other income	31	2,489.68	6,244.95
III Total Income (I+II)		3,33,031.54	2,89,710.83
IV Expenses:			
Cost of materials consumed	32	1,72,544.32	1,34,573.17
Purchase of stock-in-trade	33	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	1,865.98	(12,509.24)
Employee benefits expense	35	80,849.76	78,072.58
Finance costs	36	4,808.56	4,779.68
Depreciation and amortization expense	3, 5	6,423.84	6,197.79
Other expenses	37	50,159.61	68,767.77
Total Expenses (IV)		3,16,652.07	2,79,881.75
V Profit / (Loss) before exceptional items and tax (III-IV)		16,379.47	9,829.08
VI Add/ (Less) : Exceptional items	38	-	-
VII Profit / (Loss) before tax (V-VI)		16,379.47	9,829.08
VIII Tax expense:			
(1) Current tax	10 a	9,474.30	2,131.42
(2) MAT credit entitlement	10 a	(3,329.54)	-
(3) Deferred tax	10 a	(2,709.88)	(746.93)
IX Profit / (Loss) for the year from continuing operations (VII-VIII)		12,944.59	8,444.59
X Profit / (Loss) from discontinuing operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit / (Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII Profit / (Loss) for the year (IX+XII)		12,944.59	8,444.59
XIV Other Comprehensive Income			
A(i) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit (liability) / asset		(10,806.28)	(1,512.15)
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 b	3,739.84	322.72
B(i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV Total Comprehensive Income for the year (XIII+XIV)		5,878.15	7,255.16
XVI Earnings per equity share: (₹10/- each) in ₹			
Basic and diluted	39(A)	31.08	20.28

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

As per our report of even date attached
For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants
 Firm Registration Number: 003790S

CA. S ANANDA KRISHNA
 Partner
 Membership No.: 027986
 Place : Bengaluru
 Date : 25-05-2018

For and on behalf of the Board of Directors

SURAJ PRAKASH
 Director (Finance)
 (DIN 08124871)

D K HOTA
 Chairman & Managing Director
 (DIN 06600812)

S V RAVI SEKHAR RAO
 Company Secretary



STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018		For the Year ended 31st March 2017	
	Sub items	Main items	Sub items	Main items
A. Cash flow from operating activities				
Net profit before tax and extraordinary items		16,379.47		9,829.08
Adjustments for				
Depreciation and amortization expense	6,423.84		6,197.79	
(Gain)/loss on disposal of property, plant and equipment	4.56		2.08	
Foreign exchange loss / (gain)	141.63		21.09	
Allowance for obsolescence	774.99		801.45	
Bad debts written off	119.91		15.23	
Financing Cost	4,808.56		4,779.68	
Interest income	(336.54)		(492.44)	
Other Provisions / Allowances	6,393.12	18,330.07	273.65	11,598.53
Operating Profit / (Loss) before changes in working capital		34,709.54		21,427.61
Adjustment for				
Inventories	16,027.80		(28,919.13)	
Trade & other receivables	(18,607.56)		(27,417.70)	
Other current assets	5,364.03		9,256.76	
Trade payables	3,689.58		8,514.59	
Other payables	(26,788.09)	(20,314.24)	29,754.72	(8,810.76)
Cash generated from operations		14,395.30		12,616.85
Direct taxes (paid) / refunded		(1,583.45)		8,193.01
Net cash flow from / (used in) operating activities		12,811.85		20,809.86
B. Cash flow from investing activities				
Purchase of property, plant and equipment	(5,776.79)		(6,380.91)	
Purchase of intangible assets	(790.37)		(37.09)	
Sale of property, plant and equipment	79.82		23.81	
Interest Received	336.54		492.44	
Net cash flow from / (used in) investing activities		(6,150.80)		(5,901.75)
C. Cash flow from financing activities				
Proceeds/(Repayments) from/to ECB & long-term borrowings	-		(3,877.85)	
Proceeds/(Repayments) of Inter corporate loans	(696.81)		(5,565.61)	
Proceeds/(Repayments) of Soft loan	(534.75)		337.28	
Financing Cost	(4,803.82)		(4,892.73)	
Dividend & Tax paid for equity shares	(4,009.79)		(2,004.89)	
Net cash flow from / (used in) financing activities		(10,045.17)		(16,003.80)
Net increase/(decrease) in cash and cash equivalents		(3,384.12)		(1,095.69)
Cash and Cash Equivalents, Beginning of the year		(9,884.14)		(8,788.45)
Cash and Cash Equivalents, Ending of the year (Refer Note 15 d)		(13,268.26)		(9,884.14)

For and on behalf of the Board of Directors

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants
Firm Registration Number: 003790S

CA. S ANANDA KRISHNA

Partner
Membership No.: 027986

Place : Bengaluru
Date : 25-05-2018

SURAJ PRAKASH

Director (Finance)
(DIN 08124871)

D K HOTA

Chairman & Managing Director
(DIN 06600812)

S V RAVI SEKHAR RAO

Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2018

A. Equity share capital

(₹ in Lakhs)

Particulars	No. of shares	Amount
Balance as on 01.04.2017	4,16,44,500	4,164.45
Changes in equity share capital during the year	-	-
Balance as on 31.03.2018	4,16,44,500	4,164.45

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus				Items of OCI	Nonimara Excellence Award Reserve	Debenture Redemption Reserve	Total Equity
	Capital Reserve	Share Premium	General Reserve	Retained Earnings	Other items of OCI			
Balance as on 01.04.2017	105.66	61,204.07	1,19,033.62	28,373.59	(2,240.26)	1.44	7,500.00	2,13,978.12
Profit / (Loss) for the year	-	-	-	12,944.59	-	-	-	12,944.59
Other Comprehensive Income for the year	-	-	-	-	(7,066.44)	-	-	(7,066.44)
Total comprehensive income for the year	-	-	-	12,944.59	(7,066.44)	-	-	5,878.15
Transfer to								
- Debenture Redemption Reserve	-	-	-	-	-	-	-	-
Transaction with owners								
- Dividend	-	-	-	(3,331.56)	-	-	-	(3,331.56)
- Tax on Dividend	-	-	-	(678.23)	-	-	-	(678.23)
Balance as on 31.03.2018	105.66	61,204.07	1,19,033.62	37,308.39	(9,306.70)	1.44	7,500.00	2,15,846.48

As per our report of even date attached

For S.R.R.K SHARMA ASSOCIATESChartered Accountants
Firm Registration Number: 003790S**CA. S ANANDA KRISHNA**Partner
Membership No.: 027986

Place : Bengaluru

Date : 25-05-2018

For and on behalf of the Board of Directors

SURAJ PRAKASHDirector (Finance)
(DIN 08124871)**D K HOTA**Chairman & Managing Director
(DIN 06600812)**S V RAVI SEKHAR RAO**

Company Secretary



Notes forming part of Financial Statements

Note 3: Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment				Net Carrying value	
	As at 01.04.2017	Additions during the year	Deduction/ Re-classification & Adjustments During the Year	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction/ Re-classification & Adjustments During the Year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land										
Free Hold	1,285.69	-	-	1,285.69	-	-	-	-	1,285.69	1,285.69
Lease Hold	8,039.15	-	-	8,039.15	64.66	32.40	-	97.06	7,942.09	7,974.49
Buildings	15,134.97	194.76	0.01	15,329.74	1,464.75	692.25	0.02	2,157.02	13,172.72	13,670.22
Plant and Equipment	27,241.48	4,539.31	(233.13)	31,547.66	4,338.28	3,022.64	(133.34)	7,227.58	24,320.08	22,903.20
Furniture and Fixtures	474.39	47.09	(1.65)	519.83	207.87	83.42	(7.17)	284.12	235.71	266.52
Vehicles										
Given on Lease	426.22	13.87	(63.52)	376.57	106.47	71.34	(42.45)	135.36	241.21	319.75
Own Use	525.18	284.50	(57.86)	751.82	121.99	134.39	(91.84)	164.54	587.28	403.19
Office Equipment	227.32	64.14	(3.82)	287.64	116.33	22.02	(2.92)	135.43	152.21	110.99
Roads and Drains	1,533.14	92.66	-	1,625.80	612.26	261.17	0.01	873.44	752.36	920.88
Water Supply Installations	237.98	38.00	-	275.98	8.58	18.86	(0.02)	27.42	248.56	229.40
Railway sidings	869.23	6.35	-	875.58	199.32	88.06	-	287.38	588.20	669.91
Electrical Installation	1,806.20	333.50	(0.72)	2,138.98	435.80	236.26	(0.75)	671.31	1,467.67	1,370.40
Jigs and Fixtures	1,562.56	580.18	(0.01)	2,142.73	628.13	554.25	0.01	1,182.39	960.34	934.43
Special Tools	1,022.09	444.84	0.01	1,466.94	525.31	225.25	0.03	750.59	716.35	496.78
Computers and Data processing units	999.94	277.65	(43.26)	1,234.33	711.80	150.28	(41.14)	820.94	413.39	288.14
Total	61,385.54	6,916.85	(403.95)	67,898.44	9,541.55	5,592.59	(319.56)	14,814.58	53,083.86	51,843.99
Previous Year	57,423.25	4,322.01	(359.72)	61,385.54	4,692.95	5,182.44	(333.84)	9,541.55	51,843.99	52,730.30

A. Carrying value of vehicles own use includes equipment offered to customers for trials on No Cost No Commitment (NCNC) basis ₹346.77 Lakhs (Previous Year - ₹137.98 Lakhs).

B. Property, Plant and Equipment

i) Buildings include carrying value of building at Mumbai and Ranchi pending registration/ katha transfer at ₹16.40 Lakhs (Previous Year - ₹16.92 Lakhs)

ii) The Company has taken land measuring 1109 acres and two workshops on lease for a period of 10 years vide Lease Agreement dated 5th May 2004, w.e.f. 28.04.2004 from M/s Bharat Gold Mines Limited (BGML) (A Company under orders of winding up by BIFR), and a sum of ₹100 Lakhs was paid as non-refundable deposit, (included under Other non-current assets (Note no.11)). As per the terms of the Lease agreement, this



deposit shall be adjusted against the outright sale / transfer of ownership that may be fixed for the property and lessee shall be free to construct new building/alter the existing building/lay roads/fence the land in the interest of furthering its business to suit its use and on expiry of the lease the said building shall vest with the lessor on payment of consideration based on value prevailing on the date of handing over of the property. The Company had incurred on the above land a sum of ₹1452.95 lakhs [carrying value - ₹995.71 Lakhs (Previous Year - ₹1044.44 lakhs)] on Buildings included in Property, Plant and Equipment as at year end.

Vide order dated 09.07.2013, the Hon'ble Supreme Court of India upheld the decision of the Union Government to float a global tender of BGML assets with an observation about the existence of sub-lease of a portion of the land to BEML Ltd expiring on 28.04.2014 to be included in the tender documents. The Company filed an Interlocutory application before the Hon'ble Supreme Court of India, praying for exclusion of land leased to BEML from the purview of global tender, which was dismissed. Since the lease agreement provides for the continuation of the lease even after the expiry of lease period on 28.04.2014 till the final decision of the Company / Government in this regard, the operations of the company on the above land is continued. Appropriate accounting action will be considered based on the outcome of the tender process.

- iii) Lease hold Land includes leased land allotted by Kerala Industrial Infrastructure Development Corporation (KIIDC) measuring 374.59 acres for a lease premium of ₹2547.21 Lakhs (excluding Service Tax) (Previous Year - ₹2547.21 Lakhs excluding Service Tax) for 99 years lease period with

effect from 01.07.2009. The actual land handed over by KIIDC was measuring 374.16 acres and the revised lease premium payable is ₹2544.29 Lakhs only. Adjustment in financial statement will be made on formal amendment of lease agreement by KIIDC.

- iv) Lease Hold Land includes land measuring 101175.92 Sq. Mtrs taken on perpetual lease from KIADB (Bangalore Aerospace, SEZ Park) at a cost of ₹5126.00 Lakhs (Previous Year - ₹5126.00 Lakhs).
- v) Lease Hold Land includes land at cost ₹129.41 Lakhs at Hyderabad for which registration will be completed after development of showroom.
- vi) No Provision considered necessary for impairment of assets as the realizable value of assets technically assessed is more than the carrying cost of these assets.
- vii) Free Hold Land includes land measuring 560 acres at Mysore costing ₹307.58 Lakhs (including additional compensation of ₹183.57 Lakhs demanded by KIADB) for which title deeds have to be obtained from KIADB. As per the demand of KIADB, provision of interest amounting to ₹531.52 Lakhs (Previous Year - ₹509.08 Lakhs) up to period 31st March 2018 has been made. However, matter has been taken up with KIADB for waiving of interest which is pending before KIADB Board. Liability for both interest and additional compensation has been created. Registration will be made once the matter is settled with KIADB Board.
- viii) Free Hold Land measuring 3.647 acres of land, surrendered to BBMP against TDR (at cost) is ₹4.58 Lakhs. Free Hold Land measuring 1.937 acres of land surrendered to BBMP for which TDR yet to be received (at cost) is ₹2.43 Lakhs. Above TDR will be utilised for further construction.



ix) Company has taken action to obtain title documents in respect of the following immovable properties.

- (1) Flat at Roshan comp., Madras - ₹4.04 Lakhs.
- (2) Flat at Ashadeep, New Delhi - ₹2.80 Lakhs.
- (3) Office building at Nagpur - ₹27.18 Lakhs.
- (4) Lease Hold Land at Singrauli - ₹1.75 Lakhs.

x) The company has initiated legal action to obtain possession of 1.88 acres of Land out of 5 acres at Tatisilwai, Arra village, Ranchi.

xi) For details of property, plant and equipment hypothecated by way of a first charge against borrowings and other facilities availed, refer Note no. 20 and 24

xii) For information on estimated capital contracts pertaining to the acquisition of property, plant and equipment, refer Note no. 39 D II a.

C. Amount of borrowing cost capitalised on addition of assets during the year is as under:

- Plant & Machinery ₹222.26 Lakhs

D. Since there is no investment property in the Company as on 31.03.2018, fair value of investment property is Nil (Previous Year - Nil)

E. Change in Accounting Policies

i) Change in accounting policy in PPE as per para 2.2 H has been incorporated in respect of Special Tools, Jigs & Fixtures and Products given under No Cost No Commitment (NCNC). The Company does not envisage any financial impact in this regard.

ii) Change in accounting policy in Intangible Assets as per para 2.2 J (v) has been incorporated and the Company does not envisage any financial impact in this regard.

Note 4: Capital work-in-progress

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Building	134.82	66.26
Equipment under inspection and in transit	93.52	-
Machinery	6,405.13	7,710.02
Others	168.80	166.05
Total	6,802.27	7,942.33



Note 5: Intangible assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated amortisation and impairment				Net Carrying value	
	As at 01.04.2017	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer software	1,247.03	688.70	0.01	1,935.74	447.97	263.33	-	711.30	1,224.44	799.06
Technical Know how	5,654.24	101.67	-	5,755.91	1,218.05	567.92	-	1,785.97	3,969.94	4,436.19
TDR against Land	7.01	-	-	7.01	-	-	-	-	7.01	7.01
Total	6,908.28	790.37	0.01	7,698.66	1,666.02	831.25	-	2,497.27	5,201.39	5,242.26
Previous Year	2,366.24	4,542.04	-	6,908.28	650.66	1,015.35	0.01	1,666.02	5,242.26	1,715.58

Note 6: Intangible assets under development (internally generated)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Total	-	-

Note 7: Investments

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Investments in equity instruments - unquoted at cost		
In Equity Shares of Subsidiary Companies:		
In Vignyan Industries Limited, 2,69,376 fully paid up Equity Shares of ₹100 each	252.60	252.60
In MAMC Industries Limited, Kolkata, 50,000 fully paid up Equity Shares of ₹10 each [refer Note no. 11(a)]	5.00	5.00
	257.60	257.60
In Equity Shares of Joint Venture Company:		
In BEML Midwest Ltd., 54,22,500 fully paid up Equity shares of ₹10 each	542.25	542.25
Less: Allowance for impairment of investment	(542.25)	(542.25)
	-	-
Investment in Ordinary Shares of Co-operative Societies - unquoted at cost		
In BEML Consumer Co-operative Society Ltd, KGF, 250 fully paid up shares of ₹10 each	0.03	0.03
In Gulmohar Mansion Apartments Co-operative Housing Society Limited, Bangalore, 10 fully paid up shares of ₹100 each.	0.01	0.01
In Twin Star Co-operative Housing Society Ltd, Bombay, 5 fully paid up shares of ₹50 each.	-	-
	0.04	0.04
Total - unquoted at cost	257.64	257.64



Ind AS 28 (Investments in Associates and Joint Ventures)

Names of Joint Ventures	Nature	% holding	Country of Incorporation
BEML Midwest Limited	Jointly Controlled Entity	45.00	India

- a. BEML along with Midwest Granite Private Limited formed a joint venture company in 2007 to conduct excavation and extraction of mineral resources. The agreement was signed in September 2005 whereby BEML has a 45% share in the operations of the joint venture and the remaining 55% is held by Midwest Granite Private Limited.
- b. The Joint Venture Company BEML Midwest Ltd. has not prepared its financial statements as at 31st March, 2018 due to litigation pending before National Company Law Tribunal. Hence, disclosure requirements under Ind AS-28 (Investments in Associates and Joint Ventures) could not be complied with. In the absence of financial statements of the JV, the same has not been consolidated with BEML financial statements.
- c. The company had issued corporate guarantee to Bank for facilities extended to BEML Midwest Limited, for ₹1912.50 Lakhs. Since BEML Midwest Limited 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.

The movement in the allowance for impairment of investment is as follows:

(₹in Lakhs)

Particulars	2017-18	2016-17
Balance at the beginning of the year	542.25	542.25
Impairment losses recognised	-	-
Written off during the year	-	-
Credited to profit or loss	-	-
Balance at the end of the year	542.25	542.25

Note 8: Loans

(₹in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Unsecured, considered good		
Lease Deposits	41.84	45.55
Inter Corporate Loan	817.27	1,634.55
Total	859.11	1,680.10

Lease deposits represent deposits paid as security for office space and flats taken on rent.

Inter Corporate Loan balance as on 31.03.2018 represent outstanding loan to M/s JK Tyres Ltd. The loan carry interest at the rate of SBI PLR less 2.25%. Currently 11.15% (Previous Year 11.75%) and are unsecured from borrowers.



Note 9: Other financial assets

(₹in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Security Deposit with Customers	-	-
Deposit with service providers	38.09	157.13
Total	38.09	157.13

Note 10: Income taxes

The substantively enacted tax rate as on 31 March 2018 is 34.61% and as on 31 March 2017 was 34.61% for deferred tax purposes.

a) Amount recognised in profit or loss

(₹in Lakhs)

Particulars	31 March 2018	31 March 2017
Current tax expense:		
Current tax / Minimum alternate tax (MAT)	9,474.30	2,128.67
MAT credit entitlement	(3,329.54)	-
Adjustment of tax related to earlier years	-	2.75
	6,144.76	2,131.42
Deferred tax (income)/expense:		
Origination and reversal of temporary differences	(2,709.88)	(746.93)
Total deferred tax (income)/expense	(2,709.88)	(746.93)
Tax expenses	3,434.88	1,384.49

b) Amount recognised in OCI

(₹in Lakhs)

Particulars	31 March 2018			31 March 2017		
	Before Tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Re-measurement (losses) / gains on post employment defined benefit plans	(10,806.28)	3,739.84	(7,066.44)	(1,512.15)	322.72	(1,189.43)
Total	(10,806.28)	3,739.84	(7,066.44)	(1,512.15)	322.72	(1,189.43)

c) Reconciliation of effective income tax rate

(₹in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operation		16,379.47		9,829.08
Tax using the company's domestic tax rate (Income tax)	34.61%	5,668.61	34.61%	3,401.65
Tax effect of:				
Carry Forward Loss	-7.29%	(1,194.03)	-26.11%	(2,566.33)
Weighted Deduction for R and D Expenditure	-3.13%	(512.32)	-8.50%	(835.32)
Non deductible expenses	15.08%	2,470.43	-	-
Minimum Alternate Tax	-	-	21.68%	2,131.42
Tax incentive	-1.76%	(287.93)		
Deferred tax	-16.54%	(2,709.88)	-7.60%	(746.93)
Total income tax expense for the year	20.97%	3,434.88	14.09%	1,384.49



d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As on 1st April 2016	Recognised in profit or loss during 2016-17	As at 31st March 2017	Recognised in profit or loss during 2017-18	As at 31st March 2018
Property, plant and equipment	(5,272.39)	(538.52)	(5,810.91)	(292.94)	(6,103.85)
Allowance for doubtful trade receivables	8,252.63	261.94	8,514.57	(1,111.26)	7,403.31
Voluntary Retirement Expenses	2.16	(2.16)	-	-	-
Provision for Property Tax	123.73	-	123.73	-	123.73
Provision for Gratuity	(74.03)	336.99	262.96	3,566.76	3,829.72
Provision for Leave Salary	5,428.75	274.75	5,703.50	(514.44)	5,189.06
Provision for Performance Related Pay	-	31.15	31.15	41.53	72.68
Provision for Contributory medical Scheme	1,472.25	195.00	1,667.25	258.67	1,925.92
Provision for Pension	405.56	20.34	425.90	5.91	431.81
Provision for wage revision	-	188.69	188.69	754.77	943.46
Provision for pending legal cases	12.93	(1.32)	11.61	-	11.61
Derivatives and lease deposits	19.05	(19.93)	(0.88)	0.88	-
Net deferred tax assets / (liabilities)	10,370.64	746.93	11,117.57	2,709.88	13,827.45

e) Unrecognised deferred tax assets

Deferred tax asset has not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the deductible temporary difference can be utilised.

(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences not expected to be utilised	-	-	-	-
Tax losses	-	-	1,835.91	635.37
	-	-	1,835.91	635.37

f) Tax losses carried forward

Unrecognised tax losses carried forward expire as follows:

(₹ in Lakhs)

Particulars	31 March 2018	Expiry date	31 March 2017	Expiry date
Expire				
Carry forward business loss	-		-	-
Never expire				
Unabsorbed depreciation	-		(1,835.91)	
	-		(1,835.91)	



Note 11: Other non-current assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Capital Advances	1,712.46	913.90
Less: Allowance for doubtful Capital Advances	(21.55)	(21.55)
Advances to Related Parties - MAMC [refer Note no.39 (C)(ii)]	602.07	601.76
Advance MAMC consortium [see note (a) below]	5,800.61	5,744.31
Employee Advance	143.80	186.70
Advance Income Tax	1,814.00	-
Income Tax Refund	2,381.50	2,284.58
Tax Deducted at Source	108.37	219.25
Prepayments	82.25	87.17
Gold coins on Hand	10.11	10.15
Total	12,633.62	10,026.27
Due by officers of the company	12.40	21.25

- 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 ₹1000.61 Lakhs (Previous Year - ₹944.31 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 ₹5800.61 Lakhs (Previous Year - ₹5744.31 Lakhs) is disclosed as 'Advance to MAMC consortium', pending allotment of equity shares in the capital of the JV company. Since

the company intends to treat this as a long term investment, independent valuation of the assets taken over has been done and there is no diminution in value of investments. Formulation of business plan and approval of shareholders' agreement from MOD is being pursued.

Further, a company in the name of 'MAMC Industries Limited' (MIL) was formed and incorporated as a wholly-owned subsidiary company for the intended purpose of JV formation. Shareholders' agreement, as duly approved by the Boards of all the three members of the consortium, has been submitted to Ministry of Defence for necessary approval. After obtaining the said approval, MIL, would be converted into a JV Company. The Company has advanced a sum of ₹602.07 Lakhs (Previous Year - ₹601.76 Lakhs) on account of MIL, which is included under the head 'Advances to related parties'.



Note 12: Inventories (Lower of cost and Net realisable value)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Raw materials & Components	54,670.61	58,100.41
Less: Allowance for obsolescence - Raw Material	(1,056.73)	(860.37)
Raw materials & Components in Transit	2,485.35	2,778.23
Stores and Spares	2,187.06	2,171.95
Work-in-Progress	72,203.42	57,725.23
Finished Goods	17,719.53	39,862.86
Less: Allowance for obsolescence - Finished Goods	(1,064.11)	(1,112.82)
Finished Goods in Transit	2,271.20	3,249.45
Stock of Spares	30,988.16	35,175.50
Less: Allowance for obsolescence - Stock of Spares	(3,734.32)	(3,190.41)
Stock of Spares in Transit	353.50	286.81
Hand tools	2,371.10	2,716.71
Scrap	556.46	542.03
Total	1,79,951.23	1,97,445.58

- Raw materials & Components include materials lying with sub contractors ₹2355.15 Lakhs (Previous Year - ₹1855.05 Lakhs). Of these, confirmation from the parties is awaited for ₹816.79 lakhs (Previous Year - ₹588.75 Lakhs).
- The closing stock of work-in-progress and finished goods are stated at lower of standard cost, which approximates to actuals, and net realisable value. The difference between the actual cost of production and the standard cost is not material.
- Variances arising on account of difference between standard cost and the actual cost,

on account of change in the nature of inputs from bought-out to internally manufactured or vice versa, timing difference between standard cost and actual occurrence during the financial period and fluctuations in the material prices, is adjusted in the cost of production in order not to carry forward the period variances to subsequent financial period.

- Allowance towards obsolescence is made as per the provisioning norms and is based on ageing of inventory.

Note 13: Investments

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
In Quotas of Foreign Subsidiary - unquoted at cost		
Investments in Quotas in BEML Brazil Industrial Ltda., 99.98% of the quotas held by BEML and balance held by the nominees of BEML.	185.55	185.55
Less: Allowance for impairment of investment	(141.87)	(133.72)
Total	43.68	51.83



BEML has formed a 100% owned subsidiary in Brazil with the intention of penetrating demand in the local market and provide high quality machinery and equipment in the construction and mining industry. BEML commenced operations via its wholly owned subsidiary but found stiff competition in the Brazilian market with competitors possessing higher market and consumer knowledge and conducting operations

by means of easier access to resources. As there is no operations in 'BEML Brazil Industrial Ltda' presently, BEML is examining future course of action for the subsidiary company. The subsidiary has bank deposits in the local bank that earns a compounding interest and the expenses of administration and other overhead charges of the subsidiary are incurred from such deposits.

The movement in the allowance for impairment is as follows:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Balance at the beginning of the year	133.72	123.41
Impairment losses recognised	8.15	10.31
Written off during the year	-	-
Credited to profit or loss	-	-
Balance at the end of the year	141.87	133.72

Note 14: Trade receivables

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Unsecured, considered good		
Outstanding for period exceeding six months *	83,879.48	69,131.75
Others	80,343.84	73,905.60
Unsecured, considered doubtful		
Outstanding for period exceeding six months	17,556.64	16,191.99
Allowance for bad and doubtful trade receivables	(17,556.64)	(16,191.99)
Total	1,64,223.32	1,43,037.35

* Trade receivables - Outstanding for period exceeding six months include ₹4899.99 Lakhs (Previous Year ₹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 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 from US Dollar to Euro and the consequential Escalation and Exchange Rate variation is under active consideration 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.



The movement in the allowance for bad and doubtful trade receivables is as follows: (₹ in Lakhs)

Particulars	2017-18	2016-17
Balance at the beginning of the year	16,191.99	14,970.87
Impairment losses recognised	2,827.66	1,505.88
Written off during the year	(1,415.45)	-
Credited to profit or loss	(47.56)	(284.76)
Balance at the end of the year	17,556.64	16,191.99

Note 15: Cash and cash equivalents (₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balances with Banks	199.48	1,293.14
Balances with Banks - Unclaimed Dividend	34.04	31.82
Cheques, drafts on hand	-	72.93
Cash on hand	-	3.13
Total	233.52	1,401.02

- The Company earns no interest on balances with banks in current accounts.
- Balances with banks include the following on which there were restrictions placed on use and / or held on behalf of third parties:
ESCROW account balance to be distributed among consortium members ₹82.08 Lakhs (Previous Year ₹174.79 Lakhs) & BEML share is ₹16.53 Lakhs (Previous Year ₹9.80 Lakhs)
- Out of the Cash Credit Limit of ₹100000 Lakhs sanctioned to the company by Consortium Bankers, the amount drawn by the company as on 31st March is ₹13501.78 Lakhs (Previous Year ₹11285.16 Lakhs)
- For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balances with Banks	199.48	1,293.14
Balances with Banks - Unclaimed Dividend	34.04	31.82
Cheques, drafts on hand	-	72.93
Cash on hand	-	3.13
Less: Bank overdraft/Cash credit facility	(13,501.78)	(11,285.16)
Total	(13,268.26)	(9,884.14)

For an understanding of the Company's cash management policies, refer Note no.39 L (ii) on liquidity risk.



Note 16: Loans

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Unsecured, considered good		
Lease Deposits	1.00	4.27
Inter Corporate Loan	817.28	817.28
Total	818.28	821.55

Note 17: Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Security Deposit with Customers	107.39	107.39
Earnest Money Deposit	89.33	89.33
Deposit with service providers	454.87	313.19
Total	651.59	509.91

For an understanding of the Company's derivative transactions, refer Note no. 39N on derivatives.

Note 18: Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Advances to Related Parties	234.04	68.40
Balances with Public Utility concerns	600.31	600.84
Less: Allowance for doubtful Balances with Public Utility concerns	(180.54)	(180.54)
Balances with Govt. departments for Customs Duty, Excise Duty, GST etc.,	27.09	34.65
Advance to Vendors	10,775.85	13,860.32
Less: Allowance for doubtful advances to Vendors	(3,835.27)	(3,842.45)
Employee Advance	334.22	364.32
Duties and Taxes	4,500.84	4,441.34
Cenvat / VAT / GST Balances	2,237.90	7,628.14
Prepayments	728.92	999.51
Claims receivable	17,436.66	17,499.82
Less: Allowance for doubtful claims	(4,668.45)	(4,668.45)
GST on stock transfers	650.13	-
Unbilled revenue	-	1,099.95
Total	28,841.70	37,905.85
Due by Officers of the Company	28.76	34.70

Claims receivable includes claims lodged pending under reconciliation amounting to ₹2610.74 Lakhs (Previous Year - ₹2613.84 Lakhs). The Company doesn't expect any material impact on the final realization of the above amounts.



Note 19: Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	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				
	2017-18	2016-17	2015-16	2014-15	2013-14
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 2018		As at 31st March 2017	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding as at Opening Date	4,16,44,500	4,164.45	4,16,44,500	4,164.45
Add: Issued during the period	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	4,16,44,500	4,164.45	4,16,44,500	4,164.45



Equity Shares held by shareholders having 5% or more

Name of the shareholder	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	% held	No. of Shares	% held
President of India	2,25,00,000	54.03	2,25,00,000	54.03
HDFC Trustee Company Limited (PAN wise)	37,47,580	9.00	37,47,580	9.00
Reliance capital Trustee Co. Ltd (PAN wise)	1,53,600	0.37	27,37,312	6.57

No shares of the Company is held by its subsidiaries. The Company does not have any holding company.

No shares of the Company is reserved for issue under options and contracts/commitments for the sale of shares / disinvestment.

The Board of Directors in their meeting held on 25th May 2018 recommended a dividend of ₹8/- per equity share (i.e., 80%) for the financial year ended 31st March 2018, subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, this would result in a cash outflow of approximately ₹4016.37 Lakhs including corporate dividend tax.

Note 20: Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Non-Current	Current	Non-Current	Current
Debentures				
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	-
Term Loans				
(a) Secured from Banks	-	-	-	-
(b) Unsecured from other parties				
i. Inter corporate loans against company's corporate guarantee (from Coal India)	-	-	-	696.81
ii. Soft Loan - Interest Free Loan from Govt of Kerala	448.53	606.20	1,052.30	537.18
Total	30,448.53	606.20	31,052.30	1,233.99

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

Terms of repayment of Soft Loan - Interest free Loan from Govt. of Kerala

(₹ in Lakhs)

Rate of Interest	2018-19	2019-20	2020-21	2021-22
Soft Loan - Interest free Loan, Re-payable in 10 equal installments in 5 years	606.20	188.80	188.80	188.80



Note 21: Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Deposit from vendors	41.60	41.60
Total	41.60	41.60

Note 22: Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits		
for Leave Salary	12,331.51	14,190.48
for Post retirement medical scheme	3,499.22	2,969.49
Provision-others		
for warranty	106.08	97.00
for unexpired obligations	700.17	237.27
Total	16,636.98	17,494.24

1. For movement in the provisions during the year refer Note no. 28
2. The provision for employee benefits represents annual leave and vested long service entitlements accrued.
3. Warranty provisions are recognised on a contract-by-contract basis for goods sold over

the warranty period. The provision is based on estimates of probable likelihood of product failure and returns based on current sales level and past experience.

4. Provision for unexpired obligations is towards supply of Backup Spares against guaranteed availability contracts.

Note 23: Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Advances from customers	33,237.18	34,000.51
Staff related	26.25	25.25
Deferred government grant	69.73	164.11
Total	33,333.16	34,189.87

- a. Company received an interest free loan of ₹944.00 Lakhs from Government of Kerala (Note 20). The same has been initially recognised at fair value and the difference between the proceeds and fair value is recognised as deferred government grant.

The government grant income is amortised to profit or loss on a straight line basis over the term of interest free loan (Note 31).



Note 24: Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
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)	13,501.78	11,285.16
Unsecured	-	-
Total	13,501.78	11,285.16

Note 25: Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Total outstanding dues of micro & small enterprises	2,329.34	1,819.71
Total outstanding dues of creditors other than micro & small enterprises	51,186.37	47,865.19
Total	53,515.71	49,684.90

Micro and Small Enterprises (MSE)

The information under MSMED Act, 2006 has been disclosed to the extent such vendors have been identified by the company. The details of amounts

outstanding to them based on available information with the Company is as under :

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Amount due and Payable at the year end		
- Principal	-	27.73
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	196.45	44.18
- Interest	2.32	0.96
Interest due and payable for principals already paid	-	54.58
Total Interest accrued and remained unpaid at year end	-	54.58
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23 of MSMED Act, 2006.	-	0.96



Note 26: Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Current maturities of long term debt (refer note 20)	606.20	1,233.99
Deposit from vendors	466.85	523.31
Earnest Money Deposit from vendors	555.94	409.69
Interest accrued but not due on borrowings	1,020.09	1,017.67
Unclaimed dividend	34.04	31.82
Total	2,683.12	3,216.48

Note 27: Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Other payables		
a. Staff related dues	2,288.50	2,409.44
b. Statutory dues	8,771.76	5,028.59
c. Excise Duty provision on FGI	-	8,047.08
d. Advances from customers	40,885.43	64,325.87
e. Service vendors	8,722.29	6,489.49
f. Civil contractors and Capital payments	1,293.63	1,733.86
Deferred government grant (refer note 23 a)	94.38	42.73
Total	62,055.99	88,077.06

Note 28: Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits		
for Gratuity	11,065.96	759.82
for Leave Salary	2,662.27	2,289.82
for Performance Related Pay	700.00	870.00
for Post retirement medical scheme	2,065.74	1,848.04
for Officers Pension	1,247.74	1,230.65
for Wage revision	9,087.15	1,817.43
Provision-others		
for pending legal cases	33.56	33.55
for warranty	6,018.58	5,595.41
for unexpired obligations	788.13	495.63
Total	33,669.13	14,940.35



Movement in Provisions

(₹ in Lakhs)

Particulars	As at 01.04.2017		Additions	Utilization	Reversal	As at 31st March 2018	
	Non-current	Current				Non-current	Current
Gratuity	-	759.82	11,565.96	1,259.82	-	-	11,065.96
Leave Salary	14,190.48	2,289.82	3,744.36	5,230.88	-	12,331.51	2,662.27
Post retirement medical scheme	2,969.49	1,848.04	1,137.57	390.14	-	3,499.22	2,065.74
Performance Related Pay	-	870.00	700.00	870.00	-	-	700.00
Officers Pension	-	1,230.65	1,247.74	1,230.65	-	-	1,247.74
Wage revision	-	1,817.43	7,269.72	-	-	-	9,087.15
Pending legal cases	-	33.55	1.05	-	1.04	-	33.56
Warranty	97.00	5,595.41	4,896.11	4,144.60	319.26	106.08	6,018.58
Unexpired Obligation	237.27	495.63	1,056.40	-	301.00	700.17	788.13
Total	17,494.24	14,940.35	31,618.91	13,126.09	621.30	16,636.98	33,669.13

Note 29: Current tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for Income tax	4,886.59	1,303.08
Less: MAT credit entitlement	(3,329.54)	-
Total	1,557.05	1,303.08

Note 30: Revenue from Operations

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a) sale of products (including excise duty as applicable):		
Earth Moving Equipment	1,01,954.29	90,228.17
Rail & Metro Products	1,01,774.84	54,565.68
Defence Products	35,727.44	43,483.13
Spare Parts	68,701.71	72,611.14
Sub-total	3,08,158.28	2,60,888.12
(b) sale of services;		
Equipment Servicing	19,155.28	19,554.71
Sub-total	19,155.28	19,554.71
(c) other operating revenues		
Wind Energy	821.82	962.72
Sale of Scrap	2,406.48	2,060.33
Sub-total	3,228.30	3,023.05
Revenue from operations	3,30,541.86	2,83,465.88



Note 30A:

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

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Rail & Metro Products	1,01,809.47	54,797.56
Other products, services and other operating revenue	2,28,767.02	2,28,900.20
Sub-total	3,30,576.49	2,83,697.76
Less: Value of Consortium Supplies [FY 2017-18 - BMRCL, FY 2016-17 - DMRC]	34.63	231.88
Revenue from Operations	3,30,541.86	2,83,465.88

- ii. Revenue from operations up to 30.06.2017 is inclusive of Excise duty ₹5986.85 Lakhs (up to June 2017 for FY 2017-18). W.e.f 01.07.2017 on the introduction of GST Act neither Excise duty nor GST has been included in the Revenue from Operations. GST on Revenue from Operations (GST from July 2017 to March 2018 is ₹52287.57 Lakhs).

ii. Ind AS 11 (Construction Contracts)

Revenue includes revenue recognised on percentage of completion method as detailed below; (₹ in Lakhs)

Particulars	31st March 2018	31st March 2017
a) Contracts revenue recognized during the year	2,374.20	2,407.65
b) Disclosure in respect of Contracts in Progress as at 31st March 2018		
(i) Aggregate amount of cost incurred	-	5,861.61
(ii) Recognized profit (less recognized losses, if any) net of provision for contingency	-	-
(iii) Amount of advances received and outstanding	-	3,390.87
(iv) The amount of retention	-	-
c) Percentage of completion method is used to determine the contract revenue recognised in the period. Ratio of the actual cost incurred on the contracts up to 31.03.2018 to the estimated total cost of the contract, is used to determine the stage of completion.		



Note 31: Other income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Interest Income		
- From Inter Corporate Loans	245.58	349.36
- From Other Advances	-	107.55
- From Income tax refund	-	923.36
- Finance income on lease deposits	6.47	4.41
- Others	84.49	31.12
Government grant income	42.73	28.49
Export incentives	40.48	64.20
Net gain on sale of property, plant and equipment	7.01	5.29
Provisions written back		
- Doubtful trade receivables & advances	47.57	13.45
- Others	178.53	2,116.07
Foreign exchange gain	568.46	862.36
Other non-operating income	1,268.36	1,739.29
Total	2,489.68	6,244.95

a. Tax Deducted at Source on Income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
a) Interest on Inter Corporate Loans	24.56	34.94

Note 32: Cost of materials consumed

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Cost of materials consumed	1,72,544.32	1,34,573.17

Note 33: Purchase of stock-in-trade

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Purchase of stock-in-trade	-	-



Note 34: Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Opening Stock		
Finished goods	41,999.49	37,099.07
Work-in-progress	57,725.23	50,059.12
Scrap	542.03	599.32
Reversal of Opening ED on Finished goods	(6,656.09)	-
Reversal of Opening ED on Scrap	(58.18)	-
	93,552.48	87,757.51
Closing Stock		
Finished goods	18,926.62	41,999.49
Work-in-progress	72,203.42	57,725.23
Scrap	556.46	542.03
	91,686.50	1,00,266.75
(Increase) / Decrease		
Finished goods	16,416.78	(4,900.42)
Work-in-progress	(14,478.19)	(7,666.11)
Scrap	(72.61)	57.29
Total	1,865.98	(12,509.24)

Note 35: Employee benefits expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Salaries, Wages & Bonus	63,673.93	58,888.93
Leave Salary	3,744.36	5,298.19
Contribution to:		
- Gratuity Fund	900.06	689.62
- Provident Fund and Other Funds	5,695.19	5,797.22
Post retirement medical scheme	997.19	924.49
Staff welfare expenses	6,301.62	6,979.03
- Less receipts	462.59	504.90
Net staff welfare expenses	5,839.03	6,474.13
Total	80,849.76	78,072.58



A. Ind AS 19 (Employee Benefits)

a. Leave Salary

This is an unfunded employee benefit plan categorized under other long term employee benefits in terms of Ind AS 19. The obligation for compensated absence has been actuarially valued and liability provided accordingly.

Actuarial Assumptions	Current Year	Previous Year
	(Unfunded)	(Unfunded)
Mortality Table	2006-08 (IALM)	2006-08 (IALM)
	(Ultimate)	(Ultimate)
Discount rate	7.70%	7.40%
Rate of escalation in salary	5.00%	5.00%

b. Post Retirement Medical Scheme

1. Employees

- (i) The company has a post retirement defined benefit medical scheme where an insurance policy is taken by the company for providing mediclaim benefits to the superannuated employees who

opt for the scheme. The Company pays 2/3 rd insurance premium and the balance is paid by the superannuated employees.

- (ii) The results of the actuarial study for the obligation of the medical benefit as computed by the actuary are shown below:

(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Principal actuarial assumptions		
Discount rate	7.70%	7.40%
Range of compensation increase	5.00%	5.00%
Attrition rate	0.42%	0.90%
Components of income statement charge		
Current Service Cost	213.13	151.10
Interest Cost	249.31	245.97
Total income statement charge	462.44	397.07
Movements in net defined benefit liability		
Net obligation at the beginning of the year	3,312.72	3,153.54
Employer contributions	(205.32)	(165.91)
Total expense recognised in profit or loss	462.44	397.07
Total amount recognised in OCI	140.38	(71.98)
Net obligation at the end of the year	3,710.22	3,312.72



(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Reconciliation of benefit obligations		
Obligation at start of the year	3,312.72	3,153.54
Current service cost	213.13	151.10
Interest cost	249.31	245.97
Benefits paid directly by the company	(205.32)	(165.91)
Actuarial loss / (gain) on obligations	140.38	(71.98)
DBO at the end of the year	3,710.22	3,312.72
Re-measurements		
Actuarial gain/(loss) on account of experience adjustments	140.38	(71.98)
Total actuarial gain/(loss) recognised in OCI	140.38	(71.98)

(iii) Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing

how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

(₹ in Lakhs)

	Current Year	Previous Year
Discount rate		
+ 0.50% discount rate	(108.15)	(169.24)
- 0.50% discount rate	117.88	185.26
Premium cost		
+ 0.50% premium growth	111.57	193.17
- 0.50% premium growth	(94.18)	(177.46)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	3,710.22	3,312.72
Experience adjustment on plan liabilities	239.81	(208.57)



The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

2. Officers

For officers, from the year 2015-16 a new Post-Retirement Medical Scheme has been introduced where a percentage of Basic salary and DA of officers will be contributed to a separate fund and the fund arrange to provide medical insurance to retired officers. Company has contributed 3% of the basic and DA of officers amounting to ₹534.75 Lakhs during 2017-18 for the scheme. Company has no further liability other than the

contribution to the fund. Hence the scheme is a defined contribution plan and no actuarial valuation is required.

c. Interest Rate Guarantee on Provident Fund

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

Actuarial Assumptions	Current Year	Previous Year
	(Funded)	(Funded)
Discount rate	7.70%	7.30%
Rate of escalation in salary	5.00%	5.00%
Interest Rate Guarantee on Provident Fund	8.55%	8.65%

d. Officers Pension Scheme

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

e. Gratuity

- (i) The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.
- (ii) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:



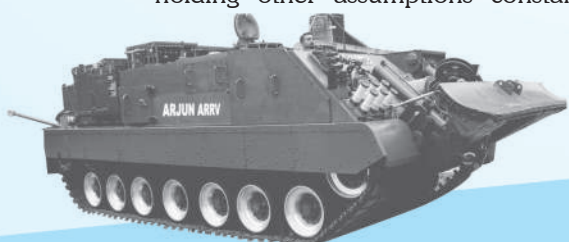
(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Principal actuarial assumptions		
Discount rate	7.70%	7.40%
Range of compensation increase	5.00%	5.00%
Attrition rate	0.42%	0.90%
Expected rate of return on plan assets	7.70%	8.40%
Components of income statement charge		
Current Service Cost	890.06	757.01
Interest Cost	10.00	(67.39)
Total income statement charge	900.06	689.62
Movements in net liability/(asset)		
Net liability / (asset) at the beginning of the year	759.82	(213.93)
Employer contributions	(1,259.82)	(1,300.00)
Total expense recognised in profit or loss	900.06	689.62
Total amount recognised in OCI	10,665.90	1,584.13
Net liability / (asset) at the end of the year	11,065.96	759.82
Reconciliation of benefit obligations		
Obligation at start of the year	35,449.64	35,475.72
Current service cost	890.06	757.01
Interest cost	2,549.95	2,570.03
Benefits paid directly by the company	(4,666.79)	(5,053.31)
Actuarial loss / (gain) on obligations	10,644.44	1,700.19
DBO at the end of the year	44,867.30	35,449.64
Re-measurements		
Actuarial gain/(loss) due to changes in financial assumptions	(21.46)	116.06
Actuarial gain/(loss) on account of experience adjustments	(10,644.44)	(1,700.19)
Total actuarial gain/(loss) recognised in OCI	(10,665.90)	(1,584.13)
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	34,689.82	35,689.65
Interest on plan assets	2,539.95	2,637.42
Contributions made	1,259.82	1,300.00
Benefits paid	(4,666.79)	(5,053.31)
Actuarial gain/(loss) on plan assets	(21.46)	116.06
Fair value of plan assets at the end of the year	33,801.34	34,689.82

(iii) Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing

how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.



(₹ in Lakhs)

	Current Year	Previous Year
Discount rate		
+ 0.50% discount rate	(1,009.64)	(935.70)
- 0.50% discount rate	1,065.59	988.06
Salary increase		
+ 0.50% salary growth	949.92	381.36
- 0.50% salary growth	(924.00)	(402.11)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	44,867.30	35,449.64
Fair value of plan assets	33,801.34	34,689.82
(Surplus)/deficit in plan assets	11,065.96	759.82
Experience adjustment on plan liabilities	11,395.47	947.74
Actual return on plan assets less interest on plan assets	10.00	(67.39)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

(v) Investment details

The plan assets under the fund are deposited under approved securities as follows:

		Current Year	Previous Year
Investment with LIC	%	100	100
Others	%	0	0

Note 36: Finance costs

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Interest expense		
On Cash Credit & Short term loans	2,129.17	1,550.87
On Long Term Loans	-	20.59
On External Commercial Borrowings	-	139.75
On Non-convertible Debentures	2,549.74	2,602.72
On Inter Corporate Loans	24.97	360.15
On MSE vendors	2.32	0.96
Unwinding of discount on Interest free loan	71.45	46.01
Others	30.91	58.63
Total	4,808.56	4,779.68

Ind AS 23 (Borrowing Costs)

The amount of interest capitalized during the Year is ₹222.26 Lakhs (Previous Year - ₹169.28 Lakhs).



Note 37: Other expenses

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Consumption of stores and spare parts	696.41	645.62
Consumable Tools	780.91	538.28
Power and fuel	3,615.06	3,433.77
Rent	490.25	445.47
Hire Charges	957.74	958.71
Repairs & Maintenance		
Machinery & Equipment	476.96	438.80
Buildings	733.58	395.74
Others	835.97	927.96
Stationery	123.77	138.51
Insurance	429.12	352.13
Rates & Taxes	324.70	443.42
Bank guarantee fee and other charges	632.94	659.58
Communication expenses	279.11	313.91
Commission on sales	21.50	45.02
Remuneration to Auditors (refer note 'a' below)	25.45	25.27
Legal & Professional Charges	359.83	216.85
Travelling Expenses	1,423.82	1,461.70
Publicity & Public Relations	298.48	223.75
Loss on sale of property, plant and equipment	11.57	7.37
Bad Debts written off	119.91	15.23
Defects & Spoilages	14.70	24.77
Works Contract Expenses	7,095.18	4,416.33
Expenses on Maintenance Contract	4,085.38	3,607.20
Sundry Direct Charges	1,035.87	585.34
Freight charges	2,310.51	1,945.18
Expenditure on CSR Activities	334.65	418.77
Excise duty on sales	5,986.85	33,585.29
Excise duty on increase / (decrease) in Stock	0.06	519.98
Provision for Obsolescence	774.99	801.45
Provision for doubtful trade receivables & advances	2,721.82	1,912.36
Provision for diminution in value of Current Investment	8.15	10.31
Warranty & Unexpired Obligations	2,033.71	1,290.93
Liquidated damages on sales	174.74	1,321.44
Miscellaneous expenses	10,945.92	6,641.33
Total	50,159.61	68,767.77



a. Break up of Remuneration to Auditors :

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a) As Auditor	14.63	14.63
(b) for taxation matter	2.06	2.97
(c) Other Services - Certification Fees	8.28	7.02
(d) Reimbursement of Expenses	0.48	0.65
Total	25.45	25.27

Note 38: Exceptional Items

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Income	-	-
Expenditure	-	-
Net Income / (Expenditure)	-	-

Note 39: Other Disclosures**A. Basic / Diluted Earnings Per Equity Share**

Particulars	Current Year	Previous Year
Net Profit / (Loss) after Tax (₹ in Lakhs)	12,944.59	8,444.59
Average Number of Shares	4,16,44,500	4,16,44,500
Earnings Per Share (Basic and Diluted) – Face Value ₹10/- Per Share (Amount in ₹)	31.08	20.28

B. In terms of Notification No. S.O.802(E) dated 23-02-2018 of the Ministry of Corporate Affairs, the Board at its meeting held on 27.05.2016 has given consent with regard to non-disclosure of information as required under paragraphs

5(ii) (a) (1), 5(ii) (a) (2), 5(iii) and Para 5(viii) (a), (b), (c) and (e) of Part II to Schedule III of the Companies Act, 2013, in the Annual accounts for the Financial Year 2015-16 onwards.



C. Ind AS 24 - Related Parties

In accordance with the requirements of Ind AS 24, following are details of the transactions during the year with related parties.

Name of the related party	Nature of relationship
Vignyan Industries Limited	Subsidiary
MAMC Industries Limited	Subsidiary
BEML Brazil Industrial Ltda	Subsidiary
BEML Midwest Limited	Joint venture
BEML PF Trust	Employee benefit and administration trust fund
BEML Gratuity Trust	Employee benefit and administration trust fund
BEML Death-cum-Retirement Benefit Fund Trust	Employee benefit and administration trust fund
BEML Executive Superannuation (Pension) Fund Trust	Employee benefit and administration trust fund
BEML Executive Superannuation (Benefit) Trust Fund	Employee benefit and administration trust fund
Shri. D.K. Hota	Key managerial personnel
Shri. Aniruddh Kumar	Key managerial personnel
Shri. B R Viswanatha	Key managerial personnel
Shri. R H Muralidhara	Key managerial personnel
Shri. S V Ravi Sekhar Rao	Key managerial personnel

Transactions with related parties

1. The details of related party transactions entered into by the Company are as follows:

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

Details of Transactions

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Transactions during the year ended		
Sales	760.48	660.64
Purchases	3,456.25	3,179.76
Salaries charged to VIL for BEML personnel deputed there.	78.08	52.91
Dividends Received	-	-
Equity Investment held as on 31st March (at cost)	252.60	252.60
Outstanding balances		
Amount payable towards supplies as on	-	65.88
Amount recoverable as on	98.56	-
Corporate Guarantee given to Bankers	-	-

ii. Name of the Subsidiary - M/s. MAMC Industries Limited [Refer Note 11 (a)]

Details of Transactions

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Equity Investment held as on 31st March (at cost)	5.00	5.00
Advances recoverable as on 31st March	602.07	601.76



iii. Name of the Joint Venture Company – M/s. BEML Midwest Limited, Hyderabad. Shareholding 45%.

Details of Transactions

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Transactions during the year ended		
Sales	-	-
Purchases	-	-
Equity Investment held as on 31st March (at cost)	542.25	542.25
Outstanding balances		
Advances recoverable as on	135.48	134.28
Amount payable towards supplies as on	230.00	230.00
Corporate Guarantee given to Bankers [refer Note 7 (b)]	1,912.50	1,912.50

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

Details of Transactions

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Investment in Quotas held as on 31st March (at cost)	185.55	185.55

2. Remuneration to Key managerial personnel

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Shri. D.K. Hota - Chairman and Managing Director	45.34	38.88
Shri. Aniruddh Kumar - Director (Rail & Metro) *	22.46	34.79
Shri. B R Viswanatha - Director (Mining & Construction)	38.40	32.06
Shri. R H Muralidhara - Director (Defence)	37.67	31.93
Shri. S V Ravi Sekhar Rao - Company Secretary	19.45	8.48

* For part of the year.

3. Details of remuneration of key managerial personnel comprises the following:

(₹ in Lakhs)

Shri. D.K. Hota - Chairman and Managing Director	31 March 2018	31 March 2017
Short-term benefits	41.04	34.95
Post-employment benefits	1.43	1.35
Other long-term benefits	2.87	2.58
Termination benefits	-	-
Shri. Aniruddh Kumar - Director (Rail & Metro) *	31 March 2018	31 March 2017
Short-term benefits	22.46	29.63
Post-employment benefits	-	1.07
Other long-term benefits	-	4.09
Termination benefits	-	-



(₹ in Lakhs)

Shri. B R Viswanatha - Director (Mining & Construction)	31 March 2018	31 March 2017
Short-term benefits	34.51	28.87
Post-employment benefits	1.13	0.32
Other long-term benefits	2.75	2.87
Termination benefits	-	-
Shri. R H Muralidhara - Director (Defence)	31 March 2018	31 March 2017
Short-term benefits	35.13	28.92
Post-employment benefits	1.25	0.24
Other long-term benefits	1.28	2.77
Termination benefits	-	-
Shri. S V Ravi Sekhar Rao - Company Secretary	31 March 2018	31 March 2017
Short-term benefits	17.68	6.89
Post-employment benefits	0.74	0.66
Other long-term benefits	1.03	0.93
Termination benefits	-	-
Total	31 March 2018	31 March 2017
Short-term benefits	150.82	129.26
Post-employment benefits	4.55	3.64
Other long-term benefits	7.93	13.24
Termination benefits	-	-

* For part of the year.

4. Considering the wide scope of the definition of Related Party under section 2(76); Relative under section 2(77) and Key Managerial Personnel under section 2(51) of Companies Act, 2013 and the requirement under Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the disclosure with respect to Related Party transactions has been restricted to Subsidiary / Joint Venture / Associate companies and to any other Related Party as declared by Directors and Key Managerial Personnel. Accordingly, the compliance with Related Party Transactions under section 188, Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been made to the extent data is available with the Company.

D. Contingent liabilities & Commitments

I. Contingent liabilities

- Claims against the Company not acknowledged as debts
 - Disputed statutory demands (Customs Duty, Central Excise, Service Tax, Sales Tax/VAT etc.,) - ₹65903.17 Lakhs (Previous Year - ₹59307.40 Lakhs).
 - Other claims - legal cases etc. ₹20794.59 Lakhs (Previous Year - ₹15431.30 Lakhs).
- 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 - ₹Nil (Previous Year - ₹Nil).

II. Commitments

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹5249.93 Lakhs (Previous Year - ₹5934.42 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	31 March 2018	31 March 2017
Revenue Expenditure*	9,304.57	7,611.18
Capital Expenditure**	899.75	196.44

* 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 2018	For the Year ended 31st March 2017
Material Cost	353.24	230.23
Employee Remuneration	3,936.19	3,610.50
Depreciation	1,046.62	877.73
Power and Fuel	95.16	142.18
Repairs and Maintenance	19.03	16.71
Consumable Tools	16.33	2.56
Travelling	155.39	135.94
Other Expenses	721.79	983.62
Payment to Technology Providers	-	81.79
Prototype held in WIP	58.31	-
Prototype held in FGI	-	-
Cost of Sales of Prototype sold	3,949.13	2,407.65
Total R&D Revenue Expenditure	10,351.19	8,488.91
Less: Depreciation	1,046.62	877.73
Net R & D Expenditure	9,304.57	7,611.18
Sale value of prototype sold - included in net Sales	4648.58	2,407.65



** The aggregate amount of Research & Development Expenditure recognised as Capital Expenditure till 31st March 2018 is as below.

b. Research & Development Capital Expenditure

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation, amortisation and impairment				Net Carrying value	
	As at 01.04.2017	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction/ Re-classification & Adjustments during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Property, Plant and Equipment										
Land										
Free Hold	3.29	-	-	3.29	-	-	-	-	3.29	3.29
Lease Hold	-	-	-	-	-	-	-	-	-	-
Buildings	109.33	-	-	109.33	32.62	17.98	(12.78)	37.82	71.51	76.71
Plant and Equipment	641.92	125.95	24.88	792.75	152.64	109.45	(10.84)	251.25	541.50	489.28
Furniture & Fixtures	71.75	22.19	-	93.94	31.32	15.31	(0.46)	46.17	47.77	40.43
Vehicles										
Given on Lease	26.41	-	(16.10)	10.31	6.77	16.99	(45.05)	(21.29)	31.60	19.64
Own Use	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Roads & Drains	1.64	-	-	1.64	(0.65)	0.86	-	0.21	1.43	2.29
Water Supply Installations	0.12	-	-	0.12	-	0.01	-	0.01	0.11	0.12
Electrical Installation	40.09	23.11	-	63.20	19.38	4.43	-	23.81	39.39	20.71
Computers and Data processing units	525.56	190.09	18.71	734.36	392.94	71.40	0.86	465.20	269.16	132.62
Intangible Assets										
Software	1,182.23	436.74	98.75	1,717.72	403.92	244.00	-	647.92	1,069.80	778.31
Technical Knowhow	1,117.36	101.67	4,536.88	5,755.91	915.37	566.19	304.19	1,785.75	3,970.16	201.99
Total	3,719.70	899.75	4,663.12	9,282.57	1,954.31	1,046.62	235.92	3,236.85	6,045.72	1,765.39
Previous Year	3,470.55	196.44	52.71	3,719.70	1,075.32	877.73	1.26	1,954.31	1,765.39	2,395.23



F. Ind AS 108 (Operating Segments)

Vide Notification No. GSR 463(E) dated 05-06-2015 (Serial no. 8) issued by Ministry of Corporate Affairs, exempted companies engaged in Defence Production from segmental disclosure as required under Ind AS 108 (Operating Segments), accordingly the disclosure requirements under Ind AS 108 has not been made.

- G.** Advances, Balances with government departments, Trade Payables and receivables, Other loans and advances and deposits classified under non current and current are subject to confirmation and reconciliation. There are certain

old balances pending review / adjustment. The management does not expect any significant impact upon such reconciliation.

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

I. Disclosures as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements), the required information is given as under:

(₹ in Lakhs)

Particulars	Amount as on		Maximum amount outstanding during the year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
i. Loans and Advances in the nature of loans:				
A. To Subsidiary Companies	-	-	-	-
B. To Associates / Joint Venture	-	-	-	-
C. To Firms / Companies in which directors are interested	-	-	-	-
D. Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act, 2013	-	-	-	-
ii. Investment by the loanee (as detailed above) in the shares of BEML and its subsidiaries	-	-	-	-

J. Ind AS 17 - Leases**a) The Company as a lessee**

The Company's significant leasing arrangements are in respect of operating leases and in respect of its leased office premises. These lease

arrangements, run for a period of 3 Years to 10 Years and are generally renewable by mutual consent.

Future minimum lease payments under non-cancellable operating leases are summarised below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Not later than one year	63.16	120.88
Later than one year but not later than five years	230.38	267.73
Later than five years	1,523.23	1,379.53
Total operating lease commitments	1,816.77	1,768.14



b) The Company as a lessor

The Company provides cars to employees who are eligible and enroll into such a scheme after completion of a specific period of service. Such

leases are non-cancellable in nature and have been classified as operating leases.

Below are the details of carrying amounts of such vehicles recorded as property, plant and equipment:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Carrying value of assets	376.57	426.22
Accumulated depreciation	135.36	106.47
Depreciation expense during the year	71.34	81.56

Future minimum lease receipts under non-cancellable operating leases in respect of leased cars are summarised below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Not later than one year	39.49	43.50
Later than one year but not later than five years	132.30	136.09
Later than five years	80.58	106.03
Total operating lease commitments	252.37	285.62

c) Lease income and expenditure

The gross amounts of operating lease income and expenditure recognised in profit or loss is as below.

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Lease income	66.56	70.67
Lease expenses	490.25	445.47

K. Fair values and measurement principles

a) The carrying value and fair value of financial instruments by category are as follows: (₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Carrying amounts		Carrying amounts	
	Fair value through profit or loss	Other Financial Assets - Amortised Cost	Fair value through profit or loss	Other Financial Assets - Amortised Cost
Financial assets measured at fair value:				
Forward exchange contracts	-	-	-	-
	-	-	-	-
Financial assets not measured at fair value:				
Loans	-	1,677.39		2,501.65
Trade receivables	-	1,64,223.32		1,43,037.35
Cash and cash equivalents	-	233.52		1,401.02
Other financial assets	-	689.68		667.04
		1,66,823.91		1,47,607.06



(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Carrying amounts		Carrying amounts	
	Fair value through profit or loss	Other Financial Assets - Amortised Cost	Fair value through profit or loss	Other Financial Assets - Amortised Cost
Financial liabilities measured at fair value:				
Forward exchange contracts	-	-	-	-
	-	-	-	-
Financial liabilities not measured at fair value:				
Borrowings	-	43,950.31	-	42,337.46
Trade payables	-	53,515.71	-	49,684.90
Other financial liabilities	-	2,724.72	-	3,258.08
	-	1,00,190.74	-	95,280.44

* The Company has not disclosed the fair values for financial instruments, because their carrying amounts are a reasonable approximation of fair value.

- b) The following table shows the fair values of assets and liabilities including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Company's use

of quoted market prices (Level 1), valuation model using observable market information as inputs (Level 2) and valuation models without observable market information as inputs (Level 3) in the valuation of securities and contracts by type of issuer was as follows:

(₹ in Lakhs)

Particulars	31 March 2018			31 March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
Forward exchange contracts	-	-	-	-	-	-
	-	-	-	-	-	-
Financial liabilities measured at fair value:						
Forward exchange contracts	-	-	-	-	-	-
	-	-	-	-	-	-

- c) Measurement of fair values

Valuation techniques and significant unobservable inputs:

Particulars	Valuation technique	Significant unobservable inputs
Forward exchange contracts	The fair values is determined using unquoted forward exchange rates at the reporting date.	Not applicable

- d) Transfers between the fair value hierarchy

There were no transfers in either direction in the fair value hierarchy during the year 2017-18.



L. Financial risk management

The Company is broadly exposed to credit risk, liquidity risk and market risk as a result of financial instruments.

The Company's Board of Directors has the overall responsibility for the establishment, monitoring and supervision of the Company's risk management framework. Treasury Management Team in the company take appropriate steps to mitigate financial risks within the framework set by the top management. Derivative transactions are undertaken by a specialist team with appropriate skills and experience. Company do not trade in derivatives for speculation.

(i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from credit exposures from customers, cash and cash equivalents held with banks and current and non-current debt investments.

The Company regularly follow up the receivable to minimise losses arising from credit exposure from credit customers. Credit control assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Deposits and cash balances are placed with reputable scheduled banks.

The carrying amount of financial assets represents the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base. Major Customers of the company are from Government Sector and Public Sector Companies, where credit risk is relatively low.

The management has established a system under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables based on factual information as on the Balance sheet date.

The maximum exposure to credit risk for trade receivables by geographic region was as follows.

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
India	1,63,759.33	1,42,345.96
Other regions	463.99	691.39
Total trade receivables	1,64,223.32	1,43,037.35



As at 31 March 2018, the Company's most significant customer, accounted for ₹6723.72 Lakhs of the trade receivables carrying amount (Previous Year - ₹6346.78 Lakhs)

The movement in the loss allowance for impairment of trade receivables are disclosed in Note No. 14.

Any past due from Government Customers and those fully covered by guarantees or collaterals received are not tested for impairment.

The credit quality of the financial assets is satisfactory, taking into account the allowance for doubtful trade receivables.

The Company has not received any collaterals for receivables as at reporting date.

The impairment loss allowance at 31 March 2018 related to several customers that have indication that they may not pay their outstanding balances. The Company believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on the fact that major customers are Government department, PSUs and historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or the risk that the Company will face difficulty in raising financial resources required to fulfill its commitments. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Liquidity risk is maintained at low levels through effective cash flow management, low borrowings and availability of adequate cash. Cash flow forecasting is performed internally by forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational needs, to fund scheduled investments and to comply with loan covenants.

To ensure continuity of funding, the Company primarily uses short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements needs. The Company has also availed various non-current facilities in the form of secured redeemable debentures, secured term loans, inter-corporate loans against the Company's guarantee and soft loans from the Government for expansion projects and construction and development of capital assets.

Exposure to liquidity risk

The table below details the Company's remaining contractual maturity for its financial liabilities and derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities and derivative financial liabilities based on the earliest date on which the Company can be required to pay.



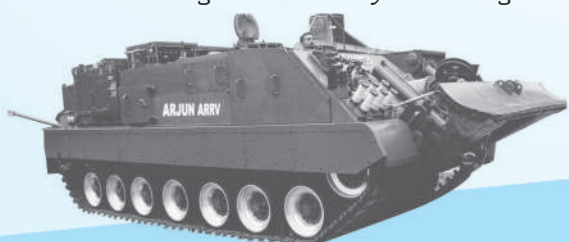
(₹ in Lakhs)

Particulars	Contractual cash flows			Adjustments	Carrying amount
	1 year or less	1 year to 5 years	5 years or more		
31 March 2018					
Non-derivative financial liabilities					
Non-current Borrowings	-	30,448.53	-	-	30,448.53
Current Borrowings	13,501.78	-	-	-	13,501.78
Trade payables	53,515.71	-	-	-	53,515.71
Other financial liabilities	2,724.72	-	-	-	2,724.72
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	69,742.21	30,448.53	-	-	1,00,190.74
31 March 2017					
Non-derivative financial liabilities					
Non-current Borrowings	-	21,052.30	10,000.00	-	31,052.30
Current Borrowings	11,285.16	-	-	-	11,285.16
Trade payables	49,684.90	-	-	-	49,684.90
Other financial liabilities	3,258.08	-	-	-	3,258.08
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	64,228.14	21,052.30	10,000.00	-	95,280.44

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity / commodity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management.

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk). The Company enters into forward derivative contracts to manage risks of loss arising due to foreign exchange exposure. During the year ended 31 March 2018, there was no change to the manner in which the Company managed or measured market risk.



(iv) Currency risk

Foreign currency risk is the risk arising from exposure to foreign currency movement that will impact the Company's future cash flows and profitability in the ordinary course of business. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities from procuring or selling in foreign currencies and obtaining finance in foreign currencies.

The Company is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Company is Indian Rupee. The Company uses forward exchange contracts to hedge its currency risk, mostly with a maturity of less than one year from the reporting date.

The Company does not use derivative financial instruments for trading or speculative purposes. Following is the information on derivative financial instruments to hedge the foreign exchange rate risk as on dates are as below:

31 March 2018

(₹ in Lakhs)

Category	Instrument	Currency	Cross Currency	Amounts	Buy / Sell
Hedges of recognized (liabilities) / assets	Forward contract	NIL	NIL	NIL	NIL
Hedges of highly probable forecast transactions		NIL	NIL	NIL	NIL

31 March 2017

(₹ in Lakhs)

Category	Instrument	Currency	Cross Currency	Amounts	Buy / Sell
Hedges of recognized (liabilities) / assets	Forward contract	NIL	NIL	NIL	NIL
Hedges of highly probable forecast transactions		NIL	NIL	NIL	NIL

Exposure to currency risk

The currency profile of financial assets and financial liabilities as on dates are as below:

(₹ in Lakhs)

Particulars	INR	USD	EURO	JPY	BRL	GBP	SGD	CHF	ZAR
31 March 2018									
Financial assets (A)									
Cash and cash equivalents	190.16	-	43.34	0.02	-	-	-	-	-
Current investments	-	-	-	-	43.68	-	-	-	-
Trade receivables	1,63,759.33	250.67	213.32	-	-	-	-	-	-
Financial liabilities (B)									
Trade payables	46,502.94	1,759.13	2,115.94	1,644.48	42.55	1,430.41	2.25	1.95	16.06
Other current financial liabilities	2,681.21	-	-	-	-	1.91	-	-	-
Net exposure to currency risk (A-B)	1,14,765.34	(1,508.46)	(1,859.28)	(1,644.46)	1.13	(1,432.32)	(2.25)	(1.95)	(16.06)
31 March 2017									
Financial assets (A)									
Cash and cash equivalents	1,226.54	-	174.47	0.01	-	-	-	-	-
Current investments	-	-	-	-	51.83	-	-	-	-
Trade receivables	1,42,345.96	677.98	13.41	-	-	-	-	-	-
Financial liabilities (B)									
Trade payables	41,901.64	3,136.08	1,374.57	1,867.48	107.59	1271.71	6.18	3.59	16.06
Other current financial liabilities	3,214.57	1.91	-	-	-	-	-	-	-
Net exposure to currency risk (A-B)	98,456.29	(2,460.01)	(1,186.69)	(1,867.47)	(55.76)	(1,271.71)	(6.18)	(3.59)	(16.06)



The following significant exchange rates have been applied during the year.

(values in ₹)

Particulars	Average rate		Year-end spot rate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
USD	-	-	65.7300	65.7300
EUR	-	-	81.3400	70.5000
JPY	-	-	0.6192	0.5887
GBP	-	-	92.8400	82.4900

Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars, Euro, Japanese Yen, the Pound and other currencies at 31 March 2018 and 31 March 2017 would have affected the measurement of financial instruments denominated

in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakhs)

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
1% movement				
USD	15.08	(15.08)	9.86	(9.86)
EUR	18.59	(18.59)	12.16	(12.16)
JPY	16.44	(16.44)	10.75	(10.75)
BRL	(0.01)	0.01	(0.01)	0.01
GBP	14.32	(14.32)	9.37	(9.37)
SGD	0.02	(0.02)	0.01	(0.01)
CHF	0.02	(0.02)	0.01	(0.01)
ZAR	0.16	(0.16)	0.11	(0.11)
31 March 2017				
1% movement				
USD	24.60	(24.60)	19.35	(19.35)
EUR	11.87	(11.87)	9.33	(9.33)
JPY	18.67	(18.67)	14.69	(14.69)
BRL	0.56	(0.56)	0.44	(0.44)
GBP	12.72	(12.72)	10.00	(10.00)
SGD	0.06	(0.06)	0.05	(0.05)
CHF	0.04	(0.04)	0.03	(0.03)
ZAR	0.16	(0.16)	0.13	(0.13)



(v) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.

Exposure to interest rate risk

The Company's interest rate risk arises from borrowings and loans made. Borrowings availed at fixed rates expose the Company to fair value interest rate risk. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

(₹ in Lakhs)

Particulars	Carrying amount	
	31 March 2018	31 March 2017
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	(30,000.00)	(30,000.00)
	(30,000.00)	(30,000.00)
Variable-rate instruments		
Financial assets	1,634.55	2,451.83
Financial liabilities	-	(696.81)
	1,634.55	1,755.02

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2018				
Financial assets	146.60	(146.60)	95.86	(95.86)
Financial liabilities	-	-	-	-
Total Variable-rate instruments	146.60	(146.60)	95.86	(95.86)
Cash flow sensitivity (net)	146.60	(146.60)	95.86	(95.86)
31 March 2017				
Financial assets	239.20	(239.20)	188.16	(188.16)
Financial liabilities	(67.98)	67.98	(53.48)	53.48
Total Variable-rate instruments	171.22	(171.22)	134.68	(134.68)
Cash flow sensitivity (net)	171.22	(171.22)	134.68	(134.68)



(vi) Equity and commodity price risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Company has no exposure to changes in the quoted equity securities price risk as it has investments in unquoted equity instruments only. The Company does not invest in commodities and is not exposed to commodity price risk.

M. Capital Management

The Company strives to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The board of directors seeks to maintain a balance between the higher returns and levels of borrowings and the advantages and security afforded by a sound capital position.

The Company's adjusted net debt to equity ratio is as follows.

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Total borrowings ¹	44,556.51	43,571.45
Less: Cash and bank balances ²	(233.52)	(1,401.02)
Adjusted net debt	44,322.99	42,170.43
Total equity	2,20,023.70	2,18,155.34
Less: Other components of equity	(7,501.44)	(7,501.44)
Adjusted equity	2,12,522.26	2,10,653.90
Adjusted net debt to adjusted equity ratio	0.21	0.20

¹ Total borrowings comprises of long-term borrowings, short-term borrowing and bank overdraft facilities.

² Cash and bank balances comprises of cash in hand, cash at bank and term deposits with banks.

N. Derivatives

Derivatives not designated as hedging instruments.

The Company uses foreign currency forward contracts to manage its exposure to foreign currency fluctuations. These forward contracts are used to hedge foreign currency payables and other future transactions. However, these foreign exchange forward contracts are not designated as qualifying hedge instruments and are entered into for periods consistent with foreign currency exposure of the underlying transactions, and are generally for a term of 3 months to 12 months.

The Company has following outstanding forward contracts as on

31 March 2018: JPY Nil (INR Nil) [Previous Year - JPY Nil (INR Nil)]

31 March 2018: EUR Nil (INR Nil) [Previous Year - EUR Nil (INR Nil)]

31 March 2018: USD Nil (INR Nil) [Previous Year: USD NIL (INR Nil)]



The fair value of foreign currency forward derivative is as below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
	INR	INR
Derivative assets		
Foreign exchange forward contracts (JPY)	-	-
Foreign exchange forward contracts (EUR)	-	-
Foreign exchange forward contracts (USD)	-	-
Total	-	-
Derivative liabilities		
Foreign exchange forward contracts (JPY)	-	-
Foreign exchange forward contracts (EUR)	-	-
Foreign exchange forward contracts (USD)	-	-
Total	-	-

The Company has unhedged foreign currency exposure of ₹10014.78 Lakhs (Previous Year - ₹13938.55 Lakhs) for payables as at reporting date.

The Company has applied the principles of Ind AS 109 for the measurement of derivative financial instruments and has classified such derivative contracts as at fair value through profit or loss.

- O.** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the following IND AS amendments vide the Companies (Indian Accounting Standards) Amendment Rules, 2018. The amendments are applicable from 1st April, 2018.

1 IND AS 12 Income Taxes

The amendment considers that:

- Tax law determines which deductions are offset against taxable income in determining taxable income in determining taxable profits.
- No deferred tax asset is recognised if the reversal of the deductible temporary difference will not lead to tax deductions.

The company is evaluating the effect of this on Financial Statements, and impact thereof not yet ascertained.

2 Appendix B to IND AS 21

Foreign currency transactions & advance consideration.

Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The company is evaluating the effect of this on Financial Statements, and impact thereof not yet ascertained.

3 Ind AS 28

Investments in Associates and Joint Ventures.

The amendment to Ind AS 28 clarifies that a venture capital organization, or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture.

The impact of the above stated amendment to the Company is NIL as the same is not applicable to the Company.



4 IND AS 40

Investment Property

The amendment lays down the principle regarding when a Company should transfer to, or from, investment property. Accordingly, a transfer is made only when:

- There is an actual change of use i.e. an asset meets or ceases to meet the definition of investment property.
- There is evidence of the change in use.

The impact of the above stated amendment to the Company is NIL as the same is not applicable to the Company.

5 Ind AS 112

Disclosure of Interests in Other Entities

The amendment to Ind AS 112 provide that the disclosure requirements for interests in other entities also apply to interests that are classified (or included in a disposal group that is classified)

as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

The impact of the above stated amendment to the Company is NIL as the same is not applicable to the Company.

6 IND AS 115

Revenue from Contract with Customers

The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The company is evaluating the effect of this on Financial Statements, and impact thereof not yet ascertained.

As per our report of even date attached

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants
Firm Registration Number: 003790S

CA. S ANANDA KRISHNA

Partner
Membership No.: 027986

Place : Bengaluru
Date : 25-05-2018

For and on behalf of the Board of Directors

SURAJ PRAKASH

Director (Finance)
(DIN 08124871)

D K HOTA

Chairman & Managing Director
(DIN 06600812)

S V RAVI SEKHAR RAO

Company Secretary



INDEPENDENT AUDITOR'S REPORT

To the Members of BEML LIMITED

Report on the Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **BEML LIMITED** ("**the Company**") which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, (including other comprehensive income), the Statement of Cash Flow and Statement of Changes in Equity for the year then ended and a summary of the Significant Accounting Policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements")

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity of the Company and cash flows in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for

ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate



in the circumstances. 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 standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the Company as at March 31, 2018 and its financial performance including other comprehensive income, changes in equity and its Cash Flows for the year ended on that date.

Emphasis of Matter:

We draw our attention to:

- a) Note No. 14 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.11 (a) in respect of the amount advanced to MAMC consortium for Rs.5800.61 lakhs, realization/settlement of which depends on approval from Ministry of Defence and viable business plan.

- c) Note No.39 (G) regarding pending confirmation, reconciliation, review/adjustment of balances in respect of advances, balances with government departments, trade payable, trade receivable, other loans and advances and deposits.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, the Statement of Changes in Equity 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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant Rule issued there under.
 - e. being a Government Company provisions of Sec 164(2) of the Act, relating to disqualification of directors are not applicable.



- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company's financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** : and
- 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 standalone Ind AS financial statements – Refer Note 39(D) (1)(a)(ii) to the standalone Ind AS 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.
3. As required by section 143 (5) of the Act, which is applicable to the Company, we give our separate Report in **"Annexure C"**.

For S R R K Sharma Associates

Chartered Accountants

Firm's Registration No. 003790S

CA S ANANDA KRISHNA

Partner

Membership No. 027986

Place: Bangalore

Date: 25.05.2018



“Annexure A” To The Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirements of our report of even date to the members on the standalone Ind AS financial statements of the Company for the year ended March 31, 2018.

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 has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and as informed to us, no material discrepancies have been noticed between the book records and physical verification of fixed assets.
- (c) The title deeds of immovable properties are held in the name of the company except in the following cases.
 - 1) Building costing Rs. 33.00 lakhs (carrying value Rs.16.40 lakhs) situated at Mumbai and Ranchi are pending for registration / khatha transfer .
 - 2) Lease Hold land costing Rs. 129.41 Lakhs at Hyderabad for which registration will be completed after development of showroom.
 - 3) Free hold land measuring 560 acres at Mysore costing Rs. 307.58 lakhs (including additional compensation of Rs. 183.57 lakhs demanded by KIADB) for which title deeds have to be obtained from KIADB.

- 4) Kerala Industrial Infrastructure Development Corporation (KIIDC) has allotted Leased land measuring 374.59 acres for a lease premium of Rs. 2547.21 lakhs for 99 years lease period w.e.f 01.07.2009. The actual land handed over by KIIDC was measuring 374.16 acres and revised lease premium payable is Rs. 2544.29 lakhs only and execution of formal amendment of lease agreement is pending.
- 5) The Company has taken land measuring 1109 acres and two workshops on lease for a period of 10 years vide Lease Agreement dated 5th May 2004, w.e.f. 28.04.2004 from M/s Bharat Gold Mines Limited (BGML) and a sum of 100 Lakhs was paid as non-refundable deposit, The Company had incurred on the above land a sum of Rs. 1452.95 lakhs (with carrying value of Rs. 995.71 Lakhs) on Buildings included in Property, Plant and Equipment (Note 3) as at the year end. Vide order dated 09.07.2013, the Hon'ble Supreme Court of India upheld the decision of the Union Government to float a global tender of BGML assets with an observation about the existence of sub-lease of a portion of the land to BEML Ltd expired on 28.04.2014 to be included in the tender documents. The Company filed an Interlocutory application before the Hon'ble Supreme Court of India, praying for exclusion of land leased to BEML from the purview of global tender, which was dismissed. Since the lease agreement provides for the continuation of the lease even after the expiring of lease period on 28.04.2014 till the final decision of the Company / Government in this regard, the operations of the company on the above land is continued.
- 6) The Company has taken action to obtain title documents in respect of the following immovable properties;



- a) Flat at Roshan Complex Madras – Rs. 4.04 lakhs
- b) Flat at Ashadeep, New Delhi - Rs. 2.80 lakhs
- c) Office building at Nagpur - Rs. 27.18 lakhs
- d) Lease Hold Land at Singrauli - Rs. 1.75 lakhs.
- 7) The Company has initiated legal action to obtain possession of 1.88 acres of land out of 5 acres at Tatisileai, Arra Village, Ranchi.
- ii) The company has conducted the physical verification of the inventory excluding materials lying with third parties and work in progress during the year in accordance with programme designed to cover all items over a phased manner. According to the information and explanation given to us and in our opinion the frequency of physical verification is reasonable. The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3 (iii) (a) (b) and (c) of the Order are not applicable to the Company.
- iv) There are no transactions of loans to directors, and being a Government Company engaged in defence production, provisions of Sec 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security are not applicable.
- v) The Company has not accepted any deposits to which the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under and also the directions issued by the Reserve Bank of India.
- vi) Maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. We are of the opinion that prima facie, the prescribed records have been made and maintained.
- vii) (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.
- (b) The details of dues of income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute, is furnished below :-



Name Of The Statute	Nature Of Disputed Tax	Amount (Rs. Lakhs)	Period To Which The Amount Relates	Forum Where The Dispute Is Pending
Central Excise Act 1944	Excise Duty incl. Interest and Penalty	27,965.40	2003-04 to 2007-08	CESTAT, Bangalore
	Excise Duty incl. Interest and Penalty	1,232.57	2005-06 to 2010-11	Appellate Authority
	National Calamity Contingency Duty	13,804.08	2006-07 to 2011-12	CESTAT
	Total Excise Duty	43,002.05		
SERVICE TAX ACT, 1994	Service Tax incl. penalty	892.67	2004-05, 2006-07 & 2010-11	CESTAT, Bangalore
	Service Tax	494.07	2006-07 to 2010-11	Appellate Authority
	Total Service Tax	1,386.74		
The Customs Act, 1962	Customs Duty	7215.21	2006-07	CESTAT, Chennai
The Karnataka Municipal Corporation Act, 1976	Municipality Taxes KGF	722.11	2012	City Municipality council - KGF
	Property Tax	109.11	1995-96 to 2005-06	City Civil Judge, Bangalore
	Total ED, Service Tax, CD & Property tax	52,435.22		
Sales Tax Act of Various States	Sales Tax /VAT	10.24	2003-04	Maharashtra Sales Tax tribunal
	Sales Tax /VAT	7,858.15	December 2005 to March 2008 & 2008-09, 2009-10, 2010-11	Karnataka Sales Tax tribunal
	Sales Tax /VAT	1,065.56	1999-00, 2001-02, 2002-03, 2003-04, 2005-06, 2006-07, 2007-08, 2009-10	Revision & Appellate Board of Various States
	Sales Tax /VAT	4,534.00	From 1983-84 to 2012-13	Other appellate authorities
	Total Sales Tax / VAT	13,467.95		
	Grand Total	65,903.17		
Amount Deposited under Protest	Central Excise/Customs	146.57		
Amount Deposited under Protest	Sales Tax VAT	4,439.79		
	TOTAL	4,586.36		



- viii) The Company has not defaulted in repayment of loans or borrowings due to financial institutions, banks, Government and to debenture holders.
- ix) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year.
- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Being a Government company, the provisions of sec 197 read with schedule V to the Act, relating to the managerial remuneration are not applicable.
- xii) The Company is not a Nidhi Company and accordingly paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii) All transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed under Note 39C in the standalone Ind AS financial Statements as required by the applicable Accounting Standards.
- xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and accordingly paragraph 3 (xiv) of the Order is not applicable to the Company.
- xv) The company has not entered into any non-cash transactions with directors or persons connected with him and accordingly paragraph 3 (xv) of the Order is not applicable to the Company.
- xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly paragraph 3 (xvi) of the Order is not applicable to the Company.

For S R R K Sharma Associates

Chartered Accountants

Firm's Registration No. 003790S

CA S ANANDA KRISHNA

Partner

Membership No. 027986

Place: Bangalore

Date: 25.05.2018



“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial Statements of BEML Limited

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **BEML Limited** (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial

controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company’s internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally



accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R R K Sharma Associates

Chartered Accountants

Firm's Registration No. 003790S

CA S ANANDA KRISHNA

Partner

Membership No. 027986

Place: Bangalore

Date: 25.05.2018



"Annexure C" to the Independent Auditor's Report of even date on the Standalone Financial Statements of BEML Limited

Report as required by section 143 (5) of the Act, 2013 relating to the directions issued by the Comptroller and Auditor General of India.

- 1) Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?

Comment: In the following cases, clear title/lease deeds for freehold and leasehold properties are not available with the Company;

- i) Free hold land measuring 560 acres at Mysore costing Rs. 307.58 lakhs (including additional compensation of Rs. 183.57 lakhs demanded by KIADB) for which title deeds have to be obtained from KIADB.
- ii) Kerala Industrial Infrastructure Development Corporation (KIIDC) has allotted leased land measuring 374.59 acres for a lease premium of Rs. 2547.21 lakhs for 99 years lease period w.e.f 01.07.2009. The actual land handed over by KIIDC was measuring 374.16 acres and revised lease premium payable is Rs. 2544.29 lakhs only and execution of formal amendment of lease agreement is pending.
- iii) The Company has taken land measuring 1109 acres and two workshops on lease for a period of 10 years vide Lease Agreement dated 5th May 2004, w.e.f. 28.04.2004 from M/s Bharat Gold Mines Limited (BGML) and a sum of 100 Lakhs was paid as non-refundable deposit, The Company had incurred on the above land a sum of Rs. 1452.95 lakhs (with carrying value of Rs. 995.71 Lakhs) on Buildings included in Property, Plant & Equipment (Note 3) as at the year end. Vide order dated 09.07.2013, the Hon'ble Supreme Court of India upheld the decision of the Union Government to float a global tender of BGML assets with an observation about the existence of sub-lease of a portion of the land to BEML Ltd expired on 28.04.2014 to be included in the tender documents. The Company filed an Interlocutory application before the Hon'ble Supreme Court of India, praying for exclusion of land leased to BEML from the purview of global tender, which was dismissed. Since the lease agreement provides for the continuation of the lease even after the expiring of lease period on 28.04.2014 till the final decision of the Company / Government in this regard, the operations of the company on the above land is continued.
- iv) Building costing Rs. 33.00 lakhs (carrying value of Rs.16.40 lakhs) situated at Mumbai and Ranchi are pending for registration / Katha transfer.
- v) Lease Hold land costing Rs. 129.41 Lakhs at Hyderabad for which registration will be completed after development of showroom.
- vi) The Company has taken action to obtain title documents in respect of the following immovable properties
 - a) Flat at Roshan Complex Madras – Rs. 4.04 lakhs
 - b) Flat at Ashadeep, New Delhi - Rs. 2.80 lakhs
 - c) Office building at Nagpur - Rs. 27.18 lakhs
 - d) Lease Hold land at Singrauli - Rs. 1.75 lakhs.



- vii) The Company has initiated legal action to obtain possession of 1.88 acres of land out of 5 acres at Tatisileai, Arra Village, Ranchi
- 2) Whether there are any cases of waiver/write-off of debts/loans/interest etc? if yes, the reasons there for and amount involved ?

Comment: There are no instances of waiver of debts/loans/interest etc., However, Bad debt of ₹119.91 lakhs were written off during the year with the approval of the Appropriate Authority as it was not realizable with all possible efforts being made.

- 3) Whether proper records are maintained for inventories, lying with third parties and assets received as gift/grant(s) from the Government or other authorities?

Comment: The Company is maintaining proper records for inventories laying with the third parties in the ERP system.

The Company received land measuring 1849 Acres and 5 Guntas at KGF from Government of Karnataka at free of cost. The expenditure incurred on development of above land is capitalized and included under Property, Plant & Equipment.

For S R R K Sharma Associates

Chartered Accountants

Firm's Registration No. 003790S

CA S ANANDA KRISHNA

Partner

Membership No. 027986

Place: Bangalore

Date: 25.05.2018





प्रधान निर्देशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड का कार्यालय, बेंगलूर - 560 001
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and Ex-Officio MEMBER, AUDIT BOARD,
BANGALORE - 560 001

To
Shri Deepak Kumar Hota,
Chairman and Managing Director,
M/s. BEML Limited,
BEML Soudha, S.R. Nagar,
Bangalore - 560 027.

दिनांक / DATE : 24 July 2018

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Standalone and Consolidated financial statements of **M/s. BEML Limited, Bengaluru** for the year ended 31 March 2018.

I forward herewith **Nil Comments Certificates** of the Comptroller and Auditor General of India under section 143(6)(b) read with section 129(4) of the Companies Act, 2013 on the Standalone and Consolidated financial statements of **M/s. BEML Limited, Bengaluru** for the year ended 31 March 2018.

It may please be ensured that the comments are:

- (i) Printed in toto without any editing;
- (ii) Placed before the AGM as required under Section 143(6)(b) of the Companies Act, 2013; and
- (iii) Placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication to the index.

The receipt of this letter may please be acknowledged.

Yours faithfully,

(N. Subramanian)
Director (Admin)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूर - 560 001
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bangalore - 560 001

दू. भा. / Phone: 2226 7646 / 2226 1168
Email : mabbangalore@cag.gov.in

फैक्स / Fax : 080-2226 2491



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF M/s. BEML LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2018

The preparation of financial statements of **M/s. BEML Limited, Bengaluru** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are 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 25 May 2018.

I, on 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 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor, company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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


(Santosh Kumar)

Principal Director of Commercial Audit

Place : Bengaluru

Date : 24 July 2018



CONSOLIDATED SIGNIFICANT ACCOUNTING POLICIES

Note no. 1: Corporate Information :

The accompanying consolidated financial statements comprise of the financial statements of BEML Limited (the Company), its subsidiaries viz., Vignyan Industries Ltd, MAMC Industries Ltd and BEML Brazil Industrial Ltda (referred collectively as the 'Group') and the Groups interest in associates and Joint ventures for the year ended 31 March 2018. The Group manufactures and supplies defence ground support equipment such as Tatra based high mobility trucks, aircraft towing tractors etc. Under Mining and Construction business, the Group manufactures and supplies equipment like bull dozers, excavators, dumpers, shovels, loaders and motor graders to various user segments and under Rail and Metro business, manufactures and supplies rail coaches, metro cars, ACEMUs, OHE cars, steel and aluminium wagons to the rail and metro sector. Information on other related party and nature of relationships of the Group is provided in Note 39C. These financial statements were authorised for issue in accordance with a resolution of the directors on 25-05-2018.

Note no. 2: Consolidated Significant accounting policies

2.1. Basis of preparation and Statement of Compliance

- (a) The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

These financial statements for the year ended 31 March 2018 with comparatives of year ended 31 March 2017 are prepared in accordance with Ind AS.

- (b) The financial statements have been prepared on a historical cost basis, except for the following

assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
 - Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
 - Defined benefit and other long-term employee benefits obligations.
- (c) The financial statements are presented in Indian Rupee (INR) which is the functional and the presentation currency of the Group and all values are rounded to the nearest lakhs (INR 00,000), except when otherwise indicated.
- (d) Preparation of the financial statements, in conformity with Ind AS, requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates.
- (e) Assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group's operating cycle is considered as twelve months for the purpose of current / non-current classification of assets and liabilities.
- (f) The Group revises its accounting policies if the change is required due to a change in Ind AS or if the change will provide more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied retrospectively. A change in an accounting



estimate that results in changes in the carrying amounts of recognised assets or liabilities or to profit or loss is applied prospectively in the period(s) of change. Discovery of errors results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. The opening balances of the earliest period presented are also restated.

(g) Basis of Consolidation:

- (i) Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.
- (ii) Non-controlling interest (NCI) are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

- (iii) Equity accounted investees: The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investees until the date on which significant influence or joint control ceases.

- (iv) Transactions eliminated on consolidation: Intra group balances and transactions and any unrealized income and expenses arising from intra group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.2 Summary of consolidated significant accounting policies

A. Revenue Recognition:

Sales include excise duty wherever applicable but exclude sales tax

Sale of goods and rendering of services:

- (i) Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer as per the terms of sale agreement, recovery of the consideration is probable, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably.
- (ii) Revenue and Costs relating to time and material contracts are recognized as the related services are rendered and there is no significant uncertainty regarding recovery of the consideration and



if the cost incurred or to be incurred can be measured reliably. For fixed price contracts, revenue is recognized in proportion to the stage of completion of the transaction at the reporting date.

Construction contracts:

Contract revenue includes initial amount agreed in the contract and any variations in contract work, claims and incentive payments, to the extent it is probable that they will result in revenue and can be measured reliably. Contract revenue is recognised in proportion to the stage of completion of the contract. Stage of completion is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs to complete the contract. If the outcome cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognized to the extent of costs incurred. When it is probable that contract costs at completion will exceed total contract revenue, the expected loss at completion is recognised immediately as an expense.

Multiple element Contracts:

For multiple element contracts where price break-up for individual element is available separately, revenue is recognized based on the relative fair value of each element, when risk and reward of such element is transferred to the customer or as and when activities are performed.

Where a separate price break-up for each element is not available, revenue is allocated to separate elements on the basis of relative fair value.

Escalation:

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

Duty Drawback:

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

Revenue from wind energy:

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

Other Income

(i) Interest income:

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

(ii) Dividends:

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

(iii) Rental income:

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

B. Investments in associates and joint venture

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

C. Foreign Currencies:

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



using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

D. Fair value measurement:

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

E. Discontinued operation:

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

F. Government Grants:

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

- (i) Grant towards meeting expenditure is recognized as income as and when the expenditure for which the grant is sanctioned is incurred.
- (ii) Grant towards procurement of an asset is recognized as income in equal amounts over the expected useful life of the related asset.
- (iii) Grant towards non-monetary assets are recognized at fair value and released to Statement of profit and loss over the expected useful life.

- (iv) The subsidized portion of interest rate provided by the Government on loans or similar financial assistance is recognized as grant.

G. Income Taxes:

Current income tax:

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

Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

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

H. Property, Plant & Equipment:

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

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



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

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

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

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

Products given under No Cost No Commitment are capitalised appropriately under the relevant asset category and amortised over the useful life of that asset. They are also tested for impairment periodically.

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

I. Investment Property:

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

J. Intangible Assets:

- (i) Intangible assets acquired are stated at acquisition cost, less accumulated amortization and accumulated impairment losses if any

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

Amortization

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

K. Borrowing Cost:

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

L. Lease:

A lease is classified at the inception date as a finance lease or an operating lease.

Group as a lessee:

Finance leases are capitalized at lower of fair value and the present value of minimum lease payments. A leased asset is depreciated over useful life of the asset or lease term whichever is earlier.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term except where lease payments escalate in accordance with general inflation.

Group as a lessor:

In case of an operating lease, initial direct costs incurred in negotiating and arranging the lease



are added to the carrying amount of the leased asset. In case of finance leases, amounts due from lessees are recorded as receivables.

M. Inventory:

Inventories are valued at the lower of cost and net realizable value. Cost for the purpose of the above is accounted as under:

- (i) Raw materials, Components, Stores and Spare parts: weighted average cost
- (ii) Finished goods and Work in Progress: Cost of materials, labour and production overheads

Scrap is valued at estimated realizable value.

Based on ageing assessment, on a periodic basis an allowance is recognized for obsolete, non-moving inventory.

N. Impairment of non-financial assets:

The Group assesses at each reporting date for impairment of asset or cash generating units (CGU). If on assessment, the asset or CGU is considered impaired they are written down to the recoverable amount.

O. Employee Benefits:

Short-term employee benefits:

Short-term employee benefits are expensed as the related service is rendered.

Defined benefit plans:

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by actuarial valuation conducted annually by a qualified actuary using the projected unit credit method.

Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income (OCI). Net interest expense (income) on the net defined liability (assets) is recognized in the statement of profit and loss. When the benefits of

a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the statement of profit and loss.

Other long-term employee benefits:

The Group's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value. Re-measurements are recognized in the statement of profit and loss in the period in which they arise.

Defined contribution plan:

For defined contribution plans, the Group contributes to independently administered funds as per relevant scheme. These contributions are recorded in the statement of profit and loss. The Group's liability is limited to the extent of contributions made to these funds.

P. Provisions:

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted. Contingent liabilities and contingent assets are not recognized in the financial statements but are disclosed in the notes.

Warranty provisions:

Provision for warranty related costs are recognized on sale of product or service rendered based on historical experience and technical assessment and reviewed annually.



Onerous contracts:

A provision for onerous contracts other than construction contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Q. Financial Assets:

Recognition and measurement:

All financial assets are recognized initially at fair value. Subsequently, financial assets are measured at fair value or amortized cost based on their classification.

Embedded derivative:

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. If the hybrid contains a host that is not an asset within the scope of Ind AS 109, the embedded derivative is separated and accounted at fair value.

Derecognition:

A financial asset or part of a financial asset is derecognized when the rights to receive cash flows from the asset have expired.

Trade and other receivables:

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that those assets may be impaired, they are reviewed for impairment.

Cash and cash equivalents:

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of

three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Impairment of financial assets:

In accordance with Ind-AS 109, the Group applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

R. Financial Liabilities:

Recognition and measurement:

Financial liabilities are classified, at initial recognition, at fair value through statement of profit and loss as loans, borrowings, payables, or derivatives, as appropriate.

Financial liabilities are measured based on their classification at fair value through statement of profit and loss, amortized cost or fair value through other comprehensive income.

Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Trade and other payables:

Liabilities are recognized for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

S. Financial Assets and Liabilities Reclassification:

Reclassification of financial Assets and Liabilities:

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For other financial assets, a reclassification is made prospectively only if there is a change in the business model for managing those assets.

Offsetting of financial Assets and Liabilities:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.



T. Earnings per share:

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

U. Cash dividend and non-cash distribution to equity shareholders:

The Group recognizes a liability to make cash or non-cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Group.

V. Events after the reporting period:

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue.

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

As per our report of even date attached

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants
Firm Registration Number: 003790S

CA. S ANANDA KRISHNA

Partner
Membership No.: 027986

Place : Bengaluru

Date : 25-05-2018

For and on behalf of the Board of Directors

SURAJ PRAKASH

Director (Finance)
(DIN 08124871)

D K HOTA

Chairman & Managing Director
(DIN 06600812)

S V RAVI SEKHAR RAO

Company Secretary



CONSOLIDATED BALANCE SHEET

(₹ in Lakhs)

Particulars	Note No.	As at 31st March 2018	As at 31st March 2017
I. Assets			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	54,255.18	53,094.46
(b) Capital work-in-progress	4	6,810.01	7,942.33
(c) Intangible assets	5	5,201.39	5,242.26
(d) Intangible assets under development	6	-	-
(e) Financial assets			
(i) Investments	7	0.04	0.04
(ii) Loans	8	859.11	1,680.10
(iii) Other financial assets	9	38.09	157.13
(f) Deferred tax assets (net)	10	13,848.78	11,133.82
(g) Other non-current assets	11	12,036.88	9,424.51
Total non-current assets		93,049.48	88,674.65
(2) Current assets			
(a) Inventories	12	1,80,720.96	1,97,942.05
(b) Financial Assets			
(i) Investments	13	-	-
(ii) Trade receivables	14	1,64,226.07	1,43,103.90
(iii) Cash and cash equivalents	15	277.79	1,453.93
(iv) Loans	16	818.28	821.55
(v) Other financial assets	17	651.59	514.91
(c) Other current assets	18	28,810.05	38,047.20
Total current assets		3,75,504.74	3,81,883.54
Total Assets		4,68,554.22	4,70,558.19
II. Equity and Liabilities			
Equity			
(a) Equity share capital	19	4,177.22	4,177.22
(b) Other Equity		2,15,933.68	2,14,060.47
Equity attributable to equity holders of the parent		2,20,110.90	2,18,237.69
Non-controlling interests		21.74	20.92
Total Equity		2,20,132.64	2,18,258.61
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	30,448.53	31,052.30
(ii) Other financial liabilities	21	41.60	41.60
(b) Provisions	22	16,636.98	17,495.87
(c) Other non-current liabilities	23	33,333.16	34,189.87
Total non-current liabilities		80,460.27	82,779.64
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	24	13,571.50	11,467.10
(ii) Trade payables	25		
(A) Micro & Small Enterprises		2,386.07	1,916.45
(B) Other than Micro & Small Enterprises		51,627.52	48,199.46
(iii) Other financial liabilities	26	2,712.50	3,256.64
(b) Other current liabilities	27	62,109.30	88,182.87
(c) Provisions	28	33,987.90	15,189.87
(d) Current tax liabilities (Net)	29	1,566.52	1,307.55
Total current liabilities		1,67,961.31	1,69,519.94
Total Equity and Liabilities		4,68,554.22	4,70,558.19

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

As per our report of even date attached

For and on behalf of the Board of Directors

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants

Firm Registration Number: 003790S

CA. S ANANDA KRISHNA

Partner

Membership No.: 027986

Place : Bengaluru

Date : 25-05-2018

SURAJ PRAKASH

Director (Finance)

(DIN 08124871)

D K HOTA

Chairman & Managing Director

(DIN 06600812)

S V RAVI SEKHAR RAO

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in Lakhs)

Particulars	Note No	For the Year ended 31st March 2018	For the Year ended 31st March 2017
I Revenue from operations	30	3,29,870.42	2,82,945.99
II Other income	31	2,504.10	6,259.34
III Total Income (I+II)		3,32,374.52	2,89,205.33
IV Expenses:			
Cost of materials consumed	32	1,70,764.30	1,32,931.76
Purchase of stock-in-trade	33	-	-
Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	1,683.11	(12,418.21)
Employee benefits expense	35	81,324.40	78,511.16
Finance costs	36	4,832.24	4,803.85
Depreciation and amortization expense	3, 5	6,539.17	6,280.03
Other expenses	37	50,825.17	69,268.61
Total Expenses (IV)		3,15,968.39	2,79,377.20
V Profit / (Loss) before exceptional items and tax (III-IV)		16,406.13	9,828.13
VI Add/ (Less) : Exceptional items	38	-	-
VII Profit / (Loss) before tax (V-VI)		16,406.13	9,828.13
VIII Tax expense:			
(1) Current tax	10 a	9,482.95	2,134.12
(2) MAT credit entitlement	10 a	(3,329.54)	-
(3) Deferred tax	10 a	(2,714.96)	(784.04)
IX Profit / (Loss) for the year from continuing operations (VII-VIII)		12,967.68	8,478.05
X Profit / (Loss) from discontinuing operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit / (Loss) from discontinued operations (after tax) (X-XI)		-	-
XIII Profit / (Loss) for the year (IX+XII)		12,967.68	8,478.05
XIV Other Comprehensive Income			
A(i) Items that will not be reclassified to profit or loss			
Re-measurement of defined benefit (liability) / asset		(10,825.45)	(1,503.48)
(ii) Income tax relating to items that will not be reclassified to profit or loss	10 b	3,743.49	320.95
B(i) Items that will be reclassified to profit or loss		-	-
Exchange differences on translation of foreign operations		(1.90)	6.34
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for the year		(7,083.86)	(1,176.19)
XV Total Comprehensive Income for the year (XIII+XIV)		5,883.82	7,301.86
Profit for the year		12,967.68	8,478.05
Attributable to:			
Equity holders of the Group		12,966.86	8,476.17
Non-controlling interests		0.82	1.88
Total Comprehensive Income for the year		5,883.82	7,301.86
Attributable to:			
Equity holders of the Group		5,883.00	7,299.98
Non-controlling interests		0.82	1.88
XVI Earnings per equity share: (₹10/- each) in ₹			
Basic and diluted	39(A)	31.14	20.36

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

As per our report of even date attached

For and on behalf of the Board of Directors

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants

Firm Registration Number: 003790S

SURAJ PRAKASH

Director (Finance)

(DIN 08124871)

D K HOTA

Chairman & Managing Director

(DIN 06600812)

CA. S ANANDA KRISHNA

Partner

Membership No.: 027986

Place : Bengaluru

Date : 25-05-2018

S V RAVI SEKHAR RAO

Company Secretary



CONSOLIDATED STATEMENT OF CASH FLOWS

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018		For the Year ended 31st March 2017	
	Sub items	Main items	Sub items	Main items
A. Cash flow from operating activities				
Net profit before tax and extraordinary items		16,406.13		9,828.13
Adjustments for				
Depreciation and amortization expense	6,539.17		6,280.03	
(Gain)/loss on disposal of property, plant and equipment	(2.41)		2.08	
Foreign exchange loss / (gain)	141.63		21.09	
Allowance for obsolescence	774.99		801.45	
Bad debts written off	119.91		15.23	
Financing Cost	4,832.24		4,803.85	
Interest income	(336.77)		(498.09)	
Other Provisions / Allowances	6,417.83	18,486.59	432.12	11,857.76
Operating Profit / (Loss) before changes in working capital		34,892.72		21,685.89
Adjustment for				
Inventories	15,754.54		(28,809.91)	
Trade & other receivables	(18,531.09)		(27,483.93)	
Other current assets	5,532.01		8,862.95	
Trade payables	3,756.45		8,602.80	
Other payables	(26,853.61)	(20,341.70)	29,812.40	(9,015.69)
Cash generated from operations		14,551.02		12,670.20
Direct taxes (paid) / refunded		(1,577.43)		8,193.01
Net cash flow from / (used in) operating activities		12,973.59		20,863.21
B. Cash flow from investing activities				
Purchase of property, plant and equipment	(5,831.33)		(6,428.99)	
Purchase of intangible assets	(790.37)		(37.09)	
Sale of property, plant and equipment	97.41		23.73	
Interest Received	336.77		498.09	
Net cash flow from / (used in) investing activities		(6,187.52)		(5,944.26)
C. Cash flow from financing activities				
Proceeds/(Repayments) from/to ECB & long-term borrowings	-		(3,877.85)	
Proceeds/(Repayments) of Inter corporate loans	(696.81)		(5,565.61)	
Proceeds/(Repayments) of Soft loan	(534.75)		337.28	
Financing Cost	(4,825.26)		(4,916.90)	
Dividend & Tax paid for equity shares	(4,009.79)		(2,004.89)	
Net cash flow from / (used in) financing activities		(10,066.61)		(16,027.97)
Net increase/(decrease) in cash and cash equivalents		(3,280.54)		(1,109.02)
Cash and Cash Equivalents, Beginning of the year		(10,013.17)		(8,904.15)
Cash and Cash Equivalents, Ending of the year (Refer Note 15 d)		(13,293.71)		(10,013.17)

For and on behalf of the Board of Directors

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants
Firm Registration Number: 003790S

CA. S ANANDA KRISHNA

Partner
Membership No.: 027986
Place : Bengaluru
Date : 25-05-2018

SURAJ PRAKASH

Director (Finance)
(DIN 08124871)

D K HOTA

Chairman & Managing Director
(DIN 06600812)

S V RAVI SEKHAR RAO

Company Secretary



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2018

A. Equity share capital

(₹ in Lakhs)

Particulars	No. of shares	Amount
Balance as on 01.04.2017	4,16,44,500	4,164.45
Changes in equity share capital during the year	-	-
Balance as on 31.03.2018	4,16,44,500	4,164.45

B. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Items of OCI		Nonimara Excellence Award Reserve	Capital Redemp- tion Reserve	Debenture Redem- ption Reserve	Total attributable to Equity holders of the Group	Non- control ling interests	Total Equity
	Capital Reserve	Capital Reserve on Consoli- dation	Share Premium	General Reserve	Retained Earnings	Other items of OCI	Foreign Currency Translation Account						
Balance as on 01.04.2017	105.82	26.60	61,204.09	1,19,004.75	28,478.62	(2,261.82)	(9.03)	1.44	10.00	7,500.00	2,14,060.47	20.92	2,14,081.39
Profit / (Loss) for the year	-	-	-	-	12,966.86	-	-	-	-	-	12,966.86	0.82	12,967.68
Other Comprehensive Income for the year	-	-	-	-	-	(7,081.96)	(1.90)	-	-	-	(7,083.86)	-	(7,083.86)
Total comprehensive income for the year	-	-	-	-	12,966.86	(7,081.96)	(1.90)	-	-	-	5,883.00	0.82	5,883.82
Transfer to													
- Debenture Redemption Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
- Retained earnings	-	-	-	(7.73)	7.73	-	-	-	-	-	-	-	-
Transaction with owners													
- Dividend	-	-	-	-	(3,331.56)	-	-	-	-	-	(3,331.56)	-	(3,331.56)
- Tax on Dividend	-	-	-	-	(678.23)	-	-	-	-	-	(678.23)	-	(678.23)
Balance as on 31.03.2018	105.82	26.60	61,204.09	1,18,997.02	37,443.42	(9,343.78)	(10.93)	1.44	10.00	7,500.00	2,15,933.68	21.74	2,15,955.42

As per our report of even date attached

For and on behalf of the Board of Directors

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants

Firm Registration Number: 003790S

CA. S ANANDA KRISHNA

Partner

Membership No.: 027986

Place : Bengaluru

Date : 25-05-2018

SURAJ PRAKASH

Director (Finance)

(DIN 08124871)

D K HOTA

Chairman & Managing Director

(DIN 06600812)

S V RAVI SEKHAR RAO

Company Secretary



Note 3: Consolidated Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation and impairment				Net Carrying value	
	As at 01.04.2017	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Land										
Free Hold	1,286.25	-	-	1,286.25	-	-	-	-	1,286.25	1,286.25
Lease Hold	8,542.16	-	-	8,542.16	82.68	41.41	-	124.09	8,418.07	8,459.48
Buildings	15,209.38	212.02	0.01	15,421.41	1,482.10	697.33	0.02	2,179.45	13,241.96	13,727.28
Plant and Equipment	28,041.40	4,564.08	(247.28)	32,358.20	4,455.72	3,117.04	(137.43)	7,435.33	24,922.87	23,585.68
Furniture and Fixtures	475.61	47.09	(2.58)	520.12	208.46	83.45	(7.54)	284.37	235.75	267.15
Vehicles										
Given on Lease	426.22	13.87	(63.52)	376.57	106.47	71.34	(42.45)	135.36	241.21	319.75
Own Use	544.66	284.50	(57.86)	771.30	124.69	137.74	(91.84)	170.59	600.71	419.97
Office Equipment	228.08	68.91	(3.82)	293.17	116.50	22.43	(2.92)	136.01	157.16	111.58
Roads and Drains	1,546.61	92.66	-	1,639.27	618.36	264.22	0.01	882.59	756.68	928.25
Water Supply Installations	237.99	38.00	-	275.99	8.58	18.86	(0.02)	27.42	248.57	229.41
Railway sidings	869.23	6.35	-	875.58	199.32	88.06	-	287.38	588.20	669.91
Electrical Installation	1,806.20	333.50	(0.72)	2,138.98	435.80	236.26	(0.75)	671.31	1,467.67	1,370.40
Jigs and Fixtures	1,562.56	580.18	(0.01)	2,142.73	628.13	554.25	0.01	1,182.39	960.34	934.43
Special Tools	1,022.09	444.84	0.01	1,466.94	525.31	225.25	0.03	750.59	716.35	496.78
Computers and Data processing units	999.94	277.65	(43.26)	1,234.33	711.80	150.28	(41.14)	820.94	413.39	288.14
Total Tangible Assets	62,798.38	6,963.65	(419.03)	69,343.00	9,703.92	5,707.92	(324.02)	15,087.82	54,255.18	53,094.46
Previous Year	58,787.92	4,370.09	(359.63)	62,798.38	4,773.07	5,264.68	(333.83)	9,703.92	53,094.46	54,014.85

A. Carrying value of vehicles own use includes equipment offered to customers for trials on No Cost No Commitment (NCNC) basis ₹346.77 Lakhs (Previous Year - ₹137.98 Lakhs).

B. Property, Plant and Equipment

- Buildings include carrying value of building at Mumbai and Ranchi pending registration / khatha transfer at ₹16.40 Lakhs (Previous Year - ₹16.92 Lakhs)
- The Group has taken land measuring 1109 acres and two workshops on lease for a period of 10 years vide Lease Agreement dated 5th May 2004, w.e.f. 28.04.2004 from M/s Bharat Gold Mines Limited (BGML) (A Company under orders of winding up by BIFR), and a sum of ₹100 Lakhs was paid as non-refundable deposit, (included under Other non-current assets (Note no.11)). As per the terms of the Lease agreement, this deposit

shall be adjusted against the outright sale/transfer of ownership that may be fixed for the property and lessee shall be free to construct new building/ alter the existing building/lay roads/fence the land in the interest of furthering its business to suit its use and on expiry of the lease the said building shall vest with the lessor on payment of consideration based on value prevailing on the date of handing over of the property. The Group had incurred on the above land a sum of ₹1452.95 lakhs [carrying value - ₹995.71 Lakhs (Previous Year - ₹1044.44 lakhs)] on Buildings included in Property, Plant and Equipment as at year end.

Vide order dated 09.07.2013, the Hon'ble Supreme Court of India upheld the decision of the Union Government to float a global tender of BGML assets with an observation about the existence of sub-lease of a portion of the land to



BEML Ltd expiring on 28.04.2014 to be included in the tender documents. The Group filed an Interlocutory application before the Hon'ble Supreme Court of India, praying for exclusion of land leased to BEML from the purview of global tender, which was dismissed. Since the lease agreement provides for the continuation of the lease even after the expiry of lease period on 28.04.2014 till the final decision of the Group / Government in this regard, the operations of the Group on the above land is continued. Appropriate accounting action will be considered based on the outcome of the tender process.

- iii) Lease hold Land includes leased land allotted by Kerala Industrial Infrastructure Development Corporation (KIIDC) measuring 374.59 acres for a lease premium of ₹2547.21 Lakhs (excluding Service Tax) (Previous Year - ₹2547.21 Lakhs excluding Service Tax) for 99 years lease period with effect from 01.07.2009. The actual land handed over by KIIDC was measuring 374.16 acres and the revised lease premium payable is ₹2544.29 Lakhs only. Adjustment in financial statement will be made on formal amendment of lease agreement by KIIDC.
- iv) Lease Hold Land includes land measuring 101175.92 Sq. Mtrs taken on perpetual lease from KIADB (Bangalore Aerospace, SEZ Park) at a cost of ₹5126.00 Lakhs (Previous Year - ₹5126.00 Lakhs).
- v) Lease Hold Land includes land at cost ₹129.41 Lakhs at Hyderabad for which registration will be completed after development of showroom.
- vi) No Provision considered necessary for impairment of assets as the realizable value of assets technically assessed is more than the carrying cost of these assets.
- vii) Free Hold Land includes land measuring 560 acres at Mysuru costing ₹307.58 Lakhs (including additional compensation of ₹183.57 Lakhs demanded by KIADB) for which title deeds have to be obtained from KIADB. As per the demand of KIADB, provision of interest amounting to

₹531.52 Lakhs (Previous Year - ₹509.08 Lakhs) up to period 31st March 2018 has been made. However, matter has been taken up with KIADB for waiving of interest which is pending before KIADB Board. Liability for both interest and additional compensation has been created. Registration will be made once the matter is settled with KIADB Board.

- viii) Free Hold Land measuring 3.647 acres of land, surrendered to BBMP against TDR (at cost) is ₹4.58 Lakhs. Free Hold Land measuring 1.937 acres of land surrendered to BBMP for which TDR yet to be received (at cost) is ₹2.43 Lakhs. Above TDR will be utilised for further construction.
- ix) Group has taken action to obtain title documents in respect of the following immovable properties.
 - (1) Flat at Roshan comp, Madras - ₹4.04 Lakhs.
 - (2) Flat at Ashadeep, New Delhi - ₹2.80 Lakhs.
 - (3) Office building at Nagpur - ₹27.18 Lakhs.
 - (4) Lease Hold Land at Singrauli- ₹1.75 Lakhs.
- x) The Group has initiated legal action to obtain possession of 1.88 acres of Land out of 5 acres at Tatisilwai, Arra village, Ranchi.
- xi) For details of property, plant and equipment hypothecated by way of a first charge against borrowings and other facilities availed, refer Note no. 20 and 24
- xii) For information on estimated capital contracts pertaining to the acquisition of property, plant and equipment, refer Note no. 39 D II a.
- xiii) Lease Hold Land includes Land measuring 193.67 acres valuing ₹540.55 Lakhs (carrying value ₹484.99 Lakhs) taken on lease from Asansol Durgapur Development Authority, Durgapur for a period of 60 years.
- xiv) The land is taken on lease from urban development dept, Govt of West Bengal for a period of 60 (sixty) years on 7th March, 2011. This has been capitalised in the books of the



Group. As per the stipulations mentioned in the said lease deed in point no. 25 and subsequent clauses, the Group has not started the factory within two years w.e.f 07th March 2011, it is liable to return the possession of leased land back to U D Dept, Govt of West Bengal and there is open right of the Govt of West Bengal to cancel the lease and re-enter the premises so leased to the Group. If the objection is raised from the Government regarding the starting of the factory, then the company will have to surrender the Land, since it has already been more than 2 years of taking the possession. However there is no demand from Govt of West Bengal in this regard till date.

- xv) During the year, Group has cancelled the lease agreement entered with M/s Sharada Engineering Works Pvt Ltd and taken back the possession of leased land along with building constructed by M/s Sharada Engineering Works Pvt Ltd.

C. Amount of borrowing cost capitalised on addition of assets during the year is as under:

- Plant & Machinery ₹222.26 Lakhs

- D.** Since there is no investment property in the Group as on 31.03.2018, fair value of investment property is Nil (Previous Year - Nil)

E. Change in Accounting Policies

- i) Change in accounting policy in PPE as per para 2.2 H has been incorporated in respect of Special Tools, Jigs & Fixtures and Products given under No Cost No Commitment (NCNC). The Group does not envisage any financial impact in this regard.
- ii) Change in accounting policy in Intangible Assets as per para 2.2 J (v) has been incorporated and the Company does not envisage any financial impact in this regard.

Note 4: Capital work-in-progress

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Building	134.82	66.26
Equipment under inspection and in transit	93.52	-
Machinery	6,412.87	7,710.02
Others	168.80	166.05
Total	6,810.01	7,942.33

Note 5: Consolidated Intangible assets

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated Amortisation and impairment				Net Carrying value	
	As at 01.04.2017	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Computer software	1,247.03	688.70	0.01	1,935.74	447.97	263.33	-	711.30	1,224.44	799.06
Technical Know how	5,654.24	101.67	-	5,755.91	1,218.05	567.92	-	1,785.97	3,969.94	4,436.19
TDR against Land	7.01	-	-	7.01	-	-	-	-	7.01	7.01
Total Intangible Assets	6,908.28	790.37	0.01	7,698.66	1,666.02	831.25	-	2,497.27	5,201.39	5,242.26
Previous Year	2,366.24	4,542.04	-	6,908.28	650.66	1,015.35	0.01	1,666.02	5,242.26	1,715.58



Note 6: Intangible assets under development (internally generated)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
	-	-
Total	-	-

Note 7: Investments

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Investments in equity instruments - unquoted at cost		
In Equity Shares of Joint Venture Company:		
In BEML Midwest Ltd., 54,22,500 fully paid up Equity shares of ₹10 each	542.25	542.25
Less: Allowance for impairment of investment	(542.25)	(542.25)
	-	-
Investment in Ordinary Shares of Co-operative Societies - unquoted at cost		
In BEML Consumer Co-operative Society Ltd, KGF, 250 fully paid up shares of ₹10 each	0.03	0.03
In Gulmohar Mansion Apartments Co-operative Housing Society Limited, Bangalore, 10 fully paid up shares of ₹100 each.	0.01	0.01
In Twin Star Co-operative Housing Society Ltd, Bombay, 5 fully paid up shares of ₹50 each.	-	-
	0.04	0.04
Total - Unquoted at cost	0.04	0.04

Ind AS 28 (Investments in Associates and Joint Ventures)

Names of Joint Ventures	Nature	% holding	Country of Incorporation
BEML Midwest Limited	Jointly Controlled Entity	45.00	India

- a. BEML along with Midwest Granite Private Limited formed a joint venture company in 2007 to conduct excavation and extraction of mineral resources. The agreement was signed in September 2005 whereby BEML has a 45% share in the operations of the joint venture and the remaining 55% is held by Midwest Granite Private Limited.
- b. The Joint Venture Company BEML Midwest Ltd. has not prepared its financial statements as at 31st March, 2018 due to litigation pending before National Company Law Tribunal. Hence, disclosure requirements under Ind AS-28 (Investments in Associates and Joint Ventures) could not be complied with. In the absence of financial statements of the JV, the same has not been consolidated with BEML financial statements.



- c. The company had issued corporate guarantee to Bank for facilities extended to BEML Midwest Limited, for ₹1912.50 Lakhs. Since BEML Midwest Limited 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.

The movement in the allowance for impairment of investment is as follows:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Balance at the beginning of the year	542.25	542.25
Impairment losses recognised	-	-
Written off during the year	-	-
Credited to profit or loss	-	-
Balance at the end of the year	542.25	542.25

Note 8: Loans

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Unsecured, considered good		
Lease Deposits	41.84	45.55
Inter Corporate Loan	817.27	1,634.55
Total	859.11	1,680.10

Lease deposits represent deposits paid as security for office space and flats taken on rent.

Inter Corporate Loan balance as on 31.03.2018 represent outstanding loan to M/s JK Tyres Ltd. The

loan carry interest at the rate of SBI PLR less 2.25%. Currently 11.15% (Previous Year 11.75%) and are unsecured from borrowers.

Note 9: Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Deposit with service providers	38.09	157.13
Total	38.09	157.13



Note 10: Income taxes

The substantively enacted tax rate as on 31 March 2018 is 34.61% and as on 31 March 2017 was 34.61% for deferred tax purposes.

a) Amount recognised in profit or loss

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Current tax expense:		
Current tax / Minimum alternate tax (MAT)	9,482.95	2,131.37
MAT credit entitlement	(3,329.54)	-
Adjustment of tax related to earlier years	-	2.75
	6,153.41	2,134.12
Deferred tax (income)/expense:		
Origination and reversal of temporary differences	(2,714.96)	(784.04)
Total deferred tax (income)/expense	(2,714.96)	(784.04)
Tax expenses	3,438.45	1,350.08

b) Amount recognised in OCI

(₹ in Lakhs)

Particulars	31 March 2018			31 March 2017		
	Before Tax	Tax (expense) benefit	Net of tax	Before Tax	Tax (expense) benefit	Net of tax
Re-measurement (losses) / gains on post employment defined benefit plans	(10,825.45)	3,743.49	(7,081.96)	(1,503.48)	320.95	(1,182.53)
Total	(10,825.45)	3,743.49	(7,081.96)	(1,503.48)	320.95	(1,182.53)

c) Reconciliation of effective income tax rate

(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Rate	Amount	Rate	Amount
Profit before tax from continuing operation		16,406.13		9,828.13
Tax using the Group's domestic tax rate (Income tax)	34.61%	5,677.83	34.61%	3,401.32
Tax effect of:				
Carry Forward Loss	-7.33%	(1,203.26)	-26.11%	(2,566.33)
Weighted Deduction for R and D Expenditure	-3.12%	(512.31)	-8.50%	(834.99)
Non deductible expenses	15.06%	2,470.43	-	-
Minimum Alternate Tax	0.05%	8.65	21.71%	2,134.12
Tax incentive	-1.76%	(287.93)	-	-
Deferred tax	-16.55%	(2,714.96)	-7.98%	(784.04)
Total income tax expense for the year	20.96%	3,438.45	13.74%	1,350.08



d) Movement in deferred tax balances

(₹ in Lakhs)

Particulars	As on 1st April 2016	Recognised in profit or loss during 2016-17	As at 31st March 2017	Recognised in profit or loss during 2017-18	As at 31st March 2018
Property, plant and equipment	(5,348.17)	(597.47)	(5,945.64)	(192.93)	(6,138.57)
Allowance for doubtful trade receivables	8,252.63	261.94	8,514.57	(1,111.26)	7,403.31
Voluntary Retirement Expenses	2.16	(2.16)	-	-	-
Provision for Property Tax	123.73	-	123.73	-	123.73
Provision for Gratuity	(28.30)	331.17	302.87	3,569.85	3,872.72
Provision for Leave Salary	5,429.13	275.73	5,704.86	(513.91)	5,190.95
Provision for Performance Related Pay	-	31.15	31.15	41.53	72.68
Provision for Contributory medical Scheme	1,472.25	195.00	1,667.25	258.67	1,925.92
Provision for Pension	405.56	20.34	425.90	5.91	431.81
Provision for wage revision	8.80	190.79	199.59	755.03	954.62
Provision for pending legal cases	12.93	(1.32)	11.61	-	11.61
Derivatives and lease deposits	19.05	(19.93)	(0.88)	0.88	-
Tax losses carried forward	-	98.81	98.81	(98.81)	-
Net deferred tax assets / (liabilities)	10,349.77	784.05	11,133.82	2,714.96	13,848.78

e) Unrecognised deferred tax assets

Deferred tax asset has not been recognised in respect of the following items, because it is not probable that future taxable profits will be available against which the deductible temporary difference can be utilised.

(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deductible temporary differences not expected to be utilised	-	-	-	-
Tax losses	-	-	2,091.38	723.78
	-	-	2,091.38	723.78

f) Tax losses carried forward

Unrecognised tax losses carried forward expire as follows:

(₹ in Lakhs)

Particulars	31 March 2018	Expiry date	31 March 2017	Expiry date
Expire				
Carry forward business loss	-	-	58.57	31-03-2022
	-	-	5.73	31-03-2023
Never expire				
Unabsorbed depreciation	-	-	(2,155.68)	
	-		(2,091.38)	



Note 11: Other non-current assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Capital Advances	1,721.25	922.69
Less: Allowance for doubtful Capital Advances	(30.34)	(30.34)
Advance MAMC consortium [see note (a) below]	5,800.61	5,744.31
Employee Advance	143.80	186.70
Advance Income Tax	1,818.47	-
Income Tax Refund	2,381.50	2,284.58
Tax Deducted at Source	109.23	219.25
Prepayments	82.25	87.17
Gold coins on Hand	10.11	10.15
Total	12,036.88	9,424.51
Due by officers of the company	12.40	21.25

- 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 ₹1000.61 Lakhs (Previous Year - ₹944.31 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 ₹5800.61 Lakhs (Previous Year - ₹5744.31 Lakhs) is disclosed as 'Advance to

MAMC consortium', pending allotment of equity shares in the capital of the JV company. Since the company intends to treat this as a long term investment, independent valuation of the assets taken over has been done and there is no diminution in value of investments. Formulation of business plan and approval of shareholders' agreement from MOD is being pursued.

Further, a company in the name of 'MAMC Industries Limited' (MIL) was formed and incorporated as a wholly-owned subsidiary company for the intended purpose of JV formation. Shareholders' agreement, as duly approved by the Boards of all the three members of the consortium, has been submitted to Ministry of Defence for necessary approval. After obtaining the said approval, MIL, would be converted into a JV Company. The Company has advanced a sum of ₹602.07 Lakhs (Previous Year - ₹601.76 Lakhs) on account of MIL, which is included under the head 'Advances to related parties'.



Note 12: Inventories (Lower of cost and Net realisable value)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Raw materials & Components	54,906.10	58,242.34
Less: Allowance for obsolescence - Raw Material	(1,056.73)	(860.37)
Raw materials & Components in Transit	2,485.35	2,778.23
Stores and Spares	2,187.06	2,171.95
Work-in-Progress	72,750.21	58,065.97
Finished Goods	17,730.73	39,897.24
Less: Allowance for obsolescence - Finished Goods	(1,064.11)	(1,112.82)
Finished Goods in Transit	2,271.20	3,249.45
Stock of Spares	30,988.16	35,175.50
Less: Allowance for obsolescence - Stock of Spares	(3,734.32)	(3,190.41)
Stock of Spares in Transit	353.50	286.81
Hand tools	2,326.03	2,679.79
Scrap	556.46	542.03
Patterns & Other Materials	21.32	16.34
Total	1,80,720.96	1,97,942.05

- Raw materials & Components include materials lying with sub contractors ₹2439.94 Lakhs (Previous Year - ₹1889.84 Lakhs). Of these, confirmation from the parties is awaited for ₹816.79 lakhs (Previous Year - ₹588.75 Lakhs).
- The closing stock of work-in-progress and finished goods are stated at lower of standard cost, which approximates to actuals, and net realisable value. The difference between the actual cost of production and the standard cost is not material.
- Variances arising on account of difference between standard cost and the actual cost,

on account of change in the nature of inputs from bought-out to internally manufactured or vice versa, timing difference between standard cost and actual occurrence during the financial period and fluctuations in the material prices, is adjusted in the cost of production in order not to carry forward the period variances to subsequent financial period.

- Allowance towards obsolescence is made as per the provisioning norms and is based on ageing of inventory.

Note 13: Investments

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
	-	-
Total	-	-



Note 14: Trade receivables

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Unsecured, considered good		
Outstanding for period exceeding six months *	83,879.48	69,132.42
Others	80,346.59	73,971.48
Unsecured, considered doubtful		
Outstanding for period exceeding six months	17,572.23	16,191.99
Allowance for bad and doubtful trade receivables	(17,572.23)	(16,191.99)
Total	1,64,226.07	1,43,103.90

* Trade receivables - Outstanding for period exceeding six months include ₹4899.99 Lakhs (Previous Year ₹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 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 from US Dollar to Euro and the consequential Escalation and Exchange Rate variation is under active consideration 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.

The movement in the allowance for bad and doubtful trade receivables is as follows:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Balance at the beginning of the year	16,191.99	14,970.87
Impairment losses recognised	2,843.25	1,505.88
Written off during the year	(1,415.45)	-
Credited to profit or loss	(47.56)	(284.76)
Balance at the end of the year	17,572.23	16,191.99

Note 15: Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balances with Banks	199.59	1,293.81
Balances with Banks - Unclaimed Dividend	34.04	31.82
Cheques, drafts on hand	-	72.93
Cash on hand	44.16	55.37
Total	277.79	1,453.93



- a. The Group earns no interest on balances with banks in current accounts.
- b. Balances with banks include the following on which there were restrictions placed on use and / or held on behalf of third parties:

ESCROW account balance to be distributed among consortium members ₹82.08 Lakhs (Previous Year ₹174.79 Lakhs) & BHEL share is ₹16.53 Lakhs (Previous Year ₹9.80 Lakhs)

- c. Out of the Cash Credit Limit of ₹100000 Lakhs sanctioned to the Group by Consortium Bankers, the amount drawn by the Group as on 31st March is ₹13571.50 Lakhs (Previous Year ₹11467.10 Lakhs). (Refer Note No. 24).
- d. For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Balances with Banks	199.59	1,293.81
Balances with Banks - Unclaimed Dividend	34.04	31.82
Cheques, drafts on hand	-	72.93
Cash on hand	44.16	55.37
Less: Bank overdraft/Cash credit facility	(13,571.50)	(11,467.10)
Total	(13,293.71)	(10,013.17)

For an understanding of the Group's cash management policies, refer Note no.39 L (ii) on liquidity risk.

Note 16: Loans

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Unsecured, considered good		
Lease Deposits	1.00	4.27
Inter Corporate Loan	817.28	817.28
Total	818.28	821.55

Note 17: Other financial assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Security Deposit with Customers	107.39	112.39
Earnest Money Deposit	89.33	89.33
Deposit with service providers	454.87	313.19
Total	651.59	514.91

For an understanding of the Company's derivative transactions, refer Note no. 39N on derivatives.



Note 18: Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Advances to Related Parties	135.48	134.28
Balances with Public Utility concerns	668.34	668.89
Less: Allowance for doubtful Balances with Public Utility concerns	(185.66)	(185.66)
Balances with Govt. departments for Customs Duty, Excise Duty, GST etc.,	27.09	34.65
Advance to Vendors	10,775.90	13,860.37
Less: Allowance for doubtful advances to Vendors	(3,835.27)	(3,842.45)
Employee Advance	336.07	366.60
Duties and Taxes	4,500.84	4,441.34
Cenvat / VAT / GST Balances	2,237.90	7,635.62
Prepayments	731.27	1,002.24
Claims receivable	17,436.41	17,499.82
Less: Allowance for doubtful claims	(4,668.45)	(4,668.45)
GST on stock transfers	650.13	-
Unbilled revenue	-	1,099.95
Total	28,810.05	38,047.20
Due by Officers of the Company	28.89	35.00

Claims receivable includes claims lodged pending under reconciliation amounting to ₹2610.74 Lakhs (Previous Year - ₹2613.84 Lakhs). The Group doesn't expect any material impact on the final realization of the above amounts.

Note 19: Equity share capital

(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Number	Amount	Number	Amount
Authorised :				
Equity Shares of ₹10 each	100000000	10,000.00	100000000	10,000.00
Issued :				
Equity Shares of ₹10 each	41900000	4,190.00	41900000	4,190.00
Subscribed :				
Equity Shares of ₹10 each	41644500	4,164.45	41644500	4,164.45
Paid-up :				
Equity Shares of ₹10 each, fully paid-up	41644500	4,164.45	41644500	4,164.45
Forfeited Shares (amount originally paid) :				
Equity Shares of Paid-up value ₹5 each	255500	12.77	255500	12.77
Total		4,177.22		4,177.22



Rights and restrictions attached to equity shares

The Group has only one class of share, i.e., equity shares having the face value of ₹10 per share. Each holder of equity share is entitled to one vote per share. Dividend is paid in Indian Rupees. The dividend

recommended by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Group, equity shareholders will be entitled to receive remaining assets of the Group after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

Disclosure requirements for 5 years	Number of Shares				
Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
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 2018		As at 31st March 2017	
	No. of Shares	Amount	No. of Shares	Amount
Outstanding as at Opening Date	4,16,44,500	4,164.45	4,16,44,500	4,164.45
Add: Issued during the period	-	-	-	-
Less: Buy-back during the period (if any)	-	-	-	-
Outstanding as at Closing Date	4,16,44,500	4,164.45	4,16,44,500	4,164.45

Equity Shares held by shareholders having 5% or more

Name of the shareholder	As at 31st March 2018		As at 31st March 2017	
	No. of Shares	% held	No. of Shares	% held
President of India	2,25,00,000	54.03	2,25,00,000	54.03
HDFC Trustee Company Limited (PAN wise)	37,47,580	9.00	37,47,580	9.00
Reliance capital Trustee Co. Ltd (PAN wise)	1,53,600	0.37	27,37,312	6.57

No shares of the Group is held by its subsidiaries. The Group does not have any holding company.

No shares of the Group is reserved for issue under options and contracts/commitments for the sale of shares / disinvestment.

The Board of Directors in their meeting held on 25th May 2018 recommended a dividend of ₹8/- per

equity share (i.e., 80%) for the financial year ended 31st March 2018, subject to the approval of shareholders at the ensuing Annual General Meeting. If approved, this would result in a cash outflow of approximately ₹4016.37 Lakhs including corporate dividend tax.



Note 20: Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2018		As at 31st March 2017	
	Non-Current	Current	Non-Current	Current
Debentures 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	-
Term Loans				
(a) Secured from Banks	-	-	-	-
(b) Unsecured from other parties				
i. Inter corporate loans against Group's corporate guarantee (from Coal India)	-	-	-	696.81
ii. Soft Loan - Interest Free Loan from Govt of Kerala	448.53	606.20	1,052.30	537.18
	448.53	606.20	1,052.30	537.18
Total	30,448.53	606.20	31,052.30	1,233.99

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

Terms of repayment of Soft Loan - Interest free Loan from Govt. of Kerala:

(₹ in Lakhs)

Rate of Interest	2018-19	2019-20	2020-21	2021-22
Soft Loan - Interest free Loan, Re-payable in 10 equal installments in 5 years	606.20	188.80	188.80	188.80

Note 21: Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Deposit from vendors	41.60	41.60
Total	41.60	41.60

Note 22: Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits		
for Leave Salary	12,331.51	14,192.11
for Post retirement medical scheme	3,499.22	2,969.49
Provision-others		
for warranty	106.08	97.00
for unexpired obligations	700.17	237.27
Total	16,636.98	17,495.87



1. For movement in the provisions during the year refer Note no. 28
2. The provision for employee benefits represents annual leave and vested long service entitlements accrued.
3. Warranty provisions are recognised on a contract-by-contract basis for goods sold over

the warranty period. The provision is based on estimates of probable likelihood of product failure and returns based on current sales level and past experience.

4. Provision for unexpired obligations is towards supply of Backup Spares against guaranteed availability contracts.

Note 23: Other non-current liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Advances from customers	33,237.18	34,000.51
Staff related	26.25	25.25
Deferred government grant	69.73	164.11
Total	33,333.16	34,189.87

- a. Group received an interest free loan of ₹944.00 Lakhs from Government of Kerala (Note 20). The same has been initially recognised at fair value and the difference between the proceeds and fair value is recognised as deferred government grant.

The government grant income is amortised to profit or loss on a straight line basis over the term of interest free loan (Note 31).

Note 24: Borrowings

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
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)	13,571.50	11,467.10
Unsecured	-	-
Total	13,571.50	11,467.10

Note 25: Trade Payables

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Total outstanding dues of micro & small enterprises	2,386.07	1,916.45
Total outstanding dues of creditors other than micro & small enterprises	51,627.52	48,199.46
Total	54,013.59	50,115.91



Micro and Small Enterprises (MSE)

The information under MSMED Act, 2006 has been disclosed to the extent such vendors have been

identified by the Group. The details of amounts outstanding to them based on available information with the Group is as under :

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Amount due and Payable at the year end		
- Principal	-	124.47
- Interest on above Principal	-	-
Payments made during the year after the due date		
- Principal	677.82	374.54
- Interest	2.32	0.96
Interest due and payable for principals already paid	2.10	56.89
Total Interest accrued and remained unpaid at year end	2.10	56.89
Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under section 23 of MSMED Act, 2006.	4.41	3.27

Note 26: Other financial liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Current maturities of long term debt (refer note 20)	606.20	1,233.99
Deposit from vendors	496.23	562.92
Earnest Money Deposit from vendors	555.94	409.69
Interest accrued but not due on borrowings	1,020.09	1,017.67
Unclaimed dividend	34.04	32.37
Total	2,712.50	3,256.64

Note 27: Other current liabilities

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Other payables		
a. Staff related dues	2,296.54	2,419.20
b. Statutory dues	8,808.33	5,049.92
c. Excise Duty provision on FGI	-	8,050.90
d. Advances from customers	40,888.21	64,394.53
e. Service vendors	8,723.80	6,490.88
f. Civil contractors and Capital payments	1,293.63	1,733.86
Interest due on MSE vendors	4.41	0.85
Deferred government grant (refer note 23 a)	94.38	42.73
Total	62,109.30	88,182.87



Note 28: Provisions

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits		
for Gratuity	11,232.95	888.99
for Leave Salary	2,669.61	2,292.59
for Performance Related Pay	700.00	870.00
for Post retirement medical scheme	2,065.74	1,848.04
for Officers Pension	1,247.74	1,230.65
for Wage revision	9,231.59	1,935.01
Provision-others		
for pending legal cases	33.56	33.55
for warranty	6,018.58	5,595.41
for unexpired obligations	788.13	495.63
for others	-	-
Total	33,987.90	15,189.87

Movement in Provisions

(₹ in Lakhs)

Particulars	As at 01.04.2017		Additions	Utilization	Reversal	As at 31st March 2018	
	Non-current	Current				Non-current	Current
Gratuity	-	888.99	11,603.79	1,259.83	-	-	11,232.95
Leave Salary	14,192.11	2,292.59	3,760.20	5,243.78	-	12,331.51	2,669.61
Post retirement medical scheme	2,969.49	1,848.04	1,137.57	390.14	-	3,499.22	2,065.74
Performance Related Pay	-	870.00	700.00	870.00	-	-	700.00
Officers Pension	-	1,230.65	1,247.74	1,230.65	-	-	1,247.74
Pay Revision	-	1,935.01	7,296.58	-	-	-	9,231.59
Pending legal cases	-	33.55	1.05	-	1.04	-	33.56
Warranty	97.00	5,595.41	4,896.11	4,144.60	319.26	106.08	6,018.58
Unexpired Obligation	237.27	495.63	1,056.40	-	301.00	700.17	788.13
Total	17,495.87	15,189.87	31,699.44	13,139.00	621.30	16,636.98	33,987.90

Note 29: Current tax liabilities (Net)

(₹ in Lakhs)

Particulars	As at 31st March 2018	As at 31st March 2017
Provision for Income tax	4,896.06	1,307.55
Less: MAT credit entitlement	(3,329.54)	-
Total	1,566.52	1,307.55



Note 30: Revenue from Operations

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a) sale of products (including excise duty as applicable):		
Castings	-	140.75
Earth Moving Equipment	1,01,954.29	90,228.17
Rail & Metro Products	1,01,774.84	54,565.68
Defence Products	35,727.44	43,483.13
Spare Parts	68,701.71	72,611.14
Sub-total	3,08,158.28	2,61,028.87
(b) sale of services;		
Equipment Servicing	19,155.28	19,554.71
Sub-total	19,155.28	19,554.71
(c) other operating revenues		
Wind Energy	821.82	962.72
Sale of Scrap	1,735.04	1,399.69
Sub-total	2,556.86	2,362.41
Revenue from operations	3,29,870.42	2,82,945.99

Note 30A:

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

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Rail & Metro Products	1,01,809.47	54,797.56
Other products, services and other operating revenue	2,28,095.58	2,28,380.31
Sub-total	3,29,905.05	2,83,177.87
Less: Value of Consortium Supplies [FY 2017-18 - BMRCL, FY 2016-17 - DMRCL]	34.63	231.88
Revenue from Operations	3,29,870.42	2,82,945.99

ii. Revenue from operations up to 30.06.2017 is inclusive of Excise duty ₹6059.81 Lakhs and w.e.f 01.07.2017 on the introduction of GST Act

neither Excise duty nor GST has been included in the Revenue from Operations. GST on Revenue from Operations up to March 2018 is ₹52720.41 Lakhs.



ii. Ind AS 11 (Construction Contracts)

Revenue includes revenue recognised on percentage of completion method as detailed below; (₹ in Lakhs)

Particulars	31st March 2018	31st March 2017
a) Contracts revenue recognized during the year	2,374.20	2,407.65
b) Disclosure in respect of Contracts in Progress as at 31st March 2018		
(i) Aggregate amount of cost incurred	-	5,861.61
(ii) Recognized profit (less recognized losses, if any) net of provision for contingency	-	-
(iii) Amount of advances received and outstanding	-	3,390.87
(iv) The amount of retention	-	-
c) Percentage of completion method is used to determine the contract revenue recognised in the period. Ratio of the actual cost incurred on the contracts up to 31.03.2018 to the estimated total cost of the contract, is used to determine the stage of completion.		

Note 31: Other income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Interest Income		
- From Deposits	0.23	5.65
- From Inter Corporate Loans	245.58	349.36
- From Other Advances	-	107.55
- From Income tax refund	-	923.36
- Finance income on lease deposits	6.47	4.41
- Others	84.49	31.12
Government grant income	42.73	28.49
Export incentives	40.48	64.20
Net gain on sale of property, plant and equipment	13.98	5.29
Provisions written back		
- Doubtful trade receivables & advances	47.57	13.45
- Others	178.53	2,116.07
Foreign exchange gain	568.46	862.36
Other non-operating income	1,275.58	1,748.03
Total	2,504.10	6,259.34



a. Tax Deducted at Source on Income

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
a) Interest on Inter Corporate Loans	24.56	34.94

Note 32: Cost of materials consumed

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Cost of materials consumed	1,70,764.30	1,32,931.76

Note 33: Purchase of stock-in-trade

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Purchase of stock-in-trade	-	-

Note 34: Changes in inventories of finished goods, stock-in-trade and work-in-progress (₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Opening Stock		
Finished goods	42,033.87	37,119.25
Work-in-progress	58,065.97	50,505.09
Scrap	542.03	599.32
Reversal of Opening ED on Finished goods	(6,656.09)	-
Reversal of Opening ED on Scrap	(58.18)	-
	1,00,641.87	88,223.66
Closing Stock		
Finished goods	18,937.82	42,033.87
Work-in-progress	72,750.21	58,065.97
Scrap	556.46	542.03
	92,244.49	1,00,641.87
(Increase) / Decrease		
Finished goods	16,439.96	(4,914.62)
Work-in-progress	(14,684.24)	(7,560.88)
Scrap	(72.61)	57.29
Total	1,683.11	(12,418.21)



Note 35: Employee benefits expense

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Salaries, Wages & Bonus	64,034.15	59,231.08
Leave Salary	3,760.20	5,308.11
Contribution to:		
- Gratuity Fund	918.72	709.08
- Provident Fund and Other Funds	5,725.09	5,824.92
Post retirement medical scheme	997.19	924.49
Staff welfare expenses	6,352.28	7,019.62
- Less receipts	463.23	506.14
Net staff welfare expenses	5,889.05	6,513.48
Total	81,324.40	78,511.16

A. Ind AS 19 (Employee Benefits)

a. Leave Salary

This is an unfunded employee benefit plan categorized under other long term employee benefits in terms of Ind AS 19. The obligation for compensated absence has been actuarially valued and liability provided accordingly.

Actuarial Assumptions	Current Year	Previous Year
	(Unfunded)	(Unfunded)
Mortality Table	2006-08 (IALM)	2006-08 (IALM)
	(Ultimate)	(Ultimate)
Discount rate	7.70%	7.40%
Rate of escalation in salary	5.00%	5.00%

b. Post Retirement Medical Scheme

1. Employees

- (i) The Group has a post retirement defined benefit medical scheme where an insurance policy is taken by the Group for providing mediclaim benefits to the superannuated employees who

opt for the scheme. The Group pays 2/3 rd insurance premium and the balance is paid by the superannuated employees.

- (ii) The results of the actuarial study for the obligation of the medical benefit as computed by the actuary are shown below:



(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Principal actuarial assumptions		
Discount rate	7.70%	7.40%
Range of compensation increase	5.00%	5.00%
Attrition rate:	0.42%	0.90%
Components of income statement charge		
Current Service Cost	213.13	151.10
Interest Cost	249.31	245.97
Total income statement charge	462.44	397.07
Movements in net defined benefit liability		
Net obligation at the beginning of the year	3,312.72	3,153.54
Employer contributions	(205.32)	(165.91)
Total expense recognised in profit or loss	462.44	397.07
Total amount recognised in OCI	140.38	(71.98)
Net obligation at the end of the year	3,710.22	3,312.72
Reconciliation of benefit obligations		
Obligation at start of the year	3,312.72	3,153.54
Current service cost	213.13	151.10
Interest cost	249.31	245.97
Benefits paid directly by the company	(205.32)	(165.91)
Actuarial loss / (gain) on obligations	140.38	(71.98)
DBO at the end of the year	3,710.22	3,312.72
Re-measurements		
Actuarial gain/(loss) on account of experience adjustments	140.38	(71.98)
Total actuarial gain/(loss) recognised in OCI	140.38	(71.98)

(iii) Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing

how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

(₹ in Lakhs)

	Current Year	Previous Year
Discount rate		
+ 0.50% discount rate	(108.15)	(169.24)
- 0.50% discount rate	117.88	185.26
Premium cost		
+ 0.50% premium growth	111.57	193.17
- 0.50% premium growth	(94.18)	(177.46)



(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	3,710.22	3,312.72
Experience adjustment on plan liabilities	239.81	(208.57)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

2. Officers

For officers, from the year 2015-16 a new Post-Retirement Medical Scheme has been introduced where a percentage of Basic salary and DA of officers will be contributed to a separate fund and the fund arrange to provide medical insurance to retired officers. Group has contributed 3% of the basic and DA of officers amounting to ₹534.75 Lakhs during 2017-18 for the scheme. Group has no further liability other than the contribution to the fund. Hence the

scheme is a defined contribution plan and no actuarial valuation is required.

c. Interest Rate Guarantee on Provident Fund

- (i) Provident Fund Trust of the Group has to declare interest on Provident Fund at a rate not less than that declared by the Employees' Provident Fund Organisation. In case the Trust is not able to meet the interest liability, Group has to make good the shortfall. This is a defined benefit plan and the Group has got the same actuarially valued and there is no additional liability that needs to be provided for the year:

Actuarial Assumptions	Current Year	Previous Year
	(Funded)	(Funded)
Discount rate	7.70%	7.30%
Rate of escalation in salary	5.00%	5.00%
Interest Rate Guarantee on Provident Fund	8.55%	8.65%

d. Officers Pension Scheme

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

e. Gratuity

- (i) The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.
- (ii) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:



(₹ in Lakhs)

Actuarial study analysis	Current Year	Previous Year
Principal actuarial assumptions		
Discount rate	7.70%	7.40%
Range of compensation increase	5.00%	5.00%
Attrition rate	0.42%	0.90%
Expected rate of return on plan assets	7.70%	8.40%
Components of income statement charge		
Current Service Cost	898.15	765.51
Interest Cost	19.56	(56.43)
Total income statement charge	917.71	709.08
Movements in net liability/(asset)		
Net liability / (asset) at the beginning of the year	888.99	(65.90)
Employer contributions	(1,259.83)	(1,329.65)
Total expense recognised in profit or loss	918.72	709.08
Total amount recognised in OCI	10,685.07	1,575.46
Net liability / (asset) at the end of the year	11,232.95	888.99
Reconciliation of benefit obligations		
Obligation at start of the year	35,692.66	35,742.14
Current service cost	898.15	765.51
Interest cost	2,567.93	2,589.75
Benefits paid directly by the company	(4,704.19)	(5,096.30)
Actuarial loss / (gain) on obligations	10,663.26	1,691.56
DBO at the end of the year	45,117.81	35,692.66
Re-measurements		
Actuarial gain/(loss) due to changes in financial assumptions	(2.64)	107.43
Actuarial gain/(loss) on account of experience adjustments	(10,644.09)	(1,700.23)
Total actuarial gain/(loss) recognised in OCI	(10,646.73)	(1,592.80)
Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	34,803.67	35,808.04
Interest on plan assets	2,548.37	2,646.18
Contributions made	1,259.83	1,329.65
Benefits paid	(4,704.19)	(5,096.30)
Actuarial gain/(loss) on plan assets	(21.81)	116.10
Fair value of plan assets at the end of the year	33,885.87	34,803.67

(iii) Sensitivity analysis of significant assumptions

The following table presents a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing

how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.



(₹ in Lakhs)

	Current Year	Previous Year
Discount rate		
+ 0.50% discount rate	(1,010.64)	(936.88)
- 0.50% discount rate	1,066.69	989.32
Salary increase		
+ 0.50% premium growth	951.27	382.62
- 0.50% premium growth	(925.30)	(403.28)

(iv) Experience adjustments

(₹ in Lakhs)

	Current Year	Previous Year
Defined benefit obligation	45,117.81	35,692.66
Fair value of plan assets	33,885.87	34,803.67
(Surplus)/deficit in plan assets	11,231.94	888.99
Experience adjustment on plan liabilities	10,644.09	1,700.23
Actual return on plan assets less interest on plan assets	19.56	(56.43)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

(v) Investment details

The plan assets under the fund are deposited under approved securities as follows:

		Current Year	Previous Year
Investment with LIC	%	100	100
Others	%	0	0

Note 36: Finance costs

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Interest expense		
On Cash Credit & Short term loans	2,150.61	1,573.44
On Long Term Loans	-	20.59
On External Commercial Borrowings	-	139.75
On Non-convertible Debentures	2,549.74	2,602.72
On Inter Corporate Loans	24.97	360.15
On MSE vendors	4.56	0.96
Unwinding of discount on Interest free loan	71.45	46.01
Others	30.91	60.23
Total	4,832.24	4,803.85

Ind AS 23 (Borrowing Costs)

The amount of interest capitalized during the Year is ₹222.26 Lakhs (Previous Year - ₹169.28 Lakhs).



Note 37: Other expenses

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Consumption of stores and spare parts	696.41	645.62
Consumable Tools	780.91	538.28
Power and fuel	3,965.98	3,724.22
Rent	490.45	445.66
Hire Charges	957.74	958.71
Repairs & Maintenance		
Machinery & Equipment	491.98	450.94
Buildings	737.44	397.25
Others	841.48	933.87
Stationery	125.56	139.93
Insurance	432.46	355.01
Rates & Taxes	328.49	449.48
Bank guarantee fee and other charges	633.32	660.71
Communication expenses	282.27	317.30
Commission on sales	21.50	45.02
Remuneration to Auditors (refer note 'a' below)	26.68	26.28
Legal & Professional Charges	364.91	222.24
Travelling Expenses	1,432.68	1,467.98
Publicity & Public Relations	298.52	223.91
Loss on sale of property, plant and equipment	11.57	7.37
Bad Debts written off	119.91	15.23
Defects & Spoilages	14.70	24.77
Works Contract Expenses	7,095.18	4,416.33
Expenses on Maintenance Contract	4,313.75	3,758.49
Sundry Direct Charges	1,035.87	585.34
Freight charges	2,310.49	1,945.18
Expenditure on CSR Activities	334.65	418.77
Excise duty on sales	5,962.55	33,524.17
Excise duty on increase / (decrease) in Stock	0.06	521.56
Provision for Obsolescence	774.99	801.45
Provision for doubtful trade receivables & advances	2,721.82	1,917.48
Warranty & Unexpired Obligations	2,033.71	1,290.93
Liquidated damages on sales	174.74	1,321.44
Miscellaneous expenses	11,012.40	6,717.69
Total	50,825.17	69,268.61



a. Break up of Remuneration to Auditors :

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
(a) As Auditor	15.77	15.64
(b) for taxation matter	2.06	2.97
(c) Other Services - Certification Fees	8.28	7.02
(d) Reimbursement of Expenses	0.57	0.65
Total	26.68	26.28

Note 38: Exceptional Items

(₹ in Lakhs)

Particulars	For the Year ended 31st March 2018	For the Year ended 31st March 2017
Income		
Expenditure	-	-
Net Income / (Expenditure)	-	-

Note 39: Other Disclosures

A. Basic / Diluted Earnings Per Equity Share

Particulars	Current Year	Previous Year
Net Profit / (Loss) after Tax (₹ in Lakhs)	12,967.68	8,478.05
Average Number of Shares	4,16,44,500	4,16,44,500
Earnings Per Share (Basic and Diluted) –	31.14	20.36
Face Value ₹10/- Per Share (Amount in ₹)		

B. In terms of Notification No. S.O.802(E) dated 23-02-2018 of the Ministry of Corporate Affairs, the Board at its meeting held on 27.05.2016 has given consent with regard to non-disclosure of information as required under paragraphs 5(ii)

(a) (1), 5(ii) (a) (2), 5(iii) and Para 5(viii) (a), (b), (c) and (e) of Part II to Schedule III of the Companies Act, 2013, in the Annual accounts for the Financial Year 2015-16 onwards.



C. Ind AS 24 - Related Parties

In accordance with the requirements of Ind AS 24, following are details of the transactions during the year with related parties.

Name of the related party	Nature of relationship
BEML Midwest Limited	Joint venture
BEML PF Trust	Employee benefit and administration trust fund
BEML Gratuity Trust	Employee benefit and administration trust fund
BEML Death-cum-Retirement Benefit Fund Trust	Employee benefit and administration trust fund
BEML Executive Superannuation (Pension) Fund Trust	Employee benefit and administration trust fund
BEML Executive Superannuation (Benefit) Trust Fund	Employee benefit and administration trust fund
Shri. D.K. Hota	Key managerial personnel
Shri. Aniruddh Kumar	Key managerial personnel
Shri. B R Viswanatha	Key managerial personnel
Shri. R H Muralidhara	Key managerial personnel
Shri. R Panneer Selvam	Key managerial personnel
Shri. S V Ravi Sekhar Rao	Key managerial personnel

Transactions with related parties

1. The details of related party transactions entered into by the Company are as follows:

Name of the Joint Venture Company – M/s. BEML Midwest Limited, Hyderabad. Shareholding 45%.

Details of Transactions

(₹ in Lakhs)

Particulars	31st March 2018	31st March 2017
Transactions during the year ended		
Sales	-	-
Purchases	-	-
Equity Investment held as on 31st March (at cost)	542.25	542.25
Outstanding balances		
Advances recoverable as on	135.48	134.28
Amount payable towards supplies as on	230.00	230.00
Corporate Guarantee given to Bankers [refer Note 7 (b)]	1,912.50	1,912.50

2. Remuneration to Key managerial personnel

(₹ in Lakhs)

Particulars	31st March 2018	31st March 2017
Shri. D.K. Hota - Chairman and Managing Director	45.34	38.88
Shri. Aniruddh Kumar - Director (Rail & Metro) *	22.46	34.79
Shri. B R Viswanatha - Director (Mining & Construction)	38.40	32.06
Shri. R H Muralidhara - Director (Defence)	37.67	31.93
Shri. S V Ravi Sekhar Rao - Company Secretary	19.45	8.48

* For part of the year.



3. Details of remuneration of key managerial personnel comprises the following: (₹ in Lakhs)

Shri. D.K. Hota - Chairman and Managing Director	31 March 2018	31 March 2017
Short-term benefits	41.04	34.95
Post-employment benefits	1.43	1.35
Other long-term benefits	2.87	2.58
Termination benefits	-	-
Shri. Aniruddh Kumar - Director (Rail & Metro) *	31 March 2018	31 March 2017
Short-term benefits	22.46	29.63
Post-employment benefits	-	1.07
Other long-term benefits	-	4.09
Termination benefits	-	-
Shri. B R Viswanatha - Director (Mining & Construction)	31 March 2018	31 March 2017
Short-term benefits	34.51	28.87
Post-employment benefits	1.13	0.32
Other long-term benefits	2.75	2.87
Termination benefits	-	-
Shri. R H Muralidhara - Director (Defence)	31 March 2018	31 March 2017
Short-term benefits	35.13	28.92
Post-employment benefits	1.25	0.24
Other long-term benefits	1.28	2.77
Termination benefits	-	-
Shri. S V Ravi Sekhar Rao - Company Secretary	31 March 2018	31 March 2017
Short-term benefits	17.68	6.89
Post-employment benefits	0.74	0.66
Other long-term benefits	1.03	0.93
Termination benefits	-	-
Total	31 March 2018	31 March 2017
Short-term benefits	150.82	129.26
Post-employment benefits	4.55	3.64
Other long-term benefits	7.93	13.24
Termination benefits	-	-

* For part of the year.

- 4.** Considering the wide scope of the definition of Related Party under section 2(76); Relative under section 2(77) and Key Managerial Personnel under section 2(51) of Companies Act, 2013 and the requirement under Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the disclosure with respect to Related Party transactions has been restricted to Subsidiary / Joint Venture /

Associate companies and to any other Related Party as declared by Directors and Key Managerial Personnel. Accordingly, the compliance with Related Party Transactions under section 188, Ind AS 24 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been made to the extent data is available with the Company.



D. Contingent liabilities & Commitments**I. Contingent liabilities**

- a. Claims against the Group not acknowledged as debts
- Disputed statutory demands (Customs Duty, Central Excise, Service Tax, Sales Tax/VAT etc.,) - ₹65903.17 Lakhs (Previous Year - ₹59307.40 Lakhs).
 - Other claims - legal cases etc. ₹20794.59 Lakhs (Previous Year - ₹15431.30 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 - ₹Nil (Previous Year - ₹Nil).

II. Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹5254.09 Lakhs (Previous Year - ₹5958.37 Lakhs)
- Uncalled liability on shares and other investments partly paid - ₹Nil (Previous Year - ₹Nil).
- Other commitments (specify nature) - ₹Nil (Previous Year - ₹Nil).

NOTES

- The Group 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	31 March 2018	31 March 2017
Revenue Expenditure*	9,304.57	7,611.18
Capital Expenditure**	899.75	196.44

* 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 2018	For the Year ended 31st March 2017
Material Cost	353.24	230.23
Employee Remuneration	3,936.19	3,610.50
Depreciation	1,046.62	877.73
Power and Fuel	95.16	142.18
Repairs and Maintenance	19.03	16.71
Consumable Tools	16.33	2.56
Travelling	155.39	135.94
Other Expenses	721.79	983.62
Payment to Technology Providers	-	81.79
Prototype held in WIP	58.31	-
Cost of Sales of Prototype sold	3,949.13	2,407.65
Total R&D Revenue Expenditure	10,351.19	8,488.91
Less: Depreciation	1,046.62	877.73
Net R & D Expenditure	9,304.57	7,611.18
Sale value of prototype sold - included in net Sales	4,648.58	2,407.65



** The aggregate amount of Research & Development Expenditure recognised as Capital Expenditure till 31st March 2018 is as below.

b. Research & Development Capital Expenditure

(₹ in Lakhs)

Particulars	Gross carrying value				Accumulated depreciation, amortisation and impairment				Net Carrying value	
	As at 01.04.2017	Additions during the year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2018	As at 01.04.2017	For the Year	Deduction / Re-classification & Adjustments during the year	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
Property, Plant and Equipment										
Land										
Free Hold	3.29	-	-	3.29	-	-	-	-	3.29	3.29
Lease Hold	-	-	-	-	-	-	-	-	-	-
Buildings	109.33	-	-	109.33	32.62	17.98	(12.78)	37.82	71.51	76.71
Plant and Equipment	641.92	125.95	24.88	792.75	152.64	109.45	(10.84)	251.25	541.50	489.28
Furniture & Fixtures	71.75	22.19	-	93.94	31.32	15.31	(0.46)	46.17	47.77	40.43
Vehicles										
Given on Lease	26.41	-	(16.10)	10.31	6.77	16.99	(45.05)	(21.29)	31.60	19.64
Own Use	-	-	-	-	-	-	-	-	-	-
Office Equipment	-	-	-	-	-	-	-	-	-	-
Roads & Drains	1.64	-	-	1.64	(0.65)	0.86	-	0.21	1.43	2.29
Water Supply Installations	0.12	-	-	0.12	-	0.01	-	0.01	0.11	0.12
Electrical Installation	40.09	23.11	-	63.20	19.38	4.43	-	23.81	39.39	20.71
Computers and Data processing units	525.56	190.09	18.71	734.36	392.94	71.40	0.86	465.20	269.16	132.62
Intangible Assets										
Software	1,182.23	436.74	98.75	1,717.72	403.92	244.00	-	647.92	1,069.80	778.31
Technical Knowhow	1,117.36	101.67	4,536.88	5,755.91	915.37	566.19	304.19	1,785.75	3,970.16	201.99
Total	3,719.70	899.75	4,663.12	9,282.57	1,954.31	1,046.62	235.92	3,236.85	6,045.72	1,765.39
Previous Year	3,470.55	196.44	52.71	3,719.70	1,075.32	877.73	1.26	1,954.31	1,765.39	2,395.23



F. Ind AS 108 (Operating Segments)

Vide Notification No. GSR 463(E) dated 05-06-2015 (Serial no. 8) issued by Ministry of Corporate Affairs, exempted companies engaged in Defence Production from segmental disclosure as required under Ind AS 108 (Operating Segments), accordingly the disclosure requirements under Ind AS 108 has not been made.

- G.** Advances, Balances with government departments, Trade Payables and receivables, Other loans and advances and deposits classified under non current and current are subject to confirmation and reconciliation. There are certain

old balances pending review / adjustment. The management does not expect any significant impact upon such reconciliation.

- H.** Figures of previous year have been regrouped/ reclassified/ recast wherever necessary to conform to current year's presentation.
- I.** Disclosures as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In compliance of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements), the required information is given as under:

(₹ in Lakhs)

Particulars	Amount as on		Maximum amount outstanding during the year ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
i. Loans and Advances in the nature of loans:				
A. To Subsidiary Companies	-	-	-	-
B. To Associates / Joint Venture	-	-	-	-
C. To Firms / Companies in which directors are interested	-	-	-	-
D. Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act, 2013	-	-	-	-
ii. Investment by the loanee (as detailed above) in the shares of BEML and its subsidiaries	-	-	-	-

J. Ind AS 17 - Leases**a) The Group as a lessee**

The Group's significant leasing arrangements are in respect of operating leases and in respect of its leased office premises. These lease arrangements,

run for a period of 3 Years to 10 Years and are generally renewable by mutual consent.

Future minimum lease payments under non-cancellable operating leases are summarised below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Not later than one year	63.16	120.88
Later than one year but not later than five years	230.38	267.73
Later than five years	1,523.23	1,379.53
Total operating lease commitments	1,816.77	1,768.14



b) The Group as a lessor

The Group provides cars to employees who are eligible and enrol into such a scheme after completion of a specific period of service. Such leases are non-

cancellable in nature and have been classified as operating leases.

Below are the details of carrying amounts of such vehicles recorded as property, plant and equipment:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Carrying value of assets	376.57	426.22
Accumulated depreciation	135.36	106.47
Depreciation expense during the year	71.34	81.56

Future minimum lease receipts under non-cancellable operating leases in respect of leased cars are summarised below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Not later than one year	39.49	43.50
Later than one year but not later than five years	132.30	136.09
Later than five years	80.58	106.03
Total operating lease commitments	252.37	285.62

c) Lease income and expenditure

The gross amounts of operating lease income and expenditure recognised in profit or loss is as below.

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Lease income	66.56	70.67
Lease expenses	490.45	445.66

K. Fair values and measurement principles

a) The carrying value and fair value of financial instruments by category are as follows:

(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Carrying amounts		Carrying amounts	
	Fair value through profit or loss	Other Financial Assets - Amortised Cost	Fair value through profit or loss	Other Financial Assets - Amortised Cost
Financial assets measured at fair value:				
Forward exchange contracts	-	-	-	-
	-	-	-	-
Financial assets not measured at fair value:				
Loans	-	1,677.39	-	2,501.65
Trade receivables	-	1,64,226.07	-	1,43,103.90
Cash and cash equivalents	-	277.79	-	1,453.93
Other financial assets	-	689.68	-	672.04
	-	1,66,870.93	-	1,47,731.52



(₹ in Lakhs)

Particulars	31 March 2018		31 March 2017	
	Carrying amounts		Carrying amounts	
	Fair value through profit or loss	Other Financial Assets - Amortised Cost	Fair value through profit or loss	Other Financial Assets - Amortised Cost
Financial liabilities measured at fair value:				
Forward exchange contracts	-	-	-	-
	-	-	-	-
Financial liabilities not measured at fair value:				
Borrowings	-	44,020.03	-	42,519.40
Trade payables	-	54,013.59	-	50,115.91
Other financial liabilities	-	2,754.10	-	3,298.24
	-	1,00,787.72	-	95,933.55

* The Group has not disclosed the fair values for financial instruments, because their carrying amounts are a reasonable approximation of fair value.

b) The following table shows the fair values of assets and liabilities including their levels in the fair value hierarchy. It does not include fair value information for assets and liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The Group's use

of quoted market prices (Level 1), valuation model using observable market information as inputs (Level 2) and valuation models without observable market information as inputs (Level 3) in the valuation of securities and contracts by type of issuer was as follows:

(₹ in Lakhs)

Particulars	31 March 2018			31 March 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets measured at fair value:						
Forward exchange contracts	-	-	-	-	-	-
	-	-	-	-	-	-
Financial liabilities measured at fair value:						
Forward exchange contracts	-	-	-	-	-	-
	-	-	-	-	-	-

c) Measurement of fair values

Valuation techniques and significant unobservable inputs:

Particulars	Valuation technique	Significant unobservable inputs
Forward exchange contracts	The fair values is determined using unquoted forward exchange rates at the reporting date.	Not applicable

d) Transfers between the fair value hierarchy

There were no transfers in either direction in the fair value hierarchy during the year 2017-18.



L. Financial risk management

The Group is broadly exposed to credit risk, liquidity risk and market risk as a result of financial instruments.

The Group's Board of Directors has the overall responsibility for the establishment, monitoring and supervision of the Group's risk management framework. Treasury Management Team in the Group take appropriate steps to mitigate financial risks within the framework set by the top management. Derivative transactions are undertaken by a specialist team with appropriate skills and experience. Group do not trade in derivatives for speculation.

(i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from credit exposures from customers, cash and cash equivalents held with banks and current and non-current debt investments.

The Group regularly follow up the receivable to minimise losses arising from credit exposure from credit customers. Credit control assesses the credit quality of the customers, their financial position, past experience in payments and other

relevant factors. Deposits and cash balances are placed with reputable scheduled banks.

The carrying amount of financial assets represents the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the factors that may influence the credit risk of its customer base. Major Customers of the Group are from Government Sector and Public Sector Companies, where credit risk is relatively low.

The management has established a system under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, if they are available, and in some cases bank references.

The Group establishes an allowance for impairment that represents its estimate of expected losses in respect of trade receivables based on factual information as on the Balance sheet date.

The maximum exposure to credit risk for trade receivables by geographic region was as follows.

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
India	1,63,762.08	1,42,412.51
Other regions	463.99	691.39
Total trade receivables	1,64,226.07	1,43,103.90

As at 31 March 2018, the Group's most significant customer, accounted for ₹6346.78 Lakhs of the trade receivables carrying amount (Previous Year - ₹6346.78 Lakhs).

The movement in the loss allowance for impairment of trade receivables are disclosed in Note No. 14

Any past due from Government Customers and those fully covered by guarantees or collaterals received are not tested for impairment.

The credit quality of the financial assets is satisfactory, taking into account the allowance for doubtful trade receivables.



The Group has not received any collaterals for receivables as at reporting date.

The impairment loss allowance at 31 March 2018 related to several customers that have indication that they may not pay their outstanding balances. The Group believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on the fact that major customers are Government department, PSUs and historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset, or the risk that the Group will face difficulty in raising financial resources required to fulfil its commitments. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity risk is maintained at low levels through effective cash flow management, low borrowings and

availability of adequate cash. Cash flow forecasting is performed internally by forecasts of the Group's liquidity requirements to ensure that it has sufficient cash to meet operational needs, to fund scheduled investments and to comply with loan covenants.

To ensure continuity of funding, the Group primarily uses short-term bank facilities in the nature of bank overdraft facility, cash credit facility and short-term borrowings to fund its ongoing working capital requirements needs. The Group has also availed various non-current facilities in the form of secured redeemable debentures, secured term loans, inter-corporate loans against the Group's guarantee and soft loans from the Government for expansion projects and construction and development of capital assets.

Exposure to liquidity risk

The table below details the Group's remaining contractual maturity for its financial liabilities and derivative financial liabilities. The contractual cash flows reflect the undiscounted cash flows of financial liabilities and derivative financial liabilities based on the earliest date on which the Group can be required to pay.

(₹ in Lakhs)

Particulars	Contractual cash flows			Adjustments	Carrying amount
	1 year or less	1 year to 5 years	5 years or more		
31 March 2018					
Non-derivative financial liabilities					
Non-current Borrowings	-	30,448.53	-	-	30,448.53
Current Borrowings	13,571.50	-	-	-	13,571.50
Trade payables	54,013.59	-	-	-	54,013.59
Other financial liabilities	2,754.10	-	-	-	2,754.10
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	70,339.19	30,448.53	-	-	1,00,787.72



(₹ in Lakhs)

Particulars	Contractual cash flows			Adjustments	Carrying amount
	1 year or less	1 year to 5 years	5 years or more		
31 March 2017					
Non-derivative financial liabilities					
Non-current Borrowings	-	21,052.30	10,000.00	-	31,052.30
Current Borrowings	11,467.10	-	-	-	11,467.10
Trade payables	50,115.91	-	-	-	50,115.91
Other financial liabilities	3,298.24	-	-	-	3,298.24
Derivative financial instruments					
Forward exchange contracts					
- Outflow	-	-	-	-	-
- Inflow	-	-	-	-	-
	64,881.25	21,052.30	10,000.00	-	95,933.55

(iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity / commodity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management.

The Group's activities expose it primarily to the financial risks of changes in foreign exchange rates and interest rate movements (refer to notes below on currency risk and interest risk). The Group enters into forward derivative contracts to manage risks of loss arising due to foreign exchange exposure. During the year ended 31 March 2018, there was no change to the manner in which the Group managed or measured market risk.

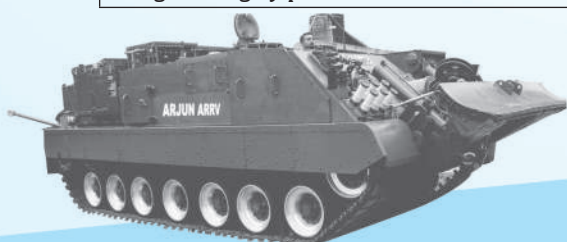
(iv) Currency risk

Foreign currency risk is the risk arising from exposure to foreign currency movement that will impact the Group's future cash flows and profitability in the ordinary course of business. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities from procuring or selling in foreign currencies and obtaining finance in foreign currencies.

The Group is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Group is Indian Rupee. The Group uses forward exchange contracts to hedge its currency risk, mostly with a maturity of less than one year from the reporting date.

The Group does not use derivative financial instruments for trading or speculative purposes. Following is the information on derivative financial instruments to hedge the foreign exchange rate risk as on date are as below:

31 March 2018					
(₹ in Lakhs)					
Category	Instrument	Currency	Cross Currency	Amounts	Buy / Sell
Hedges of recognized (liabilities) / assets	Forward contract	NIL	NIL	NIL	NIL
Hedges of highly probable forecast transactions		NIL	NIL	NIL	NIL



31 March 2017						(₹ in Lakhs)
Category	Instrument	Currency	Cross Currency	Amounts	Buy / Sell	
Hedges of recognized (liabilities) / assets	Forward contract	NIL	NIL	NIL	NIL	
Hedges of highly probable forecast transactions		NIL	NIL	NIL	NIL	

Exposure to currency risk

The currency profile of financial assets and financial liabilities as on dates are as below: (₹ in Lakhs)

Particulars	INR	USD	EURO	JPY	BRL	GBP	SGD	CHF	ZAR
31 March 2018									
Financial assets (A)									
Cash and cash equivalents	234.43	-	43.34	0.02	-	-	-	-	-
Trade receivables	1,63,762.08	250.67	213.32	-	-	-	-	-	-
Financial liabilities (B)									
Trade payables	47,000.82	1,759.13	2,115.94	1,644.48	42.55	1,430.41	2.25	1.95	16.06
Other current financial liabilities	2,710.59	-	-	-	-	1.91	-	-	-
Net exposure to currency risk (A-B)	1,14,285.10	(1,508.46)	(1,859.28)	(1,644.46)	(42.55)	(1,432.32)	(2.25)	(1.95)	(16.06)
31 March 2017									
Financial assets (A)									
Cash and cash equivalents	1,279.45	-	174.47	0.01	-	-	-	-	-
Trade receivables	1,42,412.51	677.98	13.41	-	-	-	-	-	-
Financial liabilities (B)									
Trade payables	42,332.65	3,136.08	1,374.57	1,867.48	107.59	1,271.71	6.18	3.59	16.06
Other current financial liabilities	3,254.73	1.91	-	-	-	-	-	-	-
Net exposure to currency risk (A-B)	98,104.58	(2,460.01)	(1,186.69)	(1,867.47)	(107.59)	(1,271.71)	(6.18)	(3.59)	(16.06)

The following significant exchange rates have been applied during the year. (values in ₹)

Particulars	Average rate		Year-end spot rate	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
USD	-	-	65.7300	65.7300
EUR	-	-	81.3400	70.5000
JPY	-	-	0.6192	0.5887
GBP	-	-	92.8400	82.4900
BRL	19.9710	20.5250	18.6170	18.6170



Sensitivity analysis

A reasonably possible strengthening / (weakening) of the Indian Rupee against US dollars, Euro, Japanese Yen, the Pound and other currencies at 31 March 2018 and 31 March 2017 would have affected the

measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in Lakhs)

Effect in INR	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
1% movement				
USD	15.08	(15.08)	9.86	(9.86)
EUR	18.59	(18.59)	12.16	(12.16)
JPY	16.44	(16.44)	10.75	(10.75)
BRL	0.43	(0.43)	0.28	(0.28)
GBP	14.32	(14.32)	9.37	(9.37)
SGD	0.02	(0.02)	0.01	(0.01)
CHF	0.02	(0.02)	0.01	(0.01)
ZAR	0.16	(0.16)	0.11	(0.11)
31 March 2017				
1% movement				
USD	24.60	(24.60)	16.09	(16.09)
EUR	11.87	(11.87)	7.76	(7.76)
JPY	18.67	(18.67)	12.21	(12.21)
BRL	1.08	(1.08)	0.70	(0.70)
GBP	12.72	(12.72)	8.32	(8.32)
SGD	0.06	(0.06)	0.04	(0.04)
CHF	0.04	(0.04)	0.02	(0.02)
ZAR	0.16	(0.16)	0.11	(0.11)

(v) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of

fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments will fluctuate because of fluctuations in market interest rates.



Exposure to interest rate risk

The Group's interest rate risk arises from borrowings and loans made. Borrowings availed at fixed rates expose the Group to fair value interest rate risk. The

interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

(₹ in Lakhs)

Particulars	Carrying amount	
	31 March 2018	31 March 2017
Fixed-rate instruments		
Financial assets	-	-
Financial liabilities	(30,000.00)	(30,000.00)
	(30,000.00)	(30,000.00)
Variable-rate instruments		
Financial assets	1,634.55	2,451.83
Financial liabilities	-	(696.81)
	1,634.55	1,755.02

Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in Lakhs)

Particulars	Profit or loss		Equity, net of tax	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 March 2018				
Financial assets	146.60	(146.60)	206.40	(206.40)
Financial liabilities	-	-	(58.66)	58.66
Total Variable-rate instruments	146.60	(146.60)	147.74	(147.74)
Cash flow sensitivity (net)	146.60	(146.60)	147.74	(147.74)
31 March 2017				
Financial assets	239.20	(239.20)	206.40	(206.40)
Financial liabilities	(67.98)	67.98	(58.66)	58.66
Total Variable-rate instruments	171.22	(171.22)	147.74	(147.74)
Cash flow sensitivity (net)	171.22	(171.22)	147.74	(147.74)



(vi) Equity and commodity price risk

Price risk is the risk of fluctuations in the value of assets and liabilities as a result of changes in market prices of investments. The Group has no exposure to changes in the quoted equity securities price risk as it has investments in unquoted equity instruments only. The Group does not invest in commodities and is not exposed to commodity price risk.

M. Capital Management

The Group strives to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders. The board of directors seeks to maintain a balance between the higher returns and levels of borrowings and the advantages and security afforded by a sound capital position.

The Group's adjusted net debt to equity ratio is as follows.

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
Total borrowings ¹	44,626.23	43,753.39
Less: Cash and bank balances ²	277.79	1,453.93
Adjusted net debt	44,348.44	42,299.46
Total equity	2,20,132.64	2,18,258.61
Less: Other components of equity	7,533.18	7,532.36
Adjusted equity	2,12,599.46	2,10,726.25
Adjusted net debt to adjusted equity ratio	0.21	0.20

¹Total borrowings comprises of long-term borrowings, short-term borrowing and bank overdraft facilities.

²Cash and bank balances comprises of cash in hand, cash at bank and term deposits with banks.

N. Derivatives

Derivatives not designated as hedging instruments

The Group uses foreign currency forward contracts to manage its exposure to foreign currency fluctuations. These forward contracts are used to hedge foreign

currency payables and other future transactions. However, these foreign exchange forward contracts are not designated as qualifying hedge instruments and are entered into for periods consistent with foreign currency exposure of the underlying transactions, and are generally for a term of 3 months to 12 months.

The Group has following outstanding forward contracts as on

31 March 2018: JPY Nil (INR Nil) [Previous Year - JPY Nil (INR Nil)]

31 March 2018: EUR Nil (INR Nil) [Previous Year - EUR Nil (INR Nil)]

31 March 2018: USD Nil (INR Nil) [Previous Year: USD NIL (INR Nil)]



The fair value of foreign currency forward derivative is as below:

(₹ in Lakhs)

Particulars	31 March 2018	31 March 2017
	INR	INR
Derivative assets		
Foreign exchange forward contracts (JPY)	-	-
Foreign exchange forward contracts (EUR)	-	-
Foreign exchange forward contracts (USD)	-	-
Total	-	-
Derivative liabilities		
Foreign exchange forward contracts (JPY)	-	-
Foreign exchange forward contracts (EUR)	-	-
Foreign exchange forward contracts (USD)	-	-
Total	-	-

The Group has unhedged foreign currency exposure of ₹10014.78 Lakhs (Previous Year - ₹13938.55 Lakhs) for payables as at reporting date.

The Group has applied the principles of Ind AS 109 for the measurement of derivative financial instruments and has classified such derivative contracts as at fair value through profit or loss.

- O.** On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the following IND AS amendments vide the Companies (Indian Accounting Standards) Amendment Rules, 2018. The amendments are applicable from 1st April, 2018.

1 IND AS 12

Income Taxes

The amendment considers that:

- Tax law determines which deductions are offset against taxable income in determining taxable income in determining taxable profits.
- No deferred tax asset is recognised if the reversal of the deductible temporary

difference will not lead to tax deductions.

The company is evaluating the effect of this on Financial Statements, and impact thereof not yet ascertained.

2 Appendix B to IND AS 21

Foreign currency transactions & advance consideration

Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The company is evaluating the effect of this on Financial Statements, and impact thereof not yet ascertained.

3 Ind AS 28

Investments in Associates and Joint Ventures

The amendment to Ind AS 28 clarifies that a venture capital organization, or a mutual fund, unit trust and similar entities may elect, at initial



recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture.

The impact of the above stated amendment to the Company is NIL as the same is not applicable to the Company.

4 **IND AS 40**

Investment Property

The amendment lays down the principle regarding when a Company should transfer to, or from, investment property. Accordingly, a transfer is made only when:

- There is an actual change of use i.e. an asset meets or ceases to meet the definition of investment property.
- There is evidence of the change in use.

The impact of the above stated amendment to the Company is NIL as the same is not applicable to the Company.

5 **Ind AS 112**

Disclosure of Interests in Other Entities

The amendment to Ind AS 112 provide that the disclosure requirements for interests in other

entities also apply to interests that are classified (or included in a disposal group that is classified) as held for sale or as discontinued operations in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

The impact of the above stated amendment to the Company is NIL as the same is not applicable to the Company.

6 **IND AS 115**

Revenue from Contract with Customers

The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The company is evaluating the effect of this on Financial Statements, and impact thereof not yet ascertained.

P. The status of consolidation of Subsidiary and JV companies are as under:

Name of Subsidiary / JV company	Country of Incorporation	Proportion of Ownership interest	Status
<u>Subsidiary companies</u>			
Vignyan Industries Limited	India	96.56%	Consolidated
MAMC Industries Limited	India	100.00%	Consolidated
BEML Brazil Industrial Ltda	Brazil	100.00%	Consolidated
<u>JV company</u>			
BEML Midwest Limited	India	45.00%	Not consolidated due to non-availability of financial statements



Q. Additional information on Consolidated Financial Statements for F.Y 2017-18

(₹ in Lakhs)

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	2	3	4	5
<u>Indian Subsidiaries</u>				
Vignyan Industries Limited	0.24%	539.10	0.18%	23.95
MAMC Industries Limited	-0.06%	(127.49)	-0.07%	(9.54)
Total		411.61		14.41
<u>Foreign Subsidiary</u>				
BEML Brazil Industrial Ltda	0.02%	43.68	-0.05%	(6.84)
Total		43.68		(6.84)
<u>Non-controlling interests</u>				
Vignyan Industries Limited		21.74		0.82
MAMC Industries Limited		-		-
BEML Brazil Industrial Ltda		-		-
<u>Joint Venture</u>				
Indian:				
BEML Midwest Limited *		-		-

* The financial statement of the JV company is not consolidated, as the JV has not prepared its financial statements.

As per our report of even date attached

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants
Firm Registration Number: 003790S

CA. S ANANDA KRISHNA

Partner
Membership No.: 027986

Place : Bengaluru

Date : 25-05-2018

For and on behalf of the Board of Directors

SURAJ PRAKASH

Director (Finance)
(DIN 08124871)

D K HOTA

Chairman & Managing Director
(DIN 06600812)

S V RAVI SEKHAR RAO

Company Secretary



Form AOC-I

Part "A" : Subsidiaries

Statement pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 relating to Subsidiaries.

Sl. No.	1	2	3
Name of Subsidiary Company	Vignyan Industries Limited	MAMC Industries Limited	BEML Brazil Industrial Ltda
Reporting period of the Subsidiary Company	31.03.2018	31.03.2018	31.03.2018
Reporting currency of Foreign Subsidiary	-	-	Brazilian Reais
Exchange rate as on 31.03.2018	-	-	₹19.71 per BR. Reais
Share Capital (₹ in Lakhs)	278.97	5.00	185.55
Reserves & Surplus (₹ in Lakhs)	260.13	(132.49)	(141.87)
Total Assets (₹ in Lakhs)	1,614.68	476.09	43.68
Total Liabilities (₹ in Lakhs)	1,075.58	603.58	-
Investments (₹ in Lakhs)	Nil	Nil	Nil
Turnover Gross (₹ in Lakhs)	3,026.87	Nil	Nil
Profit before taxation (₹ in Lakhs)	43.04	(9.54)	(6.84)
Provision for taxation (₹ in Lakhs)	3.57	-	-
Profit after taxation (₹ in Lakhs)	39.47	(9.54)	(6.84)
Proposed Dividend	₹Nil	₹Nil	₹Nil
% 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% paid-up capital and the Corporate guarantee provided by BEML are considered to be significant influence.
4 Reason why the associate / joint venture is not consolidated	There was complete cessation of activities in M/s. BEML Midwest Ltd., the JV company since Sept. 2008 and the matters relating to the JV company are subjudice. In view of the above, the JV company has not prepared its accounts and thus the same could not be consolidated.
5 Net worth attributable to Shareholding as per latest audited Balance Sheet	Not Available
6 Profit / Loss for the year	Not Available
i. Considered in Consolidation	Not Available
ii. Not Considered in Consolidation	

As per our report of even date attached

For and on behalf of the Board of Directors

For S.R.R.K SHARMA ASSOCIATES

Chartered Accountants

Firm Registration Number: 003790S

CA. S ANANDA KRISHNA

Partner

Membership No.: 027986

Place : Bengaluru

Date : 25-05-2018

SURAJ PRAKASH

Director (Finance)

(DIN 08124871)

D K HOTA

Chairman & Managing Director

(DIN 06600812)

S V RAVI SEKHAR RAO

Company Secretary



INDEPENDENT AUDITOR'S REPORT

To the Members of BEML LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS 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 Entity, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity and the for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

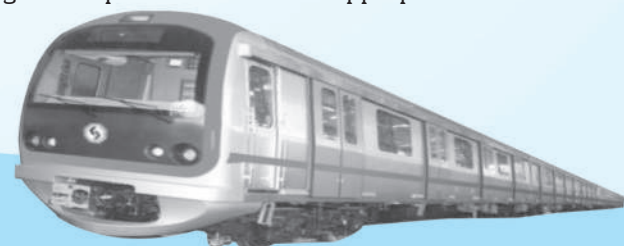
The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated Cash flows and consolidated changes in equity of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate



in the circumstances. 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 Ind AS financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

Basis for Qualified Opinion

As explained in Note.7, 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 Ind AS financial statements, of the failure to consolidate this Joint Venture Company, net of provision for diminution already made in the value of the investment, has not been determined.

Qualified Opinion

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 Ind AS 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, including Ind AS, of the consolidated financial position of the Group as at March 31, 2018, and its consolidated financial performance including other comprehensive income, its consolidated Statement of Cash Flow, and changes in equity, for the year then ended.

Emphasis of Matter:

We draw our attention to:

- a) Note No. 14(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.11 (a) in respect of the amount advanced to MAMC consortium for Rs.5800.61 lakhs, realization/settlement of which depends on approval from Ministry of Defence and viable business plan.
- c) Note No.39 (G) regarding pending confirmation, reconciliation, review/adjustment of balances in respect of advances, balances with government departments, trade payable, trade receivable, other loans and advances and deposits.
- d) In the books of MAMC Industries Limited, company is holding lease hold land taken from Urban Development Dept, Govt of West Bengal on 7th March 2011 and the said land is laying without starting of factory and as per the terms of lease, the Govt. of West Bengal has right to re-enter and take back the possession of the said land if no factory is started within two years from the date of lease and also have to right to cancel the lease deed. Further, the lease rentals remains unpaid since the date of lease, (see Note No. 3, Property, Plant and Equipment) which is non observance of point no 23 of the said lease deed.

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

Other Matters

- a) We did not audit the financial statements of the subsidiary Vignyan Industries Limited, whose financial statements reflect total assets of Rs.1614.69 lakhs as at 31.03.2018 and profit of Rs.23.95 lakhs and net cash outflow amounting to Rs.0.47 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.

- b) We did not audit the financial statements of the subsidiary MAMC Industries Limited, whose financial statements reflect total assets of Rs.476.09 lakhs as at 31.03.2018 and loss of Rs.9.54 lakhs and net cash outflow amounting to Rs.0.01 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.
- c) We did not audit the financial statements of the subsidiary BEML Brazil Industrial Ltda, whose financial statements reflect total assets of Rs.43.67 lakhs as at 31.03.2018 and loss of Rs.6.83 lakhs and net cash out flow amounting to Rs.8.15 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 Group 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 Ind AS 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

1. As required by section 143 (3) of the Act, based on our audit we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS 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 the preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
 - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, (including other comprehensive income), Consolidated Cash Flow and Changes in Equity dealt with by this Report are in agreement with the relevant statements maintained for the purpose of preparation of the consolidated Ind AS 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 Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant Rules issued there under.
 - e. being a Government Company, provisions of Sec 164(2) of the Act, relating to disqualification of directors are not applicable.
 - f. 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.



- g. with respect to the adequacy of the internal financial controls over financial reporting of the Group Company's financial statements and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**", which is based on the auditors reports of the Company and its subsidiary companies and
- 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - 1) Except for the possible effect of the matter described in paragraph of the Basis for Qualified Opinion above,
 - i. the consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and Jointly Controlled Entities – Refer Note 39(D)(1)(a)(ii) to the consolidated financial statements;
 - ii. the Group 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 Holding Company, and its Subsidiary Companies, and Jointly Controlled Entity incorporated in India.

For S R R K Sharma Associates

Chartered Accountants

Firm's Registration No. 003790S

CA S ANANDA KRISHNA

Partner

Membership No. 027986

Place: Bangalore

Date : 25.05.2018



"Annexure A" to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of BEML Limited

Report on the Internal Financial Controls with reference to the Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of BEML Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (Holding company and its subsidiaries together referred to as "the Group") and its Jointly Controlled Entity as of March 31, 2018 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Group's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Group's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting based on our audit and reports received from the auditors of two Subsidiary Companies. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the

Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Group's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Group's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements



for external purposes in accordance with generally accepted accounting principles. A Group's internal financial controls over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Group are being made only in accordance with authorizations of management and directors of the Group; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Group's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group (except BEML Midwest Joint Venture entity which has not maintained books of accounts and BEML Brazil Industrial Ltda, which has been registered outside India) has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018 based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S R R K Sharma Associates

Chartered Accountants

Firm's Registration No. 003790S

CA S ANANDA KRISHNA

Partner

Membership No. 027986

Place: Bangalore

Date : 25.05.2018



ADDENDUM TO THE BOARD'S REPORT

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

Para No.	Auditors' Observation	Company's Reply
1	As explained in Note 07, 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 joint venture company, net of provision for diminution already made in the value of the investment, has not been determined.	There was complete cessation of activities in M/s. BEML Midwest Ltd., the JV company since September 2008 and the matters relating to the JV company are subjudice. In view of the above, the JV company has not prepared its accounts and thus the same could not be consolidated.





To
Shri Deepak Kumar Hota,
Chairman and Managing Director,
M/s. BEML Limited,
BEML Soudha, S.R. Nagar,
Bangalore - 560 027.

प्रधान निर्देशक वाणिज्यिक लेखापरीक्षा एवं पदेन सदस्य
लेखापरीक्षा बोर्ड का कार्यालय, बेंगलूर - 560 001
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT and Ex-Officio MEMBER, AUDIT BOARD,
BANGALORE - 560 001

दिनांक / DATE : 24 July 2018

Sir,

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Standalone and Consolidated financial statements of **M/s. BEML Limited, Bengaluru** for the year ended 31 March 2018.

I forward herewith **Nil Comments Certificates** of the Comptroller and Auditor General of India under section 143(6)(b) read with section 129(4) of the Companies Act, 2013 on the Standalone and Consolidated financial statements of **M/s. BEML Limited, Bengaluru** for the year ended 31 March 2018.

It may please be ensured that the comments are:

- (i) Printed in toto without any editing;
- (ii) Placed before the AGM as required under Section 143(6)(b) of the Companies Act, 2013; and
- (iii) Placed next to the Statutory Auditors' Report in the Annual Report of the Company with proper indication to the index.

The receipt of this letter may please be acknowledged.

Yours faithfully,

(N. Subramanian)
Director (Admin)

Encl: As above.

भारतीय लेखापरीक्षा तथा लेखा विभाग
INDIAN AUDIT & ACCOUNTS DEPARTMENT
प्रथम तल, बसव भवन, श्री बसवेश्वर रोड, बेंगलूर - 560 001
1st Floor, Basava Bhavan, Sri Basaveswara Road, Bangalore - 560 001

दू. भा. / Phone: 2226 7646 / 2226 1168
Email : mabbangalore@cag.gov.in

फैक्स / Fax : 080-2226 2491



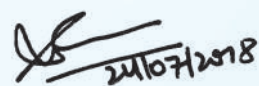
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF M/S. BEML LIMITED, BENGALURU FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of Consolidated Financial Statements of **M/s. BEML Limited, Bengaluru** for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 25 May 2018.

I, on 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 2018. We conducted a supplementary audit of the financial statements of M/s. BEML Limited and M/s. MAMC Industries Limited, Kolkata, but did not conduct supplementary audit of the financial statements of M/s. Vignyan Industries Limited, Tarikere, M/s. BEML Brazil Industrial Ltda, Brazil and M/s. BEML Midwest Limited, Hyderabad for the year ended on that date. **Further, section 139(5) and 143 (6) (b) of the Act are not applicable to M/s. BEML Midwest Limited, Hyderabad and BEML Brazil Industrial Ltda, Brazil being private entities/entity incorporated in Foreign country under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies.** This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors, company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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


(Santosh Kumar)

Principal Director of Commercial Audit

Place : Bengaluru

Date : 24 July 2018



CORPORATE DATA*

BOARD OF DIRECTORS:

Functional Directors:

Shri D K Hota
Chairman & Managing Director

Shri B R Viswanatha
Director (Mining & Construction
Business)

Shri R H Muralidhara
Director (Defence Business)

Shri Suraj Prakash
Director (Finance)

Government Nominee Directors:

Shri. Rajib Kumar Sen
Economic Advisor, Ministry of
Defence

Independent Directors:

Shri Sudhir Kumar Beri

Shri M G Raghuveer

Shri B P Rao

Shri Gurmohinder Singh

COMPANY SECRETARY:

Shri S V Ravisekhar Rao

CHIEF VIGILANCE OFFICER

Shri Vidya Bhushan Kumar

EXECUTIVE DIRECTORS

- 1 Shri Umesh Chandra
- 2 Shri Ravi S
- 3 Shri Panneer Selvam R
- 4 Shri Ravichandar G
- 5 Shri Suresh S Vastrad
- 6 Shri Hasainabba UK
- 7 Shri Shankar B

8 Shri M V Raja Sekhar (Offtg.)

9 Shri Amit Banerjee (Offtg.)

CHIEF GENERAL MANAGERS:

10 Shri Sivakumar P

11 Shri Radhakrishna K R

12 Shri H S Ranganath

13 Shri Srinivasulu Reddy S

14 Shri Umashankar

15 Shri Satyasha Simha

16 Shri Ajit Kumar Srivastav

17 Shri Nagaraj P

18 Shri Vivek V Nayak (Offtg.)

GENERAL MANAGERS:

19 Shri Satheesha N V

20 Shri Kumaresan S

21 Shri S R Nagaraja Rao

22 Shri Paturu Sivasankara Rao

23 Shri Mohanavelan E

24 Shri Sanjay Som

25 Shri Jaskan Hemram

26 Shri Sumanta Kumar Saha

27 Shri Ilangoan K

28 Shri Srinivasan G

29 Shri Soumitra Sen

30 Shri Sunder Raj K

31 Shri Umesh OR

32 Shri Basudev Mishra

33 Shri Belle Ashok Kumar

34 Shri Sekar V

35 Shri Ramesh KN

36 Shri Tamilselvan AS

37 Shri Shashikanth KC

38 Shri Srinivasa R

39 Shri Ramesh KC

40 Shri Viswanatha N G

41 Shri Sundarshan K S

42 Shri Pawan Kumar

43 Shri Ishwara Bhat V

44 Shri Rama Prasad MS

45 Shri Chandrasekar L

46 Shri Nehru Babu A

47 Shri Venkata Subba Rao V

48 Shri Srinivasa GP

49 Shri Venkatesha Murthy BK

50 Shri Rathinkra Chandra De

51 Shri Jai Gopal Mahajan

52 Shri Wanjari Umesh Janardan

53 Shri Ani Jerath

54 Shri Sasi Kumar K

55 Shri Suneel Kumar Bharati

56 Shri Ayodhya V R

57 Shri Sunil R Kharad

58 Shri Paritosh Pandey

59 Shri Kallol Roy

60 Shri Mir Mohamed Thaki

61 Shri Manoj Kumar Jha

62 Shri Debi Prasad Satpathy

63 Shri Anup Ratan Bhattacharya

64 Shri Venugopal R

65 Shri Prahlada Gowda K O



BANKERS:

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

LEGAL ADVISORS:

M/s Just Law Bengaluru
 M/s Sundaraswamy & Ramdas
 Bengaluru
 National Law School of India
 University Bengaluru

TAX CONSULTANTS:

M/s Deloitte Haskins & Sells
 Bengaluru
 M/s King & Patridge
 Bengaluru

STATUTORY AUDITORS:

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

COST AUDITORS:

M/s R M Bansal and Co,
 Cost Accountants Bengaluru

SECRETARIAL AUDITORS:

M/s. V N Associates
 Practicing Company Secretaries
 Bengaluru

OFFICES:

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

"BEML SOUDHA", No. 23/1,
 4th Main, Sampangiramanagar
 Bengaluru - 560027

Trading & Marketing Division:

4th & 5th Floor, Unity Buildings,
 J C Road, Bengaluru - 560002

UNITS :**Bengaluru Complex:**

P B No. 7501
 New Tippasandra Post
 Bengaluru - 560075

KGF Complex:

BEML Nagar
 Kolar Gold Fields - 563115

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
 C-91, BEML Janatha Flats,
 Punjagutta,
 Hyderabad - 500 082

Regional Offices:

1. Bengaluru
2. Bilaspur
3. Dhanbad
4. Hyderabad
5. Kolkata
6. Mumbai

7. Nagpur
8. New Delhi
9. Neyveli
10. Ranchi
11. Sambalpur
12. Singrauli

District Offices:

1. Ahmedabad
2. Asansol
3. Bachel
4. Bhilai
5. Bhubaneswar
6. Chandrapur
7. Chennai
8. Guwahati
9. Hospet
10. Jammu
11. Kothagudem
12. Leh
13. Ramagundam
14. Udaipur
15. Vijayawada

Service Centres:

1. Hyderabad
2. New Delhi
3. Singrauli

Warehouse for Defence:

1. Pune

Activity Centres

1. Bhopal
2. Itanagar
3. Kochi
4. Madurai
5. Mahar
6. Panjim
7. Visakhapatnam

*As on 23.08.2018



ROUTE MAP

for the venue of 54th AGM of BEML at

“Grand Ball Room”, The Chancery Pavilion, No.135, Residency Road, Opp Bangalore Club, Shanthala Nagar, Ashok Nagar, Bengaluru - 560 025. Ph: 080-41414141



Bus Nos. :

Chickalasandra- 210Q

Jayanagar 4th Block - 13C, 13E

K R Market - 319, 327F, G-6

K R Puram - V317A, 316B, 317W, 315J

Babusapalya - 302G alight at Indian Express and from there 166 to Richmond Circle

Kempegowda Bus Station (Majestic)- V317A, 315, 315A, 315B, 315D, 315E, 315F, 315G, 315H, 315RA, 315T, 315U

Banashankari - 13, 13A, 13B, 13C, 13D, 13E, 13F, 13G, 13H, 13J

Kengeri - G-6, 375D to Banashankari and from there to Richmond Circle, 226N to Majestic and from there to Richmond Circle

BEL Circle - 273, 271 to Majestic and from there to Richmond Circle

Lingarajapura - 292C to Majestic and from there to Richmond Circle

Jalahalli - 252A, 252B, 252C, 252D to Majestic and from there to Richmond Circle

Kalyannagar - 302B to Majestic and from there to Richmond Circle

Shivajinagar - 210GA, 37, 150

Kammanahalli - 303F to Shivajinagar from there to Richmond Circle

Yelahanka - 284 to Majestic and from there to Richmond Circle, 291P to Shivajinagar and from there to Richmond Circle.





Flagging off BEML Intermediate Car Unit by Shri Ananth Kumar, Hon'ble Union Minister for Chemicals & Fertilizers and Parliamentary Affairs, Shri KJ George, the then Hon'ble Minister for Bangalore Development & Town Planning, Government of Karnataka. BEML delivered 3-Car train set to BMRCL for integrating to form 6-car train set.



Shri Deepak Kumar Hota, CMD with Shri A K Kundu, Director (RS&T), KMRCL, Shri B R Viswanatha, Director (Mining & Construction Business) at the delivery of first Metro Car to KMRCL. Also seen Shri Aniruddh Kumar, Advisor (Rail & Metro) and other officials.



Shri Deepak Kumar Hota, CMD BEML presenting the Dividend Draft to Smt. Nirmala Sitharaman, Hon'ble Defence Minister. Also seen Shri Sanjay Prasad, Joint Secretary (LS) to MoD. The Company declared a record 80% dividend for FY 2016-17 during the last five years.



CMD, BEML discussing a point on CSR activities implemented in the Company with Hon'ble Chairman and Members of Parliamentary Committee on Sub-ordinate Legislation.



Shri Deepak Kumar Hota, CMD BEML and Shri S K Chourasia, Chairman OFB unveiling 152mm 52 CAL Mounted Gun System at a function held at the DEFEXPO 2018. The uniqueness of the project is that it has been completely and independently designed and manufactured by OFB, in association with BEML and therefore a shining example of 'Make in India' initiative.



Shri Deepak Kumar Hota, CMD BEML handing over a replica of All Terrain Vehicle to Border Security Force, in the august presence of Shri Rajnath Singh, Hon'ble Home Minister, Smt Nirmala Sitharaman, Hon'ble Defence Minister and Dr.Subhash Bhamre, Hon'ble Minister of State for Defence.



Shri Arun Jaitley Hon'ble Finance Minister and the then Hon'ble Defence Minister inaugurating 3rd line Metro facility at Bengaluru Complex in the presence of Shri Deepak Kumar Hota, CMD BEML. The new hangar will enhance increase metro car production.



Lt General Giriraj Singh, DGOS inaugurating BEML Spares and Warehouse Office in Pune in the presence of Shri Deepak Kumar Hota, CMD BEML. This Warehouse will not only enhance BEML's presence in Maharashtra but also reach out to the door steps of customers.



Shri Deepak Kumar Hota, CMD BHEL addressing the gathering at the Defence Industry Development Meet held at Chennai. The meet was aimed for forging partnership with Industry to achieve higher indigenisation level in Defence Production under 'Make in India' initiative.



Shri Deepak Kumar Hota, CMD BHEL inaugurating Center of Excellence and reviewing the facilities at Palakkad Complex. Also seen Shri R H Muralidhara, Director (Defence Business).



Shri Alistair Dormer, Senior Vice President & CEO, M/s. Hitachi Limited (Railway System Business Unit) with Shri Deepak Kumar Hota, CMD BEML and other Senior Officials. BEML signed an MoU with M/s. Hitachi to explore possibilities and opportunities to work together in up coming Railway Projects.



Shri Deepak Kumar Hota, CMD BEML addressing CII Rail Connect East 2018 seminar at Kolkata. The seminar is aimed to create better understanding between Industry Partners and Rail Vendors.



CMD launching New BHEL Website www.bhelindia.in. Also seen Director (Mining & Construction Business) and Director (Defence Business). The primary objective of web redesign is to enhance the marketability of the website by attracting an increased number of stakeholders.



Hon'ble Chairman and Members of Parliamentary Standing Committee on Industry in discussion with BHEL on Professionalization in the Board. The Committee on Industry appreciated the effort made by BHEL in improving professionalism.



Shri Amitabh Kanth CEO, Niti Aayog launching BEML new Wheel Loader BL30-1 in the presence of Shri Deepak Kumar Hota, CMD BEML. Also seen Shri B R Viswanatha, Director (Mining & Construction Business). This Wheel Loader is designed for maximum equipment utilisation, with best-in-class fuel efficient engine and ergonomically designed cabin, added to superior production performance.



BEML Pavilion at EXCON 2017 showcasing various construction equipments viz., BG605I & BG405A Motor Graders, BG220G Hydraulic Excavator, BL9H Back Hoe Loader.



Shri Deepak Kumar Hota, CMD BHEL, handing over a replica of BHEL designed & developed Arjun Armoured Recovery and Repair Vehicle to Dr. P Sivakumar, Director CVRDE, in the presence of Smt. Nirmala Sitharaman, Hon'ble Defence Minister, in true reflection to 'Make in India' concept.



Shri Arun Jaitley, Hon'ble Finance Minister and the then Hon'ble Defence Minister presenting document of BD475-1 Bulldozer to Dr. D K Chand, CMD Nalco in the presence of Shri Deepak Kumar Hota, CMD BHEL. Also seen Shri B R Viswanatha, Director (Mining & Construction Business).

Dedicated to **Nation Building**



HIGH MOBILITY VEHICLE



DUMP TRUCK



METRO CAR

BEML LIMITED

A Govt. of India Miniratna Company under Ministry of Defence

BEML Soudha, 23/1, 4th Main, S.R. Nagar, Bengaluru - 560 027, Karnataka India.

Ph.: +91 80 22963142 e-mail: cs@beml.co.in website: www.bemlindia.in