

National Stock Exchange of India Ltd. Listing Compliance Department Exchange Plaza, Bandra - Kurla Complex, Bandra (East), MUMBAI - 400 051 Symbol: BEML	The BSE Limited Listing Compliance Department P.J. Towers, 26" Floor, Dalal Street, MUMBAI - 400 001 Scrip Code: 500048
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Dear Sir/ Madam,

Sub: Revised Independent Auditors' Report for the FY 2024-25.

Ref: Letter no. CS/SE/2024-25/613 dated: 23.05.2025- Outcome of Board Meeting.

This is to inform that Independent Auditors' Report for the FY 2024-25 of BEML Limited is revised based on the observations issued by Comptroller and Auditor General of India, the same is having no financial implications and enclosed herewith.

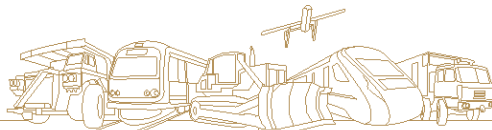
This is for your information and records.

Thanking you,

For BEML Limited

Urmi Chaudhury
Company Secretary & Compliance Officer
ICSI Mem. No.- 29400
Place: Bangalore

Encl. as above



ಪ್ರಧಾನ ಕಛೇರಿ Corporate Office:

'ಬೆಮಲ್ ಸೌಧ', ೨೩/೧, ೪ನೇ ಮುಖ್ಯರಸ್ತೆ, ಸಂಪಂಗಿರಾಮನಗರ, ಬೆಂಗಳೂರು - ೫೬೦೦೨೨. ದೂರವಾಣಿ ಸಂಖ್ಯೆ : +೯೧ ೮೦ ೨೨೯೬೩೧೪೨

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INDEPENDENT AUDITOR'S REPORT

To the members of M/s BEML LIMITED

We are issuing this revised audit report which supersedes our earlier report dated 23.05.2025 concurring to the opinion of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 with respect to a few clauses in Annexure A to C.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of M/s. **BEML LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and other explanatory information and a summary of the Material Accounting Policies and Notes to the standalone Ind AS financial statements (hereinafter referred to as "Standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2025, and Profit and Other Comprehensive Income, changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of this report.



We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other Ethical Responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key Audit Matters (“KAM”) are those matters that, in our professional judgment, were of the most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Contingent Liabilities disclosed with regard to taxation related disputes: a) The company is in litigation with the tax departments on various issues, received demands, deposited a portion of the demands under protest and has contested against the orders in appropriate forums. b) The issues involved are varied. The company has not made any provision for these demands which total to Rs.	Our audit procedures relating to Contingent Liabilities relating to direct and indirect tax demands included the following: ❖ We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; ❖ We discussed with the management the recent developments and the status of the material litigations;



<p>28,377.93 lakhs and treated as contingent liabilities.</p> <p>This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws & regulations and application of relevant judicial precedents to determine whether a provision is required or the same may be disclosed as a contingent liability, and making related disclosures in the financial statements.</p> <p><i>Refer Note No. 39(D)(1)(a)(i) and Accounting Policy Note No. 2.2(P)</i></p>	<ul style="list-style-type: none"> ❖ We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations disclosed in the Standalone Financial Statements; ❖ We used our expertise to gain an understanding and to evaluate the disputed tax matters; ❖ We evaluated the orders raising the demands and other communication from regulatory authorities and management responses thereto; ❖ We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; ❖ We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered remote by the management; and ❖ We assessed the adequacy of the Company's disclosures. <p>Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Standalone Financial Statements is considered reasonable.</p>
<p>Assessment of Warranty provision:</p> <p>a) The Company recognizes provision in respect of the costs expected to fulfil the warranty obligation over the</p>	<p>Principal Audit procedures performed include:</p> <ul style="list-style-type: none"> ❖ Understood, evaluated, and tested the design and operating effectiveness of the



<p>period/term of the warranty. The provision towards warranty obligation is estimated by the Company, primarily considering factors such as historical trend, average historical failure rate, estimation of expected pattern of future claims and estimated replacement cost.</p> <p>b) The timing of outflows will vary based on the actual warranty claims. The determination of warranty provision is associated with unavoidable estimation uncertainties. Because of the quantitative significance, complexity and level of judgement involved, there is a risk of inappropriate and inadequate provision for warranty obligation.</p> <p>Assessment, estimation and provisioning for warranty is therefore a Key Audit Matter.</p>	<p>controls over estimation of warranty costs and related accruals.</p> <ul style="list-style-type: none"> ❖ Obtained an understanding of the warranty terms offered by the Company on sale of different products. ❖ Assessed management's estimation process by performing a historical trend analysis for warranty cost accruals made in prior years. ❖ Evaluated the method used by management in making the accounting estimates by verifying source data for various input factors such as historical trend, average historical failure rate, estimation of expected pattern of future claims and estimated replacement cost, and enquiring with management's experts. ❖ Verified the computation of provision for warranty costs including testing of completeness, arithmetical accuracy and validity of the data used in the warranty calculations. ❖ Verified the adequacy of the disclosures in the standalone financial statements <p>Our review of the provisions created by the company does not reveal any material discrepancy in the provisioning as well as their quantification</p>
<p>Expected Credit loss</p> <p>a) The company assesses impairment of its receivables by applying Simplified Approach of Expected Credit Loss method.</p>	<p>Principal Audit procedures performed include:</p> <ul style="list-style-type: none"> ❖ Verified if any receivable contains significant financing component. ❖ Applied adequate procedures to verify the existence of robust internal control systems



<p>b) The receivables are assessed for possible defaults over their expected life. The company analyses the historical collection trends and applies it to a provision matrix. The company determines the Expected Credit Loss based on the trend, present economic scenario and future economic conditions.</p> <p>c) The company also identifies features specific to any particular receivable and determines the expected credit loss based for these specific receivables based on existing facts.</p> <p>Given the relative significance of these receivables to the standalone financial statements and since the determination of allowance for ECL is subjective and requires management to make judgements and assumptions, hence this is considered as key audit matter.</p>	<p>including credit risk management system so that management estimates of ECL and related judgments are based on concepts and reliable data that meets the requirements of Ind AS 109.</p> <ul style="list-style-type: none">❖ Verified whether the receivables are bifurcated between those which have indications of dispute and clear receivables.❖ Validated the historical data confirming the value of receivables of the preceding years and their ageing analysis in the current year.❖ Assessed the provision matrix based on past due bucket and it's the methodology adopted to arrive at the basis for arriving at the default percentage❖ Verified the actual Expected credit loss (ECL) provision working for trade receivable.❖ Assessed the adequacy of the related disclosures in the Standalone financial statements with reference to revenue recognition and trade receivable as per relevant accounting standards. <p>Our review of the provisions created by the company does not reveal any material discrepancy in the provisioning as well as their quantification.</p>
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Emphasis of Matter

We draw attention to Note No. 11 to the standalone financial statements regarding the company's outlay on the MAMC Consortium and the related advance to MAMC Industries Ltd.

Our opinion is not modified in respect of the above matter.



Information other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report included in the Annual Report but does not include the Standalone Financial Statements and our auditor's report thereon, which we obtained prior to the date of this auditors' report, and the Management Discussion and Analysis and Board of Directors' Report along with its Annexures, which is expected to be made available to us after that date.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

When we read the Management Discussion and Analysis and Board of Directors' Report along with its Annexures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the



Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 the 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.



As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial control with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of Standalone Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors (i) in planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding Independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our Independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Other Matter

As on 31st March 2025, the Company's Board of Directors comprises of five Whole-time Executive (Functional) Directors including the Chairman and Managing Director, one Government Nominee Director (Non-Executive) and one Independent Director on the Board of the company. The composition of the Board is not in terms of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and not in terms of section 149 of the Companies Act, 2013 with effect from 24th December 2024 due to non-appointment of requisite number of Independent Directors on the Board of the Company. The Company has intimated the Ministry of Defence, Government of India and awaits suitable orders.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in **Annexure A**, a statement on the matters specified in Paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required under Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity and Cash Flow Statement dealt with this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act and the Rules made thereunder.
 - e) In terms of Notification no. G.S.R.463(E)dt. 05.06.2015 issued by Ministry of Corporate Affairs, the provision of Section 164(2) of the Companies Act, 2013 in respect of disqualification of Director are not applicable to the Company.



- f) With respect to adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure B**;
- g) With respect to Directions issued by the Comptroller and Auditor General of India under Section 143 (5) we give our report in **Annexure C**:
- h) The provisions of Section 197 are not applicable to this government company (in terms of MCA Notification NO.GSR 463 (E) dated 05th June 2015) as the managerial remuneration is paid as per the appointment letter from the Government of India, and
- i) 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. [Refer Note No. 39(D)(1)(a)(i) & (ii)]
- ii) The company has made provision as required under Ind AS for material foreseeable losses on long term contracts-Rs 2,000.11 lakhs (Previous Year-Rs 2,314.04 lakhs). The company does not have any derivative contracts.
- iii) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund
- iv) The management has represented that, to the best of its knowledge and belief that no funds have been advanced to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- v) The management has represented that, to the best of its knowledge and belief that the company has not received any funds from any persons or entities, including foreign entities ("Funding Parties") with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate



Beneficiaries other than those disclosed in the notes to accounts

vi) Based on the audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that that has caused us to believe that the representations under sub clause(iv) and (v) contain any material mis-statement.

vii) a. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend.

b. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act, 2013.

c. The company has not proposed any final dividend up to the date of this report.

viii) The company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For G Natesan & Co,
Chartered Accountants

FRN: 002424S

RANGANATHAN KODUNTHIRAPULLY
PADMANABHAN
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RANGANATHAN
KODUNTHIRAPULLY
PADMANABHAN
Date: 2025.07.16 10:59:29
+05'30'

Ranganathan K P

Partner, M. No: 239498

UDIN: 25239498BMIEMX3797

15.07.2025, Chennai



ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements"
section of our report to the Members of BEML Limited

- i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular program of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its business. Pursuant to the program, certain Property, Plant and Equipment were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the Company, except in respect of the following properties



(Values in Rs. Lakhs)

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held— indicate range, where appropriate	Reason for not being held in name of company/Remarks
Flat @ Sarovar Enclave, Ranchi	10.12	BEML Ltd	No	23.12.1987	The construction of the building has not been approved by the local authority and hence the company's title is not perfected.
Flat @ Ashadeep, Delhi	2.80	Dr S.P Chablani & Mrs. Preet Chablani	No	01.05.1977	Obtaining Title deeds in the name company is under progress.
Land @ Mysuru	9.59	KIADB	No	01.03.1985	Possession certificate is in the name of BEML, execution of sale deed is under process.

(d) In our opinion and according to the information and explanations given to us, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year.

(e) In our opinion and according to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.



- ii) (a) The inventory has been physically verified by the management during the year excluding inventories that are in the possession of sub-contractors and other third parties. In our opinion the frequency of such verification is reasonable, the coverage and procedure of such verification by the management is appropriate. The company has maintained proper records of inventory.

The discrepancies noticed on such physical verification between physical stock and book records are not material and have been properly dealt with in the books of accounts.

(b) According to the information and explanation given to us, the company has been sanctioned funded working capital limits of Rs 1,500 crores and non-funded working capital limits of Rs 4,000 crores from the banking sector on the basis of security of current assets. The audited/ Limited Review Financial Statements are submitted to the banks as and when sought for by them. Such statements are in agreement with the books of accounts.

- iii) According to the information and explanations given to us, the company has not provided any security and/or stood guarantee during the year to any of its subsidiaries, joint ventures, and associates.

The Company has provided advance in the nature of loans during the year totalling to Rs. 122.36 lakhs (Previous year Rs. 79.04 lakhs) to its subsidiaries. The balance outstanding as at 31.03.2025 in respect of loans to these subsidiaries is Rs 2,085.88 lakhs (Previous year Rs 1,950.85 lakhs).

The loans provided during the year and outstanding as at 31.03.2025 are not prejudicial to the interest of the company. The company has not specified any terms of repayment as regards principal and interest and therefore the reporting under clauses (c), (d) and (e) are not applicable.



The company has granted an advance in the nature of loan to a related party without specifying any terms or period of repayment. The balance outstanding as at 31.03.2025 is Rs 864.52 lakhs (Previous year Rs.430.34 lakhs).

All the advances in the nature of loans granted to related parties as defined in clause (76) of Section 2 of the Companies Act 2013 are without specifying any terms or period of repayment.

- iv) The company being a Government company, the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security, are not applicable.
- v) According to the information and explanations given to us, the Company has not accepted any deposits during the year and hence compliance with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended with regard to acceptance of deposits are not applicable to the Company.
- vi) According to the information and explanations given to us, the Central Government has specified maintenance of Cost Records by the Company under Section 148 (1) (d) of the Companies Act, 2013. We have broadly reviewed these records and are of the opinion that prima facie, the prescribed accounts and records are made and maintained. However, we have not carried out any detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and on the basis of examination of books of accounts and records the company has been generally regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and all other statutory dues to the appropriate authorities except the following.



(b) The following table provides the statutory dues referred to in sub-clause (a) which have not been paid on account of disputes, the amounts involved and the forum where dispute is pending:

Name of the Statute	Nature of Disputed Taxes	Amount including interest & penalty (in Rs. Lakhs)	Period to which the amount relates	Forum where Dispute is Pending
Central Excise Act 1944	Excise Cases other than NCCD	11,582.21	Aug 2007 to Feb 2013	CESTAT
	National Calamity Contingency Duty (NCCD)	2,469.38	Apr 2013 to Jun 2017	CESTAT
Service Tax Act, 1944	Service Tax Cases	2,163.93	October 2010 to Jun 2017	Commissioner & CESTAT
CGST Act, 2017	GST	4,472.41*	2017-18 & 2021-22	Appellate Authority
The Customs Act, 1962	Customs Duty	3,104.66	Jan 2004 to Mar 2020	Commissioner & CESTAT
Sub Total - Excise, Service Tax, GST & Customs		23,792.59		
The Karnataka Municipal	Municipality Taxes KGF	2,630.20	2002-03 to 2021-2022	City Municipality Council - KGF



Corporation Act, 1976	Property Tax	109.11	1995-96 2004-05	to	City Civil Judge, Bangalore
Sub Total - Municipal Taxes		2,739.31			
Karnataka Commercial Tax	Sales Tax / CST / VAT	643.19	2010-11 2015-16	to	Joint Commissioner of Commercial Tax (Appeal)
Maharashtra Commercial Tax	Sales Tax / CST / VAT	286.32	2007-08 2008-09	to	Maharashtra ST Tribunal
West Bengal Commercial Tax	Sales Tax / CST / VAT	532.18	2008-09 2009-10	to	First Appellate authority
Jharkhand Commercial Tax	Sales Tax / CST / VAT	150.38	2006-07 2016-17	to	First Appellate authority.
Madhya Pradesh Commercial Tax	Sales Tax / CST / VAT	101.11	2014-15 2017-18	to	Dep Commissioner (Satna)
Sub Total - Sales Taxes		1,713.18			
Income Tax Act, 1961	Defaults under TDS Provisions	95.32	2010-11		National Faceless Appeal Centre
Income Tax Act, 1961	Defaults under TDS Provisions	37.53	2012-13		National Faceless Appeal Centre
Sub total		132.85			
Grand total		28,377.93			



Amount Deposited Under Protest	Excise, Service Tax, GST & Customs	204.66		
	Sales Tax / VAT	924.90		
Total		1,129.56		

*Includes an amount of Rs 3,528.27 lakhs being demand raised by an order for which the due date for filing the appeal has not passed as on the date of this report.

- viii) In our opinion and according to the explanations given to us, no transactions that are not recorded in the books of accounts have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix) (a) According to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of loans to banks. There are no other borrowings.
(b) According to the information and explanations given to us, the company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
(c) The company has not received any term loans during the financial year under report.
(d) The funds raised on short term basis have not been utilized for long term purposes;
(e) According to the information and explanations given to us the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures,
- x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the order is not applicable to the company.



- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures (fully, partially, or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the order is not applicable to the company.
- x) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) No report under sub- section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) In our opinion and according to the explanation given to us, no whistle-blower complaints were received by the company during the year.
- xii) (a) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act. Accordingly, paragraph 3(xii) (a), (b) and (c) of the Order is not applicable to the Company.
- xiii) According to the information and explanations furnished to us, and based on our examination of books and records, we are of the opinion that all transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013 where applicable and details have been disclosed in the standalone financial statements as per applicable Accounting Standards.
- xiv) (a) The company has an internal audit system commensurate with the size and nature of its business.



(b) All the reports of the Internal Auditors relating to the financial year 2024 - 25 and received up to the date of this report, were considered by the Statutory Auditor:

- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- xvi) (a) The Company is not required to be registered under Section 45-1 A of the Reserve Bank of India Act 1934 (2 of 1934).
(b) The company has not conducted any Non-Banking Financial or Housing Finance activities;
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India;
(d) The company does not belong to any group.
- xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditor during the year.
- xix) In our opinion, and according to the explanation given to us, and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors' and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date.



- xx) (a) In our opinion and according to the explanation given to us, the company does not have any unspent CSR amount in respect of other than ongoing projects at the end of the year. Hence no amount is transferred to Fund specified under schedule VII in respect of other than ongoing projects.
- (b) In our opinion and according to the explanation given to us, the company does not have any unspent CSR amount in respect of ongoing projects at the end of the year. Hence no amount is transferred to Fund specified under schedule VII in respect of ongoing projects.
- xxi) There have been no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) report of the subsidiary company (to which this order is applicable) included in the consolidated financial statements.

For G Natesan & Co,
Chartered Accountants,
FRN: 002424S

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Ranganathan K P
Partner, M. No: 239498
UDIN: 25239498BMIEMX3797
15.07.2025, Chennai



ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 2 (f) under "Report on Other Legal and Regulatory Requirements" section of our report to the Members 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

We have audited the Internal Financial Controls with reference to Financial Statements of BEML Limited ("the Company") as at March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility:

The Company's Management is responsible for establishing and maintaining Internal Financial Controls with reference to Financial Statements based on the internal financial control over financial reporting criteria established by the Company considering the essential components of control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India.

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 the respective 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.

Auditor's Responsibility:

Our responsibility is to express an opinion on the Company's Internal Financial Controls with reference to Financial Statements based on our audit. We conducted our audit in accordance with the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" (Guidance Note) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls with reference to Financial Statements.



Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls with reference to Financial Statements and their operating effectiveness. Our audit of Internal Financial Controls with reference to Financial Statements included obtaining an understanding of Internal Financial Controls with reference to Financial Statements, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal financial control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement 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 with reference to Financial Statements.

Meaning of Internal Financial Controls with reference to Financial Statements:

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or



timely detection of unauthorized acquisition, use or disposition of the company's assets that could have material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements:

Because of the inherent limitations of Internal Financial Controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal Financial Controls with reference to Financial Statements to future periods are subject to the risk that the Internal Financial Controls with reference to Financial Statements 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 and to the best of our information and explanations given to us, the Company has, in all material respects, adequate Internal Financial Controls with reference to Financial Statements and such Internal Financial Controls with reference to Financial Statements were operating effectively as at March 31, 2025, based on Internal Financial Controls with reference to Financial Statements criteria established by the Company considering the essential components of internal control stated in "Guidance Note on Audit of Internal Financial Controls over Financial Reporting " issued by the Institute of Chartered Accountants of India.

For G Natesan & Co,
Chartered Accountants

FRN: 002424S

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Ranganathan K P

Partner, M. No: 239498

UDIN:25239498BMIEMX3797

15.07.2025, Chennai



ANNEXURE-C TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 2 (g) under "Report on Other Legal and Regulatory Requirements"
section of our report to the Members of BEML Limited

Report on the directions under sub-section 5 of Section 143 of the Companies Act, 2013

According to the information and explanations furnished to us and based on audit of the accounts of BEML Limited for the year ended 31.03.2025, we report hereunder on the directions given by the Comptroller and Auditor General of India.

Direction	Report	Impact
Assess the fair valuation of all the investments, both quoted and unquoted, made directly by the Company or through Trusts, for Post retirement benefits of the employees. This includes verifying valuation methodologies, ensuring consistency with Ind AS and reviewing supporting documentation. The auditor shall provide a brief note on the valuation approach, its reasonability, and compliance with applicable regulations, reporting any material deviations or misstatements.	The company's PRMS portfolio is managed by LIC. The company makes annual contribution as per valuation of liability. LIC invests the funds. LIC gives a fixed rate of return to the company. We have therefore not assessed the valuation methodologies and consequently the other leg of the direction is not applicable.	NIL



Whether the company has system in place to process all the accounting transactions through IT System? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated	According to the information and explanations furnished to us and based on our examination of books of accounts, we are of the opinion that the company has necessary system in place to process all the accounting transactions through IT System. We have not come across any instance where any accounting transactions were processed outside the IT System during the year.	NIL
Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on our examination of books of accounts, we are of the opinion that there are no such cases of restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan during the year.	NIL
Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? Whether accounting of interest earned on grants received has been done as per terms and conditions of the Grant. List the cases of deviation.	Based on the examination of the books of accounts and records of the Company, the company has not received any funds from Government Agencies for specific schemes during the financial year 2024-25. Therefore, the question of earning interest does not arise.	NIL



<p>Whether the Company has identified the key Risk areas? If yes, whether the Company has formulated any Risk Management Policy to mitigate these risks? If yes, (a) whether the Risk Management Policy has been formulated considering global best practices? (b) whether the Company has identified its data assets and whether it has been valued appropriately?</p>	<p>The company has identified key risk areas, formulated a Risk Management Policy to mitigate these risks. The Risk Management Policy has been formulated considering global best practices. The Risk Committee formed in accordance with Corporate Governance Rules monitors the efforts of the Executive Management in identifying and mitigating risks.</p> <p>According to the information and explanations given to us the company has not identified its data assets.</p>	<p>NIL</p>
<p>Whether the Company is complying with the Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations, 2015, and other applicable rules and regulations of SEBI, Department of Investment and Public Asset Management, Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India</p>	<p>The Company has complied with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules, circulars, and guidelines issued by SEBI , Department of Investment and Public Asset Management , Ministry of Corporate Affairs, Department of Public Enterprises, Reserve Bank of India, Telecom Regulatory Authority of India, CERT-IN, Ministry of Electronics and Information Technology and National Payments Corporation of India from time to time, except the following instance:</p>	<p>NIL</p>



wherever applicable? If not, the cases of deviation may be highlighted.	During the period from December 24, 2024, to April 16, 2025, the Company had only one Independent Director on its Board. As a result, Audit Committee and the Nomination and Remuneration Committee were not constituted as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.	
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For G Natesan & Co,
Chartered Accountants
FRN: 002424S

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Ranganathan K P
Partner, M. No: 239498
UDIN: 25239498BMIEMX3797
15.07.2025, Chennai



INDEPENDENT AUDITOR'S REPORT

To the Members M/s BEML Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

We are issuing this revised audit report which supersedes our earlier report dated 23.05.2025 concurring to the opinion of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 with respect to a few clauses in Annexure A.

Opinion

We have audited the accompanying consolidated Ind AS financial statements of M/s. **BEML Limited** ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March 2025, and the consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow for the year then ended, and notes to the Consolidated IND AS financial statements, including a summary of Material Accounting Policy Information and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015 as amended and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2025, of consolidated profit including other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.



Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report.

We are independent of the Group and in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other Ethical Responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note No. 11 to the consolidated Ind AS financial statements regarding the holding company's outlay on the MAMC Consortium.

We draw attention to of Note 3B(viii)(a) to the consolidated Ind AS financial statements regarding possibility of surrender of the leased land due to non-compliance by the subsidiary company MAMC Industries Ltd to the terms of allotment by the Government of West Bengal.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Contingent Liabilities disclosed with regard to taxation related disputes:</p> <p>a) The Group is in litigation with the tax departments on various issues, received demands, deposited a portion of the demands under protest and has contested against the orders in appropriate forums.</p> <p>b) The issues involved are varied. The Group has not made any provision for these demands which total to Rs. 28,509.07 lakhs and treated as contingent liabilities.</p> <p>This is a key audit matter, as evaluation of these matters requires management judgement and estimation, interpretation of laws & regulations and application of relevant judicial precedents to determine whether a provision is required or the same may be disclosed as a contingent liability, and making related disclosures in the financial statements.</p> <p><i>Refer Note No. 39(D)(1)(a)(i) and Accounting Policy Note No.2.2(P)</i></p>	<p>Our audit procedures relating to Contingent Liabilities relating to direct and indirect tax demands included the following:</p> <ul style="list-style-type: none"> ❖ We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; ❖ We discussed with the management the recent developments and the status of the material litigations; ❖ We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations disclosed in the Standalone Financial Statements; ❖ We used our expertise to gain an understanding and to evaluate the disputed tax matters; ❖ We evaluated the orders raising the demands and other communication from regulatory authorities and management responses thereto; ❖ We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements;



	<ul style="list-style-type: none"> ❖ We evaluated management’s assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered remote by the management; and ❖ We assessed the adequacy of the holding Company’s disclosures. <p>Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Consolidated Financial Statements is considered reasonable.</p>
<p>Assessment of Warranty provision:</p> <p>a) The Holding Company recognizes provision in respect of the costs expected to fulfil the warranty obligation over the period/term of the warranty. The provision towards warranty obligation is estimated by the Holding Company, primarily considering factors such as historical trend, average historical failure rate, estimation of expected pattern of future claims and estimated replacement cost.</p> <p>b) The timing of outflows will vary based on the actual warranty claims. The determination of warranty provision is associated with unavoidable estimation uncertainties. Because of the quantitative significance, complexity and level of judgement involved, there is</p>	<p>Principal Audit procedures performed include:</p> <ul style="list-style-type: none"> ❖ Understood, evaluated, and tested the design and operating effectiveness of the controls over estimation of warranty costs and related accruals. ❖ Obtained an understanding of the warranty terms offered by the Company on sale of different products. ❖ Assessed management’s estimation process by performing a historical trend analysis for warranty cost accruals made in prior years. ❖ Evaluated the method used by management in making the accounting estimates by verifying source data for various input factors such as historical trend, average historical failure rate, estimation of expected pattern of future claims and estimated



<p>a risk of inappropriate and inadequate provision for warranty obligation.</p> <p>Assessment, estimation and provisioning for warranty is therefore a Key Audit Matter.</p>	<p>replacement cost, and enquiring with management's experts.</p> <ul style="list-style-type: none"> ❖ Verified the computation of provision for warranty costs including testing of completeness, arithmetical accuracy and validity of the data used in the warranty calculations. ❖ Verified the adequacy of the disclosures in the standalone financial statements <p>Our review of the provisions created by the holding company does not reveal any material discrepancy in the provisioning as well as their quantification.</p>
<p>Expected Credit loss</p> <p>a) The holding company assesses impairment of its receivables by applying Simplified Approach of Expected Credit Loss method.</p> <p>b) The receivables are assessed for possible defaults over their expected life. The company analyses the historical collection trends and applies it to a provision matrix. The holding company determines the Expected Credit Loss based on the trend, present economic scenario and future economic conditions.</p> <p>c) The holding company also identifies features specific to any particular receivable and determines the expected credit loss based for these specific receivables based on existing facts.</p>	<p>Principal Audit procedures performed include:</p> <ul style="list-style-type: none"> ❖ Verified if any receivable contains significant financing component. ❖ Applied adequate procedures to verify the existence of robust internal control systems including credit risk management system so that management estimates of ECL and related judgments are based on concepts and reliable data that meets the requirements of Ind AS 109. ❖ Verified whether the receivables are bifurcated between those which have indications of dispute and clear receivables. ❖ Validated the historical data confirming the value of receivables of the preceding years and their ageing analysis in the current year.



<p>Given the relative significance of these receivables to the standalone financial statements and since the determination of allowance for ECL is subjective and requires management to make judgements and assumptions, hence this is considered as key audit matter.</p>	<ul style="list-style-type: none">❖ Assessed the provision matrix based on past due bucket and it's the methodology adopted to arrive at the basis for arriving at the default percentage❖ Verified the actual Expected credit loss (ECL) provision working for trade receivable.❖ Assessed the adequacy of the related disclosures in the Standalone financial statements with reference to revenue recognition and trade receivable as per relevant accounting standards. <p>Our review of the provisions created by the holding company does not reveal any material discrepancy in the provisioning as well as their quantification.</p>
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Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Corporate Governance Report included in the Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon, which we obtained prior to the date of this auditors' report, and the Management Discussion and Analysis and Board of Directors' Report along with its Annexures, which is expected to be made available to us after that date.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard. When we read the Management Discussion and Analysis and Board of Directors' Report along with its Annexures, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance 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 Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group, in accordance with the IND AS specified under section 133 of the Act and accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group and are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the respective companies 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

- As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the holding company.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the



consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and/or its Subsidiaries and to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about



the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not review the financial information of the two subsidiaries included in the audited consolidated financial results, whose financial information reflects total assets of Rs. 5,245.09 lakhs as at March 31, 2025 and, total revenues of Rs. 0.03 lakhs for the year ended March 31, 2025 for Vignyan Industries Limited and total revenue loss of Rs. 9.58 lakhs for the year ended March 31, 2025, and total assets of Rs. 413.04 lakhs as at March 31, 2025 for MAMC Industries Limited as considered in the Statement. This financial information has been audited by other auditors whose reports have been furnished to us and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us.
2. The Holding Company has made investments in Communication (Defence) Testing Foundation, UAS Testing Foundation and Systems Testing and Research for Advanced Materials Foundation, which are not-for-profit companies registered under Section 8 of the Companies Act, 2013. These entities have not been considered for consolidation in the consolidated financial statements, as the Holding Company does not exercise control over these entities nor does it have rights to variable returns from its involvement, other than the equity investment.
3. The Holding Company held a 45% share in the operations of a JV Company M/s. BEML Mid-West Ltd at a cost of Rs. 542.25 lakhs. The Honourable Hyderabad Bench of NCLT vide its order dated 20.10.2023 has directed liquidation of the JV company in accordance with Chapter III of the IBC Code. A Resolution Professional has been appointed. The Holding Company ceased to have any control or influence over the JV company and therefore ceased to be an associate.
4. As on 31 March 2025, the Holding Company's Board of Directors comprises of five Whole-time Executive (Functional) Directors including the Chairman and Managing Director, one Government Nominee Director (Non-Executive) and one Independent Director on the Board of the company. The composition of the Board is not in terms of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and not in terms of section 149 of the Companies Act, 2013 from



24th December 2024 till 16.04.2025 due to non-appointment of requisite number of Independent Directors on the Board of the 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.

Report on Other Legal and Regulatory Requirement

1. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion section above, in our opinion proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as appears from our examination of those books and the report of the other auditors;
 - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Cash Flow and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - d) Except for the effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under;
 - e) As per notification No. GSR 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 164(2) of the Companies Act, 2013 is not applicable to the Holding Company and its Subsidiaries.
 - f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in the "Annexure A".
 - g) The provisions of Section 197 are not applicable to the holding company (in terms of MCA Notification NO.GSR 463 (E) dated 05th June 2015) as the managerial remuneration is paid as per the appointment letter from the Government of India, and no director remuneration was paid by the 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:



- i. Except for the effects of the matters described in the Basis for Qualified Opinion section above, the Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - [Refer Note 39(D)(1)(a)(i) & (ii)].
- ii. Except for the effects of the matters described in the Basis for Qualified Opinion section above, the Group has made provisions as required under Ind AS for material foreseeable losses on long-term contracts-Rs 2,000.11 lakhs (Previous Year -Rs 2,314.04 lakhs). The Group does not have any derivative contracts.
- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company.
- iv. (a) The respective managements of the Holding Company and its Subsidiaries have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company and its Subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its Subsidiary have represented that, to the best of their knowledge and belief, no funds have been received by the Holding Company and its Subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures performed by us that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (a) and (b) above contain any material misstatement.
- v. The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act as applicable to the extent it applies to payment of dividend. No dividend has been declared by the subsidiary companies.



- (b) The interim dividend declared and paid by the holding Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.
- (c) The company has not declared any final dividend for up to the date of this report.
- vi. Based on our examination which included test checks and that performed by the auditors of one of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the holding company and one of its subsidiaries have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit and the auditor of one of the subsidiaries did not come across any instance of audit trail feature being tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention. The auditor of the other subsidiary has reported that the subsidiary has not used any accounting software that has a feature of recording audit trail.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and issued by auditors of the companies included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For G Natesan & Co,
Chartered Accountants,
FRN: 002424S

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Ranganathan K P
Partner, M. No: 239498
UDIN:25239498BMIEMY7076
15.07.2025, Chennai



**Annexure A to the Independent Auditors' report
(Referred to in our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143
of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to consolidated financial statements of M/s. BEML Limited ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") as of March 31, 2025 in conjunction with our audit of the consolidated IND AS financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary which are companies incorporated in India is responsible for establishing and maintaining Internal Financial Controls with reference to Consolidated Financial Statements based on the internal financial control over financial reporting criteria established by the Company considering the essential components of control stated in the "Guidance Note on Audit of Internal Financial Controls over Financial Reporting" issued by the Institute of Chartered Accountants of India.

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 the respective 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 Group's internal financial controls with reference to consolidated financial statements 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 issued by the Institute of Chartered Accountancy of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to



consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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, and the audit evidence obtained by the other Auditors in terms of their Reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system with reference to Financial Statements of the Group.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated financial statements.



Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements 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 has, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2025, based on the internal control with reference to consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under section 143(3) (i) of the act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to two Subsidiaries as at 31-03-2025 which are companies incorporated in India, is based on the corresponding report of the auditor of such companies incorporated in India.

For G Natesan & Co,
Chartered Accountants,
FRN: 002424S

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Ranganathan K P
Partner, M. No: 239498
UDIN:25239498BMIEMY7076
15.07.2025, Chennai