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SEBI REGN. NO. INM 000010163

Strictly Private & Confidential

Dated: 17 August 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: Clarification to Fairness Opinion Dated 22 July 2021 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, Fedex Securities Private Limited (hereinafter referred to as “Fedex” or “We”) had been appointed vide our sub-contractor agreement dated 20 July 2021 (“Agreement”) with 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.

Pursuant to our engagement, we had issued our signed fairness opinion on 22 July 2021 (‘Fairness Opinion’).

Further, we have now been requested by the Stock Exchange to clarify on the following:

- *In the fairness opinion it is mentioned that audited financials of BEML as on March 31, 2020 have been used, wherein financials not being more than 6 months old. Please clarify on this point.*

In response to above requested clarifications, we wish to state and clarify as under:

- As per the Fairness Report we have received the below information:
 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.*
- Since, the last available Audited Financial Statement for BEML was for 31 March 2020 we, have considered the same and specifically mentioned as information relied upon. As BEML



Land was incorporated on 15 July 2021, no reference to financial statement of BEML Land is provided.

- We have also considered the Audited Financial result of BEML for the year ended 31 March 2021 as available in public domain under the head “ *Such other information and explanations as required and which have been provided by the Management*”.

This clarification shall be read in conjunction to the Fairness Opinion dated 22 July 2021. All other terms and conditions and other contents mentioned in the Fairness Opinion shall remain unchanged and would apply to this clarification to the Fairness Opinion as well.

Yours truly,

For Fedex Securities Private Limited

(formerly known as Fedex Securities Limited)



Director

DIN: 03431884