

# B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway,  
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000  
Fax: +91 22 6257 1010

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 non-applicability of conditions under Part I(A) Para (10)(c) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/ CIR/P/2020/249 dated 22 December 2020 ("SEBI Circular")**

1. This certificate is issued in accordance with the terms of our engagement letter dated 22 August 2017 and addendum to the engagement letter dated 21 September 2018.
2. We, B S R & Co. LLP, Chartered Accountants, the statutory auditors of the Mahindra & Mahindra Limited ("the Company") have been requested by the management of the Company to certify the non-applicability of conditions under part I(A) Para (10)(b) of the SEBI Circular to the Scheme of Merger by Absorption of Mahindra Electric Mobility Limited ("MEML") with the Company and their respective shareholders. The accompanying Undertaking approved by the Board of Directors of the Company at its meeting held on 28 May 2021 (the "Undertaking") stating the reasons for non-applicability of requirements under Part I(A) Para (10)(b) of the SEBI Circular, has been prepared by management of the Company pursuant to the requirements under Part I(A) Para (10)(c) of the SEBI Circular in connection with proposed Scheme of Merger by Absorption of MEML with the Company and their respective shareholders ("Scheme") in terms of provisions of Section 230 to 232 of the Companies Act, 2013 (the "Act") read with the rules made thereunder and pursuant to SEBI Circular.
3. In connection with the requirements as stated in Paragraph 2 above, we have been provided by the Company, a certified copy of the Scheme and the certified copy of the Undertaking approved by the Board of Directors (as attached herewith). We have attached the Undertaking for identification purpose only.

### **Management's Responsibility for the Undertaking**

4. The preparation of the Undertaking is the responsibility of the management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents supporting the contents of the Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.

Registered Office:

**Independent Auditors' Certificate on non-applicability of conditions under Part I(A) Para (10)(c) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/ CIR/P/2020/249 dated 22 December 2020 ("SEBI Circular") (Continued)**

**Management's Responsibility for the Undertaking (Continued)**

5. The Management is also responsible for ensuring that the Company complies with the requirements of the Circular and the Act in relation to the Scheme and for providing all the information to the SEBI.

**Auditor's Responsibility**

6. It is our responsibility to report based on procedures performed. In this regard, we have performed the following procedures:
  - Obtained a certified copy of the Scheme.
  - Obtained a certified copy of the Undertaking.
  - Read the Scheme and reviewed the Undertaking to assess if the requirements under Part I(A) Para (10)(b) of the SEBI Circular as set out in the Undertaking is applicable to the Scheme.
7. Pursuant to the SEBI Circular, it is our responsibility to examine the Scheme and provide reasonable assurance whether the requirements under Part I(A) Para (10)(b) of the SEBI Circular as set out in the Undertaking are applicable to the Scheme or not. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria as mentioned above.
8. 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.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

10. Based on the procedures performed by us as above, and according to the information and explanations given to us, in our opinion, the conditions prescribed under Part I(A) Para (10)(b) of the SEBI Circular as set out in the Undertaking are not applicable to the Scheme.

B S R & Co. LLP

Mahindra & Mahindra Limited  
28 May 2021  
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**Independent Auditors' Certificate on non-applicability of conditions under Part I(A) Para (10)(c) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/ CIR/P/2020/249 dated 22 December 2020 ("SEBI Circular") (Continued)**

**Restriction on Use**

11. This certificate has been issued at the request of the Board of Directors of the Company solely in connection with the requirements prescribed under Part I(A) Para (10)(c) of the SEBI Circular and for onward submission to the stock exchanges, Ministry of Corporate Affairs, Registrar of Companies, Regional Director, Securities and Exchange Board of India, National Law Company Tribunal or any other regulatory authorities /purposes pursuant to the requirements of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Circulars issued by SEBI from time to time as may be required to give effect to the Scheme and uploading the same on Company's website. 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

Mumbai  
28 May 2021

**Nirav Patel**  
*Partner*  
Membership No: 113327  
ICAI UDIN: 21113327AAAABF1023

**Undertaking under Part I(A) Para (10)(c) of SEBI Master Circular No. SEBI/HO/CFD/DIL1/ CIR/P/2020/249 dated 22<sup>nd</sup> December 2020 ('SEBI Circular')**

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1. This is in connection with the proposed Scheme of Merger by Absorption of Mahindra Electric Mobility Limited ("MEML" or "Transferor Company") with Mahindra and Mahindra Limited ("M&M" or "Transferee Company" or "Company") and their respective shareholders ('the Scheme') under Section 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder.

Whereas SEBI has mandated in the SEBI Circular, all listed Companies to ensure that the scheme submitted to Hon'ble National Company Law Tribunal ("NCLT") for sanction, shall be acted upon in certain cases as mentioned in Part I(A) Para (10)(b) of the SEBI circular if the votes cast by public shareholders in favour of the scheme are more than the votes cast by the public shareholders against the scheme. All capitalized terms used but not defined in this undertaking shall have the same meanings assigned to them under the SEBI Circular.

2. The SEBI Circular further provides that in cases where the scheme does not fall within the cases mentioned in Part I(A) Para (10)(b) of the SEBI Circular, the listed entity shall furnish an undertaking certified by the auditor and duly approved by

the Board of the Company, clearly stating the reasons for non-applicability of the aforesaid requirement.

The Company hereby undertakes that the requirements of Part I(A) Para (10)(b) of the SEBI Circular pertaining to approval by majority of public shareholders are not applicable to the Company for the following reasons:

## 2.1 **Part I(A) Para (10)(b)(i)**

Where additional shares have been allotted to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the listed entity

**Not Applicable:** As per the proposed Scheme, the Company shall issue and allot Ordinary Equity shares, credited as fully paid up, to the equity shareholders of MEML (except as held by M&M and its subsidiaries either directly or jointly with its nominee shareholders).

Considering MEML is a subsidiary of the Company, the Company cannot allot shares to itself or its subsidiaries. Accordingly, additional shares will be allotted only to minority shareholders of MEML which does not include Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of

Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company.

## 2.2 Part I(A) Para (10)(b)(ii)

Where the Scheme of Arrangement involves the listed entity and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group

**Not Applicable:** MEML is a subsidiary of the Company. The proposed Scheme does not involve any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company.

## 2.3 Part I(A) Para (10)(b)(iii)

Where the parent listed entity has acquired, either directly or indirectly, the equity shares of the subsidiary from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity, and if that subsidiary is being merged with the parent listed entity under the Scheme

**Not Applicable:** The Company has not acquired, either directly or indirectly, the equity shares of MEML from any of the shareholders of MEML who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company.

## 2.4 Part I(A) Para (10)(b)(iv)

Where the scheme involving merger of an unlisted entity results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity

**Not Applicable:** The Scheme does not result in reduction in the voting share of pre-scheme public shareholders of the Company by more than 5% of the total capital of the merged entity. The number of shares to be allotted pursuant to the Scheme to the shareholders of MEML (other than the Company or its subsidiaries held directly and jointly with its nominee shareholders) shall be around 0.01%\* of the total post merger capital of the Company.

\*Note: - In addition to the above, MEML has 90,30,753 outstanding ESOPs as on 31<sup>st</sup> March, 2021 which if exercised would result in issue of new equity shares by MEML. In such case the Company shall be required to issue additional equity shares to such shareholders of MEML pursuant to merger basis the Share

Exchange Ratio provided in the Scheme. Accordingly, the % of total post merger capital of the Company disclosed above may undergo a change to such extent.

## 2.5 Part I(A) Para (10)(b)(v)

Where the scheme involves transfer of whole or substantially the whole of the undertaking of the listed entity and the consideration for such transfer is not in the form of listed equity shares

**Not Applicable:** The Scheme does not involve transfer of whole or substantially the whole of the undertaking of the Company, as the Company is the transferee company.

**In view of the aforesaid, the requirement stated in Part I(A) Para 10 (a) and (b) of the SEBI Circular is not applicable to the Scheme.**

**For and on behalf of MAHINDRA AND MAHINDRA LIMITED**



**Narayan Shankar**  
**Company Secretary**

**Date – 28<sup>th</sup> May 2021**  
**Place – Mumbai**