



બીજું વિનાની લિમિટેડ
BEML LIMITED



Schedule 'A' Company under Ministry of Defence, Govt. of India

Defence & Aerospace | Mining & Construction | Rail & Metro

Ref: CS/SOA/NSEBSE/177

25.01.2022

| | |
|---|---|
| National Stock Exchange of India Ltd. Listing Compliance Department Exchange Plaza, Bandra-Kurla Complex, Bandra (East), MUMBAI - 400 051 | BSE Limited, Department of Corporate Services P.J. Towers, Dalal Street, Mumbai – 400 001. |
|---|---|

Sub: Notice of the meeting of Equity Shareholders and Secured Creditors - Reg

Ref: CS/SEBI/NSE-BSE/175 dated 21.01.2022

In continuation to our letter cited above, pursuant to the MCA Order dated 13.01.2022, Notice is hereby given that the meeting of Equity Shareholders and Secured Creditors is scheduled to be held on **Friday i.e. 25th February, 2022** for approving the arrangement proposed in the Scheme of Arrangement between BEML Limited (Demerged Company) and BEML Land Assets Limited (BLAL / Resulting Company) and their respective shareholders and creditors ("Scheme").

2. The Schedule of the meetings of Equity Shareholders and Secured Creditors are placed below:

| <i>Subject</i> | <i>Equity Shareholders</i> | <i>Secured Creditors</i> |
|------------------------------|---|--|
| Date and time of the meeting | Friday, February 25, 2022 at 11:30 hours (IST) | Friday, February 25, 2022 at 14:00 hours (IST) |
| Mode | Video Conferencing / Other Audio-Visual Means (VC/OAVM) | |
| Cut-off date for e-voting | February 18, 2022 (Friday) | September 30, 2021 (Thursday) |
| E-voting start date and time | February 21, 2022 at 9:00 AM | |
| E-voting end date and time | February 24, 2022 at 5:00 PM | |
| E-voting website | https://www.evoting.nsdl.com | |



... 2

Corporate Office:

'ભેટીલાંદ', ૧૨/૧, અનેકમ્પ્યુટરસ્ટોર્સ, સંઝોરિશામનગર, બોર્ડર્લોડ - ૫૬૦૦૨૭. ફોનનંબર : +91 80 22963142/211, Fax. +91 80 22963142
ફોક્સ : +91 80 99990044

BEML Soudha, 23/1, 4th. Main, S R Nagar, Bangalore – 560027, Tel. +91 80 22963142/211, Fax. +91 80 22963142

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

CIN:L35202KA1964GOI001530, GST NO. 29AAACB8433D1ZU

Schedule 'A' Company under Ministry of Defence, Govt. of India

Defence & Aerospace | Mining & Construction | Rail & Metro

3. Intimation of Record date / Cut-off date / Book Closure date:

| BSE Scrip Code | NSE Sym- bol | Type of security | Record Date / Cut-off Date | Book Closure both days inclusive | | Purpose |
|----------------------|--------------------|---------------------|-------------------------------|-------------------------------------|------------|--|
| | | | | From | To | |
| 500048 | BEML | Equity | 18.02.2022 | 19.02.2022 | 25.02.2022 | Meeting of Equity Shareholders and Secured Creditors for approving the Scheme of Arrangement between BEML and BLAL for Demerger of identified surplus / non-core assets. |
| -- | -- | Secured Creditors | 30.09.2021 | NA | | |

4. It may kindly be noted that the Notice for the meeting of Unsecured Creditors will be circulated in due course.

5. For your kind reference and records.

Thanking you.
For BEML Limited

S V Ravisekhar Rao

Company Secretary & Compliance Officer



Encl : As above

CC :

The National Securities Depository Limited,
Trade World, 5th Floor,
Kamala Mills Compound,
Senapati Bapat Marg,
Lower Parel,
MUMBAI – 400 013

The Central Depository Services (India) Limited,
Phiroze Jeejeebhoy Towers, 28th Floor,
Dalal Street,
MUMBAI – 400 023.

M/s. Kfin Technologies Private Limited
Selenium Building, Tower B,
Plot 31-32, Gachibowli,
Financial District,
Nanakramguda,
Serilingampally,
Hyderabad - 500 032.

દ્વારા નાં કોર્પોરેટ ઓફિસ:

'ચેમેલ્સ', ૧૨/૧, અનેસુંખુરન્દે, સંકઠિરામનગર, જોગલાલ - ૩૪૦૦૭૧. ફોર્માનસંસ્કૃતિક : +૯૧ ૮૦૯૯૯૯૨૦૫

કાર્ડ નંબર : +૯૧ ૮૦૯૯૯૦૦૭૦૫૬

BEML Soudha, 23/1, 4th. Main, S R Nagar, Bangalore – 560027, Tel. +91 80 22963142/211, Fax. +91 80 22963142

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

CIN:L35202KA1964G01001530, GST NO. 29AACB8433D1ZU

BEML LIMITED
(CIN: L35202KA1964GOI001530)
Registered office: BEML Soudha, 23/1, 4th Main, S.R. Nagar,
Bengaluru – 560027, Karnataka
Tel: +91 80 22963211 / 22963142
Email: cs@beml.co.in
Website: <https://www.bemlindia.in>

**NOTICE CONVENING MEETING OF THE SECURED CREDITORS OF BEML
 LIMITED PURSUANT TO THE ORDER DATED 13TH JANUARY, 2022 OF THE
 MINISTRY OF CORPORATE AFFAIRS, NEW DELHI**

| | |
|------------------------|--|
| Day | Friday |
| Date | 25th February, 2022 |
| Time | 02:00 PM |
| Mode of Meeting | Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) |
| Mode of Voting | Remote e-voting and e-voting at the Meeting |
| Venue | Registered Office (Deemed venue for VC) |

REMOTE E- VOTING:

| | |
|----------------------|---|
| Cut-off date | Thursday, 30th September 2021 |
| Commencing on | Monday, 21st February 2022 from 9:00 AM |
| Ending on | Thursday, 24th March 2022 till 5:00 PM |

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GOVERNMENT OF INDIA
BEFORE THE MINISTRY OF CORPORATE AFFAIRS
FORM NO. CAA.2 (Pursuant to Section 230(3) and Rule 6)

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Scheme of Arrangement between BEML Limited and BEML Land Assets Limited
and their respective Shareholders and Creditors

BEML Limited

(CIN: L35202KA1964GOI001530)

a Company incorporated under the Companies
Act, 1956, having its Registered Office at
BEML Soudha, 23/1, 4th Main,
S.R. Nagar, Bengaluru 560027, Karnataka.

.....Applicant Company 1/ Demerged Company

**NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS
OF BEML LIMITED**

To,

The Secured Creditors

(“Demerged Company” or “Applicant Company” or “the Company”)

BEML Limited

1. NOTICE is hereby given that by an Order dated 13th January 2022, MCA has directed that a meeting of the Secured Creditors of the Company, be convened and held through Video Conferencing or Other Audio-Visual Means (“VC/ OAVM”). Accordingly, the said meeting is scheduled to be held on Friday, 25th February 2022 at 02:00 P.M. Further, there shall be no meeting requiring physical presence at a common venue in view of the present circumstances on account of the COVID-19 pandemic. At such day you are requested to attend the meeting through VC/OAVM.

2. The Meeting is conducted for the purpose of approving, with or without modification(s), the Scheme of Arrangement between BEML Limited and BEML Land Assets Limited and their respective shareholders and creditors (“the Scheme”), by transacting the following business:

To consider and, if thought fit, to approve with or without modification(s), the following special resolution for approval of the Scheme of Arrangement:

“RESOLVED that pursuant to the provisions of Section 230-232 of the Companies Act, 2013 [including any statutory modification(s) or re-enactment thereof for the time being in force] and other applicable provisions of the Companies Act, 2013 and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to the requisite approval(s), consents, sanctions and permissions of Central Government, Securities and Exchange Board of India (SEBI), BSE Limited (BSE), National Stock Exchange of India Limited (NSE), other regulatory authorities concerned and the sanction of the Ministry of Corporate

Affairs (MCA) and/or such other appropriate authority/ies, as may be applicable, if any, and all such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Applicant Company, the Scheme of Arrangement between BEML Limited (Demerged Company) and BEML Land Assets Limited (Resultant Company) and their respective shareholders and creditors, placed before this meeting, be and is hereby approved.”

“RESOLVED FURTHER that for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Company [hereinafter referred to as the “Board”, which term shall include any Committee constituted by the Board of Directors of the Company or any person(s) authorised by the Board to exercise the powers conferred on the Board of Directors of the Company by this resolution], be and are hereby severally authorised to do all things and to take all incidental and necessary steps for and on behalf of the Company and to take from time to time all decisions and steps necessary, expedient or proper, with respect to implementation of the above mentioned resolution, and also to take all other decisions as it/they may, in its/their absolute decision, deem appropriate and to deal with all questions or difficulties that may arise in the course of implementing the above resolution.”

3. Take further notice that the Secured Creditors shall have the facility and option of voting on the aforesaid resolution for approval of the Scheme by casting their votes (a) through e-voting system available during the Meeting to be held virtually or (b) by remote electronic voting (“remote e-voting”) during the period as stated below:

| | |
|---------------------------------|---|
| Commencement of e-voting | Monday, 21st February 2022 from 9:00 AM |
| End of e-voting | Thursday, 24th February 2022 till 5:00 PM |

4. The Secured Creditors, whose name appears in the list of Secured Creditors as on the Cut off date, i.e., Thursday, 30 September, 2021 (“**Cut-off Date**”) only shall be entitled to exercise his/her/its voting rights on the resolution proposed in the Notice and attend the Meeting through VC/OAVM. A person who is not a Secured Creditor as on the Cut-off Date, should treat the Notice for information purpose only. The value of the votes cast shall be reckoned and scrutinized with reference to the said cut-off date in accordance with the books and records of the Company and where entries in the books are disputed, the Chairman shall determine the value for purposes of the said meetings.
5. The quorum for the Meeting shall be one-third of share in terms of value, present in person or by proxy through VC/OAVM. If due to unforeseen circumstances or due to want of quorum, the meeting of Secured Creditors cannot be held on the date specified as aforesaid, the Chairman appointed for the meeting shall be empowered to defer or adjourn such meeting and to hold such further meeting at subsequent date, if so required and considered appropriate by the Chairman, after giving further notice to Secured Creditors as deemed appropriate by him.
6. A copy of the Explanatory Statement under section 102 read with section 230-232 of the Companies Act, 2013, the Scheme of Arrangement, Share Entitlement Ratio Report issued by CA Harsh Chandrakant Ruparelia, Fairness Opinion issued by Fedex Securities Private Ltd, Merchant Bankers, Observation Letters issued by BSE and NSE, Nil Complaints Reports submitted to BSE & NSE, Reports of Directors of the Applicant Companies under Section 232(2)(c) of the Companies Act, 2013, Un-audited financial results of Applicant Company No. 1 as on 30th September 2021, Form of Proxy and Order of MCA dated 13.01.2022 are enclosed.

7. MCA has appointed, Shri Amit Banerjee, Chairman and Managing Director of BEML Limited as the Chairman of the said meeting. Further, Company has appointed Shri Vijaya Raghava Rao, M/s Velichety & Co., Chartered Accountants, as the Scrutiniser for the Meeting, The Scrutiniser, after the conclusion of e-voting at the Meeting, will unblock the votes cast through remote e-voting and votes cast at the Meeting in the presence of at least two witnesses not in the employment of the Company, who shall make a consolidated Scrutiniser's Report of the total votes cast in favour or against and submit the same to the Chairman of the Meeting. The Chairman shall declare the results of the Meeting after receipt of the report from the Scrutinizer and submit to the BSE & NSE within forty-eight hours. Further, the Chairman shall submit its report to MCA in Form No. CAA 4 verified by an Affidavit, the result of the Meeting within Seven days from the date of the conclusion of the Meeting.
8. The Scheme of Arrangement, if approved at the Meeting, will be subject to the subsequent approval of MCA and such other approvals, permissions and sanctions of regulator or other authorities, as may be necessary.

Date: 25.01.2022
Place: Bengaluru

Shri Amit Banerjee,
Chairman & Managing Director
(Chairman of the Meeting appointed by MCA)

Notes:

1. Pursuant to the directions of Ministry of Corporate Affairs (MCA) vide Order dated 13th January 2022 and also in view of Covid-19 Pandemic situation prevailing in the country, MCA has allowed to hold the meeting of Secured Creditors through Video Conferencing / Other Audio Visual Means ("VC/ OAVM"), to transact the business set out in the Notice convening this Meeting. As such, there shall be no physical attendance of Secured Creditors at the meeting. The deemed venue for the Meeting shall be the Registered Office of the Company.
2. The Notice in relation to the meeting of the Secured Creditors of BEML Limited / Applicant Company, Explanatory Statement together with the accompanying documents mentioned in the Index are sent by e-mail to all Secured Creditors of the Applicant Company as on 30 September 2021 whose e-mail IDs are available with the Applicant Company. In case the e-mail ID of any Secured Creditors is not updated with the Applicant Company, then such Secured Creditors are requested to contact the Applicant Company for updation of the same by emailing at cs@beml.co.in or alternatively by letter at the Applicant Company's registered office address.
3. In view of the above, Secured Creditors can attend and participate in the ensuing meeting through VC. The Secured Creditors can join the meeting through VC 15 minutes prior to scheduled time of the commencement of the meeting or during the meeting. The attendance of the Secured Creditors attending the meeting through VC will be counted for the purpose of reckoning the quorum.
4. A Secured Creditor entitled to attend and vote at the meeting is also eligible to appoint proxy on his / her / its behalf to attend and vote at the meeting. All alterations made in the Form of Proxy should be initialled. Proxy(ies), to be effective shall be in the prescribed form, duly filled,

stamped, signed and deposited not less than 48 hours before the commencement of the meeting and also a scan copy of the same be sent through email to cs@beml.co.in.

5. A minor cannot be appointed as proxy. The proxy of Secured Creditor who is blind or incapable of writing will be accepted if such Secured Creditor has attached his/her signature or mark thereto in presence of a witness who has signed the proxy form and added his/her description and address, provided that all insertions have been made by the witness at the request and in the presence of the Secured creditor before the witness attached his/her signature or mark.
6. The Body Corporates are entitled to appoint authorised representatives to attend the meeting through VC and participate there at meeting and cast their votes through e-voting. The letter of appointment of representative(s) of the President of India or the Governor of a State; or the authorisation in respect of representative(s) of the Corporations shall be received by the Scrutinizer / Company on or before close of remote e-voting. The said Resolution / Authorization shall be sent to the Company by e-mail to cs@beml.co.in.
7. Secured Creditors may visit the website of the Company www.bemlindia.in for more information on the Company.
8. Secured Creditors who have not registered their e-mail addresses are requested to immediately inform their e-mail addresses to the Company to enable the Company to share Notice and statutory documents which are required to be sent, the same is also informed by way of notice in the advertisement in newspaper namely, Financial Express, English newspaper and Eesanje, Kannada newspaper to register their email address as per the provisions of the Companies Act, 2013 and also placed on the website of the Company at www.bemlindia.in.
9. The Secured Creditors shall have the facility and option of voting on the aforesaid resolution for approval of the Scheme by casting their votes electronically (a) through e-voting system available during the Meeting to be held virtually or (b) by remote electronic voting (“remote e-voting”) during the period as stated below:

| | |
|----------------------|---|
| Commencing on | Monday, 21st February 2022 from 9:00 AM |
| Ending on | Thursday, 24th February 2022 till 5:00 PM |
| Cut-off date | Thursday, 30 September 2021 |

Secured Creditors, whose name appears in the list of Secured Creditors of the Company as on the cut-off date, i.e., Thursday, 30 September 2021 (“Cut- off Date”) only shall be entitled to exercise his/her/its voting rights on the resolution proposed in the Notice and attend the Meeting. The value of the votes cast shall be reckoned and scrutinized with reference to the said Cut-off Date in accordance with the books and records of the Company and where entries in the books are disputed, the Chairman shall determine the value for purposes of the said meetings.

10. Secured Creditors are requested to address all correspondence to the Company at the following address:

BEML Soudha, 23/1, 4th Main, S.R. Nagar,
Bengaluru –560027, Karnataka
Tel: +91 80 22963211 / 22963142
Email: cs@beml.co.in

11. The quorum for the Meeting shall be one-third of shares in terms of value, present in person or by proxy through VC/OAVM. If due to unforeseen circumstances or due to want of quorum, the meeting of Secured Creditors cannot be held on the date specified as aforesaid, the Chairman appointed for the meeting shall be empowered to defer or adjourn such meeting and to hold such further meeting on subsequent date, if so required and considered appropriate by the Chairman, after giving further notice to Secured Creditors as deemed appropriate by him.
12. This Notice, along with copy of the Scheme of Arrangement and other enclosures is also displayed/posted on the website of the Company: <https://www.bemlindia.in>, website of E-voting service provider i.e. NSDL at www.evoting.nsdl.com and also on the website of Stock Exchanges i.e., BSE at www.bseindia.com and NSE at www.nseindia.com.
13. In accordance with the provisions of section 230-232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourth in value of the Secured Creditors of the Applicant Company, voting in person or by proxy, agree to the Scheme. The voting rights of Secured Creditors shall be in proportion to their debt.
14. In terms of the directions contained in the Order, the notice convening the Meeting will be published by the Applicant Company through advertisement in newspaper namely, Financial Express, English newspaper and Eesanje, Kannada newspaper indicating the day, date, mode and time of the Meeting and stating that the copies of the Scheme and the Explanatory Statement and other relevant documents can be obtained free of charge on any day (except Saturday, Sunday and public holidays) from the registered office of the Applicant Company during business hours.
15. The material documents referred to in the accompanying Explanatory statement shall be open for inspection by the Secured Creditors at the registered office of the Applicant Company on all working days between 10:00 A.M. to 5:00 P.M. except Saturday, Sunday and Public Holidays.
16. The MCA has appointed, Shri Amit Banerjee, Chairman and Managing Director of BEML Limited as the Chairman of the said meeting. The above-mentioned Scheme, if approved by the meeting, will be subject to the subsequent approval of the MCA.
17. Shri. Vijaya Raghava Rao, M/s Velichety & Co, Chartered Accountants will be acting as the Scrutiniser to scrutinise the remote e-voting and e-voting at the VC meeting in a fair and transparent manner.
18. The Chairman of the meeting shall, at the meeting, at the end of discussion on the resolution on which voting is to be held, allow voting with the assistance of the Scrutiniser, for all those Secured Creditors who are present at the meeting who have not cast their votes by availing the remote e-voting facility.
19. The Scrutiniser shall after the conclusion of voting at the meeting will unblock the votes cast through remote e-voting and votes cast at the meeting in the presence of at least two witnesses not in the employment of the Company who shall make, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman. The Chairman shall declare the results of the Meeting after receipt of the report from the Scrutinizer and submit to the BSE & NSE within forty-eight hours. Further, the Chairman shall submit the report to MCA in Form No. CAA 4 verified by an Affidavit, the result of the Meeting within Seven days from the date of the conclusion of the Meeting.

20. Secured Creditors, who would like to express their views or ask clarifications during the Meeting will have to register themselves as a speaker during the period starting from 22nd February 2022 from 9.00 a.m. to 24th February 2022 upto 5.00 p.m. by sending the requests to cs@beml.co.in and a link will be provided to the registered speakers. Only those secured creditors who have registered themselves as a speaker will be allowed to express their views/ask clarifications during the Meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Meeting. Please note that only the secured creditors having outstanding as on cut-off date i.e 30.09.2021 will be eligible to register as speakers.

Instructions for Secured Creditors for Remote e-Voting and attending the meeting through VC:

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
4. Your Login id and password details for casting your vote electronically and for attending the Meeting of Creditors through VC/ OAVM are attached in the pdf file enclosed herewith. Please note that the password to open **the pdf file is the unique id mentioned above** or the first time the system will ask to reset your password.
5. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
6. Now, you will have to click on “Login” button.
7. After you click on the “Login” button, Home page of e-Voting will open.
8. You will be able to see the EVEN no. of the company.
9. Click on “EVEN” of company to cast your vote.
10. Now you are ready for e-Voting as the Voting page opens.
11. Cast your vote by selecting appropriate options i.e. assent or dissent, and click on “Submit” and also “Confirm” when prompted.
12. Upon confirmation, the message “Vote cast successfully” will be displayed.
13. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
14. Once you confirm your vote on the resolution, you will not be allowed to modify your vote
15. If you face any problems/experience any difficulty or If you forgot your password please feel free to contact toll free number 1800 1020 990 /1800 224 430 or contact Shri Amit Vishal, Assistant Vice President on email id evoting@nsdl.co.in

The instructions for Secured Creditors for e-voting on the day of the Secured Creditors Meeting are as under:

1. The procedure for e-Voting on the day of the Secured Creditor Meeting is same as the instructions mentioned above for remote e-voting.
2. Only those Creditors, who will be present in the Secured Creditors meeting through VC / OAVM facility and have not casted their vote on the Resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Secured Creditors Meeting.

Instructions for Secured Creditors for attending the Secured Creditors Meeting through VC/OAVM are as under:

1. Creditors will be provided with a facility to attend the Secured Creditors Meeting through VC/OAVM through the NSDL e-Voting system. Creditors may access the same at <https://www.evoting.nsdl.com> under shareholder / member login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / member login where the EVEN of Company will be displayed.

Date: 25.01.2022
Place: Bengaluru

Shri Amit Banerjee
Chairman & Managing Director
(Chairman of the Meeting appointed by MCA)

GOVERNMENT OF INDIA
BEFORE THE MINISTRY OF CORPORATE AFFAIRS
DELHI
FORM NO.CAA.2 (Pursuant to Section 230(3) and Rule 6)

In the matter of the Companies Act, 2013;
And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;
And

In the matter of Scheme of Arrangement between BEML Limited and BEML Land Assets Limited
and their respective Shareholders and Creditors

BEML Limited

a Company incorporated under the Companies
Act, 1956, having its Registered Office at
BEML Soudha, 23/1, 4th Main, S.R. Nagar Bengaluru 560027, Karnataka

....Applicant Company 1// Demerged Company

**EXPLANATORY STATEMENT UNDER SECTION 102 READ WITH SECTION 230-232 AND
OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 FOR THE
MEETING OF SECURED CREDITORS OF BEML LIMITED CONVENED AS PER THE
ORDER OF THE MINISTRY OF CORPORATE AFFAIRS, DELHI**

1. Pursuant to the Order dated 13 January 2022 passed by the Ministry of Corporate Affairs, Delhi (MCA), a meeting of the Secured Creditors of the Company be convened and held through video conferencing or other audio visual means (“VC/ OAVM”) in view of the prevailing Covid-19 pandemic situation on Friday, 25th February, 2022 at 02:00 P.M. for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement between BEML Limited (“Demerged Company”) and BEML Land Assets Limited (“Resulting Company”) and their respective members and creditors (“the Scheme”). Notice of the said meeting together with the copy of the Scheme is sent herewith. This Explanatory statement explaining the terms of the Scheme is being furnished as required under section 102 read with section 230-232 of the Companies Act, 2013.

2. The draft Scheme was placed before the Audit Committee, Independent Directors and Board of Directors of the Applicant Company at their respective meetings held on 22 July, 2021, 22 July, 2021 and 23 July, 2021 respectively. In accordance with the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22nd December 2020, the Audit Committee and Independent Directors of the Applicant Company vide a resolution passed at their respective meetings held on 22nd July 2021 recommended the Scheme to the Board of Directors of the Applicant Company, inter-alia, taking into account the, Share Entitlement Ratio Report dated 22 July, 2021 issued by CA Harsh Chandrakant Ruparelia and Fairness Opinion dated 22 July, 2021 issued by Fedex Securities Private Limited, a SEBI registered Merchant Banker. The Board of Directors of the Applicant Company in its meeting held on 23 July, 2021 approved the Scheme, inter alia, based on such recommendation of the Audit Committee and Report of Independent Directors.

3. List of the Companies/Parties involved in the Scheme:

- a) BEML Limited (“Applicant Company 1”/ “Demerged Company”); and
- b) BEML Land Assets Limited (“Applicant Company 2” / “Resulting Company”)

Both the companies mentioned above are hereinafter referred to as “Applicant Companies”

4. Details of the Companies/Parties to the Scheme:

A. BEML Limited

- a) BEML Limited ('BEML' or 'Demerged Company') was incorporated on 11th May 1964 as Bharat Earth Movers Limited under Companies Act 1956 with the Registrar of Companies, Karnataka at Bengaluru. Later, Bharat Earth Movers Limited was renamed as BEML Limited in 2007. BEML Limited is a listed company bearing CIN: L35202KA1964GOI001530. The Registered Office of BEML Limited is situated at BEML Soudha, 23/1, 4th Main, S.R. Nagar, Bengaluru 560027, Karnataka, India.

Details of PAN and email-id is as follows:

PAN: AAACB8433D

Email-ID: cs@beml.co.in

- b) The Applicant Company 1 / BEML has 3 business verticals viz. (a) Mining & Construction, (b) Defence & Aerospace and (c) Rail & Metro. The equity shares of BEML are listed and traded on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”). BEML has land parcels and buildings spread across India, at its various manufacturing facilities, corporate office, marketing and regional offices out of which there are certain land parcels and buildings which can be categorized as surplus / non-core assets. The surplus/ non-core land and buildings of BEML is hereinafter referred to as “Identified Surplus/ Non-core Assets”.

- c) The main objects of BEML Limited, as per the Memorandum of Association are as follows:

- i. To carry on in India and elsewhere the business of manufacturing, assembling, fitting up, repairing, converting, overhauling, maintaining and rendering assistance and services of all and every kind and description, buying, selling, importing, exporting, exchanging, altering, hiring, letting on hire, improving, repairing and dealing in tractors, bull dozers, scrapers, graders, rear dumps, bottom dumps, rear dump trucks, cranes, crane carriers, crawler tractors, loaders, shovels, compactors, crushing plants, draglines, dredgers, pavers, rollers, railway cars, snow removers, excavators, grain loaders, sheep's foot rollers and engines of every description whether required for civil, commercial or military defence purposes and requirements or otherwise, boats, barges, steamers, cars, trucks chassis, motors, motor cycles, buses, lorries, diesel engines, oil engines, petrol engines, steam engines, turbines, tanks and carriages, vehicles, conveyances and conveyors of all kinds including railway coaches, railway wagons, railway equipment locomotives and locomotive fittings whether for use on land, water or in the air or whether propelled or moved by electricity, steam, oil vapour, gas, petroleum or any other motive or mechanical power and all component parts, fittings, tools, implements, accessories, materials and all articles and things used in connection therewith in any way whatsoever.

- ii. To carry on the business of electrical engineers and manufacturers of all types of electrical machinery, apparatus and appliances required for or capable of being used in connection with the generation, distribution, supply, accumulation of electricity and in particular the manufacture of alternating current and direct current generators motors, rotary converters, transformers, or rectifiers indicating meters, integrating meters, recording meters, air-brake and oil-brake manual and remote control switches with overload and under voltage releases air and oil brake magnetic with overload and under-voltage releases, air and oil-cooled contractors and electrically operated starters and regulators with overload and under-voltage tripping devices for A.C. and D.C. meters, switch boards, protective devices for A.C. and D.C. machines, lines and feeders, primary and secondary storage battery and accumulators, commercial, and domestic heating devices, electric furnaces and refrigerating and air conditioning apparatus and accessories, vacuum cleaners, lighting fixtures, electrical conveyors, lifts, medical ultra high frequency diathermy apparatus, X-ray apparatus, electrically propelled cars, railway signalling and inter-locking devices, wireless receivers, wireless transmitters, automatic and manually operated telephone instruments, high and low tension insulated cables for electrical power distribution telephone cables, cotton-covered and enamelled wires and things used in connection therewith in any way whatsoever.

 - iii. To manufacture, sell, buy, repair, alter and exchange, let on hire, export, import and deal in all kinds of articles and things which may be required for the purposes of any of the businesses of the Company or commonly supplied or dealt in by persons engaged in any such business or which may seem capable of being profitably dealt with in connection with any of the business of the Company; and also to act as agents for Governments or authorities or for any manufacturers, merchants and others and to carry on agency business of every kind of any description connected with the business of the Company.

 - iv. To purchase or otherwise acquire all or any part of the business, property including all assets such as machinery, housing, buildings, workshops, etc and liabilities of any person, corporation, Government or Company engaged in the manufacture of the articles and things which the Company is entitled to manufacture in India and elsewhere or of any person, corporation, Government or Company the business of which is capable of being conducted directly or indirectly to benefit the Company, and without prejudice to the generality of the foregoing to acquire and take over from Hindustan Aircraft Limited, the project of manufacture of heavy construction and mining equipment, which is being worked by it presently together with the benefit of all contracts rights and property as well as outgoings and liabilities relating to the said project.

 - v. To acquire, construct, build, set up, equip, provide and maintain factories, workshops, hangars, garages building yards and accommodations of all descriptions.

 - vi. To establish, maintain and operate training colleges and technical institutions.

 - vii. To carry on the business of mechanical engineering in all its branches in India and elsewhere
- d) The authorised, issued, subscribed and paid-up share capital of the Applicant Company as on 30th September, 2021 was as set out below:

| Particulars | Amount in INR |
|--------------------|----------------------|
|--------------------|----------------------|

| | |
|--|------------------|
| Authorized Capital | |
| 10,00,00,000 Equity Shares of INR 10 each | 1,00,00,00,000/- |
| Issued Capital | |
| 4,19,00,000 Equity Shares of INR 10 each | 41,90,00,000/- |
| Subscribed and Paid-up Capital | |
| 4,16,44,500 Equity Shares of INR 10 each fully paid up | 41,64,45,000/- |
| Forfeited Shares (amount originally paid) | |
| 2,55,500 Equity shares of paid-up value INR 5/- each | 12,77,500/- |

Subsequent to 30th September, 2021, there has been no change in the capital structure of the Applicant Company 1.

- e) Details of change of name, registered office and objects of the Applicant Company in last five years

Change of Name: NIL in last 5 years. However, in 2007 Bharat Earth Movers Limited was renamed as BEML Limited

Change of Registered Office: NIL

Change of objects: NIL

- f) The details of the promoters and present directors of the Applicant Company along with their addresses are as follows:

i. Promoters

| Sr. No | Name | Address |
|--------|------------------------|---|
| 1 | The President of India | PRO, Museum President's Secretariat Rashtrapati Bhavan, New Delhi - 110004 |

ii. Directors

| Sr. No | Name | Designation | Din | Address |
|--------|---------------------------------|--|----------|--|
| 1. | Shri Amit Banerjee | Chairman & Managing Director, Addl. Charge - Director (Rail & Metro Business) and Director (HR) | 08783660 | #39, Kushal Layout, Kaggadasapura, CV Raman Nagar, Bengaluru – 560093. |
| 2. | Shri Malyala Venkata Rajasekhar | Director (Mining & Construction Business) | 08467141 | No.717, 8 th Main, 14 th Cross, Near Dalmia Circe, JP Nagar 3 rd Phase Bengaluru – 560 078. |
| 3. | Shri Ajit Kumar Srivastav | Director (Defence Business) Addl. Charge – Director (Finance) | 08741858 | No. 33, BEML 7th Stage, 1st Main, Near Radha Krishna Temple, Mylasandra, |

| | | | | |
|----|---------------------------------|-----------------------------|----------|---|
| | | | | Bengaluru South, Bengaluru – 560 059. |
| 4. | Shri Surendra Prasad Yadav | Government Nominee Director | 02267582 | House No. 56A, Karoma, Varanasi, Uttar Pradesh – 221105. |
| 5. | Shri Arvind Kumar Arora | Independent Director | 07409509 | B-333, Chittaranjan Park, Kalkaji, South, Delhi – 110019. |
| 6. | Smt. Balmuri Vanitha | Independent Director | 08679028 | House No.6- 2-413/3/G, Raghupathi Rao Nagar, Ganga Nagar, Godavarikhani, Ramagundam, Karimnagar District, Telangana – 505209. |
| 7. | Shri Arun Daga | Independent Director | 07054958 | #202, Global Apartment, Near Income Tax Office, City Centre, Gwalior – 474011. MP |
| 8. | Shri Vikas Ramakrishna Kakatkar | Independent Director | 02372234 | Avishkar, C-3, Erandawana Coop Housing Society (Anant Unit) Patwardhan Bag, Erandawana, Pune – 411 004 |
| 9. | Shri Siva Makutam | Independent Director | 09450599 | Pioneer Shangrilla, Flat No. 1C, Stambalagaru, Guntur, Pattabhipuram, Guntur – 522006. Andhra Pradesh- |

- g) As on 30.09.2021, the amount due to Secured Creditors of Applicant Company is INR 28,382 lakhs and to Unsecured Creditors is INR 2,66,612 lakhs.

B. BEML Land Assets Limited

The Applicant Company 2, BEML Land Assets Limited ('BLAL' or 'Resulting Company') is an unlisted public company which was incorporated on 15th July 2021 bearing CIN: U70109KA2021GOI149486 with the Registrar of Companies, Bengaluru under the provisions of the Companies Act, 2013. The Registered Office of the company, at present, is situated at BEML Soudha, No.23/1, 4th Main Road, Sampangi Ramanagara, Bengaluru - 560027, Karnataka, India. Details of PAN and email-id is as follows:

PAN: AAJCB9858P

Email-ID: cs@beml.co.in

- a) The main objects of BEML Land Assets Limited, as per the Memorandum of Association are as follows:

- i. To construct, acquire, hold, manage, develop, administer, protect, preserve and to deal in any other manner with properties, including sale and purchase thereof, whether such properties are in the nature of land or building (semi-constructed or fully constructed) or partially land and partially buildings, anywhere in India and if permitted by applicable legislation, outside India as well.
 - ii. To collect and settle revenue, rental, lease charges and such other charges as may be payable by any entity against legitimate use of any of such properties by persons, companies, agencies and administrations for the services provided and to utilize the same for furtherance of activities of the Company.
 - iii. To carry on the business of developing, holding, owning, leading or licensing real estate, consultancy in real estate and property of all kinds and for this purpose acquiring by purchase, or through lease, license, barter, exchange, hire purchase or otherwise, land or other immovable property of any description or tenure or interest in immovable property.
 - iv. To carry out the business of building construction and development of commercial building, industrial shed, offices, houses, buildings, apartments, structures, hotels or other allied works of every description on any land acquired howsoever by the company, whether on ownership basis or as lessee or licensee and to deal with such construction or developed or built premises by letting out, hiring or selling the same by way of outright sale, lease, license, usufructuary mortgage or other disposal of whole or part of such construction or development or built premises.
- b) The authorised, issued, subscribed and paid-up share capital of BEML Land Assets Limited as on September 30, 2021 was as set out below:

| Particulars | Amount in INR |
|---|----------------------|
| Authorized Capital | |
| 10,00,000 Equity Shares of INR 1 each | 10,00,000 |
| Issued, Subscribed and Paid-up Capital | |
| 100,000 Equity Shares of INR 1 each fully paid up | 100,000 |

Subsequent to September 30, 2021, there has been no change in the capital structure of BEML Land Assets Limited.

- c) The details of the promoters and present directors of BEML Land Assets Limited along with their addresses are as follows:

i. Promoters

| Sl No | Name | Address |
|--------------|--------------|--|
| 1 | BEML Limited | BEML Soudha, #23/1, 4th Main, S.R. Nagar, Bengaluru 560027, Karnataka, India |

ii. Directors

| Sl No | Name | Designation | Din | Address |
|--------------|------------------------------------|----------------------|------------|--|
| 1 | Shri Amit Banerjee | Nominee Director | 08783660 | #39, Kushal Layout, Kaggadasapura, CV Raman Nagar, Bengaluru – 560093. |
| 2 | Shri Ajit Kumar Srivastav | Nominee Director | 08741858 | No. 33, Beml 7th Stage, 1st Main, Near Radha Krishna Temple, Mylasandra, Bengaluru South, Bengaluru – 560 059. |
| 3 | Shri Shanmukh Muchinamane Lingappa | Independent Director | 00058949 | 1B- 501, Akme Harmony, Apartment, Outer Ring Road, Near Bellandur, - 560103 |

- d) There are no Secured and Unsecured Creditors of BEML Land Assets Limited as on 30th September 2021 and also as on date.
- e) Details of change of name, registered office and objects of the BEML Land Assets Limited in last five years

Change of Name: NIL

Change of Registered Office: NIL

Change of objects: NIL

5. Relationship subsisting between the companies who are parties to the Scheme

BEML Land Assets Limited is the wholly owned subsidiary of the BEML Limited.

6. Details of the Board meeting at which the Scheme was approved by the Board of Directors of the Applicant Company, and Resulting Company including the name of the Directors who voted in favour of the resolution, who voted against the resolution and who did not vote or participate on such resolution.

For BEML Limited:

Date of Board meeting at which the Scheme was approved by the Board of Directors: 23rd July, 2021.

| Sl No | Name of the directors | Details (Voted in favour/ voted against/ didn't vote) |
|--------------|---------------------------------|--|
| 1. | SHRI AMIT BANERJEE | Voted in favour |
| 2. | SHRI MALYALA VENKATA RAJASEKHAR | Voted in favour |
| 3. | SHRI AJIT KUMAR SRIVASTAV | Voted in favour |
| 4. | SHRI PUNEET AGARWAL | Voted in favour |
| 5. | SHRI ARVIND KUMAR ARORA | Voted in favour |
| 6. | SMT. BALMURI VANITHA | Voted in favour |
| 7. | DR. GURMOHINER SINGH | Voted in favour |

For BEML Land Assets Limited:

Date of the meeting at which the Scheme was approved by the Board of Directors: 24th July, 2021.

| Sl No | Name of the directors | Details (Voted in favour/voted against/ didn't vote) |
|-------|-------------------------------|--|
| 1. | AMIT BANERJEE | Voted in favour |
| 2. | AJIT KUMAR SRIVASTAV | Voted in favour |
| 3. | SHANMUKH MUCHINAMANE LINGAPPA | Voted in favour |

7. Rationale and Benefits of the Scheme

RATIONALE FOR THE SCHEME:

- (i) Presently the President of India through the Ministry of Defence ('MoD') holds 54.03% of the equity share capital of BEML.
- (ii) The Government of India ("GoI") had 'in-principle' decided to disinvest 26.00% of the equity share capital of BEML Limited through strategic disinvestment along with transfer of management control ("Strategic Disinvestment").
- (iii) BEML has land parcels and building spread across India, at its various manufacturing facilities, corporate office, marketing and regional offices out of which there are certain land parcels and buildings which can be categorized as surplus / non-core assets. The surplus / non-core land and building details of BEML is hereinafter referred to as "Identified Surplus/ Non-core assets".
- (iv) The Board of Directors of BEML has agreed, based on the decision of Government of India, to hive-off of Identified Surplus / Non-core assets separately and exclude it from the process of strategic disinvestment. In order to achieve the above objectives, Identified Surplus / Non-core Assets are being demerged into BEML Land Assets Limited.
- (v) With a view to facilitate reconstruction and splitting up of public sector companies into separate companies, the Central Government vide Finance Act 2021, has inserted Explanation 6 to Section 2(19AA) of the Income Tax Act, 1961 with effect from 1 April 2021. Explanation 6 clarifies that the reconstruction or splitting up of a public sector company into separate companies shall be deemed to be a demerger, if such reconstruction or splitting up has been made to transfer any asset of the demerged company to the resulting company and such resulting company—
 - i. is a public sector company on the appointed date indicated in such scheme as may be approved by the Central Government or any other body authorized under the provisions of the Companies Act, 2013 or any other law for the time being in force governing such public sector companies in this behalf; and
 - ii. fulfils such other conditions as may be notified by the Central Government in the Official Gazette in this behalf.
- (vi) The reconstruction and splitting up, by way of transfer of the Identified Surplus/ Non-core assets to BEML Land Assets Limited, is to be undertaken in terms of Explanation 6 to Section 2(19AA) of the Income Tax Act, 1961.
- (vii) The proposed corporate restructuring mechanism by way of a Scheme under the provisions of the Act is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors, general public at large and other stakeholders of the companies involved.

(viii) The Scheme also provides for various matters consequential or otherwise integrally connected herewith.

8. Salient features / details / extract of the Scheme

- a) It is proposed to undertake the following:
- Demerger, transfer and vesting of the Identified Surplus/ Non-core Assets (as defined in the Scheme) from BEML Limited to BEML Land Assets Limited referred to as the Resulting Company (as defined hereinafter) and the consequent issue of shares by the Resulting Company to the shareholders of BEML Limited in the manner set out in the Scheme
 - The cancellation of share capital of the Resulting Company in the manner set out in the Scheme; and
 - Increase in the authorized share capital of the Resulting Company/ BLAL
- b) The management proposes to achieve the above pursuant to Section 230 to 232 read with Section 52 and 66 and other applicable provisions of the Companies Act, 2013, in the manner set out herein.
- c) **“Appointed Date for Demerger”** means the date on which the order is filed with Registrar of Companies under Clause 10.2 of the Scheme or such other date as may be fixed or approved by the Competent Authority
- d) **“Effective Date”** means the Appointed Date in terms of Section 232 (6) of the Act.
- e) **Accounting Treatment** - Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and Resulting Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date for Demerger.’

The features / details / extract set out above being only the salient features / details / extract of the Scheme as are statutorily required to be included in this Explanatory statement, the Secured Creditors are requested to read the entire text of the Scheme (annexed herewith) to get fully acquainted with the provisions thereof and the rationale and objectives of the proposed Scheme of Arrangement.

9. Approvals required

As per the Scheme, Identified Non-core /Surplus assets are being transferred, out of which, following assets require specific approvals and intimations.

| | Property | Approval/ NOC to be sought from |
|---|--|--|
| 1 | Bangalore Complex Bengaluru Complex, New Thippasandra Post, Bengaluru - 560 075. | NoC received from State Government |
| 2 | Mysore Complex Lands near Hebbal and Koorgally, Kasaba, Mysore (constituting 401.23 acres) | KIADB |

| | | |
|----|--|---|
| 3 | Lease rights in Asansol properties Plot bearing No.16, Kalyanpur Housing estate - Lease deed dt. 14.08.1986 - Regn No. 454 of 1987 and Plot bearing No.17, Kalyanpur Housing estate - Lease deed dt. 14.08.1986 - Reg No. 455 of 1987 | WBHB |
| 4 | Flats in Golf Green Residential flat no. 1/1, 1/2, 1/3, Block – C, Golf Green Urban Complex, Kolkata, West Bengal, Pin: 700095 | WBHB |
| 5. | Chithod Complex Unit/Flat No. 1/1, 1/3, 1/5, 1/7, 3/7, Flat No.9/7, 9/8 Chittod Complex, Maharana Pratap nagar, Zone-1, Tehsil: Huzur, District: Bhopal, Madhya Pradesh, Pin: 462011 | Intimation to Bhopal Vikash Pradhikaran |

10. The Share Entitlement Ratio Report and the Fairness Opinion were also placed before the Board of Directors of the Company and approved by them at the meeting held on 23rd July 2021.
11. In accordance with Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of BEML Limited during its meeting held on 22nd July 2021 recommended the proposed Scheme for approval of the Board of Directors of BEML Limited *inter alia* taking into account:
 - a. The Share Entitlement Ratio Report issued by CA Harsh Chandrakant Ruparelia;
 - b. The Fairness Opinion issued by Fedex Securities Private Limited, Merchant Banker;
 - c. Statutory Auditors' certificate dated July 21, 2021 issued by Sundaram & Srinivasan Chartered Accountants, in relation to the accounting treatment prescribed in the Scheme.
12. In accordance with SEBI Master Circular SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020, the Independent Directors of BEML Limited have recommended the proposed Scheme, taking into consideration, interalia, that the scheme is not detrimental to the shareholders of the listed entity.
13. The details of the present Directors and Key Managerial Personnel (KMPs) of the Demerged Company and Resulting Company and their respective shareholdings in the Demerged and Resulting Company as on date are as follows:

For BEML Limited:

| Sr.No | Name | Din | Equity shares held in the BEML Limited |
|--------------|---------------------------------|------------|---|
| 1. | Shri Amit Banerjee | 08783660 | NIL |
| 2. | Shri Malyala Venkata Rajasekhar | 08467141 | NIL |
| 3. | Shri Ajit Kumar Srivastav | 08741858 | NIL |
| 4. | Shri Surendra Prasad Yadav | 02267582 | NIL |
| 5. | Shri Arvind Kumar Arora | 07409509 | NIL |
| 6. | Smt. Balmuri Vanitha | 08679028 | NIL |

| | | | |
|----|---------------------------------|----------|-----|
| 7. | Shri Arun Daga | 07054958 | NIL |
| 8. | Shri Vikas Ramakrishna Kakatkar | 02372234 | NIL |
| 9. | Shri Siva Makutam | 09450599 | NIL |

For BEML Land Assets Limited:

| Sr.No | Name | Din | Equity shares held in the BEML Land Assets Limited |
|-------|------------------------------------|----------|---|
| 1. | Shri Amit Banerjee | 08783660 | 01 (One Equity Share held as nominee of BEML Limited) |
| 2. | Shri Ajit Kumar Srivastav | 08741858 | 01 (One Equity Share held as nominee of BEML Limited) |
| 3. | Shri Shanmukh Muchinamane Lingappa | 00058949 | NIL |

14. Pre and Post Arrangement Shareholding Pattern

The expected pre and post Scheme shareholding pattern of the Applicant Companies are as follows:

For BEML Limited:

Equity Shares

| Shareholding pattern – BEML Limited | Pre | | Post | |
|-------------------------------------|--------------------|--------------|--|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Promoter | 2,25,00,000 | 54.03 | 2,25,00,000 | 54.03 |
| Public | 1,91,44,500 | 45.97 | 1,91,44,500 | 45.97 |
| Custodian | - | - | - | - |
| TOTAL | 4,16,44,500 | 100 | 4,16,44,500 | 100 |
| No of shareholders | 97,145* | | depends upon the no. of shareholders as on the effective date | |

* As on 30.09.2021. Shareholders as on 21.01.2022 were 92,129.

For BEML Land Assets Limited:

Equity Shares

| Shareholding pattern – BEML Land Assets Limited | Pre | | Post | |
|---|---------------|--------------|---------------|--------------|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Promoter | 100,000 | 100 | 2,25,00,000 | 54.03 |
| Public | - | - | 1,91,44,500 | 45.97 |

| | | | | |
|----------------------------|---|------------|--|------------|
| Custodian | - | - | - | - |
| TOTAL | 100,000 | 100 | 4,16,44,500 | 100 |
| No. of shareholders | 7 (including 6 nominee shareholders) | | depends upon the no. of shareholders as on the effective date | |

15. The Applicant Companies have made applications before the Ministry of Corporate Affairs as per Rule 3(1) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for the sanction of the Scheme of Arrangement under Section 230-232 of the Companies Act, 2013.
16. The rights and interests of the Equity Shareholders, Secured and Unsecured creditors, non-promoter members, depositors, debenture holders, deposit trustee, debenture trustee, employees of the Applicant Company and other companies will not be prejudicially affected by the Scheme as no sacrifice or waiver is at all called from them nor their rights sought to be modified in any manner.
17. Except to the extent of the shares held by the Directors and the KMP stated above, none of the Directors, Key Managerial Personnel ('KMPs') of the Demerged Company or their respective relatives is in any way connected or interested in the resolution forming part of the Notice.
18. There is no likelihood that any Secured or Unsecured creditor of the Applicant Companies concerned would lose or be prejudiced as a result of the Scheme being passed since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of either company nor will it affect the interest of any of the shareholders or creditors.
19. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 or the corresponding provisions of the Companies Act, 2013 against any of the companies involved in the Scheme.
20. As directed by the Ministry of Corporate Affairs, the Notice pursuant to Section 230(5) of the Companies Act, 2013 in the prescribed format along with Explanatory statement, a copy of the Scheme of Arrangement and the disclosures provided herewith will be served within the prescribed time on the Statutory Authorities, as applicable.

21. Approvals and Sanctions in Relation to the Scheme

BSE Limited was appointed as the designated Stock Exchange by the Applicant Company for the purpose of co-ordinating with SEBI, pursuant to SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020.

The Applicant Company has received Observation letters regarding the Scheme from BSE Limited (BSE) dated 12th October 2021 and from NSE dated 13th October 2021. There are no adverse observations made by BSE and NSE. We have made adequate disclosures in the Scheme as recommended by BSE and NSE. Copy of the Observation letter received from BSE and NSE is attached to this Notice.

22. Summary of the Valuation Report, Share Entitlement Ratio Report and Fairness Opinion

- a. Share Entitlement Ratio Report dated 22nd July 2021 issued by a registered valuer namely, CA Harsh Chandrakant Ruparelia, providing the share entitlement ratio as under –

Demerger of Demerged Undertaking from BEML Limited to BEML Land Assets Limited:

“1(One) fully paid up equity share of INR 10 (INR Ten only) each of BEML Land Assets Limited shall be issued and allotted for every 1(One) fully paid up equity shares of INR 10 (INR Ten only) each held in BEML Limited as on Record Date”.

23. Inspection

The following documents will be open for inspection at the registered office of the Applicant Company up to 1 (one) day prior to the date of the meeting on all working days (except Saturdays, Sundays and Public Holidays between 11.00 A.M. to 5.00 P.M.

- a. Copy of the order passed by the Ministry of Corporate Affairs in Original Application, *inter alia*, directing for convening and holding of the meeting of the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Applicant Company;

- b. Copies of the Memorandum and Articles of Association of the companies involved in the Scheme;

- c. Copies of the annual reports* including audited financial statements of the companies involved in the Scheme for the last three financial years ended March 31, 2019, March 31, 2020 and March 31, 2021;

** It may be noted that BLAL was incorporated on 15 July 2021, hence, annual report for FY21 i.e. period ending 31 March 2021 is not applicable.*

- d. Copy of unaudited financial statements dated 30 September 2021 for BEML Limited and BEML Land Assets Limited accompanied by limited review report;

- e. Copy of the Share Entitlement Ratio Report dated July 22,2021 issued by CA Harsh Chandrakant Ruparelia, Chartered Accountants;

- f. Copy of the Fairness Opinion dated 22nd July, 2021 issued by Fedex Securities Private Limited, Merchant Banker;

- g. Copy of Statutory Auditors' certificate dated 21st July, 2021 issued by Sundaram & Srinivasan, Chartered Accountants, in relation to the accounting treatment prescribed in the Scheme is in compliance with Section 133 of the Companies Act, 2013;

- h. Register of Directors' Shareholding of the Applicant Companies;

- i. Copy of the Nil Complaints Report dated 26.08.2021 submitted by BEML Limited to BSE and NSE;

- j. Copy of the Audit Committee's Report dated 22nd July, 2021 of the Demerged Company;

- k. Copies of the resolutions dated 23rd July, 2021 and 24th July, 2021 passed by the Board of Directors of the Demerged Company and Resulting Company respectively approving the Scheme;

- l. Copy of the Observation Letters / no objection issued by BSE dated 12 October 2021 and NSE dated 13 October 2021;

- m. Copy of the Scheme;

- n. Information pertaining to the unlisted entity (BLAL or Resulting Company) involved in the scheme in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations;
- o. Confirmation / GNL-1 copy acknowledging that the draft scheme has been filed with the Registrar of Companies.

It is further provided that there are no other contracts or agreements that are material to the proposed Scheme.

Date: 25.01.2022
Place: Bengaluru

Shri Amit Banerjee,
Chairman & Managing Director
(Chairman of the Meeting appointed by MCA)

SCHEME OF ARRANGEMENT
BETWEEN
BEML LIMITED
AND
BEML LAND ASSETS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTION 230 AND 232 READ WITH SECTION 66 AND OTHER
APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

PREAMBLE

This Scheme of Arrangement ('the Scheme') provides for:

- a. Demerger, transfer and vesting of the identified Surplus/ Non-core Assets(as defined hereinafter) from BEML Limited to BEML Land Assets Limited referred to as the Resulting Company(as defined hereinafter) and the consequent issue of shares by the Resulting Company to the shareholders of BEML Limited in the manner set out in the Scheme.
- b. The cancellation of share capital of the Resulting Company in the manner set out in the Scheme. The above scheme is propounded, pursuant to the provisions of Sections 230 and 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder.

1. INTRODUCTION AND OBJECTIVE OF THE SCHEME

1.1 DESCRIPTION OF COMPANIES

- a) BEML Limited ('BEML' or 'Demerged Company') was incorporated on 11th May 1964 as Bharat Earth Movers Limited under Companies Act 1956 with the Registrar of Companies, Karnataka at Bengaluru. Later, Bharat Earth Movers Limited was renamed as BEML Limited in 2007. BEML Limited is a listed company bearing CIN: L35202KA1964GOI001530. The Registered Office of Demerged Company is situated at BEML Soudha, 23/1, 4th Main, S.R. Nagar, Bengaluru 560027, Karnataka, India.



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- b) The President of India through the Ministry of Defense ('MoD') holds 54.03% of the equity share capital of BEML as on date. Accordingly, BEML is a 'government company' as defined under Section 2(45) of the Companies Act, 2013 and consequently public sector undertaking under Section 2(36A) of the Income Tax Act, 1961.
- c) BEML has 3 division viz. (a) Mining & Construction, (b) Defense & Aerospace and (c) Rail & Metro. The equity shares of BEML are listed and traded on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").
- d) BEML Land Assets Limited ('BEML Land Assets Limited') is an unlisted public company which was incorporated as BEML Land Assets Limited on 15 July 2021 bearing CIN: U70109KA2021GOI149486 with the Registrar of Companies, Bangalore under the provisions of the Companies Act, 2013. The Registered Office of the company, at present, is situated at BEML Soudha 23/1, 4th Main Rd, Sampangi, RamaNagara, Bengaluru, Karnataka, India, 560027.
- e) Presently, 100% of the shareholding of the Resulting Company is held beneficially by BEML and accordingly, BEML Land Assets Limited is also a 'government company' as defined under Section 2(45) of the Companies Act, 2013 and consequently public sector undertaking under Section 2(36A) of the Income Tax Act, 1961. The Resulting Company is a new and unlisted company as on date.

1.2 BACKGROUND AND RATIONALE FOR THE SCHEME

- a) It is proposed to undertake the following corporate restructuring on the agreed terms and conditions as set out herein:
- Demerger of Identified Surplus/ Non-core Assets of Demerged company into Resulting Company as a going on concern;
 - Cancellation of share capital of Resulting Company

The management proposes to achieve the above pursuant to Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, in the manner set out herein.

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- c) The rationale for the Scheme of Arrangement is as under:
- (i) Presently the President of India through the Ministry of Defense ('MoD') holds 54.03% of the equity share capital of BEML as on date.
 - (ii) The Government of India ("GoI") had '*in-principle*' decided to disinvest 26.00% of the equity share capital of BEML Limited through strategic disinvestment along with transfer of management control ("Strategic Disinvestment").
 - (iii) BEML has land parcels and building spread across India, at its various manufacturing facilities, corporate office, marketing and regional offices out of which there are certain land parcels and buildings which can be categorized as surplus/ non-core assets. The surplus/ non-core land and building details of BEML is hereinafter referred to as "Identified Surplus/ Non-core assets".
 - (iv) The Board of Directors of BEML has agreed, based on the decision of Government of India, to hive-off of Identified Surplus/ Non-core assets separately and exclude it from the process of strategic disinvestment. In order to achieve the above objectives, Identified Surplus/ Non-core Assets are being demerged into BEML Land Assets Limited
 - (v) With a view to facilitate reconstruction and splitting up of public sector companies into separate companies, the Central Government vide Finance Act 2021, has inserted Explanation 6 to Section 2(19AA) of the Income Tax Act, 1961 with effect from 1 April 2021. Explanation 6 clarifies that the reconstruction or splitting up of a public sector company into separate companies shall be deemed to be a demerger, if such reconstruction or splitting up has been made to transfer any asset of the demerged company to the resulting company and such resulting company-
 - i. is a public sector company on the appointed date indicated in such scheme as maybe approved by the Central Government or any other body authorized under the provisions of the Companies Act, 2013 or any other law for the time being in force governing such public sector companies in this behalf; and
 - ii. fulfills such other conditions as may be notified by the Central Government in the Official Gazette in this behalf.



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The reconstruction and splitting up, by way of transfer of the Identified Surplus/ Non-core assets to BEML Land Assets Limited, is to be undertaken in terms of Explanation 6 to Section 2(19AA) of the Income Tax Act, 1961.

- (vi) The proposed corporate restructuring mechanism by way of a Scheme under the provisions of the Act is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors, general public at large and other stakeholders of the companies involved.
- (vii) The Scheme also provides for various matters consequential or otherwise integrally connected herewith.

1.3 PARTS OF THE SCHEME

The Scheme is divided into the following parts:

PART A: Definitions and Share capital

PART B: Transfer of "Identified Surplus/ Non-core Assets" from BEML and its vesting in BEML Land Assets Limited, cancellation of share capital of BEML Land Assets Limited and matters incidental thereto

PART C: General Terms and Conditions applicable to the Scheme

This Scheme also provides for various other matters consequential, incidental or otherwise integrally connected therewith.

PART A

DEFINITIONS AND SHARE CAPITAL

1. Definitions

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meaning:



1.1 "Act" or "the Act" means the Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.

1.2 "Appointed Date for Demerger" means the date on which the order is filed with Registrar of Companies under Clause 10.2 or such other date as may be fixed or approved by the Competent Authority.

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- 1.3 “**Board of Directors**” or “**Board**” in relation to the BEML and BEML Land Assets Limited ,as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.

1.4 “**Competent Authority**”means the Ministry of Corporate Affairs(“**MCA**”),Central Governmentor such other authority as constituted and authorized as per the provisions of the Companies Act, 2013 for approving anyScheme of Amalgamation and Arrangementin relation to government companies under the relevant provisions of the Act.

1.5 “**Demerged Company**”or “**BEML**”meansBEML Limited, a listed company incorporated on 11th May 1964under the provisions of the Companies Act, 1956 and having its registered office at BEML Soudha, 23/1, 4th Main, S.R. Nagar, Bengaluru 560027, Karnataka, India.

1.6 “**Demerger**” means transfer and vesting of Identified Surplus/Non-core Assets from Demerged Company to Resulting Company in terms of Section 2(19AA) of the Income tax Act, 1961, as provided in Part B of the Scheme.

1.7 “**Effective Date**” means the Appointed Date in terms of Section 232 (6) of the Act.

1.8 “**Governmental Authority**” shall mean any national, state, provincial, local or similar government, governmental, statutory, regulatory or administrative authority, government department, agency, commission, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country:

“Identified Surplus Non-core Assets” means the pieces and parcels of land and buildings described in **Schedule 1** hereunder and shall mean and include all the rights, title, interest and/or liabilities, if any, of the Demerged

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Company in relation thereto. Without prejudice and limitation to the generality of the above, the Identified Surplus/ Non-core Assets shall mean and include:

- i. all rights, title, interest, covenant, undertakings, liabilities including continuing rights, title and interest in connection with the pieces and parcels of land and buildings;
- ii. litigations, claims and disputes pertaining to the Identified Surplus/ Non-core Assets; and
- iii. all benefits and obligations under the contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of any nature relating exclusively to the pieces and parcels of land and buildings;

- 1.10 **"KIADB"** means Karnataka Industrial Areas Development Board, set up under Karnataka Industrial Areas Development Act of 1966.
- 1.11 **"Record Date"** means, in connection with the Demerger, the date fixed by the respective Boards of the Demerged Company and the Resulting Company for the purpose of determining the shareholders of the Demerged Company to whom shares of the Resulting Company shall be allotted pursuant to the Demerger under this Scheme.
- 1.12 **"Remaining Assets"** with respect to BEML means all assets of BEML other than Identified Surplus/ Non-core assets demerged.
- 1.13 **"Remaining Business"** with respect to BEML means all assets and liabilities of BEML other than Identified Surplus/ Non-core assets demerged.
- 1.14 **"Resulting Company"** or **"BEML Land Assets Limited "** means BEML Land Assets Limited, a company incorporated on 15 July 2021 under the provisions of the Companies Act, 2013 and having its registered office at BEML Soudha 23/1, 4th Main Rd, Sampangi, RamaNagara, Bengaluru, Karnataka, India, 560027.
- 1.15 **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement in its present form as submitted to the Competent Authority or this Scheme with such modification(s), if any made, as per Clause 12 of the Scheme.



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- 1.16 "SEBI" means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.17 "SEBI Scheme Circular" means Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated 22 December 2020 on Schemes of Arrangement by Listed Entities, and shall include any modifications or amendments thereof;
- 1.18 "Share Entitlement Ratio" shall have the meaning ascribed to it in Clause 5;
- 1.19 "Stock Exchanges" means the BSE Limited and the National Stock Exchange of India Limited (NSE Limited), collectively; and
- 1.20 "Tax" or "Taxes" means and includes: (a) all forms of direct tax and indirect tax, duty, surcharge, cess or any other tax of similar nature, including, minimum alternate tax, dividend distribution tax, value added tax, service tax, goods and service tax or any other taxes, withholding tax whenever or wherever created or imposed by, or payable to, any Government Authority by reference to profits, gains, assets or other reference, in relation to the arrangements envisaged under this Scheme; and (b) all charges, interest, penalties, costs and fines incidental or relating to any taxes falling within (a) above or which arise as a result of the failure to pay any taxes on its due date or to comply with any obligation relating to taxes and shall include any liabilities for the taxes of any another person, whether by contract, operation of law or otherwise, and (c) shall not include any reference to Property Taxes.
- 1.21 "WBHB" means West Bengal Housing Board, established under the Act XXXII, 1972 by the Government of West Bengal.
- 1.22 Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.
- 1.23 References to "Clauses", "Sections", "Schedules" and "Parts", unless otherwise stated, are references to schedules, clauses, sections and parts of this Scheme.
- 1.24 The headings herein shall not affect the construction of this Scheme.
- 1.25 Unless the context otherwise requires, reference to any law or to any provision

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- 1.26 thereof shall include references to any such law or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law or any provision which replaces it, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.
- 1.27 The singular shall include the plural and vice versa; and references to one gender include all genders.
- 1.28 Any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed without limitation.
- 1.29 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

- 2.1 The share capital of BEML as at 31st March, 2021 is as under:

| Particulars | Amount in INR |
|--|------------------|
| Authorized Capital | |
| 10,00,00,000 Equity Shares of INR 10 each | 1,00,00,00,000/- |
| Issued Capital | |
| 4,19,00,000 Equity Shares of INR 10 each | 41,90,00,000/- |
| Subscribed and Paid-up Capital | |
| 4,16,44,500 Equity Shares of INR 10 each fully paid up | 41,64,45,000/- |
| Forfeited Shares (amount originally paid) | |
| 2,55,500 Equity shares of paid-up value INR 5/- each | 12,77,500/- |

There has been no change in the share capital of BEML post 31st March, 2021.



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2.2 The share capital of BEML Land Assets Limited as at 15 July 2021 is as under:

| Particulars | Amount in INR |
|---|---------------|
| Authorized Capital | |
| 10,00,000 Equity Shares of INR 1 each | 10,00,000 |
| Issued, Subscribed and Paid-up | |
| 100,000 Equity Shares of INR 1 each fully paid up | 100,000 |

There has been no change in the share capital of BEML Land Assets Limited post 15 July 2021.

PART B

TRANSFER OF IDENTIFIED SURPLUS/ NON-CORE ASSETS FROM DEMERGED COMPANY TO RESULTING COMPANY AND THEIR VESTING IN RESULTING COMPANY,

CANCELLATION OF SHARE CAPITAL OF THE RESULTING COMPANY AND MATTERS INCIDENTAL THERETO

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) and amendment{s} made under Clause 12 of the Scheme, approved or imposed or directed by the Competent Authority, shall be effective from the Appointed Date.

4. TRANSFER AND VESTING OF IDENTIFIED SURPLUS/ NON-CORE ASSETS FROM DEMERGED COMPANY INTO RESULTING COMPANY

4.1 Upon Scheme coming into effect, the Identified Surplus/ Non-Core Assets shall, subject to the provisions of this Clause 4 in relation to the mode of transfer and vesting and pursuant to Section 230 and 232 of the Act and without any further act or deed, be demerged from the Demerged Company and be transferred to and vested in and be deemed to have been demerged from the Demerged Company and transferred to and vested in the Resulting Company so as to become as and from the Appointed Date for Demerger, the estate, assets, rights, claims, title, interest and authority of the Resulting Company.

4.2 Upon the Scheme becoming effective, by way of demerger, all Identified Surplus/ Non-Core Assets, and any documents of title/rights and easements

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in relation thereto shall be vested in and transferred to the Resulting Company and shall belong to the Resulting Company thereafter. The mutation of the title to the immovable properties pertaining to the Identified Surplus/ Non-Core Assets shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and subject to Clause 10, in accordance with the terms hereof, in favour of the Resulting Company.

- 4.3 Upon the Scheme becoming effective, all debts, liabilities, claims (including contingent liabilities and/or obligations which arise in relation to the Identified Surplus/ Non-Core Assets), Taxes (except Property Tax on the Identified Surplus/ Non-Core Assets prior to the date by which the order is filed with Registrar of Companies under Clause 10.2), duties and obligations of any kind, nature or description thereof, of the Demerged Company pertaining to the Identified Surplus/ Non-Core Assets, secured or unsecured ("Demerged Liabilities"), shall without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company. Notwithstanding the Appointed Date, all claims by State Governments for property taxes to the extent such claims relate to the Identified Surplus/ Non-Core Assets ("Property Taxes") prior to the date by which the order is filed with Registrar of Companies under Clause 10.2, shall be borne by the Demerged Company; and all claims by state governments for Property Taxes on the Identified Surplus/ Non-Core Assets, on and from the date by which the order is filed with Registrar of Companies under Clause 10.2 and onwards shall be borne by the Resulting Company.
- 4.4 Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of Demerged Company in any immovable properties including any leasehold properties (subject to approvals mentioned in Schedule 2) of Demerged Company forming part of the Identified Surplus/ Non-Core Assets, shall, pursuant to Section 232 of the Act, without any further act or deed, be transferred to and vested in or be deemed to have been transferred to or vested in the Resulting Company on the same terms and conditions. The immovable property forming part of the Identified Surplus/ Non-Core Assets shall stand transferred to the Resulting Company under the Scheme.

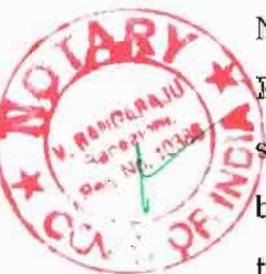
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- 4.5 Upon Scheme coming into effect, without any limitations whatsoever, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Demerged Company and relating to the Identified Surplus/ Non-Core Assets, under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against the Resulting Company after the date by which the order is filed with Registrar of Companies under Clause 10.2. The Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings against the Resulting Company. From time to time until the date by which the order is required to be filed with Registrar of Companies under Clause 10.2, the Demerged Company shall notify the Resulting Company of any claims that it receives from third parties in respect of the Identified Surplus/ Non-Core Assets within twenty business days of such receipt.
- 4.6 Upon the Scheme becoming effective, the Resulting Company undertakes, without any limitations whatsoever, to have such legal or other proceedings relating to or in connection with the Identified Surplus/ Non-Core Assets of the Demerged Company, initiated by or against the Demerged Company as on the date by which the order is filed with Registrar of Companies under Clause 10.2, transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company. The Resulting Company shall indemnify and hold harmless the Demerged Company, from and against, any claims made against it and expenses incurred or suffered in this regard.
- 4.7 The Resulting Company shall indemnify and hold harmless the Demerged Company from and against, any and all losses, liabilities, claims, damages, actions, Taxes (including claims for Property Tax on the Identified Surplus/ Non-Core Assets on or after the date by which the order is filed with Registrar of Companies under Clause 10.2), costs and expenses incurred or suffered in relation to Demerged Liabilities, upon and after the Scheme becoming effective. To this extent, the Resulting Company shall, from time to time, advance sums that are adequate to meet all such losses, liabilities, claims, damages, actions, Taxes (including claims for Property Tax on the Identified Surplus/ Non-Core Assets on or after the date by which the order is filed with Registrar of Companies under Clause 10.2), costs and expenses to



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the Demerged Company before they become due to any third party, including to any Governmental Authority. Without prejudice to the foregoing, if, for any reason, the Demerged Company pays any such claims, damages, costs, expenses, Taxes (including claims for Property Tax on the Identified Surplus/ Non-Core Assets on or after the date by which the order is filed with Registrar of Companies under Clause 10.2) and liabilities, the Resulting Company shall reimburse the Demerged Company for all such costs promptly and of a demand for the reimbursement of any such claims, damages, costs, expenses, Taxes (including claims for Property Tax on the Identified Surplus/ Non-Core Assets on or after the date by which the order is filed with Registrar of Companies under Clause 10.2) and liabilities being made on the Resulting Company.

- 4.8 For the purpose of giving effect to the vesting order passed under Sections 230 and 232 of the Act in respect of this Scheme, the Resulting Company shall at any time pursuant to the orders on this Scheme be entitled to get the recordof the change in the legal right(s) upon the vesting of the Identified Surplus/ Non-coreAssets in accordance with the provisions of Sections 230 and 232 of the Act. The Demerged Company and the Resulting Company shall jointly and severally be authorized to execute any writings as are required to remove any difficulties and carry out any formalities or compliance for the implementation of this Scheme.

- 4.9 Upon Scheme coming into effect, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Identified Surplus/ Non-Core Assets to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible, and all charges or security interests over the Identified Surplus/ Non-Core Assets or part thereof, and which are subsisting or having effect immediately before the date by which the order is filed with Registrar of Companies under Clause 10.2, shall be in full force and effect on or against or in favour of the Resulting Company and may be enforced as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto.



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- 4.10 Without prejudice to the other provisions of this Scheme, from the Appointed Date and up to and including the date by which the order is filed with Registrar of Companies under Clause 10.2:
- (a) The Demerged Company shall be deemed to have been carrying on all business and activities relating to the Identified Surplus/ Non-Core Assets for and on behalf of the Resulting Company.
 - (b) All profits accruing to the Demerged Company and all Taxes thereof (excluding Property Tax on the Identified Surplus/ Non-Core Assets prior to the date by which the order is filed with Registrar of Companies under Clause 10.2) or losses arising or incurred by it relating to the Identified Surplus/ Non-Core Assets shall, for all purposes, be treated as the profits, Taxes (excluding Property Tax on the Identified Surplus/ Non-Core Assets prior to the date by which the order is filed with Registrar of Companies under Clause 10.2) or losses as the case may be of the Resulting Company.
 - (c) The Demerged Company in relation to the Identified Surplus/ Non-Core Assets shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its subsidiaries or group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the same (except if the Scheme is withdrawn or fails).
- 4.11 All assets, estate, rights, title, interest and authorities acquired by the Demerged Company after the Appointed Date for Demerger and prior to the date by which the order is filed with Registrar of Companies under Clause 10.2 forming part of the Identified Surplus/ Non-Core Assetsshall also stand transferred to and vested or be deemed to have been transferred to or vested in the Resulting Company upon the coming into effect of this Scheme without any further act, instrument or deed.

4.12 Where any of the liabilities and obligations of Demerged Company as on the Appointed Date for Demerger deemed to be transferred to Resulting Company, have been partially or fully discharged by Demerged Company after the Appointed Date for Demerger and prior to the date by which the



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order is filed with Registrar of Companies under Clause 10.2, such discharge shall be deemed to have been for and on account of Resulting Company and all liabilities and obligations incurred by Demerged Company for Identified Surplus/ Non-Core Assets after the Appointed Date for Demerger and prior to the date by which the order is filed with Registrar of Companies under Clause 10.2 shall be deemed to have been incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company.

- 4.13 Notwithstanding the fact that vesting of the Identified Surplus/ Non-Core Assets occurs by virtue of this Scheme itself, the Resulting Company, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, will take such actions and execute such documents (including deeds of confirmation or other writings or arrangements) with any party to any contract or arrangement in relation to the Identified Surplus/ Non-Core Assets to which the Demerged Company is a party in order to give formal effect to the above provisions. The Demerged Company will, if necessary, also be party to the same. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Demerged Company and to carry out or perform all such formalities or compliances referred to above on part of the Demerged Company.
- 4.14 Without any prejudice to the provisions of the foregoing Clauses, Demerged Company and Resulting Company shall enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies Bangalore to give formal effect to the provisions of this Clause and foregoing Clauses, if required.
- 4.15 Upon the coming into effect of this Scheme and with effect from the Appointed Date for Demerger, Demerged Company alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of Demerged Company and



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Resulting Company shall not have any obligations in respect of the debts, liabilities, duties and obligations of the Remaining Business of Demerged Company. Further, upon the coming into effect of this Scheme and with effect from the Appointed Date for Demerger, Resulting Company alone shall be liable to perform all obligations in respect of Demerged Liabilities, which have been transferred to it in terms of this Scheme and Demerged Company shall not have any obligations in respect of such Demerged Liabilities.

- 4.16 Notwithstanding anything contained hereinabove, in the event of sale of any of the assets identified in Schedule 1, prior to the appointed date by demerging company, sale considerations/ proceeds thereof shall be retained by Demerging Company in Escrow account to be maintained as per the directives provided by Department of Investment and Public Asset Management and not transferred to Resulting Company.
- 4.17 The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions.

5. CONSIDERATION FOR TRANSFER OF IDENTIFIED SURPLUS/ NON-CORE ASSETS FROM DEMERGED COMPANY AND ITS VESTING IN RESULTING COMPANY FOR CONSIDERATION AND MATTERS INCIDENTAL THERETO

- 5.1 Upon the Scheme becoming effective and upon vesting of the Identified Surplus/ Non-core Assets into the Resulting Company and in consideration of the Demerger, the Resulting Company shall, without any further application, act, instrument or deed, issue and allot to each member of the Demerged Company whose name is recorded in the register of members as a shareholder of the Demerged Company on the Record Date, or his legal heirs, executors or administrators or (in case of a corporate entity) its successors, 1 equity share in the Resulting Company of face value of INR 10 (Rupees Ten only)for every one equity share in the Demerged Company(the "Share Entitlement Ratio") as on the Record Date. The Demerged Company shall furnish the Resulting Company with a list of shareholders as on the Record



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Date from its SEBI-registered registrar and share transfer agent. The Demerged Company shall not tamper with, amend, revise, modify, or qualify the list so obtained from the registrar and share transfer agent. The Demerged Company shall indemnify and hold the Resulting Company harmless for any breach of the immediately preceding sentence.

- 5.2 Post the date by which the order is filed with Registrar of Companies under Clause 10.2 and subject to the above provisions, the shareholders of Demerged Company as on the Record Date, shall receive demat share receipts of credit of new equity shares in their share accounts maintained with the depository participants reflecting the equity share capital of the Resulting Company issued in accordance with Clause 5.1 above. The Resulting Company shall, if so required, be eligible to issue letters of allotment for the equity shares pending issue of receipts for credit to the account of the shareholders with the depository participant under the depository system. It is clarified that members of the Demerged Company who hold their equity shares in dematerialized form shall be issued equity shares of the Resulting Company in dematerialized form as per the records maintained by the depository participant as on the Record Date. In the event that the Resulting Company has received notice from any shareholder that shares are to be issued in certificate form or if any member has not provided the requisite details relating to the account with a depository participant or other confirmations as may be required, then the Resulting Company shall issue shares in certificate form to such member. All physical share certificates issued pursuant to this clause for the new shares in the Resulting Company shall be sent by the Resulting Company to the shareholders of the Demerged Company at their respective registered addresses as appearing in the register of the Demerged Company on the Record Date (or in the case of joint holders to the address of that one of the joint holders whose name stands first in such register in respect of such joint holding) and the Resulting Company shall not be responsible for any loss in transmission.



- 5.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any member of the Demerged Company, the Board of Directors of the Demerged Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the

For BEML LIMITED

Authorised Mortuaries

operative as on 31st
POT BEME LAND ASSETS LIMITED

Sunit Banerjee
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Director / Authorised Signatory

Record Date, in order to remove any difficulties arising to the Demerged of the shares in the Demerged Company and in relation to the shares issued by the Resulting Company after the effectiveness of the Scheme. The Board of Directors of the Demerged Company shall be empowered to remove such difficulties as may arise in the course of implementation of this Scheme and registration of new shareholders in the Demerged Company on account of difficulties faced in the transaction period.

- 5.4 The Equity shares to be issued by the Resulting Company pursuant to this Scheme in respect of such equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of a court or otherwise, also be kept in abeyance by the Resulting Company.
- 5.5 The equity shares issued and allotted by the Resulting Company in terms of this Scheme shall rank *paripassu* in all respects with the then existing equity shares of the Resulting Company.
- 5.6 All those shareholders who hold shares of Demerged Company in physical form shall also have the option to receive the equity shares, as the case may be, in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to Demerged Company and/or its Registrar provided such intimation has been received by the Demerged Company and/or its Registrar at least 30 (thirty) days before the Record Date. The shareholders who fail to provide such details shall be issued equity shares in physical form.
- 5.7 The Approval of this Scheme by the shareholders of Resulting Company shall be deemed to be the due compliance of the provisions of Section 42 and Section 62 of the Act, and other relevant and applicable provisions of the Act and rules made thereunder for the issue and allotment of the shares by Resulting Company to the shareholders of Demerged Company as on the Record Date, as provided in this Scheme.

5.8 The equity shares to be issued by Resulting Company to the members of Demerged Company pursuant to Clause 5.1 will be listed and/ or admitted to trading on the Stock Exchanges on which shares of Demerged Company are



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For BEML LAND ASSETS LIMITED

Director of Audit & Circumstances

listed on the date by which the order is filed with Registrar of Companies under Clause 10.2. The Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for Resulting Company to comply with the formalities of the said Stock Exchange. The equity shares of Resulting Company allotted pursuant to the Scheme shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in Resulting Company between the Record Date in terms of the Scheme and the listing which may affect the status of approvals received from the Stock Exchange.

- 5.9 The Resulting company shall within 60 days of Post allotment of shares in terms of Clause 5.1 shall apply for listing and/or trading of its equity shares on the Stock Exchange(s), in accordance with the applicable laws including the SEBI Scheme Circular, the requirements imposed or concessions, if any, and other terms and conditions agreed with the respective Stock Exchange(s). The equity shares allotted pursuant to this Scheme shall remain frozen in the depositories system till relevant directions in relation to listing/trading are given by the relevant Stock Exchanges. Except for issuance of shares by Resulting Company and cancellation of capital of Resulting Company, in each case as envisaged pursuant to this Clause 5 and Clause 6, there will be no change in the share capital of the Resulting Company till the listing of the equity shares of the Resulting Company on the relevant Stock Exchanges.

6. CANCELLATION OF SHARE CAPITAL

- 6.1 Immediately upon the issuance of shares by Resulting Company to the shareholders of Demerged Company pursuant to Clause 5.1 of this Scheme, the entire share capital of the Resulting Company as existing on the Appointed Date shall stand cancelled, without any further act or deed to the extent mentioned below:

INR 1,00,000 divided into 1,00,000 equity shares of INR 1 each

Notwithstanding anything contained under the Act, pursuant to the provisions of Sections 230 and 232 of the Act read with Section 66 and other applicable provisions of the Act, the share capital account of the Resulting

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For BEML LAND ASSETS LIMITED

Company shall stand cancelled to the extent required in accordance with this Clause without any further act or deed in accordance with provisions of the Scheme.

- 6.2 The cancellation of share capital of the Resulting Company shall be effected as an integral part of this Scheme and the Resulting Company shall not be required to follow the process under Section 66 of the Act or any other provisions of Applicable Law separately.
- 6.3 Upon cancellation, the Resulting Company shall debit their equity share capital account, the aggregate face value of the cancelled shares and the same shall be credited to Capital Reserves of the Resulting Company.
- 6.4 The cancellation would not involve either a diminution of liability in respect of unpaid share capital, if any or payment to any shareholder of any unpaid share capital.
- 6.5 Notwithstanding the cancellation of the equity share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

7. ACCOUNTING TREATMENT

- 7.1 Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Demerged Company and Resulting Company shall give effect to the accounting treatment in the books of accounts in accordance with the accounting standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date for Demerger.

8. LEGAL PROCEEDINGS

- 8.1 Upon the coming into effect of this Scheme, if any suit, appeal, legal, taxation or other proceeding of whatever nature, whether criminal or civil (including before any statutory or quasi-judicial authority or tribunal), under any statute, by or against Demerged Company in relation to Identified Surplus/ Non-core Assets whether pending on the Appointed Date for Demerger or which may be instituted any time thereafter, the same shall not abate or be

For BEML LAND ASSETS LIMITED

Sunit Banerjee

Director / Authorized Signatory



Authorised Signatories
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or BEML LIMITED

discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Resulting Company, as the case may be, after the date by which the order is filed with Registrar of Companies under Clause 10.2, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Demerged Company in relation to Identified Surplus/ Non-core Assets as if this Scheme had not been made.

- 8.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against Demerged Company in relation to Identified Surplus/ Non-core Assets, Resulting Company shall be made party thereto and shall prosecute or defend such proceedings in co-operation with Demerged Company and any payment and expenses made thereto shall be the liability of Resulting Company.

- 8.3 The Resulting Company undertake to have all legal or other proceedings initiated by or against Demerged Company transferred to its name as soon as is reasonably possible after the date by which the order is filed with Registrar of Companies under Clause 10.2 and to have the same continued, prosecuted and enforced by or against Resulting Company to the exclusion of Demerged Company.

PART C GENERAL TERMS AND CONDITIONS

9. GENERAL TERMS

- 9.1 As an integral part of the Scheme, the authorised share capital of the Resulting Company shall stand increased to Rs. 50,00,00,000/- (Rupees Fifty Crores), comprising of 5,00,00,000 (Five Crore) equity shares of Rs. 10/- (Rupees Ten only) each. The capital clause of the Memorandum of Association of the Resulting Company shall, be replaced by the following clause:

"The authorized share capital of the Company is 50,00,00,000/- (Fifty Crores), comprising of 5,00,00,000 (Five Crore) equity shares of Rs. 10/- shares (Rupees Ten only)."

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For BEML LAND ASSETS LIMITED

Smit Banerjee
Director / Authorised Signatory

only) each with the rights, privileges and conditions attaching thereto as may be provided by the Articles of Association of the Company for the time period."

- 9.2 It is hereby clarified that for the purposes of Clause 9.1, the consent of the shareholders of the Resulting Company to the Scheme shall be deemed to be sufficient for amendment of the Memorandum of Association of the Resulting Company pursuant to Section 13 and 61 of the Act, and no further resolutions under the applicable provisions of the Act would be required. It is clarified that no need to pass a separate shareholders' resolution as required under section 13 and 61 of the Act for the amendments of the Memorandum of Association and Articles of Association of Transferee Company as above for the combined authorized share capital.
- 9.3 The Resulting Company shall file the requisite forms with the registrar of companies for alteration of its authorised share capital and shall pay the stamp duty, registration fees and other expense in relation to its alteration of share capital.
- 9.4 The Demerged Company and the Resulting Company shall make necessary applications before the Competent Authority respectively for sanction of this Scheme under Sections 230 and 232 of the Act and any other applicable provisions of law. The Resulting Company shall be responsible for obtaining all registrations, approvals and filings, *inter alia*, for the purpose of listing, as may be necessary, the Resulting Company and/or its securities pursuant to, in connection with or as a consequence of the consideration, effectiveness and/or implementation of the Scheme, with or from any Governmental Authority or stock exchange, provided that the Demerged Company shall extend reasonable cooperation in this regard.
- 9.5 With effect from the Appointed Date, if any Tax (including any interest, penalties and/or associated costs) is at all leviable or can be the subject matter of any demand, the same is an obligation transferred to the Resulting Company and shall not be assessed directly or demanded from the Demerged Company, pursuant to this declaration made to the Scheme and sanctioned by the Competent Authority respectively. In the event that any tax (including any interest, penalties and/or associated costs) is levied or becomes capable of

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being levied on the Demerged Company, the Resulting Company and its assets may be subject to the related Tax charge and no assets or properties of the Demerged Company shall be subject to any such Tax charge or claim.

- 9.6 Upon the Scheme becoming effective and subject to the above provisions, the shareholders of the Demerged Company as on the Record Date shall receive new share certificates of Resulting Company reflecting the issued share capital of the Resulting Company (after excluding the original issued capital), and the Resulting Company shall, if so required be eligible to issue letters of allotment for the shares pending issue of share certificates.
- 9.7 Upon the Scheme becoming effective, the Board of Directors of the Resulting Company immediately prior to the date by which the order is filed with Registrar of Companies under Clause 10.2 shall, without any further act or deed be replaced by the new Board of Directors of the Resulting Company constituted in accordance with the Act and majority of which shall be comprised of nominees of the President of India.
- 9.8 The provisions contained in this Scheme are inextricably inter-linked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if is approved in its entirety unless specifically agreed otherwise by the respective Board of Directors of each Company.
- 9.9 Subject to Clause 9.8 above, if any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Companies, affect the validity or implementation of the other parts and/or provisions of this Scheme.
- 9.10 Upon this Scheme becoming effective, the accounts of the Demerged Company, as on the Appointed Date shall be reconstructed in accordance with the terms of this Scheme.
- 9.11 Each of the Demerged Company and Resulting Company shall be entitled to file/revise its income tax returns, TDS returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, credit of tax under Section 115JB of the Income Tax Act, 1961, credit of tax deducted



at source, etc., if any, as may be required consequent to implementation of this Scheme.

- 9.12 This Scheme has been drawn up to comply with Explanation 6 to Section 2(19AA) of the Income Tax Act, 1961, related notification and other relevant sections of the Income Tax Act, 1961. If any terms or provisions of this Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the Tax laws shall prevail. The Board of Directors of the Demerged Company and Resulting Company shall exercise their discretion to modify the Scheme to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. If, and to the extent, any tax is levied on a party to this Scheme under the Income Tax Act, 1961 in relation to this Scheme then the party, which is liable under the Income Tax Act, 1961 to pay such tax, alone shall be liable for such tax with no recourse against another party.
- 9.13 The Demerged Company and the Resulting Company shall make necessary applications before Competent Authority respectively for sanction of this Scheme under Sections 230 and 232 of the Act and any other applicable provisions of law. The Resulting Company shall be responsible for obtaining all registrations, approvals and filings, inter alia, for the purpose of listing, as may be necessary, the Resulting Company and/or its securities pursuant to, in connection with or as a consequence of the consideration, effectiveness and/or implementation of the Scheme, with or from any Governmental Authority or stock exchange, provided that the Demerged Company shall extend reasonable cooperation in this regard.

10. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 10.1 The approval by the respective requisite majorities of the various classes of shareholders and/ or creditors (wherever applicable) of Demerged Company, and Resulting Company as required under the Act or as may be directed by the Competent Authority.

For BEML LIMITED

Authorised Signatories



For BEML LAND ASSETS LIMITED
Sunit Sanyal
Director / Authorised Signatory

- 10.2 The Scheme being sanctioned by the Competent Authority respectively under the provisions of the Act and the certified copies of the orders being filed with the Registrar of Companies; and
- 10.3 All necessary regulatory and governmental approvals and registrations required pursuant to, in connection with or as a consequence of the Scheme, being obtained from the relevant Governmental Authorities within India.
- 10.4 Part B and C of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. However, failure of any one part of one Section for lack of necessary approval from the shareholders / creditors / statutory regulatory authorities shall not result in the whole Scheme failing. It shall be open to the concerned Board of Directors to consent to severing such part(s) of the Scheme and implement the rest of the Scheme as approved by the Competent Authority with such modification.
- 10.5 Compliance with such other conditions as may be imposed by the Competent Authority.
- 10.6 Notwithstanding anything contained herein above, each of the assets described in **Schedule 2** of the Scheme, shall be transferred and vested with the Resulting Company subject to respective actions/ approval mentioned in **Schedule 2**.

11. APPLICATION TO COMPETENT AUTHORITY

- 11.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make applications pursuant to Sections 230 and 232 of the Act read with Section 66 and other applicable provisions of the Act, to the Competent Authority for sanction and carrying out the Scheme. The said companies shall also apply for and obtain such other approvals, as may be necessary in law, if any, for bringing the Scheme into effect and be entitled to take such other steps and proceedings as may be necessary or expedient to give full and formal effect to the provisions of this Scheme.

12. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 12.1 The Demerged Company (by its Board of Directors) and the Resulting Company (by its Board of Directors), may, in their full and absolute



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For BEML LAND ASSETS LIMITED

Director / Authorised Signatory

discretion, assent to any alteration or modification to this Scheme which either the Boards of Directors of the Demerged Company or the Resulting Company, as the case may be, deem fit.

- 12.2 The Demerged Company and the Resulting Company each through its Board of Directors, jointly and as mutually agreed in writing, may in their full and absolute discretion, assent to any alteration or modification to which or Central Government and/or any other Governmental Authority may deem fit to approve or impose and may give such directions as they may consider necessary to mutually settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or its implementation hereof or in any matter whatsoever connected therewith or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any of those (to the extent permissible under applicable law).
- 12.3 Any issue as to whether any asset, liability or litigation pertains to the Identified Surplus/ Non-Core Assets or not shall be decided by the Boards of Directors of the Demerged Company and the Resulting Company, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Demerged Company).
- 12.4 The Demerged Company and the Resulting Company each through its Board of Directors may also in their full and absolute discretion, jointly and as mutually agreed in writing, withdraw, or abandon this Scheme at any stage prior to it becoming effective.
- 12.5 Without prejudice to the foregoing, in the event that any Governmental Authority or Central Government imposes an onerous condition or deletes any of the protections or indemnities provided to the Demerged Company pursuant to the terms of this Scheme, the Scheme shall be withdrawn or shall become null and void, unless the Demerged Company and Resulting Company agree to continue to pursue or implement the Scheme.

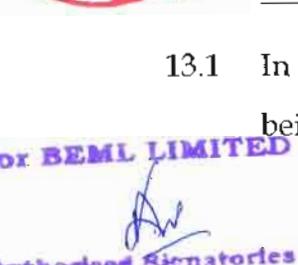
13. EFFECT OF NON-RECEIPT OF APPROVALS

- 13.1 In the event of any approvals or conditions enumerated in the Scheme not being obtained or complied with, or for any other reason, the Scheme cannot

For BEML LAND ASSETS LIMITED

Sachin Banerjee
Director / Authorised Signatory

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be implemented, the Board of Directors of the Demerged Company and Resulting Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, or in case the Scheme not being sanctioned by the Competent Authority, the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

14. COSTS, CHARGES & EXPENSES

- 14.1** All costs, charges, taxes including duties, levies and all other expenses (including stamp duty), if any (save as expressly otherwise agreed) of the Demerged Company and Resulting Company arising out of or incurred in connection with and implementing this Scheme and matters incidental thereto shall be borne by either of the Demerged Company and Resulting Company as may be mutually decided between the Demerged Company and Resulting Company.

SCHEDULE 1

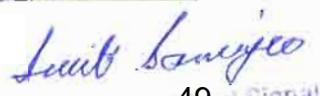
List of Identified Surplus Non-Core Assets

| <u>SI No</u> | <u>Identified Surplus Non-core Assets</u> | <u>Details of properties</u> | <u>Surplus property area</u> | <u>Area in</u> |
|--------------|---|--|------------------------------|----------------|
| 1 | Bengaluru Complex (Free Hold) | Bengaluru Complex, New Thippasandra Post, Bengaluru - 560 075. | 124.44 | Acre |
| 2 | Mysore Complex (Free Hold) | Lands near Hebbal and Koorgally, Kasaba, Mysore; and House Property at No.32 (old No.3044/1) Yadavagiri Extn, Mysore | 401.36 | Acre |
| 3 | Land parcel in Asansol (Leasehold rights) | Plot bearing No.16, Kalyanpur Housing estate | 0.07 | Acre |
| 4 | Land parcel in Asansol (Leasehold rights) | Plot bearing No.17, Kalyanpur Housing estate | 0.07 | Acre |
| 5 | Land parcel in Bilaspur (Freehold) | Plot No. 2, Nehru Nagar, Bilaspur | 0.21 | Acre |

For BEML LIMITED

 Authorised Signatories



For BEML LAND ASSETS LIMITED

 Authorised Signatory
 Director / Authorised Signatory
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Annexure I

| | | | | |
|----|---|--|-------|-------|
| 6 | Land parcel in Ranchi (Freehold) | Vacant land at Mahilong, in P.No. 1510/2191, Khata No. 147 at village Arra | 4.99 | Acre |
| 7 | Land parcel in Bangalore (Freehold) | House Property site No.427, 4th Block, Koramangala Extn | 0.12 | Acre |
| 8 | Jupiter Apartment - Colaba (Freehold) | Flat No. 174 on 17th floor situated at Jupiter apartments, P.No. 41, Block No. V, Backbay Reclamation, Colaba - Mumbai - 400 005 | 1,342 | Sq Ft |
| 9 | Victor Building Flat 25/9 (Freehold) | Flat No. 1, First Floor, Fontainhas, Mala, Portais, Panaji, Goa - 403 001 | 1,023 | Sq Ft |
| 10 | Victor Building Flat 25/7 (Freehold) | Flat No. 3, Second Floor, Fontainhas, Portais, Panaji Goa - 403 001 | 1,023 | Sq Ft |
| 11 | Victor Building Flat 25/10 (Freehold) | Flat No. 4, Second Floor, Fontainhas, Portais, Panaji Goa - 403001 | 883 | Sq Ft |
| 12 | Victor Building Flat 25/4 & 25/5 (Freehold) | Two shops premises bearing Municipal No. 25/4 and 25/5 at Victor Building, Fontainhas, Portais, Panaji, Goa - 403 001 | 431 | Sq Ft |
| 13 | Supriya Estate (Freehold) | Flat bearing No.10 Supriya Estate No3 Sterling Road Rs No. (533/25) Seetha Nagar, Nungambakkam, Chennai -600034 | 2,000 | Sq Ft |
| 14 | D.O. Premises (Freehold) | Land bearing No. 1450/7 along with Building known as 'District Office, BEML Limited', behind Zomar Arcade, Chittoor Road , Village Ernakulam (South), Sub- District & District Ernakulam, Kochi State Kerala - 682 | 6,970 | Sq Ft |



For BEML LIMITED

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For BEML LAND ASSETS LIMITED

Sunit Banerjee
Director / Authorised Signatory

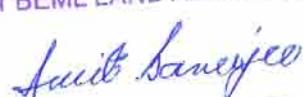
| | | | | |
|----|--|---|-------|-------|
| | | 016 | | |
| 15 | Golf Green - 3 Flats (Freehold) | Residential flat no. 1/1, 1/2, 1/3, Block - C, Golf Green Urban Complex, Kolkata, West Bengal, Pin: 700095 | 2,250 | Sq Ft |
| 16 | Sunny Park - 3 Flats (Freehold) | Residential flat no. 2, 3, 4, Situated on 1st floor Block - A, Sunny Park Estate, Ballygunge, Kolkata, West Bengal, Pin: 700019 | 3,830 | Sq Ft |
| 17 | Chithod Complex - 5 Flats (Leasehold) | Unit/Flat No. 1/1, 1/3, 1/5, 1/7, 3/7, Chittod Complex, Maharana Pratap nagar, Zone-1, Tehsil: Huzur, District: Bhopal, Madhya Pradesh, Pin: 462011 | 5,417 | Sq Ft |
| 18 | Chithod Complex - 2 Flats (Leasehold) | Unit/Flat No.9/7, 9/8, Chittod Complex, Maharana Pratap nagar, Zone-1, Tehsil: Huzur, District: Bhopal, Madhya Pradesh, Pin: 462011 | 1,601 | Sq Ft |
| 19 | Greater Kailash - 1 Guest House (Freehold) | No.101, Block-E, Greater Kailash, Part-1, New Delhi, Pin:110048 | 3,172 | Sq Ft |
| 20 | Bangalore Guest House (Freehold) | No.35, New Property No.82, Ulsoor Road, Yellappa Chetty Layout, Ulsoor, Bengaluru-560 042 | 3,450 | Sq Ft |
| 21 | Bangalore Guest House (Freehold) | No. ½, Ulsoor Road Municipal No.1/2, Ulsoor Road, Hanumanthappa Layout, Ulsoor, Bengaluru-560 042 | 3,200 | Sq Ft |

Note: The above details are subject to change on Appointed Date due to Monetization of Assets, if any.

For BEML LIMITED

 Authorised Signatories



For BEML LAND ASSETS LIMITED

 Director / Authorised Signatory

SCHEDULE 2Approvals to be obtained

| | Property | Approval/ NOC to be sought from |
|----|---|--|
| 1 | Bangalore Complex Bengaluru Complex, New Thippasandra Post, Bengaluru - 560 075. | State Government |
| 2 | Mysore Complex Lands near Hebbal and Koorgally, Kasaba, Mysore (constituting 401.23 acres) | KIADB |
| 3 | Lease rights in Asansol properties Plot bearing No.16, Kalyanpur Housing estate - Lease deed dt. 14.08.1986 - Regn No. 454 of 1987 and Plot bearing No.17, Kalyanpur Housing estate - Lease deed dt. 14.08.1986 - Reg No. 455 of 1987 | WBHB |
| 4 | Flats in Golf Green Residential flat no. 1/1, 1/2, 1/3, Block - C, Golf Green Urban Complex, Kolkata, West Bengal, Pin: 700095 | WBHB |
| 5. | Chithod Complex Unit/Flat No. 1/1, 1/3, 1/5, 1/7, 3/7, Flat No.9/7, 9/8 Chittod Complex, Maharana Pratap nagar, Zone- 1, Tehsil: Huzur, District: Bhopal, Madhya Pradesh, Pin: 462011 | Intimation to Bhopal Vikash Pradhikaran |

For BEML Limited

Authorised Signatory

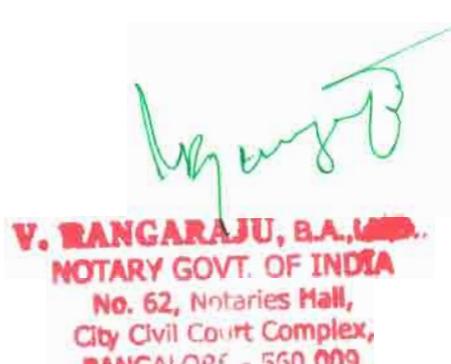
Ajit Kumar Srivastav
Director (Defence Business) &
Director (Finance) (I/c)



For BEML Land Assets Limited

For BEML LAND ASSETS LIMITED

Amit Banerjee
Director / Authorised Signatory
Nominee Director



CA Harsh Chandrakant Ruparelia

Registered Valuer – Securities or Financial Assets
(IBBI Registration No. IBBI/RV/05/2019/11106 and
Membership No. ICMAI RVO/S&FA/00054)

STRICTLY PRIVATE & CONFIDENTIAL

22nd July 2021

To,
The Board of Directors,
BEML Limited
"BEML Soudha",
No. 23/1, 4th Main,
Sampangirama Nagara,
Bengaluru, Karnataka – 560 027; and

**The Board of Directors,
BEML Land Assets Limited**
“BEML Soudha”,
No. 23/1, 4th Main,
Sampangirama Nagar,
Bengaluru, Karnataka – 560 027.

Dear Sirs,

**Re: Report on recommendation of Share Entitlement Ratio for Demerger of
the Identified Surplus / Non-core Assets (as defined in the Scheme) of
BEML Limited into BEML Land Assets Limited**

I refer to my sub-contractor agreement dated 20th July 2021, whereby CA Harsh Chandrakant Ruparelia, Registered Valuer (hereinafter referred to as "the Valuer" or "I") has been appointed by Deloitte Haskins & Sells LLP ("DHS") in their capacity as advisors to the management of BFML Limited [CIN: L35202KA1964GQT0015301]

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e-mail: harsh.ruparelia@yahoo.com

B/702, Jyoti Tower,
Kandivali Jyoti Park CHS Ltd,
Opp. Anand Ashram,
S.V. Road, Kandivali (West),
Mumbai – 400 067



(hereinafter referred to as "BEML" or "the Demerged Company") to issue a report containing recommendation of the Share Entitlement Ratio for the proposed demerger ("Proposed Demerger") of Identified Surplus / Non-core Assets (as defined in the Scheme) of BEML into BEML Land Assets Limited [CIN: U70109KA2021GOI149486] (hereinafter referred to as "BEML Land" or "the Resulting Company"), both BEML and BEML Land collectively referred to as "Companies", pursuant to a Draft Scheme of Arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder ("Scheme").

In the following paragraphs, I have summarized my understanding of the key facts; key information relied upon, basis of recommendation and limitations to my scope of work.

The report is structured as under:

1. Purpose of this report
2. Background
3. Sources of Information
4. Basis of Recommendation
5. Share Entitlement Ratio
6. Exclusions and Scope Limitations

1. PURPOSE OF THIS REPORT

- 1.1 I understand that the management of the Companies ("Management") is contemplating a Scheme of Arrangement ("Scheme") under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder for the demerger of the Identified Surplus / Non-core Assets (as defined in the Scheme) of BEML Limited into BEML Land Assets Limited in accordance with Section 2(19AA) of the Income-tax Act, 1961. The demerger is proposed to take effect from the Appointed Date as defined in the Scheme.
- 1.2 In this regard, Harsh Chandrakant Ruparelia, Registered Valuer, has been appointed by DHS for recommendation of the Share Entitlement Ratio for the Proposed Demerger under the Scheme.

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2. BACKGROUND

2.1 BEML LIMITED ("BEML")

- 2.1.1 BEML was incorporated on 11th May 1964 under the erstwhile provisions of the Companies Act, 1956 as Bharat Earth Movers Limited. Later, Bharat Earth Movers Limited was renamed as BEML Limited in the year 2007. The registered office of BEML is currently situated at "BEML Soudha", No. 23/1, 4th Main, Sampangirama Nagara, Bengaluru – 560 027 in the State of Karnataka.
- 2.1.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of BEML as on date is as under:

| Particulars | Amount in INR |
|---|----------------------|
| <u>Authorised Share Capital</u> | |
| 10,00,00,000 Equity Shares of INR 10/- each | 100,00,00,000 |
| <u>Issued Share Capital</u> | |
| 4,19,00,000 Equity Shares of INR 10/- each | 41,90,00,000 |
| <u>Subscribed and Paid-up Share Capital</u> | |
| 4,16,44,500 Equity Shares of INR 10/- each, fully paid-up | 41,64,45,000 |
| <u>Forfeited Shares (amount originally paid)</u> | |
| 2,55,500 Equity Shares of paid-up value of INR 5/- each | 12,77,500 |

- 2.1.3 The equity shareholding pattern of BEML as on 30th June 2021 is as under:

| Sr No | Name of the Shareholder | Percentage of Shareholding (%) |
|--------------|---|---------------------------------------|
| 1 | Promoter & Promoter Group (viz. Government of India – Ministry of Defence) | 54.03% |
| 2 | Public Shareholders | 45.97% |
| Total | | 100.00% |

- 2.1.4 BEML is a 'government company' as defined under Section 2(45) of the Companies Act, 2013 and consequently public sector undertaking under Section 2(36A) of the Income Tax Act, 1961. BEML has 3 divisions viz. (a) Mining & Construction, (b) Defense & Aerospace and (c) Rail & Metro. The equity shares of BEML are listed and traded on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

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2.2 BEML LAND ASSETS LIMITED

2.2.1 BEML Land was incorporated on 15th July 2021 under the provisions of the Companies Act, 2013. The registered office of BEML Land is currently situated at "BEML Soudha", No. 23/1, 4th Main, Sampangirama Nagara, Bengaluru – 560 027 in the State of Karnataka.

2.2.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of BEML Land as on date is as under:

| Particulars | Amount in INR |
|---|----------------------|
| <u>Authorised Share Capital</u> | |
| 10,00,000 Equity Shares of INR 1/- each | 10,00,000 |
| Total | 10,00,000 |
| <u>Issued, Subscribed and Paid-up Share Capital</u> | |
| 1,00,000 Equity Shares of INR 1/- each, fully paid-up | 1,00,000 |
| Total | 1,00,000 |

2.2.3 The entire issued, subscribed and paid-up share capital of BEML Land is held by BEML Limited and its nominees as on date.

2.2.4 BEML Land is also a 'government company' as defined under Section 2(45) of the Companies Act, 2013 and consequently, public sector undertaking under Section 2(36A) of the Income Tax Act, 1961. The Resulting Company is a new and unlisted public limited company as on date. The Resulting Company is incorporated with the object to carry out real estate activities as laid down in detail in its Memorandum of Association.

2.3 The proposed Scheme of Arrangement provides for transfer of "Identified Surplus / Non-core Assets" from BEML and its vesting in BEML Land, reduction and cancellation of share capital of BEML Land and matters incidental thereto.

2.4 The rationale and benefits for the Scheme as provided in the Draft Scheme of Arrangement is reproduced as under:

- 2.4.1 Presently, the President of India through the Ministry of Defense ("MoD") holds 54.03% of the equity share capital of BEML as on date.
- 2.4.2 The Government of India ("GoI") had 'in-principle' decided to disinvest 26.00% of the equity share capital of BEML Limited through strategic disinvestment along with transfer of management control ("Strategic Disinvestment").



- 2.4.3 BEML has land parcels and building spread across India, at its various manufacturing facilities, corporate office, marketing and regional offices out of which there are certain land parcels and buildings which can be categorized as surplus/ non-core assets. The surplus/ non-core land and building details of BEML is hereinafter referred to as "Identified Surplus/ Non-core assets".
- 2.4.4 The Board of Directors of BEML has agreed, based on the decision of Government of India, to hive-off of Identified Surplus/ Non-core assets separately and exclude it from the process of strategic disinvestment. In order to achieve the above objectives, Identified Surplus/ Non-core Assets are being demerged into BEML Land Assets Limited.
- 2.4.5 With a view to facilitate reconstruction and splitting up of public sector companies into separate companies, the Central Government vide Finance Act 2021, has inserted Explanation 6 to Section 2(19AA) of the Income Tax Act, 1961 with effect from 1 April 2021. Explanation 6 clarifies that the reconstruction or splitting up of a public sector company into separate companies shall be deemed to be a demerger, if such reconstruction or splitting up has been made to transfer any asset of the demerged company to the resulting company and such resulting company –
- is a public sector company on the appointed date indicated in such scheme as may be approved by the Central Government or any other body authorized under the provisions of the Companies Act, 2013 or any other law for the time being in force governing such public sector companies in this behalf; and
 - fulfills such other conditions as may be notified by the Central Government in the Official Gazette in this behalf.

The reconstruction and splitting up, by way of transfer of the Identified Surplus/ Non-core assets to BEML Land Assets Limited, is to be undertaken in terms of Explanation 6 to Section 2(19AA) of the Income Tax Act, 1961.

- 2.4.6 The proposed corporate restructuring mechanism by way of a Scheme under the provisions of the Act is beneficial, advantageous and not prejudicial to the interests of the shareholders, creditors, general public at large and other stakeholders of the companies involved.
- 2.4.7 The Scheme also provides for various matters consequential or otherwise integrally connected herewith.



3. SOURCES OF INFORMATION

- 3.1. For the purpose of the recommendation of Share Entitlement Ratio, I have relied upon the following sources of information provided by the management of the Companies:
- (a) Audited Financial Statements of BEML for the year ended 31st March 2020;
 - (b) Latest shareholding pattern of the Companies, as duly certified;
 - (c) Draft Scheme of the Arrangement (as duly certified by the Management);
 - (d) Memorandum and Articles of Association of the Companies;
 - (e) Other relevant details of the Companies such as its history, past and present activities, future plans and prospects, and other relevant information; and
 - (f) Such other information and explanations as required and which have been provided by the Management of the Companies.

Besides the above information and documents, there may be other information provided by the Companies which may not have been perused by me in any detail, if not considered relevant for the defined scope. The Companies have been provided with the opportunity to review the draft report as part of the standard practice to make sure that factual inaccuracy & omissions are avoided in the final report.

I have been informed that Fedex Securities Private Limited have been appointed by BEML (through DHS), to provide fairness opinion on the Share Entitlement Ratio for the purpose of the aforementioned Scheme. Further, I have had discussions with fairness opinion providers appointed by BEML (through their advisors) on the valuation approach.

4. BASIS OF RECOMMENDATION

- 4.1. As per the proposed Scheme of Arrangement, in consideration of transfer and vesting of Identified Surplus / Non-core Assets of BEML into BEML Land (*a wholly owned subsidiary of BEML*), BEML Land shall issue and allot equity shares to the equity shareholders of BEML based on the ratio of entitlement of shares.
- 4.2. Upon the issue of shares by BEML Land, the entire existing capital of the BEML Land held by BEML as on the Effective Date shall stand cancelled without any payment. Accordingly, the issued share capital of BEML Land shall stand reduced by the face value of shares held by BEML prior to the issue of shares by BEML Land.



- 4.3. I understand that, as part of the Scheme, the Identified Surplus / Non-core Assets of BEML is proposed to be demerged into BEML Land. Once the Scheme is implemented, all the shareholders of BEML would also become shareholders in BEML Land, and their shareholding in BEML Land would be identical to their shareholding in BEML.
- 4.4. Further, as provided for in Clause 9.1 of the Draft Scheme and as represented by the Management of BEML and BEML Land, the authorized share capital of BEML Land shall stand re-organised to each equity share having a face value of INR 10/- (Rupees Ten Only) each, upon coming into effect of the Draft Scheme. Accordingly, the Face Value per Equity Share of BEML Land shall stand amended to INR 10/- each instead of existing Face Value per Equity Share of INR 1/- each upon consequential amendment in Memorandum and Articles of Association of BEML Land as provided for in the relevant clauses of the Draft Scheme.
- 4.5. I further understand that as an effect of Demerger, each shareholder of BEML would become owner of shares in two companies instead of one. Post Demerger, the percentage shareholding of a shareholder in BEML Land would remain unchanged from the proportion of capital held by such shareholder in BEML.
- 4.6. The management of BEML has further indicated that the shareholding of BEML Land pursuant to the Proposed Demerger of Identified Surplus / Non-core Assets of BEML into BEML Land would be, effectively, same as the shareholding of BEML (pre-Demerger) as the new shares of BEML Land would be issued to the shareholders of BEML in proportion to their shareholding in BEML (pre-Demerger). Thus, I understand that the interest of the shareholders in BEML will effectively remain unchanged and therefore, from that perspective shareholders interest would not be prejudicially affected. The Scheme does not envisage dilution of the holding of any one or more shareholders as a result of the Scheme.

5. SHARE ENTITLEMENT RATIO

- 5.1. In the ultimate analysis, recommendation will have to involve the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. present and prospective competition, yield on comparable securities and market sentiments, etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For



example, Viscount Simon Bd in Gold Coast Selection Trust Ltd. vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

'If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible.'

- 5.2. On the basis of the foregoing, any Share Entitlement Ratio can be considered for the above Proposed Demerger as the proportionate shareholding of any shareholder would not vary.
- 5.3. The fair basis of Share Entitlement Ratio under the Scheme would have to be determined after taking into consideration all the factors and approach mentioned hereinabove. It is however important to note that in doing so, I am not attempting to arrive at the absolute value per share of the BEML attributable to Identified Surplus / Non-core assets / BEML Land as all the shareholders of BEML would also become shareholders of BEML Land, and their shareholding in BEML Land would mirror their shareholding in BEML. Hence, no relative valuation is required to be undertaken to facilitate the determination of the Share Entitlement Ratio. Accordingly, no relative valuation of Identified Surplus / Non-Core Assets of BEML and of BEML Land is required to be undertaken for Part B of the Scheme. Therefore, valuation approaches, as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE, have not been undertaken as they are not relevant in the instant case.
- 5.4. For the purpose of the current valuation exercise, I have provided following weights to the valuation methodologies based on my understanding of the financial position and other various factors relevant to the valuation exercise (in accordance with prescribed format by the Stock Exchanges):

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| Valuation Approach | BEML Limited / (Identified Surplus / Non-Core Assets of BEML Limited) | | BEML Land Assets Limited | |
|--|--|---------------|---------------------------------|---------------|
| | <i>Value per Share</i> | <i>Weight</i> | <i>Value per Share</i> | <i>Weight</i> |
| Asset Approach | NA | NA | NA | NA |
| Income Approach | NA | NA | NA | NA |
| Market Approach | NA | NA | NA | NA |
| Relative Value Per Share | NA | | | |
| Share Entitlement Ratio (rounded-off) | NA | | | |

NA : Not Adopted / Not Applicable

- 5.5. Further, considering the desired capital structure of BEML Land, the management has proposed a Share Entitlement Ratio of 1 (One) fully paid-up equity share of BEML Land of face value of INR 10/- each, for every 1 (One) fully paid equity share of BEML of face value INR 10/- each as a consideration for the Proposed Demerger of Identified Surplus / Non-Core Assets of BEML into BEML Land.
- 5.6. In the present facts and circumstances and based on the information and explanation provided to me, I believe that the following Share Entitlement Ratio, after giving due consideration to the Management representations and the fact that upon Scheme becoming effective, as all the shareholders of BEML would also become shareholders of BEML Land, and their shareholding in BEML Land would mirror their shareholding in BEML and therefore upon the Scheme becoming effective, BEML Land would continue to be owned by the shareholders of BEML in the same proportion as their shareholdings in BEML in the manner provided under the Scheme. Thereby the interest of the shareholders in BEML will effectively remain unchanged and shareholders interest would not be prejudicially affected. Further, the Scheme does not envisage dilution of the holding of any one or more of the shareholders as a result of the Scheme becoming effective, the following Share Entitlement Ratio as suggested by the Management of the Companies, would be fair and reasonable –



| | |
|--|--|
| <p>For equity shareholders of BEML with respect to the Proposed Demerger of Identified Surplus / Non-Core Assets of BEML into BEML Land</p> | <p>1 (One) Equity Share in BEML Land Assets Limited having face value of INR 10/- (Rupees Ten) each credited as fully paid-up for every 1 (One) Equity Share of INR 10/- (Rupee Ten) each fully paid-up, held by such member in BEML Limited as on the Record Date.</p> |
|--|--|

6. EXCLUSIONS AND SCOPE LIMITATIONS

- 6.1. The report is subject to the scope limitations detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 6.2. No investigation of the title of assets of the Companies has been made for the purpose of my recommendation and their claim to such rights has been assumed to be valid as represented by the management of the Companies. Therefore, no responsibility is assumed for matters of a legal nature.
- 6.3. The work does not constitute certification of the historical financial statements including the working results of the Companies referred to in this report. Accordingly, I am unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 6.4. This report is issued on the understanding that the Companies have drawn my attention to all material information, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on my opinion, on the recommendation of the Share Entitlement Ratio of the Companies, including any significant changes that have taken place or are likely to take place in the financial position, subsequent to the report date. I have no responsibility to update this report for events and circumstances occurring after the date of this report.
- 6.5. This report does not look into the business / commercial reasons behind the proposed transaction or address any potential synergies to the Companies and other parties connected thereto.
- 6.6. In the course of issuing this report, I was provided with both written and verbal information. I have evaluated the information provided to me by the management of the Companies through broad inquiry, analysis and review. I assume no responsibility for any errors in the above information furnished by the management of the Companies and consequential impact on the



- recommendation of the Share Entitlement Ratio. I do not express any opinion or offer any assurance regarding accuracy or completeness of any information made available to me.
- 6.7. The report is not, nor should it be construed as me opining or certifying any compliance with the provisions of any law, whether in India or any other country including companies, taxation and capital market related laws or as regards any legal implications or issues arising from any transaction proposed to be contemplated based on this report.
- 6.8. The information contained herein and the report is confidential. Any person/party intending to provide finance/invest in the shares/businesses of the Companies, shall do so, after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, can be done only with prior permission in writing.
- 6.9. This document has been prepared solely for the purpose of assisting the Companies, under consideration, for the purpose of recommending the Share Entitlement Ratio under the Scheme in accordance to my engagement letter. Further, the fees for this engagement is not contingent upon the recommendation considering the facts and purpose of recommendation.
- 6.10. The decision to carry out the transaction (including consideration thereof) lies entirely with the Management / Board of Directors of the Companies and the work and my finding shall not constitute recommendation as to whether or not the Management / the Board of Directors of the respective Companies should carry out the transaction.
- 6.11. By its very nature, my work cannot be regarded as an exact science, the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. Given the same set of facts and using the same assumptions / approach, opinions may differ due to application of the facts and assumptions / approach, formulas used and numerous other factors. There is, therefore, no indisputable single or standard methodology / approach for arriving at my recommendation. Although the conclusions are in my opinion reasonable, it is quite possible that others may not agree.
- 6.12. Harsh Chandrakant Ruparelia, nor its employees or its agents or any of them, makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which the report



CA Harsh C. Ruparelia
Registered Valuer – Securities or Financial Assets

is issued. All such parties expressly disclaim any and all liability for, or based on or relating to any such information contained in the report. I am not liable to any third party in relation to issue of this report. In no event, I shall be liable for any loss, damage, cost or expense arising in any way from any acts carried out by the Companies referred herein or any person connected thereto.

If you require any clarifications on the above, I would be happy to clarify the same. I am thankful to your team for kind co-operation and support during this assignment.

Thanking you,

Yours faithfully,



CA HARSH CHANDRAKANT RUPARELIA

REGISTERED VALUER – Securities or Financial Assets

IBBI Registration No. IBBI/RV/05/2019/11106

Membership No. ICMAI RVO/S&FA/00054

ICAI Membership No. 160171

Date: 22nd July 2021

Place: Mumbai

UDIN: 21160171AAAAHU5064





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SEBI REGN. NO. INM 000010163

Strictly Private & Confidential

Dated: 22nd July, 2021

The Board of Directors,

BEML Limited

"BEML Soudha",
No. 23/1, 4th Main,
Sampangirama Nagara,
Bengaluru,
Karnataka – 560 027;

Dear Members of the Board,

Reg: Fairness Opinion in connection with the proposed transfer and vesting of Identified Surplus/Non-core Assets of BEML Limited ("BEML" or "Demerged Company") into BEML Land Assets Limited ("Resulting Company")

We refer to our sub-contractor agreement dated 20 July 2021 ("Agreement"), whereby Fedex Securities Private Limited (hereinafter referred to as "Fedex" or "We") has been appointed by Deloitte Haskins & Sells LLP ("DHS") in their capacity as advisors to the management of BEML Limited [CIN: L35202KA1964GOI001530] (hereinafter referred to as "BEML" or "the Company" or "the Demerged Company" or "Transferor Company") to inter alia to provide a fairness opinion to BEML on the share entitlement ratio report dated 22nd July 2021 ("Valuation Report")



issued by CA Harsh Chandrakant Ruparelia, Registered Valuer – Securities or Financial Assets (the “Valuer”) for the proposed demerger (“Proposed Demerger”) of Identified Surplus / Non-core Assets (as defined in the Scheme) of BEML into BEML Land Assets Limited [CIN: U70109KA2021GOI149486] (hereinafter referred to as “BEML Land” or “the Resulting Company” or “Transferee Company”), both BEML and BEML Land collectively referred to as “Companies”, pursuant to a Draft Scheme of Arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules & regulations framed thereunder (“Scheme”). We understand that the Scheme will be considered by the Board of Directors of BEML.

Company Background and Purpose

- a) BEML was incorporated on 11th May 1964 under the erstwhile provisions of the Companies Act, 1956 as Bharat Earth Movers Limited. Later, Bharat Earth Movers Limited was renamed as BEML Limited in the year 2007 (CIN L35202KA1964GOI001530). The registered office of BEML is currently situated at “BEML Soudha”, No. 23/1, 4th Main, Sampangirama Nagara, Bangalore – 560 027 in the State of Karnataka.

BEML is a ‘government company’ as defined under Section 2(45) of the Companies Act, 2013 and consequently public sector undertaking under Section 2(36A) of the Income Tax Act, 1961. BEML has 3 divisions viz. (a) Mining & Construction, (b) Defense & Aerospace and (c) Rail & Metro. The equity shares of BEML are listed and traded on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”)

- b) BEML Land Assets Limited was incorporated on 15th July 2021 (CIN: U70109KA2021GOI149486) under the provisions of the Companies Act, 2013. The registered office of BEML Land is currently situated at “BEML Soudha”, No. 23/1, 4th Main, Sampangirama Nagara, Bengaluru – 560 027 in the State of Karnataka.

The Valuer has been appointed to recommend the share entitlement ratio to be issued as a consideration to the equity shareholders of BEML Limited in connection with the proposed Scheme for demerger of Identified Surplus/Non-core Assets of BEML to the Resulting Company and has in terms of the Agreement requested us to examine the Valuation Report issued by the Valuer and other related information provided by the Company and issue our independent opinion as to the



fairness of the Valuation ("Fairness Opinion") as per the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular"), as modified.

All terms not specifically defined in this Fairness Opinion shall carry same meaning as in the proposed Scheme.

Brief Background of the Proposed Scheme

BEML, a Government Company is engaged in the business of a) Mining & Construction, (b) Defense & Aerospace and (c) Rail & Metro. Presently the President of India through the Ministry of Defense ("MoD") holds 54.03% of the equity share capital of BEML as on date. The Government of India ("GoI") had 'in-principle' decided to disinvest 26.00% of the equity share capital of BEML Limited through strategic disinvestment along with transfer of management control ("Strategic Disinvestment").

BEML has land parcels and building spread across India, at its various manufacturing facilities, corporate office, marketing and regional offices out of which there are certain land parcels and buildings which can be categorized as surplus/ non-core assets. The surplus/ non-core land and building details of BEML is hereinafter referred to as "Identified Surplus/ Non-core assets".

The Board of Directors of BEML has agreed, based on the decision of Government of India, to hive-off of Identified Surplus/ Non-core assets separately and exclude it from the process of strategic disinvestment. In order to achieve the above objectives, Identified Surplus/ Non-core Assets are being demerged into BEML Land Assets Limited.

With a view to facilitate reconstruction and splitting up of public sector companies into separate companies, the Central Government vide Finance Act 2021, has inserted Explanation 6 to Section 2(19AA) of the Income Tax Act, 1961 with effect from 1 April 2021. Explanation 6 clarifies that the reconstruction or splitting up of a public sector company into separate companies shall be deemed to be a demerger, if such reconstruction or splitting up has been made to transfer any asset of the demerged company to the resulting company and such resulting company—

- a) is a public sector company on the appointed date indicated in such scheme as may be approved by the Central Government or any other body authorized under the provisions



- of the Companies Act, 2013 or any other law for the time being in force governing such public sector companies in this behalf; and
- b) fulfills such other conditions as may be notified by the Central Government in the Official Gazette in this behalf.

The reconstruction and splitting up, by way of transfer of the Identified Surplus/ Non-core assets to BEML Land Assets Limited, is to be undertaken in terms of Explanation 6 to Section 2(19AA) of the Income Tax Act, 1961.

The Scheme between BEML Limited and BEML Land Assets Limited and their respective shareholders and creditors under section 230 and 232 read with section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme") provide for:

- i. Demerger of Identified Surplus/ Non-core Assets of Demerged company into Resulting Company as a going on concern; and
- ii. Reduction and cancellation of share capital of Resulting Company

The Board of Directors of BEML and the Resulting Company are of the opinion that the Demerger (as defined in the Scheme) would benefit the shareholders, employees and other stakeholders of the respective companies.

Source of Information

For the said examination and for arriving at the opinion set forth below, we have received:

1. Valuation Report issued by the Valuer;
2. Audited Financial Statements of BEML for the year ended 31st March 2020;
3. Latest shareholding pattern of the Companies, as duly certified;
4. Draft Scheme (as duly certified by the management of the Companies "Management");
5. Memorandum and Articles of Association of the Companies;
6. Management certified position of assets and liabilities of the Identified Surplus/ Non-core assets proposed to be demerged;
7. Other relevant details of the Companies such as its history, past and present activities, future plans and prospects, and other relevant information; and
8. Such other information and explanations as required and which have been provided by the Management.



Limitation of Scope and Review

Our Opinion and analysis are limited to the extent of review of documents as provided to us by the Company and the Resulting Company including the Valuation Report and the draft Scheme. The Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final opinion.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Company for the purposes of this Fairness Opinion. We express no opinion and accordingly accept no responsibility with respect to or for such information, or the assumptions which it is based. We have not assumed any obligation to conduct, nor have conducted any physical inspection or title verification of the properties or facilities of the Company and the Resulting Company and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Company nor do we technically qualify to value immovable assets. We have, however been furnished with valuation report obtained by the Company and the Resulting Company. We have not received any internal management information statement or any non-public reports, and instead, with your consent, have relied upon information that was publicly available or provided or otherwise made available to us by the Company & the Resulting Company for the purposes of this Fairness Opinion. We are not experts in evaluation of litigation or other actual or threatened claims or any tax implication connected with the proposed Scheme and accordingly we have not evaluated any litigation or other actual or threatened claims. In addition, we have assumed that the proposed Scheme will be approved by regulatory authorities and that the proposed Scheme will be consummated substantially in accordance with the terms set forth in the proposed Scheme. We have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Company or the Resulting Company, other than those disclosed in the information provided or considered in the proposed Scheme.

We understand that the management of the Company and, during our discussion with them, would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the proposed Scheme, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the proposed Scheme that may have been contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and, on the information, made available to us as of the date



hereof. It should be understood that although subsequent developments may affect this opinion, we do not have an obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we were not authorised to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving the Company or any of its assets, nor did we negotiate with any other party in this regard.

We express no opinion whatever and make no recommendation at all as to Company's underlying decision to effect the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Company should vote at their respective meetings held in connection with the proposed Scheme. We do not express and should not be deemed to have expressed any views on any other terms of the proposed Scheme. We also express no opinion and accordingly accept no responsibility for or as to the price at which the equity shares of the Company will trade following the announcement of the proposed Scheme or as to the financial performance of the Company or the Resulting Company following the consummation of the proposed Scheme.

Fedex and/or our affiliates in the past may have provided, and may currently or in the future provide, investment banking, commercial banking and other financial services to the Company and /or the Resulting Company and/or their affiliates unrelated to the proposed Scheme. We may have received or in the future may receive compensation for the rendering of the aforementioned services. In the ordinary course of our businesses, we and our affiliates may invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in debt, equity or other securities or financial instruments (including derivatives or other obligations) of the Company and/or the Resulting Company and/or their respective affiliates, holding companies and group companies.

Fedex will receive a fee in connection with the delivery of this Fairness Opinion. The fee is not contingent upon the nature of the opinion provided to the Company. The fee for our service is not subject to the outcome of the proposed Scheme. In addition, the Company has agreed to reimburse certain of our expenses and to indemnify us against liabilities arising out of our engagement. This Fairness Opinion is subject to the laws of India.

In no circumstances shall the liability of Fedex, its directors or employees related to the service provided in connection with this opinion, exceed the amount paid to Fedex as fees for this Fairness Opinion.



Distribution of this Fairness Opinion

The Fairness Opinion is addressed to the Board of Directors of BEML (in its capacity as such) solely for the purpose of providing them with an independent opinion on the fairness of the Valuation as determined by the Valuer and for the purpose of submission to the Stock Exchanges, National Company Law Tribunal along with the petition for the Proposed Scheme and such other regulatory authorities under SEBI Circular and /or Companies Act, 2013. The Fairness Opinion shall not be disclosed or referred to publicly or to any third party, other than as required by Indian law (in which case you would provide us a prior written intimation) without our prior written consent. The Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose. If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then we will not be liable for any consequences thereof. In no circumstances however, will Fedex or its directors, officers, employees and controlling persons of Fedex accept any responsibility or liability including any pecuniary or financial liability to any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties.

Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, the Share Entitlement Ratio of 1 (One) equity share of Rs. 10/- each of BEML Land Assets Limited, Resulting Company for every 1 (One) equity share of Rs. 10/- each of BEML Limited, Demerged Company to the equity shareholders of BEML Limited as recommended by CA Harsh C. Ruparelia, Registered Valuer – Securities or Financial Assets, is fair to the Equity Shareholders of the Company.

Yours truly,

For Fedex Securities Private Limited

(formerly known as Fedex Securities Limited)




Director

DIN: 03431884

DCS/AMAL/PB/R37/2113/2020-21

“E-Letter”

October 12, 2021

The Company Secretary,
BEML LTD
BEML Soudha, No. 23 / 1, 4th Main Road,
S R Nagar, Bengaluru, Karnataka, 560027

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement between BEML Limited and BEML Land Assets Limited and their Respective Shareholders and Creditors

We are in receipt of Draft Scheme of Arrangement of BEML LTD Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its Letter dated October 12, 2021 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that suitable disclosure about the latest financials of the companies involved in the Scheme being not more than 6 months old is done before filing the same with the Hon’ble National Company Law Tribunal”
- “Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circular.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon’ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of BEML Land Assets Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, BEML

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India

T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com

Corporate Identity Number: L67120MH2005PLC155188

Land Assets Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of BEML Land Assets Limited is at the discretion of the Exchange. In addition to the above, the listing of BEML Land Assets Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about BEML Land Assets Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all BEML Land Assets Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about BEML Land Assets Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange.”
 - ii. “There shall be no change in the shareholding pattern of BEML Land Assets Limited between the record date and the listing which may affect the status of this approval.”

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be is required to be served upon the Exchange seeking representations or objections if any.

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India

T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com

Corporate Identity Number: L67120MH2005PLC155188

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

Prasad Bhide
Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/27808_II

October 13, 2021

The Company Secretary
BEML Limited
23/1, BEML Soudha,
4th Main, S.R. Nagar,
Bangaluru – 560027.

Kind Attn.: Mr. S V Ravisekhar Rao

Dear Sir,

Sub: Observation Letter for draft scheme of arrangement between BEML Limited and BEML Land Assets Limited and their respective shareholders and creditors

We are in receipt of draft scheme of arrangement between BEML Limited (“Demerged Company”) and BEML Land Assets Limited ('Resulting Company") and their respective shareholders and creditors vide application dated July 30, 2021.

Based on our letter reference no. NSE/LIST/27808_I submitted to SEBI and pursuant to SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 (“Circular”), kindly find following comments on the draft scheme:

- a. *The Company shall duly comply with various provisions of the Circular.*
- b. *The Company to ensure that suitable disclosure about the latest financials of the companies involved in the scheme being not more than 6 months old is done before filing the same with the Hon'ble National Company Law Tribunal ('NCLT').*
- c. *The Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.*
- d. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the company is obliged to bring the observations to the notice of Hon'ble NCLT.*
- e. *It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/Stock Exchange(s). Hence, the company is not required to send notice for representation as mandated under Section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5)

of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the Circular.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

The Company should also fulfil the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of BEML Land Assets Limited is at the discretion of the Exchange.

The listing of BEML Land Assets Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about BEML Land Assets Limited and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.
2. To publish an advertisement in the newspapers containing all the information about BEML Land Assets Limited in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about BEML Land Assets Limited to NSE on the continuous basis so as to make the same public, in addition to the requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.
4. The following provision shall be incorporated in the scheme:
 - (a) “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
 - (b) “There shall be no change in the shareholding pattern or control in BEML Land Assets Limited between the record date and the listing which may affect the status of this approval.”

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from October 13, 2021 within which the scheme shall be submitted to NCLT.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37(1) of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Harshad Dharod
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL:
<https://www.nseindia.com/companies-listing/raising-capital-further-issues-main-sme-checklist>

**ಬೀಎಂಎಲ್ ಲಿಮಿಟೆಡ್
बीईएमಎಲ್ ಲಿಮಿಟೆಡ್
BEML LIMITED**

Schedule 'A' Company under Ministry of Defence, Govt. of India

Defence & Aerospace | Mining & Construction | Rail & Metro

Annexure 6



Annexure VII

Date: 26.08.2021

To,
 The Manager,
 Listing Compliance Department
National Stock Exchange of India Limited
 Exchange Plaza, 5th Floor, Plot No. C/1,
 G Block, Bandra-Kurla Complex,
 Mumbai – 400 051

To,
 The General Manager,
 Department of Corporate Services,
BSE Limited,
 P.J. Towers, Dalal Street,
 Mumbai – 400 001.

Complaints Report:

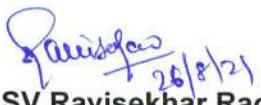
Part A

| Sr. No. | Particulars | Number |
|---------|---|--------|
| 1. | Number of complaints received directly | Nil |
| 2. | Number of complaints forwarded by Stock Exchanges/ SEBI | Nil |
| 3. | Total Number of complaints received (1+2) | Nil |
| 4. | Number of complaints resolved | Nil |
| 5. | Number of complaints pending | Nil |

Part B

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---------|---|-------------------|---------------------------|
| 1. | Not applicable- Since no complaints received. | NA | NA |

For BEML Limited


 26/8/21
SV Ravisekhar Rao
 Company Secretary



ಬೆಂಕಿನ್‌ಎಂಎಲ್ Corporate Office:

‘ಬೆಂಕಿನ್‌ಎಂಎಲ್’, ೨೧/೧, ಉನ್ನತಿಪುರು ರಸ್ತೆ, ಸಂಪರ್ಕಿರಾಮನಗರ, ಬೆಂಗಳೂರು - ೫೬೦೦೯೨. ಫೋನ್: +೯೧೮೦೨೨೬೨೭೭೦೦ / ೯೯೯೯೪೪೫೮

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

e-mail:corpcomm@beml.co.in @cmdbeml @BEMLHQ
 CIN:L35202KA1964GOI001530, GST NO. 29AACB8433D1ZU

www.bemlindia.in

Report explaining the effect of the Scheme of Arrangement between BEML Limited ('the Company') and BEML Land Assets Limited and their respective shareholders and creditors ('the Scheme') on Equity Shareholders (Promoter and Non-Promoter Shareholders), Key Managerial Personnel, Directors, Depositors, Creditors, Debenture holders, Deposit trustee, Debenture trustee and Employees of the Company

1. Effect of the Scheme on equity shareholders (promoters and non-promoters) of the Company:

The Scheme does not have prejudicial effect on the equity shareholders (promoter and non-promoter shareholders) of the Company.

For demerger of Identified Surplus/Non-core assets of BEML Limited into BEML Land Assets Limited ('BLAL')

BEML Land Assets Limited (Resulting Company) will issue and allot 1 fully paid up equity share of INR 10/- each for every 1 fully paid up equity share of INR 10/- each held in BEML Limited (Demerged Company) on the basis of the Share Entitlement Report obtained from CA Harsh Chandrakant Ruparelia dated 22.07.2021

2. Effect of the Scheme on Key Managerial Personnel ('KMPs') and directors of the Company:

The Scheme does not have a prejudicial effect on the key managerial personnel and directors of the Company as their rights are not sought to be modified in any manner.

3. Effect of the Scheme on depositors, creditors, debenture holders, deposit trustee, debenture trustee and employees of the Company

The Scheme does not have a prejudicial effect on the creditors, debenture holders, debenture trustees and employees of the Company as their rights are not sought to be modified in any manner.

There are no depositors and deposit trustee in the Company. Therefore, there are no implications on them.

ચુક્કાનેકાંઈઓ Corporate Office:

'બીમેલીફ', ૧૨/૧, જનેમુખીન્દ્ર, સંકેરિયામુનગર, બેંગલૂરુ - ೫૬૦૦૧૨. ફોર્માલીસંન્દેશ : +૯૧ ૮૦ ૨૨૯૬૩૧૪૨/૨૧૧, ફેક્સ. +૯૧ ૮૦ ૨૨૯૬૩૧૪૨

ફોન્સન્ડ નંબર : +૯૧ ૮૦ ૨૨૯૬૩૧૦૪૦૬૬

BEML Soudha, 23/1, 4th. Main, S R Nagar, Bangalore – 560027, Tel. +91 80 22963142/211, Fax. +91 80 22963142

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

CIN:L35202KA1964GOI001530, GST NO. 29AAACB8433D1ZU

www.bemlindia.in



BEML LAND ASSETS LIMITED

(CIN: U70109KA2021GOI149486)

(A Wholly Owned Subsidiary of BEML Limited, Bengaluru – A Govt. of India Undertaking)

Report explaining the effect of the Scheme of Arrangement between BEML Limited and BEML Land Assets Limited ('the Company') and their respective shareholders and creditors ('the Scheme') on Equity Shareholders (Promoter and Non-Promoter Shareholders), Key Managerial Personnel, Directors, Depositors, Creditors, Debenture holders, Deposit trustee, Debenture trustee and Employees of the Company

1. Effect of the Scheme on equity shareholders (promoters and non-promoters) of the Company:

The Scheme does not have prejudicial effect on the equity shareholders (promoter and non-promoter shareholders) of the Company.

For demerger of Identified Surplus/Non-core assets of BEML Limited into BEML Land Assets Limited ('BLAL')

BEML Land Assets Limited (Resulting Company) will issue and allot 1 fully paid up equity share of INR 10/- each for every 1 fully paid up equity share of INR 10/- each held in BEML Limited (Demerged Company) on the basis of the Share Entitlement Report obtained from CA Harsh Chandrakant Ruparelia dated 22.07.2021.

2. Effect of the Scheme on Key Managerial Personnel ('KMPs') and directors of the Company:

The Scheme does not have a prejudicial effect on the key managerial personnel and directors of the Company as their rights are not sought to be modified in any manner.

3. Effect of the Scheme on depositors, creditors, debenture holders, deposit trustee, debenture trustee and employees of the Company

The Scheme does not have a prejudicial effect on the creditors and employees of the Company as their rights are not sought to be modified in any manner.

There are no depositors, debenture holders, deposit trustee and debenture trustees of the Company. Therefore, there is no implication on them.

Schedule 'A' Company under Ministry of Defence, Govt. of India

Defence & Aerospace | Mining & Construction | Rail & Metro

Ref: CS/SE/Q-2/

13.11.2021

| | |
|---|---|
| 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, 26 th Floor, Dalal Street, MUMBAI - 400 001 |
|---|---|

Dear Sir / Madam,

Sub: Unaudited Financial Results (Standalone & Consolidated) for the second quarter and half year ended 30.09.2021 –Reg.

Ref: (i) BEML Letter No. CS/SE/Q-2/152, dated 28.10.2021
(ii) BEML Letter No. CS/SE/Q-2, dated 10.11.2021

Please find enclosed herewith Un-audited Financial Results (Standalone and Consolidated), in the detailed format, along with Limited Review Reports for the second quarter and half year ended 30.09.2021 in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said results have been considered and approved by the Board at its 382nd meeting held on 13.11.2021. Arrangements have also been made to publish the extract of the results in a national daily (English) and local daily (Kannada) newspapers.

Yours faithfully
For BEML LIMITED

(S V Ravisekhar Rao)

Company Secretary & Compliance Officer

Encl : As above



ಬೆಂಗಳೂರು Corporate Office:
ಬೆಂಗಳೂರು, ೨೩/೧, ಸಂತೋಷ ಡಾಕ್ ಕಾರ್ಡ್ ಮಾರ್ಕೆಟ್, ಬೆಂಗಳೂರು - ೫೬೦೦೨೭. ಫೋನ್: +೯೧ ೮೦ ೨೨೯೬೩೧೪೨
ಫೋನ್: +೯೧ ೮೦ ೨೨೯೬೩೧೪೨

BEML Soudha, 23/1, 4th. Main, S R Nagar, Bengaluru - 560027, Tel. +91 80 22963142/211, Fax. +91 80 22963142

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

CIN:L35202KA1964GOI001530, GST NO. 29AACB8433D1ZU

www.bemlindia.in

Statement of Standalone Unaudited Results for the Quarter and Six months ended 30-09-2021

(₹ in lakhs except EPS)

| S. No | Particulars | Unaudited results for three months ended | | | Unaudited Year to date figures for period ended | | Audited results for year ended |
|-------|---|--|-----------------|---------------|---|-----------------|--------------------------------|
| | | 30-09-2021 | 30-06-2021 | 30-09-2020 | 30-09-2021 | 30-09-2020 | |
| I | Revenue from operations | 1,00,042 | 45,100 | 66,395 | 1,45,142 | 1,05,519 | 3,55,721 |
| II | Other income | 1,346 | 1,952 | 582 | 3,298 | 1,815 | 6,016 |
| III | Total Income (I+II) | 1,01,389 | 47,052 | 66,976 | 1,48,441 | 1,07,333 | 3,61,737 |
| IV | Expenses: | | | | | | |
| | Cost of materials consumed | 52,033 | 27,734 | 45,462 | 79,767 | 70,501 | 2,03,825 |
| | Purchase of stock-in-trade | - | - | - | - | - | 86 |
| | Changes in inventories of finished goods, stock-in-trade and work-in-progress | 5,541 | (5,645) | (14,938) | (104) | (18,905) | |
| | Employee benefits expense | 21,738 | 20,969 | 21,183 | 42,707 | 43,032 | 84,865 |
| | Finance costs | 1,248 | 1,421 | 860 | 2,669 | 1,853 | 3,912 |
| | Depreciation and amortization expense | 1,659 | 1,665 | 1,759 | 3,324 | 3,556 | 7,068 |
| | Other expenses | 17,788 | 10,191 | 10,815 | 27,979 | 18,736 | 52,700 |
| | Total Expenses (IV) | 1,00,008 | 56,335 | 65,141 | 1,56,343 | 1,18,773 | 3,52,456 |
| V | Profit / (Loss) before exceptional items and tax (III-IV) | 1,380 | (9,283) | 1,836 | (7,903) | (11,439) | 9,281 |
| VI | Add/ (Less) : Exceptional items | - | - | - | - | - | - |
| VII | Profit / (Loss) before tax (V-VI) | 1,380 | (9,283) | 1,836 | (7,903) | (11,439) | 9,281 |
| VIII | Tax expense | - | - | - | - | - | 1,801 |
| IX | Profit / (Loss) for the year from continuing operations (VII-VIII) | 1,380 | (9,283) | 1,836 | (7,903) | (11,439) | 7,480 |
| 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 period (IX+XII) | 1,380 | (9,283) | 1,836 | (7,903) | (11,439) | 7,480 |
| XIV | Other Comprehensive Income | (2,567) | (2,567) | (1,225) | (5,134) | (2,451) | (7,559) |
| XV | Total Comprehensive Income for the year (XIII+XIV) | (1,187) | (11,850) | 610 | (13,037) | (13,890) | (79) |
| XVI | Earnings per equity share: (₹10/- each) in ₹ | | | | | | |
| | Basic and diluted | 3.31 | (22.29) | 4.41 | (18.98) | (27.47) | 17.96 |
| XVII | Equity Share Capital | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 |
| XVIII | Reserves (excluding Revaluation Reserve) | 2,04,731 | 2,06,418 | 2,06,190 | 2,04,731 | 2,06,190 | 2,18,268 |
| XIX | Capital Redemption Reserve | - | - | - | - | - | - |
| XX | Debenture Redemption Reserve | 5,000 | 5,000 | 7,500 | 5,000 | 7,500 | 5,000 |
| XXI | Net worth | 2,08,908 | 2,10,595 | 2,10,368 | 2,08,908 | 2,10,368 | 2,22,445 |
| a) | Debt Service Coverage Ratio* | 3.22 | (0.54) | 4.72 | (0.15) | (0.51) | 1.44 |
| b) | Interest Service Coverage Ratio | 2.11 | (5.53) | 3.13 | (1.96) | (5.17) | 3.37 |
| c) | Debt Equity Ratio | 0.39 | 0.38 | 0.20 | 0.39 | 0.20 | 0.33 |
| d) | Current Ratio | 2.16 | 2.29 | 2.78 | 2.16 | 2.78 | 2.33 |
| e) | Long term debt to working capital | 0.04 | 0.04 | 0.08 | 0.04 | 0.08 | 0.07 |
| f) | Bad debts to Account receivable ratio | 0.01 | 0.01 | 0.00 | 0.01 | 0.00 | 0.01 |
| g) | Current liability ratio | 0.39 | 0.37 | 0.30 | 0.39 | 0.30 | 0.36 |
| h) | Total debts to total assets | 0.15 | 0.15 | 0.08 | 0.15 | 0.08 | 0.13 |
| i) | Debtors turnover ^ | 2.86 | 1.32 | 1.48 | 2.05 | 1.19 | 2.09 |
| j) | Inventory turnover ^ | 1.78 | 0.98 | 2.43 | 1.37 | 1.86 | 2.10 |
| k) | Operating margin (%) | 1.28% | -21.76% | 3.18% | -5.88% | -10.80% | 2.02% |
| l) | Net profit margin (%) | 1.38% | -20.58% | 2.76% | -5.44% | -10.84% | 2.10% |

* Prepayment of long-term debt of ₹10,083.72 Lakhs during first half of FY 2021-22.

^ Average Debtors and Average Inventory has been considered. Ratios for the quarter / half year have been annualised.

For SUNDARAM & SRINIVASAN

Chartered Accountants

PADMANABH MENAKSHI SUNDARAM

P. MENAKSHI SUNDARAM

Partner

M. No. 217614


Amit Banerjee
अमित बनजी

AMIT BANERJEE

82

अध्यक्ष एवं प्रबंध निदेशक
Chairman & Managing Director

- 1 The above results as duly reviewed and recommended by Audit Committee were approved by the Board of Directors at the Meeting held on 13.11.2021.
- 2 The spread of COVID-19 Pandemic and subsequent restrictions during the quarter and six months ended has impacted the Company's turnover and Company's manufacturing facilities, disruption in spares & service business, non receipt of materials due to global COVID-19 impact on supply chain disruptions, restrictive movements /non availability of required trailers etc, the impact of which could not be quantified.
Based on the information available (internal as well as external) upto the date of approval of these financial results, Company expects to recover the carrying amounts of intangible assets, trade receivables, inventory and other financial Assets. Efforts are being made to minimize the impact and Company will continue to closely monitor the developments & future economic & business outlook and its impact on Company's future financial statements.
- 3 Non-convertible secured Debentures of Rs. 100 crores were redeemed on 18.05.2021.
- 4 Fund raised through Commercial Paper amounting to Rs. 200 crores on 27.07.2021 and Rs. 200 crores on 26.08.2021 for a period of 90 days.
- 5 Exemption has been granted by SEBI from publishing segment-wise information.
- 6 Provisions in respect of employee retirement benefits are estimated considering actual expenditure of 2020-21 and likely increases.
- 7 As per the approval of CCEA dtd 8th September 2021, Vignyan Industries Limited (VIL), a subsidiary of BEML Ltd., is under Voluntary Liquidation and Official Liquidator has been appointed on 12.10.2021.
- 8 Wholly Owned Subsidiary (WOS) in the name and style of BEML LAND ASSETS LIMITED has been incorporated on 15.07.2021 for demerger of surplus land and assets as part of the strategic disinvestment process. The assets identified for demerger and clear for transfer to resultant Company have been included under "Non-current assets held for demerger". The Company has filed the Scheme of arrangement for demerger with MCA for approval on 22.10.2021.
- 9 The Limited Review Report issued by the Auditors on the Unaudited results, as duly placed before the aforesaid meeting of the Board, is enclosed.
- 10 The previous period's figures have been regrouped and reclassified wherever necessary to make them comparable with the current period's figures.

By order of the Board
for BEML Limited

Amit Banerjee
(AMIT BANERJEE)

Chairman and Managing Director

अमित बनर्जी
AMIT BANERJEE
अध्यक्ष एवं प्रबंध निदेशक
Chairman & Managing Director

For SUNDARAM & SRINIVASAN
Chartered Accountants
PADMANABHAN MENAKSHI SUNDARAM Date 05/11/2021
P. MENAKSHI SUNDARAM Partner
M. No. 217914



Place: Shillong

Date : 13.11.2021

Statement of Consolidated Unaudited Results for the Quarter and Six months ended 30-09-2021 (₹ in lakhs except EPS)

| S. No | Particulars | Unaudited results for three months ended | | | Unaudited Year to date figures for period ended | | Audited results for year ended |
|-------|---|--|-----------------|---------------|---|-----------------|--------------------------------|
| | | 30-09-2021 | 30-06-2021 | 30-09-2020 | 30-09-2021 | 30-09-2020 | 31-03-2021 |
| I | Revenue from operations | 1,00,042 | 45,100 | 66,372 | 1,45,142 | 1,05,417 | 3,55,664 |
| II | Other income | 1,345 | 1,931 | 582 | 3,276 | 1,815 | 6,016 |
| III | Total Income (I+II) | 1,01,387 | 47,031 | 66,954 | 1,48,418 | 1,07,232 | 3,61,680 |
| IV | Expenses: | | | | | | |
| | Cost of materials consumed | 51,955 | 27,730 | 45,441 | 79,685 | 70,361 | 2,03,727 |
| | Purchase of stock-in-trade | - | - | - | - | - | - |
| | Changes in inventories of finished goods, stock-in-trade and work-in-progress | 5,607 | (5,645) | (14,983) | (38) | (18,960) | 88 |
| | Employee benefits expense | 21,981 | 21,023 | 21,267 | 43,004 | 43,199 | 85,195 |
| | Finance costs | 1,274 | 1,421 | 868 | 2,695 | 1,868 | 3,940 |
| | Depreciation and amortization expense | 1,676 | 1,683 | 1,776 | 3,359 | 3,591 | 7,138 |
| | Other expenses | 17,829 | 10,220 | 10,863 | 28,049 | 18,851 | 52,881 |
| | Total Expenses (IV) | 1,00,321 | 56,432 | 65,231 | 1,56,753 | 1,18,909 | 3,52,969 |
| V | Profit / (Loss) before exceptional items and tax (III-IV) | 1,066 | (9,401) | 1,722 | (8,335) | (11,678) | 8,711 |
| VI | Add/ (Less) : Exceptional items | - | - | - | - | - | - |
| VII | Profit / (Loss) before tax (V-VI) | 1,066 | (9,401) | 1,722 | (8,335) | (11,678) | 8,711 |
| VIII | Tax expense | - | - | - | - | - | 1,841 |
| IX | Profit / (Loss) for the year from continuing operations (VII-VIII) | 1,066 | (9,401) | 1,722 | (8,335) | (11,678) | 6,870 |
| 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 period (IX+XII) | 1,066 | (9,401) | 1,722 | (8,335) | (11,678) | 6,870 |
| XIV | Other Comprehensive Income | (2,567) | (2,567) | (1,225) | (5,134) | (2,451) | (7,535) |
| XV | Total Comprehensive Income for the year (XIII+XIV) | (1,501) | (11,968) | 497 | (13,469) | (14,128) | (665) |
| XVI | Earnings per equity share: (₹10/- each) in ₹ | | | | | | |
| | Basic and diluted | 2.56 | (22.57) | 4.14 | (20.02) | (28.04) | 16.50 |
| VII | Equity Share Capital | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 |
| VIII | Reserves (excluding Revaluation Reserve) | 2,03,248 | 2,05,279 | 2,05,518 | 2,03,248 | 2,05,518 | 2,17,247 |
| XIX | Capital Redemption Reserve | 10 | 10 | 10 | 10 | 10 | 10 |
| XX | Debenture Redemption Reserve | 5,000 | 5,000 | 7,500 | 5,000 | 7,500 | 5,000 |
| XXI | Net worth | 2,11,773 | 2,09,457 | 2,09,695 | 2,11,773 | 2,09,695 | 2,21,424 |
| a) | Debt Service Coverage Ratio * | 2.96 | (0.55) | 4.59 | (0.18) | (0.52) | 1.40 |
| b) | Interest Service Coverage Ratio | 1.84 | (5.62) | 2.98 | (2.09) | (5.25) | 3.21 |
| c) | Debt Equity Ratio | 0.39 | 0.39 | 0.20 | 0.39 | 0.20 | 0.34 |
| d) | Current Ratio | 2.15 | 2.28 | 2.77 | 2.15 | 2.77 | 2.32 |
| e) | Long term debt to working capital | 0.04 | 0.04 | 0.08 | 0.04 | 0.08 | 0.07 |
| f) | Bad debts to Account receivable ratio | 0.01 | 0.01 | 0.00 | 0.01 | 0.00 | 0.02 |
| g) | Current liability ratio | 0.39 | 0.37 | 0.30 | 0.39 | 0.30 | 0.36 |
| h) | Total debts to total assets | 0.15 | 0.15 | 0.08 | 0.15 | 0.08 | 0.13 |
| i) | Debtors turnover ^ | 1.43 | 1.32 | 1.15 | 2.05 | 1.85 | 4.89 |
| j) | Inventory turnover ^ | 0.89 | 0.98 | 0.78 | 1.37 | 1.19 | 1.79 |
| k) | Operating margin (%) | 0.99% | -21.98% | 3.03% | -6.14% | -11.03% | 1.87% |
| l) | Net profit margin (%) | 1.07% | -20.84% | 2.59% | -5.74% | -11.08% | 1.93% |

* Prepayment of long-term debt of ₹10,083.72 Lakhs during first half of FY 2021-22.

^ Average Debtors and Average Inventory has been considered. Ratios for the quarter / half year have been annualised.

For SUNDARAM & SRINIVASAN
Chartered Accountants
P. MENAKSHI SUNDARAM
Partner
M. No. 217914



Notes

- 1 The above results as duly reviewed and recommended by Audit Committee were approved by the Board of Directors at the Meeting held on 13.11.2021.
- 2 The spread of COVID-19 Pandemic and subsequent restrictions during the quarter and six months ended has impacted the Group's turnover and Groups's manufacturing facilities, disruption in spares & service business, non receipt of materials due to global COVID-19 impact on supply chain disruptions, restrictive movements /non availability of required trailers etc, the impact of which could not be quantified.
Based on the information available (internal as well as external) upto the date of approval of these financial results, Group expects to recover the carrying amounts of intangible assets, trade receivables, inventory and other financial Assets. Efforts are being made to minimize the impact and Group will continue to closely monitor the developments & future economic & business outlook and its impact on Group's future financial statements.
- 3 Non-convertible secured Debentures of Rs. 100 crores were redeemed on 18.05.2021.
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- 6 Provisions in respect of employee retirement benefits are estimated considering actual expenditure of 2020-21 and likely increases.
- 7 As per the approval of CCEA dt 8th September 2021, Vignyan Industries Limited (VIL), a subsidiary of BEML Ltd., is under Voluntary Liquidation and Official Liquidator has been appointed on 12.10.2021. The valuation of the Assets & Liabilities are at realizable value.
- 8 Wholly Owned Subsidiary (WOS) in the name and style of BEML LAND ASSETS LIMITED has been incorporated on 15.07.2021 for demerger of surplus land and assets as part of the strategic disinvestment process. The assets identified for demerger have and clear for transfer to resultant Company been included under "Non-current assets held for demerger". The Company has filed the Scheme of arrangement for demerger with MCA for approval on 22.10.2021.
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- 10 The previous period's figures have been regrouped and reclassified wherever necessary to make them comparable with the current period's figures.

By order of the Board
for BEML Limited



(AMIT BANERJEE)
Chairman and Managing Director

अमित बनर्जी
AMIT BANERJEE
अध्यक्ष एवं प्रबंध निदेशक
Chairman & Managing Director

For SUNDARAM & SRINIVASAN
Chartered Accountants
PADMANABHAN
MENAKSHISUNDARAM
P. MENAKSHI SUNDARAM
Partner
M. No. 217914



Place: Shillong
Date : 13.11.2021

**BEML Limited**

(CIN: L35202KA1964GOI001530)

(A Govt. of India Mini Ratna Company under Ministry of Defence)

Registered Office: "BEML SOUDHA", 23/1, 4th Main Road, S.R. Nagar, Bengaluru-560 027

Tel. & Fax: (080) 22963142, E-mail: cs@beml.co.in, Website: www.bemlindia.in

Standalone / Consolidated Statement of Assets and Liabilities

| Particulars | (₹ in Lakhs) | | | | |
|--|--|-----------------|--------------------|-----------------|--------|
| | Standalone as at | | Consolidated as at | | |
| | 30-09-2021 | 30-09-2020 | 30-09-2021 | 30-09-2020 | |
| | Unaudited | Unaudited | Unaudited | Unaudited | |
| I. Assets | | | | | |
| (1) Non-current assets | | | | | |
| (a) Property, Plant and Equipment | 52,885 | 54,043 | 57,809 | 55,004 | |
| (b) Right of Use Asset | 727 | 818 | 727 | 818 | |
| (c) Capital work-in-progress | 995 | 1,690 | 995 | 1,704 | |
| (d) Intangible assets | 3,068 | 3,828 | 3,068 | 3,828 | |
| (e) Intangible assets under development | 850 | - | 850 | - | |
| (f) Financial assets | | | | | |
| (i) Investments | 259 | 258 | 0 | 0 | |
| (ii) Loans | 12 | 10 | 12 | 10 | |
| (iii) Other financial assets | 50 | 53 | 50 | 53 | |
| (f) Deferred tax assets (net) | 19,724 | 20,800 | 19,724 | 20,840 | |
| (g) Other non-current assets | 7,578 | 7,271 | 6,975 | 6,668 | |
| Total non-current assets | 86,147 | 88,771 | 90,208 | 88,925 | |
| (2) Current assets | | | | | |
| (a) Inventories | | | | | |
| (b) Inventories & Other Movable Assets held for sale | 2,26,793 | 2,16,404 | 2,26,779 | 2,16,939 | |
| (c) Financial Assets | | | | | |
| (i) Investments | - | - | 740 | - | |
| (ii) Trade receivables | 1,45,325 | 1,17,421 | 1,45,325 | 1,17,421 | |
| (iii) Contract Assets | 68,334 | 40,334 | 68,334 | 40,334 | |
| (iv) Cash and cash equivalents | 971 | 2,928 | 973 | 2,928 | |
| (v) Bank Balance Other than (iv) above | 58 | 51 | 58 | 51 | |
| (vi) Loans | 1,382 | - | 5 | - | |
| (vii) Other financial assets | 700 | 704 | 700 | 706 | |
| (viii) Current tax assets (Net) | 2,089 | 4,337 | 2,089 | 4,337 | |
| (c) Non-current assets held for demerger | 350 | - | 350 | - | |
| (d) Other current assets | 30,046 | 28,658 | 30,085 | 27,998 | |
| Total current assets | 4,76,048 | 4,10,836 | 4,75,438 | 4,10,713 | |
| Total Assets | 5,62,194 | 4,99,607 | 5,65,647 | 4,99,639 | |
| II. Equity and Liabilities | | | | | |
| Equity | | | | | |
| (a) Equity share capital | 4,177 | 4,177 | 4,177 | 4,177 | |
| (b) Other Equity | 2,04,731 | 2,06,190 | 2,07,627 | 2,05,522 | |
| Equity attributable to equity holders of the parent | 2,08,908 | 2,10,368 | 2,11,805 | 2,09,699 | |
| Non-controlling interests | - | - | (31) | (4) | |
| Total Equity | 2,08,908 | 2,10,368 | 2,11,773 | 2,09,695 | |
| Liabilities | | | | | |
| (1) Non-current liabilities | | | | | |
| (a) Financial liabilities | | | | | |
| (i) Borrowings | - | 10,075 | - | 10,075 | |
| (ii) Other financial liabilities | 785 | 838 | 785 | 838 | |
| (b) Provisions | 22,922 | 19,731 | 22,922 | 19,731 | |
| (c) Other non-current liabilities | 1,09,136 | 1,10,915 | 1,09,136 | 1,10,915 | |
| Total non-current liabilities | 1,32,843 | 1,41,559 | 1,32,843 | 1,41,559 | |
| (2) Current liabilities | | | | | |
| (a) Financial liabilities | | | | | |
| (i) Borrowings | 72,782 | 20,798 | 72,782 | 20,989 | |
| (ii) Trade payables | (A) Micro & Small Enterprises | 7,039 | 3,547 | 7,039 | 3,549 |
| | (B) Other than Micro & Small Enterprises | 65,284 | 52,106 | 65,338 | 52,256 |
| | (iii) Other financial liabilities | 11,723 | 12,235 | 11,738 | 12,258 |
| (b) Other current liabilities | 38,049 | 39,660 | 38,100 | 39,690 | |
| (c) Provisions | 25,566 | 19,334 | 26,034 | 19,642 | |
| (d) Current tax liabilities (Net) | - | 0 | - | - | |
| Total current liabilities | 2,20,442 | 1,47,680 | 2,21,030 | 1,48,384 | |
| Total Equity and Liabilities | 5,62,194 | 4,99,607 | 5,65,647 | 4,99,639 | |

For SUNDARAM & SRINIVASAN
Chartered Accountants
PADMANABHAN
MENAKSHI SUNDARAM
P. MENAKSHI SUNDARAM
Partner
M. No. 217814



Amit Banerjee
अमित बनर्जी
AMIT BANERJEE
अध्यक्ष एवं प्रबंध निदेशक
Chairman & Managing Director
(AMIT BANERJEE)
Chairman and Managing Director

BEML Limited

 (CIN: L35202KA1964GOI001530)
 (A Govt. of India Mini Ratna Company under Ministry of Defence)
 Registered Office: "BEML SOUDHA", 23/1, 4th Main Road, S.R. Nagar, Bengaluru-560 027
 Tel. & Fax: (080) 22963142, E-mail: cs@beml.co.in, Website: www.bemlindia.in

Standalone / Consolidated Cash Flow Statement

(` in Lakhs)

| Particulars | Standalone for the half year ended | | | | Consolidated for the half year ended | | | |
|--|------------------------------------|-------------|-------------|-------------|--------------------------------------|-------------|-------------|-------------|
| | 30-09-2021 | | 30-09-2020 | | 30-09-2021 | | 30-09-2020 | |
| | Sub Item | Main Item | Sub Item | Main Item | Sub Item | Main Item | Sub Item | Main Item |
| A. Cash flow from operating activities | | | | | | | | |
| Net profit before tax and extraordinary items | | (7,902.67) | | (11,439.25) | | (8,335.26) | | (11,677.68) |
| <i>Adjustments for</i> | | | | | | | | |
| Depreciation and amortization expense | 3,324.24 | | 3,555.65 | | 3,358.51 | | 3,590.78 | |
| (Gain)/loss on disposal of property, plant and equipment | (4.29) | | (12.34) | | (4.29) | | (12.34) | |
| Foreign exchange loss / (gain) | 92.83 | | 22.41 | | 92.83 | | 22.41 | |
| Financing Cost | 2,669.46 | | 1,853.13 | | 2,694.82 | | 1,868.22 | |
| Interest Income | (128.93) | | (17.26) | | (106.44) | | (17.26) | |
| Other Provisions / Allowances | (4,965.05) | 988.26 | (4,643.54) | 758.05 | (5,058.85) | 976.58 | (4,871.26) | 580.55 |
| Operating Profit / (Loss) before changes in working capital | | (6,914.41) | | (10,681.20) | | (7,358.68) | | (11,097.13) |
| <i>Adjustment for</i> | | | | | | | | |
| Inventories | (30,256.51) | | (16,904.34) | | (29,772.51) | | (16,742.97) | |
| Revaluation of Inventory & Other Movable Assets | - | | - | | (740.20) | | | |
| Trade & other receivables | 38,976.51 | | 22,261.17 | | 39,169.58 | | 22,261.16 | |
| Other current assets | 2,194.41 | | (2,586.57) | | 2,483.60 | | (2,114.18) | |
| Trade payables | (1,832.45) | | (10,273.54) | | (1,891.97) | | (10,470.96) | |
| Other payables | (6,400.07) | 2,681.90 | 12,615.53 | 5,112.25 | (6,384.17) | 2,864.32 | 12,610.15 | 5,543.20 |
| Cash generated from operations | | (4,232.51) | | (5,568.95) | | (4,494.36) | | (5,553.94) |
| Direct taxes (paid) / refunded | | 1,418.80 | | 3,708.31 | | 1,418.80 | | 3,708.31 |
| Net cash flow from / (used in) operating activities | | (2,813.71) | | (1,860.64) | | (3,075.56) | | (1,845.63) |
| B. Cash flow from investing activities | | | | | | | | |
| Purchase of property, plant and equipment | (1,447.09) | | (1,359.29) | | (1,436.82) | | (1,359.29) | |
| Revaluation of property, plant and equipment | - | | - | | (4,031.93) | | | |
| Purchase of Intangible assets | (353.59) | | (21.85) | | (353.59) | | (21.85) | |
| Sale of property, plant and equipment | 136.58 | | 79.91 | | 136.58 | | 79.91 | |
| Sale of Intangible assets | | | | | | | | |
| Investments in subsidiaries | (1.00) | | - | | - | | - | |
| Interest Received | (28.96) | | (106.10) | | (46.01) | | (106.10) | |
| Dividends from subsidiaries | - | | - | | - | | - | |
| Net cash flow from / (used in) investing activities | | (1,694.06) | | (1,407.33) | | (5,731.77) | | (1,407.33) |
| C. Cash flow from financing activities | | | | | | | | |
| Proceeds/(Repayments) from/to ECB & long-term borrowings | - | | - | | - | | - | |
| Proceeds from short-term borrowings | - | | - | | - | | - | |
| Proceeds from Unsecured Loans (Commercial Paper Issued) | 54,400.00 | | 15,000.00 | | 54,400.00 | | 15,000.00 | |
| Proceeds/(Repayments) from/of Non-Convertible Debentures | (10,000.00) | | (10,000.00) | | (10,000.00) | | (10,000.00) | |
| Proceeds/(Repayments) of Soft loan | (83.72) | | (73.03) | | (83.72) | | (73.03) | |
| Financing Cost | (3,003.61) | | (2,186.04) | | (3,028.97) | | (2,201.13) | |
| Adjustment in retained earnings | - | | - | | 4,318.06 | | - | |
| Dividend & Tax paid for equity shares | (499.73) | | (1,457.56) | | (499.73) | | (1,457.56) | |
| Net cash flow from / (used in) financing activities | | 40,812.94 | | 1,283.36 | | 45,105.64 | | 1,268.27 |
| Net increase/(decrease) in cash and cash equivalents | | 36,305.16 | | (1,984.60) | | 36,298.31 | | (1,984.68) |
| Cash and Cash Equivalents, Beginning of the year | | (53,658.49) | | (634.92) | | (53,649.32) | | (1,025.77) |
| Cash and Cash Equivalents, Ending of the year (Refer Note 15 d) | | (17,353.33) | | (2,819.52) | | (17,351.01) | | (3,010.44) |

By order of the Board
 for BEML Limited


 (AMIT BANERJEE)

Chairman and Managing Director

For SUNDARAM & SRINIVASAN
 Chartered Accountants
 PADMANABHAN
 MENAKSHI SUNDARAM
 P. MENAKSHI SUNDARAM
 Partner
 M. No. 217914



अमित बनर्जी
 AMIT BANERJEE
 अध्यक्ष एवं प्रबंध निदेशक
 Chairman & Managing Director



Statement of Standalone & Consolidated Unaudited Results for the Six months ended 30-09-2021

| Sl. No. | Particulars | Standalone | | | | | | Consolidated | | | | | | |
|--|-------------|-----------------------|-------------------------|-----------------------|-----------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|-----------------------|-------------------------|--|
| | | 1 Quarter Ended | 2 Half Year ended | 3 Quarter Ended | 4 Previous Year ended | 1 Quarter Ended | 2 Half Year ended | |
| 30-09-2021 | 30-09-2021 | 30-09-2020 | 31-03-2021 | 30-09-2021 | 30-09-2021 | 30-09-2021 | 30-09-2020 | 30-09-2021 | 30-09-2020 | 30-09-2021 | 30-09-2020 | 30-09-2021 | 31-03-2021 | |
| Un-audited | Un-audited | Un-audited | Un-audited | Audited | Un-audited | Un-audited | Un-audited | Un-audited | Un-audited | Un-audited | Un-audited | Un-audited | Audited | |
| 1 Total Income from Operations | 1,01,389 | 1,48,441 | 66,976 | 3,61,737 | 1,01,387 | 1,48,418 | 66,954 | 3,61,680 | | | | | | |
| 2 Net Profit / (Loss) for the period (before Tax, Exceptional and / or Extraordinary items) | 1,380 | (7,903) | 1,836 | 9,281 | 1,066 | (8,335) | 1,722 | 8,711 | | | | | | |
| 3 Net Profit / (Loss) for the period before tax (after Exceptional and / or Extraordinary items) | 1,380 | (7,903) | 1,836 | 9,281 | 1,066 | (8,335) | 1,722 | 8,711 | | | | | | |
| 4 Net Profit / (Loss) for the period after tax (after Exceptional and / or Extraordinary items) | 1,380 | (7,903) | 1,836 | 7,480 | 1,066 | (8,335) | 1,722 | 6,870 | | | | | | |
| 5 Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)] | (1,187) | (13,037) | 610 | (79) | (1,501) | (13,469) | 497 | (665) | | | | | | |
| 6 Equity Share Capital | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | 4,164 | |
| 7 Reserves (excluding Revaluation Reserve) | 2,04,731 | 2,04,731 | 2,06,418 | 2,18,268 | 2,03,248 | 2,03,248 | 2,03,248 | 2,05,279 | 2,17,247 | | | | | |
| 8 Security Premium Account | 61,204 | 61,204 | 61,204 | 61,204 | 61,204 | 61,204 | 61,204 | 61,204 | 61,204 | 61,204 | 61,204 | 61,204 | 61,204 | |
| 9 Net worth | 2,08,908 | 2,08,908 | 2,10,368 | 2,22,445 | 2,11,773 | 2,11,773 | 2,11,773 | 2,09,695 | 2,21,424 | | | | | |
| 10 Paid up Debt Capital / Outstanding Debt | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 11 Outstanding Redeemable Preference Shares | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 12 Debt Equity Ratio | 0.39 | 0.39 | 0.20 | 0.33 | 0.39 | 0.39 | 0.39 | 0.20 | 0.34 | | | | | |
| 13 Earnings per Share (of ₹10/- each) (for continuing and discontinued operations) | | | | | | | | | | | | | | |
| 1. Basic: | | | | | | | | | | | | | | |
| 2. Diluted: | | | | | | | | | | | | | | |
| 14 Capital Redemption Reserve | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 15 Debenture Redemption Reserve | 5,000 | 5,000 | 7,500 | 5,000 | 5,000 | 5,000 | 5,000 | 7,500 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | |
| 16 Debt Service Coverage Ratio | 3.22 | (0.15) | 4.72 | 1.44 | 2.96 | (0.18) | 4.59 | 1.40 | | | | | | |
| 17 Interest Service Coverage Ratio | 2.11 | (1.96) | 3.13 | 3.37 | 1.84 | (2.09) | 2.98 | 3.21 | | | | | | |

Notes:

- The above is an extract of the detailed format of Quarter and Six months ended Consolidated Financial Results for the period ending 30.09.2021 filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Other Disclosure Requirements) Regulations, 2015. The detailed format of the said results may be accessed at the web-site at www.bemilindia.in and the BSE at www.bseindia.com

By order of the Board
 for BEMI Limited

Lalit Sanyal
 (AMIT BANERJEE)
 Chairman and Managing Director

AMIT BANERJEE
 अमित बनर्जी
 अख्यात एवं प्रबंध निदेशक
 Chairman & Managing Director



For SUNDARAM & SRINIVASAN
 Chartered Accountants
 Padmanabhan
 Meenakshi Sundaram
 Partner
 M. No. 217614
 Date: 13.11.2021



Date

Independent Auditor's Review Report on Unaudited Standalone Quarterly and Year to Date Financial Results of BEML Limited pursuant to the Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

TO THE BOARD OF DIRECTORS OF BEML LIMITED

1. We have reviewed the accompanying statement of unaudited standalone financial results of BEML Limited ("the company") for the Quarter/ Half year ended September 30, 2021 ("the statements") being submitted by the Company pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) including relevant circulars issued by the SEBI from time to time.
2. This statement, which is the responsibility of the Company's Management approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued there under and other recognized accounting practices and policies generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 and 52 read with Regulation 63 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.





Emphasis of Matter:

Date

5. We draw our attention to Note No.2 to the Financial Statements which describes the following matter:

a. The spread of COVID – 19 Pandemic and subsequent restrictions during the quarter and six months ended has impacted the Company's turnover and company's manufacturing facilities, disruption in spares & service business, non-receipt of materials due to global COVID-19 impact on supply chain distributions, restrictive movements / non availability of required trailers etc., the impact of which could not be quantified

b. Based on the information available (internal as well as external) up to the date of approval of these financial results, Company expects to recover the carrying amounts of intangible assets, trade receivables, inventory and other financial assets. Efforts are being made to minimize the impact and Company will continue to closely monitor the developments, future economic & business outlook and its impact on Company's future financial statements

6. In respect of Advances to MAMC consortium amounting to Rs. 6,626.28 lakhs, realization/settlement depends on approval from MOD and viable business plan.

7. Advances, balances with government departments, trade payable, trade receivable, other loans and advances and deposits are pending confirmation, reconciliation, review / adjustment of balances.

8. The company has made a provision for shortage of Stock of spares amounting to Rs. 999.41 Lakhs, which is under reconciliation.

9. In respect of Provision for Pending Legal Cases includes an amount of Rs. 2,167.35 lakhs relating to payment of Gratuity at the enhanced limit as per DPE Pay Revision for 400 ex-executives and non-unionized employees who are covered by DPE Pay Revision circular dated November 26, 2008, based on order of Hon'ble Karnataka High Court Vide dated March 05, 2021 and on the principle of conservatism. As per Company's Board norms, a Provision amounting to 90% of the Liability has been created in the books of accounts. The Company has filed an SLP with the Hon'ble Supreme Court of India challenging the Hon'ble Karnataka High Court's order.





10. We draw our attention to Note No.7 to the Financial Statements and based on explanation and information as furnished to us, we were given to understand that one of the Subsidiary Company M/s. Vignyan Industries Limited (VIL) has received an approval vide letter dated September 10th 2021 from Department of Defence Production, Ministry of Defence (MoD) for closure of the company. Besides, official liquidator has been appointed on October 12th 2021. BEML Limited being the holding company carries the Investment in Subsidiary at Cost as per Ind AS 27 - Separate Financial Statements. The matter awaits further developments, and we are unable to comment on the same.

Our conclusion is not modified in respect of these matters.

Date
For Sundaram & Srinivasan
Chartered Accountants
Firm Regn No: 0042075
PADHMANAB HAN Digitally signed by
MENAKSHISUNDARAM PADHMANABHAN
Date: 2021.11.13
10:56:24 +05'30'
P. Menakshi Sundaram
Partner
Membership No. 217914



Place: Chennai

Date: 13th November 2021

UDIN: 21217914AAAAON7903



Date

Independent Auditor's Review Report on Unaudited Consolidated Quarterly and Year to Date Financial Results of BEML Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

TO THE BOARD OF DIRECTORS OF BEML LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of BEML Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net loss after tax and total comprehensive loss for the Quarter/ Half year ended September 30, 2021 ("the Statements, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) including relevant circulars issued by the SEBI from time to time. Attention is drawn to the fact that the consolidated figures for the corresponding quarter and half year ended September 30, 2021 as reported in these financial results have been approved by the Parent's Board of Directors.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.





5. The Statement includes the results of the following Subsidiaries: Date

- a. Vignyan Industries Limited (Under Liquidation)
- b. MAMC Industries Limited.
- c. BEML Land Assets Limited

Basis for Qualified Conclusions

6. We draw attention to relating to BEML Midwest Limited, a joint venture Company, has not been consolidated in the absence of its financial statements. As per the accounting principles, the financial statements of this joint venture should have been consolidated using proportionate consolidation method. The effects on the consolidated financial statements, of the failure to consolidate this Joint Venture Company, net of provision for diminution already made in the value of the investment, has not been determined.

7. We draw attention relating to Advance to MAMC Consortium amounting to Rs. Rs. 6,626.28 Lakhs (Previous Year - Rs. 6,150.96 Lakhs) which ought to have been classified as Investment in Joint Venture in accordance with IND AS 28 — Investment in Associates and Joint Ventures.

We are unable to quantify the impact and implications of the above

Qualified Conclusions

8. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 9 below, except for the matter described in the Basis of Qualified Conclusion Paragraph 5 to 7 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ("Ind AS") specified under Section 133 of the Companies Act 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

We draw our attention to:

9. Note No.2 to the Consolidated Financial Statements which describes the following matters:

a. The Company's operations and financial results for quarter ended September 30, 2021 have been adversely impacted by the lockdown imposed to contain the second wave of





COVID-19. The Company's manufacturing facilities were disrupted during the quarter and the company has taken necessary precautions, with reduced availability of workforce and severely disrupted supply chain to minimize the impact on its operations.

b. Based on the information available (internal as well as external) up to the date of approval of these financial results, Company expects to recover the carrying amounts of intangible assets, trade receivables, inventory and other financial assets. Efforts are being made to minimize the impact and Company will continue to closely monitor the developments, future economic & business outlook and its impact on Company's future financial statements.

10. Advances, balances with government department, trade payable, trade receivable, other loans and advances and deposits are pending confirmation, reconciliation, review /adjustment of balances.

11. In the Books of BEML Limited the company has made a provision for shortage of Stock of spares amounting to Rs. 999.41 Lakhs, which is under reconciliation.

12. In respect of Provision for Pending Legal Cases includes an amount of Rs. 2,167.35 lakhs relating to payment of Gratuity at the enhanced limit as per DPE Pay Revision for 400 ex-executives and non-unionized employees who are covered by DPE Pay Revision circular dated November 26, 2008, based on order of Hon'ble Karnataka High Court Vide dated March 05, 2021 and on the principle of conservatism. As per Company's Board norms, a Provision amounting to 90% of the Liability has been created in the books of accounts. The Company has filed an SLP with the Hon'ble Supreme Court of India challenging the Hon'ble Karnataka High Court's order.

13. We did not review the financial results of Three subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 79.28 lakhs, total net loss after tax of Rs. 435.44 for the quarter / half year ended September 30, 2021, as considered in the consolidated unaudited financial results. The financial results of these Subsidiaries have been reviewed by other auditors whose reports have been furnished to us by the Management 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.





14. We draw our attention to Note No.7 to the Financial Statements and based on explanation and information as furnished to us, one of the Subsidiary Company, Vignyan Industries Limited (VIL) has received approval vide letter dated September 10, 2021 from Department of Defence Production, Ministry of Defence (MoD) for closure of the company. Besides, official liquidator has been appointed on October 12, 2021. The Independent Auditors of the Company on their Report dated October 28, 2021 has stated that the preparation of financial statements of the company is on "liquidation" basis.

Date
Our conclusion is not modified in respect of the above matter.

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn No: 0042075
PADHMAN Digitally signed by
ABHAN PADHMANABHAN
MENAKSHIS MENAKSHISUNDA
UNDARAM RAM
P. Menakshi Sundaram
Partner
Membership No. 217914



Place: Chennai

Date: 13th November 2021

UDIN: 21217914AAAAOO8178

BEML LIMITED
(CIN: L35202KA1964GOI001530)
Registered office: BEML Soudha, 23/1, 4th Main, S.R. Nagar,
Bengaluru –560027, Karnataka
Tel: +91 80 22963142 / 080 22963211
Email: cs@beml.co.in
Website: <https://www.bemlindia.in>

GOVERNMENT OF INDIA
BEFORE THE MINISTRY OF CORPORATE AFFAIRS
FORM NO.CAA.2 (Pursuant to Section 230(3) and Rule 6)

In the matter of the Companies Act, 2013;
And

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;
And

In the matter of Scheme of Arrangement between BEML Limited and BEML Land Assets Limited
and their respective Shareholders and Creditors

BEML Limited

(CIN: L35202KA1964GOI001530)
a Company incorporated under the Companies
Act, 1956, having its Registered Office at
BEML Soudha, 23/1, 4th Main,
S.R. Nagar, Bengaluru 560027, Karnataka.

.....Applicant Company 1/ Demerged Company

PROXY FORM

FOR MEETING OF SECURED CREDITORS

| | |
|------------------------------|--|
| Name of the Secured Creditor | |
| Address | |
| E-mail ID | |
| Mobile Number | |

I/We, being Secured Creditor of BEML Limited, hereby appoint,

1. Name :
Address :
Email ID & Mobile No:
Signature : or falling him/ her;
2. Name :
Address :
Email ID & Mobile No:
Signature : or falling him/ her;
3. Name :
Address :
Email ID & Mobile No:
Signature : or falling him/ her;

as my/ our proxy to attend and vote (on the poll) for me/ us and on my/ our behalf at the Ministry of Corporate Affairs convened Meeting of the Secured Creditor of the Applicant Company to be held **on Friday, 25th February 2022 at 2:00 P.M. through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”)** for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Arrangement between BEML Limited and BEML Land Assets Limited and their respective Shareholders and Creditors at such Meeting and any adjournment or adjournments thereof and to vote, for me/us and in my/our name(s) (here, if for, insert ‘FOR’, or if against, insert ‘AGAINST’) in respect of the said Scheme of Arrangement as my/our proxy.

Signed this day of2022

Signature of Secured Creditor

Please affix
Revenue
Stamp of
INR 1/-

Signature of Proxy Holder(s)

Notes:

1. The form of Proxy must be deposited at the registered office of BEML Limited at BEML Soudha, 23/1, 4th Main, S.R. Nagar, Bengaluru –560027, Karnataka, India, and a scan copy of the same be sent through email to the **cs@beml.co.in** not later than 48 (Forty-Eight) hours before the scheduled time of the commencement of the said Meeting.
2. If you are a body corporate, as the Secured Creditors, a copy of the resolution of the Board of Directors or the Governing Body authorizing such a person to act as its representative/proxy at the Meeting and certified to be a true copy by a director, the manager, the secretary or any other authorised officer of such Body Corporate should be lodged with the Applicant Company at its registered and a scan copy of the same be sent through email to the company at **cs@beml.co.in** office not later the 48 (Forty Eight) hours before the Meeting
3. All alterations made in the form of proxy should be initialled.
4. Please affix appropriate revenue stamp before putting signatures.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. Proxy need not be Secured creditor of BEML Limited
7. No person shall be appointed as Proxy who is a minor.

24/4/2021-सीएल-III

भारत सरकार
कारपोरेट कार्य मंत्रालय

शास्त्री भवन, “ए” विंग, 5वाँ तला,
डा. राजेन्द्र प्रसाद रोड़,
नई दिल्ली-110001
दिनांक : 03.01.2022

To,

- ✓ 1. M/s BEML Limited,
BEML Soudha, 23/1, 4th Main, S.R.Nagar
Bengaluru 560 027, Karnataka.
2. M/s BEML Land Assets Limited,
BEML Soudha, 23/1, 4th Main, S.R.Nagar
Bengaluru 560 027, Karnataka.

Subject: Application received u/s 230-232 of the Companies Act, 2013 for approving scheme of Arrangement between M/s BEML Limited (Demerged Company) and BEML Land and Assets Limited (Resulting Company).

Sir,

I am to forward herewith a copy of this Ministry's Order dated 13.01.2022 on the above subject for information and necessary action.

भवदीय,


(संजय वर्मा)
उप निदेशक

सूचना एवं आवश्यक कार्यवाही हेतु प्रतिलिपि :-

(i) Shri D V Manohar, Deloitte Haskins & Sells LLP, Chartered Accountants, Prestige Trade Tower, Level 19, 46, Palace Road, High Grounds Bengaluru – 560 001.

24/4/2021-CL-III

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

In the matter of Sections 230-232 of the Companies Act, 2013

AND

In the matter of Scheme of Arrangement between

M/s BEML Limited

And

M/s BEML Land Assets Limited

1. M/s. BEML Limited having its registered office at BEML Soudha, 23/1, 4th Main, S.R.Nagar, Bengaluru 560 027, Karnataka.

Applicant/Demerged Company

2. M/s. BEML Land Assets Limited having its registered office at BEML Soudha, 23/1, 4th Main, S.R.Nagar, Bengaluru 560 027, Karnataka.

Applicant/Resulting Company

Virtual Presence:-

- i. Mr. Anil Jerath – Chief General Manager (Finance), BEML Limited
- ii. Mr. SV Ravi Sekhar Rao, Company Secretary, BEML Limited
- iii. Mr. DV Manohar, Partner, M&A-Tax and Regulatory, Deloitte Haskins & Sells LLP
- iv. Mr. Pawan Kulkarni, Director, M&A-Tax and Regulatory, Deloitte Haskins & Sells LLP

.....for Demerged and Resulting Company

ORDER

(Hearing held on 06/01/2022)

Joint petition dated 18.10.2021 received on 26.10.2021 has been filed by the applicant companies with respect to proposed Scheme of Arrangement between M/s BEML Limited (Demerged Company) and M/s BEML Land Assets

Limited (Resulting Company) u/s 230-232 of the Companies Act, 2013 read with Government of India, Notification NO.GSR.582 (E) dated 13.06.2017.

2. The application is supported by the Affidavits of Shri Ajit Kumar Srivastav, Director and authorized representative of the Demerged Company, who is duly authorized to file the same on behalf of the Demerged Company, in terms of the Board of Directors resolution dated 23.07.2021.

3. The application is supported by the Affidavits of Shri Amit Banerjee, Nominee Director and authorized representative of the Resulting Company, who is duly authorized to file the same on behalf of the Resulting Company, in terms of the Board of Directors resolution dated 24.07.2021.

4. The Demerged Company M/s BEML Limited and Resulting Company M/s BEML Land Assets Limited have broadly prayed for the following relief (s):-

- (i) To give directions for convening, holding and conducting of a meeting of the equity shareholders of the Demerged Company and pass such other order or orders as this Hon'ble Ministry may deem fit and proper in the circumstances of the case and render justice.
- (ii) To give directions for convening, holding and conducting of a meeting of the unsecured creditors of the Demerged Company and pass such other order or orders as this Hon'ble Ministry may deem fit and proper in the circumstances of the case and render justice.
- (iii) To give directions for convening, holding and conducting of a meeting of the secured creditors of the Demerged Company and pass such other order or orders as this Hon'ble Ministry may deem fit and proper in the circumstances of the case and render justice.
- (iv) To dispense with the requirement of convening, holding and conducting of a meeting of the equity shareholders, secured and unsecured creditors of the Resulting Company and pass such other order or

orders as this Hon'ble Ministry may deem fit and proper in the circumstances of the case and render justice.

- (v) To give directions to issue notices to the statutory authorities as per the provisions of section 230(5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016.

5. After considering the prayers and submissions made by the Resulting Company, it is directed that the meeting of equity shareholders of the Resulting Company is dispensed with since the Resulting Company has furnished the consent affidavit(s) of all the equity shareholders.

6. The Resulting Company has submitted a certificate from an independent Chartered Accountant stating that there are no secured and unsecured creditors as on 30.09.2021. Hence, the meeting of the secured and unsecured creditors of the Resulting Company is also dispensed.

7. It is directed that the meeting of the Equity Shareholders of the Demerged Company shall be convened for considering, and if thought fit, approving with or without modifications the Scheme of Arrangement. Shri Amit Banerjee, Chairman & Managing Director of BEML Limited shall be the Chairperson of the Equity Shareholders meeting and he will fix the date and time of the meeting. Individual notice of the said meeting to be given to all equity shareholders. The notice and other documents shall also be placed on the website of the Demerged Company. While conducting the meeting of Equity Shareholders provisions of Companies Act, 2013 & Rules made there under will be complied with.

8. It is directed that the meeting of the secured creditors of the Demerged Company as on 30.09.2021 shall be convened for considering, and if thought fit, approving with or without modifications the Scheme of Arrangement. Shri Amit Banerjee, Chairman & Managing Director of BEML Limited shall be the

Chairperson of the secured creditors meeting and he will fix the date and time of each meeting. Individual notice of the said meeting to be given to all the secured creditors as on 30.09.2021. The notice and other documents shall also be placed on the website of the Demerged & Resulting Company.

9. It is directed that the meeting of the unsecured creditors of the Demerged Company whose debt is of a value more than rupees 10 Lakhs as on 30.09.2021 shall be convened for considering, and if thought fit, approving with or without modifications the Scheme of Arrangement. Shri Amit Banerjee, Chairman & Managing Director of BEML Limited shall be the Chairperson of the unsecured creditors meeting and he will fix the date and time of each meeting. Individual notice of the said meeting to be given to unsecured creditors whose debt is of a value more than rupees 10 Lakhs as on 30.09.2021. The notice and other documents shall also be placed on the website of the Demerged & Resulting Company.

10. If due to unforeseen circumstances or due to want of Quorum the meeting(s) of the equity shareholders, secured and unsecured creditors cannot be held on the date specified as aforesaid, the Chairperson appointed for the purpose shall also be empowered to defer or adjourn such meeting (s) and to hold such further meeting on any subsequent date, if so required and considered appropriate by the Chairperson, after giving further notice to the equity shareholders, secured and unsecured creditors as deemed appropriate by him/them.

11. The quorum for the meeting of the secured and unsecured creditors of the Demerged Company would be one-third of share in terms of value, present in person or by proxy through Video Conferencing (VC).

12. After considering the Covid-19 Pandemic situation prevailing in the country & considering the public interest, the Demerged and Resulting Company is allowed:-

- i. To convene and hold the meeting of secured and unsecured creditors through video conferencing (VC).
- ii. To ascertain necessary quorum for the meeting, the secured & unsecured creditors participating in the meeting through VC may be considered for the quorum.
- iii. To adopt e-voting system and appoint Scrutinizers for the purpose of conducting poll during secured and unsecured creditors meeting conducted through VC.

13. The Demerged & Resulting Company shall comply Rule 20 of Companies (Management and Administration) Rules, 2014, which include using system of 'agency' polling by remote e-voting before meeting and provision of facility of e-voting during the meeting.

14. The notice convening the meeting of the equity shareholders, secured & unsecured creditors of the Demerged Company will be published in at least two prominent newspapers, one in English and the other in Vernacular language of the State in which Demerged and Resulting Company is registered. In addition to the above, notice for the meeting along with the Scheme of Arrangement, proxy form and explanatory statement under Section 230 of the Companies Act, 2013 shall be dispatched to all the equity shareholders and all the secured creditors of the Demerged Company as on 30.09.2021 and unsecured creditors whose debt is of a value more than rupees 10 Lakhs as on 30.09.2021 of the Demerged Company at least one month before the day appointed for the said meetings by

Registered post/Speed Post/e-mail. The notices to be published and dispatched shall be duly approved by the Chairperson appointed for the meetings.

15. And it is further ordered that the Chairperson nominated for the aforesaid meeting shall report to the Central Government the result of the said meeting or adjourned meeting, as the case may be, within 7 days after the conclusion of the meeting duly verified by his affidavit.

16. It is further ordered that the applicant companies shall issue notices in accordance with Rule 8(2) of Companies (Compromises, Arrangement and Amalgamation) Rules, 2016 to the following authorities to send their report as per section 230(5) of the Companies Act, 2013 failing which matter will be considered further in the absence of their report on the proposed scheme of arrangement.

- I Regional Director (South East Region), Ministry of Corporate Affairs, 3rd Floor, Corporate Bhawan, Near Central Water Board, Bandalaguda, Thatti Annaram Hayatnagar Mandal, Naglore, Rangareddy District, Hyderabad – 500 068.
- II Registrar of Companies, “E” Wing, 2nd Floor, Kendriya Sadana, Kormangala, Bangalore – 560 034, Karnataka.
- III Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited
- IV Jurisdictional Income Tax Authorities
- V Other Statutory Authorities as mentioned in the scheme.

17. The Demerged and Resulting Companies shall file a Confirmation Petition after compliance with directions contained in this Order.


13/01/2022
(K V R Murty)

Joint Secretary to the Government of India

Dated: 13th January 2022

Place: New Delhi