

# B S R & Co. LLP

Chartered Accountants

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The Board of Directors  
Mahindra & Mahindra Limited  
Mahindra Towers  
Dr. G.M. Bhosale Marg, Worli  
Mumbai 400 018  
Maharashtra  
India

28 May 2021

**Independent Auditors' certificate on the proposed accounting treatment contained in the Scheme of Merger by absorption of Mahindra Electric Mobility Limited ("Transferor Company") with Mahindra & Mahindra Limited ("the Company" or "Transferee Company") and their respective shareholders**

1. The certificate is issued in accordance with the terms of our agreement dated 22 August 2017 and addendum to the engagement letter dated 21 September 2018 with Mahindra & Mahindra Limited in accordance with Section 230 to Section 232 of the Companies Act, 2013 ("the Act").
2. We, B S R & Co. LLP, Chartered Accountants (Firm Registration Number – 101248W/W-100022), the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 18 (b) of Part III of the Scheme of Merger by Absorption ("Scheme") of Mahindra Electric Mobility Limited ("Transferor Company") with the Company and their respective shareholders in the terms of the provisions of Section 230 to Section 232 of the Act and rules made thereunder, with reference to its compliance with applicable Indian Accounting Standards specified under Section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standard) Rules, 2015.

**Managements' Responsibility**

3. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the companies involved. The Company's management is responsible for the designing, implementing, and maintaining internal control relevant to the preparation and presentation of the Scheme, and applying an appropriate basis of preparation; and making estimates that are reasonable in circumstances.

**Auditor's Responsibility**

4. Our responsibility is to examine and report whether the proposed accounting treatment in the financial statements of the Company specified in Clause 18 (b) of Part III of the Scheme complies with the applicable Accounting Standards and other generally accepted accounting principles.

Registered Office:

**Independent Auditors' certificate on the proposed accounting treatment contained in the Scheme of Merger by absorption of Mahindra Electric Mobility Limited ("Transferor Company") with Mahindra & Mahindra Limited ("the Company" or "Transferee Company") and their respective shareholders (Continued)**

**Auditor's Responsibility (Continued)**

5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016), issued by the Institute of Chartered Accountants of India. The Guidance note requires that we comply with the ethical requirements of the code of ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Controls (SQC) 1, Quality Control for Firms that Perform Audits and review of Historical Financial Information, and other Assurance and Related Service Engagements.

**Opinion**

7. Based on our examination of the Scheme and according to the information and explanations given to us, in our view the accounting treatment proposed in Clause 18 (b) of Part III of the scheme and as reproduced in Annexure 1 to this certificate, signed for identification purposes, is in conformity with the applicable accounting standards specified under Section 133 of the Act, read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and clarification provided by Ministry of Corporate Affairs under Section 232(6) of the Act dated 21 August 2019.

**Restriction on Use**

8. This certificate is issued at the request of the Company for onward submission to NCLT, Stock exchanges, Ministry of Corporate Affairs, Registrar of Companies, Regional Director, Securities and Exchange Board of India and any other regulatory authorities/purposes as may be required to give effect to the Scheme and uploading the same on Company's website pursuant to the requirement of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued by SEBI from time to time. This certificate should not be used, quoted or referred for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**  
*Chartered Accountants*  
Firm's Registration No: 101248W/W-100022

## **Annexure 1**

### **Accounting treatment per Clause 18 (b) of Part III of Scheme of Merger by absorption of Mahindra Electric Mobility Limited (“Transferor Company”) with Mahindra & Mahindra Limited (“the Company” or “Transferee Company”) and their respective shareholders**

#### **18 (b) Accounting treatment:**

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, the Transferee 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 the Companies (Indian Accounting Standards) Rules, 2015, or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

Accordingly, the Transferor Company and Transferee Company both being entities under common control, the accounting would be done at Transferor Company carrying amounts as on the Appointed Date for all the assets and liabilities acquired by the Transferee Company of the Transferor Company by applying the principles as set out in Appendix C of IND AS 103 ‘Business Combinations’ and inter-company balances and inter-company investments, if any, between Transferor Company and Transferee Company shall stand cancelled.

Additionally, the Transferee Company shall pass such accounting entries which are necessary in connection with the Scheme to comply with the other applicable Accounting Standards such as Ind AS 8, Ind AS 10, Ind AS 102, etc.

In respect of accounting for subsequent events, the Transferee Company shall solely follow the requirements of Ind AS 10 – ‘Events after the Reporting Period’ in order to give effect to the scheme. Accordingly, if the approval of NCLT for the scheme of merger is received after the balance sheet date but before the approval of the financial statements for issue by the Board of Directors, it shall be treated as an adjusting event under Ind AS 10 – ‘Events after the Reporting Period’ and shall be given effect to in the financial statements with effect from the Appointed Date.