



Independent Auditor's report on the compilation of Pro Forma Condensed Financial Information to be included in the Information Memorandum of Proposed listing of Equity shares by **BEML LAND ASSETS LTD.**

To,  
The Board of Directors,  
**BEML LAND ASSETS**  
**LIMITED**  
23/1, 4<sup>th</sup> Main Road  
Sampangirama Nagar  
Bengalure-560027

Dear Sirs,

1. We have completed our assurance engagement to report on the compilation of Pro Forma Condensed Financial Information of **BEML LAND ASSETS LTD. (BLAL/the Company)**. The Pro Forma Condensed Financial Information consists of the Pro Forma Condensed Balance Sheet as at 31<sup>st</sup> March 2022 and 30<sup>th</sup> September 2022 ,the Pro Forma Condensed Statement of Profit and Loss, Cash Flow and Equity for the year ended 31<sup>st</sup> March 2022, half year ended 30<sup>th</sup> Sept 2022, nine months ended 31<sup>st</sup> December 2022 and related notes (hereinafter referred as 'Pro Forma Condensed Financial Information'). The applicable criteria on the basis of which the management has compiled the Pro Forma Condensed Financial Information is specified in the 'Basis of Preparation paragraph as described in **Note-1** to the Pro Forma Condensed Financial Information.
2. The Pro Forma Condensed Financial Information has been compiled by Management to illustrate the impact of the demerger of the surplus /non-core assets of BEML Ltd (demerged company) to the Company (Resulting Company-BLAL as per the Scheme of Arrangement for demerger pursuant to Sections 230 to 232 of the Companies Act, 2013 (hereinafter referred as 'Scheme/Arrangement') as approved by Ministry of Corporate Affairs, Govt. of India vide order dated 28<sup>th</sup> July 2022, on the financial position of the company as at 30<sup>th</sup> September 2022. The "Appointed Date" for demerger is 25<sup>th</sup> August 2022 being the date on which the approved 'Scheme' was filed with the Registrar of Companies (ROC). The Company's financial performance for the six months ended 30th September 2022 has been compiled incorporating the effect of demerger on the "appointed date".

As a part of this process, information about the Company's financial position and financial performance has been extracted by Management from the Company's audited condensed interim financial statements for year ended 31<sup>st</sup> March 2022 and unaudited Financial Statements for six months ended 30<sup>th</sup> September 2022, as per Independent auditors report dated 22<sup>nd</sup> June 2022 and limited review report dated 2<sup>nd</sup> November 2022 respectively.

In addition to the above, the financial information for nine months ended 31<sup>st</sup> December 2022 has also been provided based on the limited review report dated 31<sup>st</sup> January 2023.

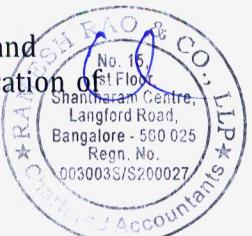


## **Management's Responsibility for the Pro Forma Condensed Financial Information**

3. The Management is responsible for compiling the Pro Forma Condensed Financial Information on the basis stated in **Note-1** to the Pro Forma Condensed Financial Information and the same has been approved by the Board of Directors of the Company. Management's responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Pro Forma Condensed Financial Information on the basis stated in **Note-1** to the Pro Forma Condensed Financial Information that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying & ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Pro Forma Condensed Financial Information.

## **Auditor's Responsibilities**

4. Our responsibility is to express an opinion, about whether the Pro Forma Condensed Financial Information of the Company has been compiled, in all material respects, by the Management on the basis stated in **Note-1** to the Pro Forma Condensed Financial Information.
5. We conducted our engagement in accordance with **Standard on Assurance Engagements (SAE) 3420**, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India. This Standard requires that the auditors comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Pro forma Condensed financial Information on the basis stated in **Note-1** to the Pro Forma Condensed Financial Information.
6. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Condensed Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Condensed Financial Information.
7. The purpose of Pro Forma Condensed Financial Information included in an information memorandum is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at 30<sup>th</sup> September 2022 or for the six months period ended 30<sup>th</sup> September 2022 would have been as presented.
8. A reasonable assurance engagement to report on whether the Pro Forma Condensed Financial Information has been compiled, in all material respects, on the basis stated in **Note-1** to the Pro Forma Condensed Financial Information, involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Pro Forma Condensed Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction and to obtain sufficient appropriate evidence about whether:
  - a) The related pro forma adjustments give appropriate effect to those criteria; and
  - b) The Pro Forma Condensed Financial Information reflects the proper application of those adjustments to the unadjusted financial information.



9. The procedures selected depend on the auditor's judgment, having regard to the auditor's understanding of the nature of the company, the event or transaction in respect of which the Pro Forma Condensed Financial Information has been compiled, and other relevant engagement circumstances. The engagement also involves evaluating the overall presentation of the pro forma financial information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.
10. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

11. In our opinion, the of Pro Forma Condensed Financial Information has been compiled in all material aspects on the basis stated in Note-1 to the Pro Forma Condensed Financial Information

### **Restrictions on Use**

12. This report should not in any way be construed as a reissuance or redating of any of the previous audit report and review report issued by us. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. This report is intended solely for use of the Board of Directors for inclusion in the Information Memorandum as prepared in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended) to be filed by the Company with relevant stock exchanges for the proposed listing of equity shares of the Company. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Ramesh Rao & Company  
Chartered Accountants  
Firm Registration No.: 003003S

  
Partner  
Membership No.: 207753



UDIN: 23207753BGVZNR1505

Place: Bengaluru

Date: 27-02-2023



(Rs in Lakhs)

Pro forma Condensed Balance Sheet		
Particulars	As at 31st March 2022 (before demerger)	As at 30th September 2022 (after demerger)
<b>Assets</b>		
<b>Non-Current Assets</b>		
(a) Property, Plant and Equipment	-	-
(b) Capital Work in Progress	-	-
(c) Investments Property	-	732.76
(d) Intangible Assets	-	-
(e) Financial Assets		
(i) Investments	-	-
(ii) Other Financial Assets	-	-
(f) Deferred Tax Assets (Net)	-	-
(g) Non-Current Tax Asset (Net)	-	-
(h) Other Non-Current Assets	-	0.20
<b>Total Non-Current Assets</b>	<b>0.00</b>	<b>732.96</b>
<b>Current Assets</b>		
(a) Financial Assets		
(i) Trade Receivables	-	-
(ii) Cash and Cash Equivalents	0.99	0.99
(iii) Bank Balances other than (ii) above	-	-
(iv) Other Financial Assets	-	-
(b) Other Current Assets	-	2.54
<b>Total Current Assets</b>	<b>0.99</b>	<b>3.53</b>
<b>Total Assets</b>	<b>0.99</b>	<b>736.49</b>
<b>Equity and Liabilities</b>		
<b>Equity</b>		
(a) Equity Share Capital	1.00	4,164.45
(b) Other Equity	(0.81)	(3,491.40)
<b>Total Equity</b>	<b>0.19</b>	<b>673.05</b>
<b>Liabilities</b>		
<b>Non-Current Liabilities</b>		
Financial liabilities		
(i) Long Term Borrowings	-	-
(ia) Lease Liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b>0.00</b>	<b>0.00</b>
<b>Current Liabilities</b>		
(a) Financial liabilities		
(i) Short Term Borrowings	-	-
(ia) Lease Liability	-	-
(ii) TradePayables	-	-
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		
b) Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises		
(iii) Other Financial Liabilities	-	-
(b) Other Current Liabilities	0.80	63.44
(c) Provisions	-	-
(d) Current Tax Liabilities (Net)	-	-
<b>Total Current Liabilities</b>	<b>0.80</b>	<b>63.44</b>
<b>Total Liabilities</b>	<b>0.80</b>	<b>63.44</b>
<b>Total Equity and Liabilities</b>	<b>0.99</b>	<b>736.49</b>

For Ramesh Rao & Co LLP

Chartered Accountants

Firm Registration Number: 003003S/S 200027

*Ujjire Mudanaya Sunil Rao*  
Ujjire Mudanaya Sunil Rao

Partner

Membership No.: 207753

Date: 27-02-2023

Place: Bengaluru

UDIN : 2320775386VZN R1505

For and on Behalf of the Board of Director

*Amit Banerjee*  
AMIT BANERJEE

Director

(DIN 08783660)

AJIT KUMAR SRIVASTAV

Director

(DIN 08741858)



(Rs in Lakhs)

Pro forma Condensed Statement of Profit & Loss			
Particulars	For the Year ended on March 31, 2022(before demerger)	For the Half Year ended on September 30, 2022(after demerger)	For the Nine months ended on December 31, 2022(after demerger)
Revenue from Operations	-	-	-
Other income	-	-	-
<b>Total Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Expenses:</b>			
Cost of Materials Consumed	-	-	-
Purchase of Stock-in-Trade	-	-	-
Changes in Inventories of Finished goods, Stock-in-Trade and Work-in-Progress	-	-	-
Employee Benefits Expenses	-	-	11.32
Finance Costs	-	0.24	1.71
Depreciation and Amortization Expenses	-	0.16	0.64
Other Expenses	0.81	15.12	21.80
<b>Total Expenses</b>	<b>0.81</b>	<b>15.52</b>	<b>35.47</b>
<b>Profit / (Loss) before Exceptional Items and Tax</b>	<b>(0.81)</b>	<b>(15.52)</b>	<b>(35.47)</b>
Add/ (Less): Exceptional items	-	-	-
<b>Profit / (Loss) before Tax</b>	<b>(0.81)</b>	<b>(15.52)</b>	<b>(35.47)</b>
<b>Tax expense:</b>			
(1) Current Tax	-	-	-
(2) Deferred Tax	-	-	-
<b>Profit / (Loss) for the year from Continuing Operations</b>	<b>(0.81)</b>	<b>(15.52)</b>	<b>(35.47)</b>
Profit / (Loss) from Discontinuing Operations	-	-	-
Tax Expense of Discontinued Operations	-	-	-
<b>Profit / (Loss) from Discontinued operations (after Tax)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Profit / (Loss) for the year</b>	<b>(0.81)</b>	<b>(15.52)</b>	<b>(35.47)</b>
<b>Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss - Re-measurement of defined benefit (liability) / asset	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-
B (i) Items that will be reclassified to profit or loss	-	-	-
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-
<b>Total Comprehensive Income for the year</b>	<b>(0.81)</b>	<b>(15.52)</b>	<b>(35.47)</b>
Earnings per equity share: (Rs 10/- each) in Rs			
Basic and diluted	(0.81)	(0.04)	(0.09)

For and on Behalf of the Board of Director

**AMIT BANERJEE**

Director  
(DIN 08783660)



**AJIT KUMAR SRIVASTAV**

Director  
(DIN 08741858)

For Ramesh Rao & Co LLP

Chartered Accountants

Firm Registration Number: 003003S/S 200027

**Ujire Mudanaya Sunil Rao**

Partner

Membership No.: 207753

Date: 27-02-2023

Place: Bengaluru

UDIN : 2320175386VZN R1505



(Rs in Lakhs)

Pro forma Condensed Cash Flow Statement			
Particulars	For the Year ended on March 31, 2022(before demerger)	For the Half Year ended on September 30, 2022(after demerger)	For the Nine months ended on December 31, 2022(after demerger)
<b>A. Cash flow from operating activities</b>			
Net profit before tax and extraordinary items	(0.81)	(15.52)	(35.47)
Adjustments for			
Depreciation and amortization expense	-	0.16	0.64
Financing Cost	-	0.24	1.71
<b>Operating Profit / (Loss) before changes in working capital</b>	(0.81)	(15.12)	(33.12)
Adjustment for			
Other Non-current assets	-	(0.20)	(0.20)
Other current assets	-	(2.54)	(3.73)
Other payables	0.80	62.64	82.50
<b>Cash generated from operations</b>	(0.01)	44.78	45.45
Direct taxes (paid) / refunded	-	-	-
<b>Net cash flow from / (used in) operating activities</b>	(0.01)	44.78	45.45
<b>B. Cash flow from investing activities</b>			
Investments in Land & Building	-	(732.76)	(732.28)
Depreciation and amortization expense	-	(0.16)	(0.64)
<b>Net cash flow from / (used in) investing activities</b>	0.00	(732.92)	(732.92)
<b>C. Cash flow from financing activities</b>			
Issue of Equity shares	1.00	4163.45	4163.45
Financing Cost	-	(0.24)	(1.71)
Adjustment in retained earnings	-	(3,475.07)	(3,474.07)
<b>Net cash flow from / (used in) financing activities</b>	1.00	688.14	687.67
<b>Net increase/(decrease) in cash and cash equivalents</b>	0.99	0.00	0.20
<b>Cash and Cash Equivalents, Beginning of the year</b>	0.00	0.99	0.99
<b>Cash and Cash Equivalents, Ending of the year</b>	0.99	0.99	1.19

For and on Behalf of the Board of Director

*Sunit Banerjee*  
AMIT BANERJEE

Director  
(DIN 08783660)



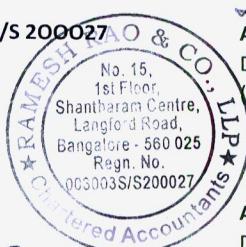
*Ajit Kumar Srivastav*  
AJIT KUMAR SRIVASTAV  
Director  
(DIN 08741858)

For Ramesh Rao & Co LLP

Chartered Accountants

Firm Registration Number: 003003S/S 200027

*Ujire Mudanaya Sunil Rao*  
Ujire Mudanaya Sunil Rao  
Partner  
Membership No.: 207753  
Date: 27-02-2023  
Place: Bengaluru  
UDIN : 23207753BGVZNR1505



Particulars	For the Half Year ended on 30th September, 2022(after demerger)		For the Year ended on March 31, 2022(before demerger)	
	No. of shares	Amount	No. of shares	Amount
Opening Balance (Rs 1 each)	1,00,000	1.00	-	-
Changes in equity share capital during the year				
Cancellation of Shares (Rs 1 each)	(1,00,000)	(1.00)	1,00,000	1.00
Fresh issue of Shares at 1:1 ratio (Rs 10 each)	4,15,44,500	4,164.45	-	-
<b>Closing Balance</b>	<b>4,15,44,500</b>	<b>4,164.45</b>	<b>1,00,000</b>	<b>1.00</b>

Particulars	For the Half Year ended on 30th September 2022(after demerger)		For the Year ended on March 31, 2022(before demerger)	
	Retained Earnings	Total	Retained Earnings	Total
<b>Opening Balance (Rs 1 each)</b>	<b>(0.81)</b>	<b>(0.81)</b>	<b>(0.81)</b>	<b>(0.81)</b>
Reinstatement Adjustment on account of prior period items	(0.10)	(0.10)	-	-
<b>Reinstated Opening Balance</b>	<b>(0.91)</b>	<b>(0.91)</b>	<b>(0.81)</b>	<b>(0.81)</b>
Profit / (Loss) for the year	(15.52)	(15.52)	-	-
Other Comprehensive Income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(16.43)</b>	<b>(16.43)</b>	<b>(0.81)</b>	<b>(0.81)</b>
Adjustments for difference in Value Assets transferred on demerger and Equity Shares issued	(3,431.53)	(3,431.53)	-	-
Fees & stamp duty charges for Increase in Authorized capital	(43.44)	(43.44)	-	-
Cancellation of Investment in BEML	-	-	-	-
- Debenture Redemption Reserve	-	-	-	-
- General Reserve	-	-	-	-
Transaction with owners	-	-	-	-
- Dividend	-	-	-	-
- Tax on Dividend	-	-	-	-
<b>Closing Balance</b>	<b>(3,491.40)</b>	<b>(3,491.40)</b>	<b>(0.81)</b>	<b>(0.81)</b>

As per our report of even date attached

For and on behalf of the Board of Directors

For Ramesh Rao & Co LLP  
Chartered Accountants

Firm Registration Number: 0030035/S 200027

Director  
(DIN 087383660)

  
AMIT BANERJEE

AJIT KUMAR SRIVASTAV  
Director  
(DIN 08741858)

  
Ujire Mudanaya Sunil Rao  
Partner  
Membership No.: 207753  
Date: 27-02-2023

Place: Bengaluru  
UDIN: 2320275386422N1505



1,00,000

1.00

1,00,000

1.00

1,00,000

1.00

1,00,000

1.00

## **Notes to Pro forma Condensed Financial Information**

### **1) Basis of Preparation**

- a) The Proforma condensed Financial Information for the periods presented has been prepared from the Audited Financial statements for the year ended 31<sup>st</sup> March 2022 and un-audited (limited reviewed) Financial Statements of for the six months ended 30th Sept 2022 and nine months ended 31<sup>st</sup> December ,2022.
- b) The effect of demerger has been incorporated in the Proforma condensed Financial Information for the half year ended 30<sup>th</sup> Sept, 2022
- c) The Proforma condensed Financial Information has been prepared for the purpose of inclusion in the Information memorandum as prepared in accordance with SEBI (Issue of Capital and disclosure requirements) Regulations, 2018 (as amended) to be filed by the company with relevant stock exchanges for the proposed listing of Equity Shares of the Company.
- d) The Proforma condensed Financial Information has been prepared based on the available information and assumptions that the company believes to be reasonable and in accordance with "Guide to Reporting on Pro Forma Financial Statements issued by Institute of Chartered Accountants of India (ICAI) and Guidance note on Combined and Carve-out Financial Statements issued by ICAI.

### **Other Notes**

- 2) The appointed date of BLAL demerger is 25<sup>th</sup> August 2022 and accordingly w.e.f. this date the Company is a Govt Company as per section 2(45) of the Companies Act,2013 and from this date the company has ceased to be a subsidiary of BEML Ltd (demerged company).
- 3) The authorized Share capital of the Company has been increased to Rs 50 crores of Equity Shares of face value of Rs 10 each.
- 4) The company (BEML Land Assets Ltd) has issued and allotted Equity Shares to the shareholders of BEML Ltd on 16<sup>th</sup> September 2022, in the ratio of 1:1 as per the scheme of Arrangement, based on the record date i.e 9<sup>th</sup> September,2022. Equity Share capital of Rs 1 lakh held by the demerged company (BEML Ltd.) prior to demerger has been cancelled and the same has been transferred to Capital Reserve.
- 5) Accounts of the company has been prepared in accordance with Ind AS.
- 6) The Land & Buildings transferred from BEML Ltd (at book value of Rs 732.92 lakhs) under the scheme of arrangement are held in the company for "currently undetermined future use" Hence these assets are treated as Investment Property in accordance with Ind AS 40.
- 7) The Investment Property (Land & Buildings) has been valued at Cost of acquisition from BEML Ltd. and the difference between Cost of Acquisition & Equity Share Capital has been adjusted against Retained Earnings
- 8) The amounts paid by BEML Ltd. on behalf of the company has been treated as Inter-Corporate Loan and interest on the same has been applied at interest rate 1% higher than CC Interest rate charged by State Bank Of India, as approved by the Board of BEML Ltd and BLAL.
- 9) Area of Land held by BLAL may vary based on the actual measurement of each land parcel at the time of physical transfer of title from BEML Ltd to BLAL.

