

# Deloitte Haskins & Sells

Chartered Accountants  
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The Board of Directors  
Mahindra & Mahindra Limited,  
Mahindra Towers,  
P. K. Kurne Chowk,  
Dr. G.M. Bhosale Marg,  
Worli, Mumbai - 400018

## **Certificate on Non-applicability of Para I (A) (9) (a) of Annexure 1 of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015**

1. This certificate is issued in accordance with the terms of our engagement letter dated 29<sup>th</sup> November, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, (Firm's Registration No: 117364W), the Statutory Auditors of Mahindra and Mahindra Limited ("the Company") having its Registered office at Gateway Building, Apollo Bunder, Mumbai Maharashtra - 400 001, India, have examined the proposed "Scheme of Arrangement between Mahindra Two Wheelers Limited and Mahindra and Mahindra Limited and their respective Shareholders and Creditors under section 391 to 394 read with sections 100 to 104 of the Companies Act, 1956" and Section 52 of the Companies Act, 2013 ("the Proposed Scheme") and unaudited books of accounts, the Scheme and other relevant records and documents maintained by the Company in the usual course of its business for the purpose of certifying the accompanying "Undertaking in relation to non-applicability of Paragraph I. A 9(a) of Annexure I of the SEBI Circular No. CIR/CFD/CMD/16/2015 Dated November 30, 2015 Issued by the Securities and Exchange Board of India" ("the Undertaking") duly stamped and initialed by us for identification purpose.

The Board of Directors of the Company has approved the Undertaking in its meeting held on December 3, 2016.

### **Management's responsibility**

3. The responsibility for the preparation of the undertaking and maintenance of proper books of accounts and such other records as prescribed by applicable laws, compliance with the applicable SEBI circular is that of the Board of Directors of the Company. This responsibility includes collecting, collating and validating the data and designing, implementing and monitoring of internal control relevant to the preparation of the undertaking that is free from material misstatement, whether due to fraud and error.

Additionally, the Company has also obtained a legal opinion regarding the non-applicability of Paragraph I. A 9(a) of Annexure I of the SEBI Circular No. CIR/CFD/CMD/16/2015 Dated November 30, 2015 Issued by the Securities and Exchange Board of India ("the SEBI Circular").

### **Auditor's responsibility**

4. Our responsibility, for the certificate, is limited to certifying the particulars contained in the Undertaking on the basis of the unaudited books of accounts, the Scheme, applicable SEBI circular and other relevant records and documents maintained by the Company and did not include the evaluation of the adherence by the Company with all applicable guidelines.



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5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).
6. 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. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

#### Opinion

7. On the basis of our examination of the Scheme, unaudited books of account and other relevant records and documents as referred to in Paragraph 4 above and according to the information and explanations given to us by the Management of the Company and the Undertaking provided by the Company we certify that Para I (A) (9) (a) of Annexure I of the SEBI Circular is not applicable to the Scheme for the reasons stated in the Undertaking.

#### Restriction on use

8. This certificate is issued at the request of the Management of the Company in terms of Para 1 (A) (9) (c) of the Annexure I of SEBI Circular in connection with the Scheme, for submission to the BSE Limited, National Stock Exchange of India Limited and the Securities and Exchange Board of India and should not be used for any other purpose without our prior written consent.

Mumbai, 3 December, 2016

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm Regn. No. 117364W)

*Kedar Raje*

Kedar Raje  
Partner  
Membership No. 102637

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UNDERTAKING IN RELATION TO NON-APPLICABILITY OF  
PARAGRAPH 1. A 9(a) OF ANNEXURE I OF THE SEBI CIRCULAR NO.  
CIR/CFD/CMD/16/2015 DATED NOVEMBER 30, 2015 ISSUED BY  
THE SECURITIES AND EXCHANGE BOARD OF INDIA

This is with reference to the proposed Scheme of Arrangement between Mahindra Two Wheelers Limited, a step-down subsidiary of the Company ("Demerged Company" or "MTWL") and the Company and their respective Shareholders and Creditors ("the proposed Scheme") which, inter alia, envisages demerger of the Two Wheelers Undertaking of MTWL (which consists of manufacturing and selling of Two Wheelers) and transfer and vesting thereof as a going concern into the Company ("Resulting Company" or "M&M" or "the Company") and other consequential matters under the provisions of sections 391 to 394 read with sections 100 to 104 of the Companies Act, 1956 and notified section 52 of the Companies Act, 2013.

Capitalized terms used/appearing herein, unless expressly stated, shall have the same meaning as ascribed to them in the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Accordingly, the Company hereby undertakes that the requirements of Paragraph 1. A 9(b) [read with 9(a)] of Annexure I of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 pertaining to voting by public shareholders through postal ballot and/or e-voting are not applicable to the Company for the reasons stated herein below:

1. 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 company.

Reasons for non-applicability: Upon sanction / becoming effective of the proposed scheme, no shares of the Company under the proposed Scheme will be allotted to any of the above parties.

2. Where the Scheme of Arrangement involves the listed company 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.

*Reasons for non-applicability:* The proposed scheme involves demerger of the Two Wheelers Undertaking of MTWL which is a subsidiary, with the Company. None of the Promoters / Promoter Group, Related Parties of Promoter / Promoter Group, other parties mentioned above are being issued shares and/or will be benefited as a result of the proposed scheme. Further, the minority shareholders of MTWL are not adversely affected. Hence, we believe on the basis of legal advice received that applying paragraph 9(a)(ii) of the above referred SEBI circular, would not be in line with the underlying intention of the said Circular.




3. Where the parent listed company, has acquired the equity shares of the subsidiary, by paying consideration in cash or in kind in the past to 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 company, and if that subsidiary is being merged with the parent listed company under the Scheme.

*Reasons for non-applicability: The clause is not applicable since no merger of the subsidiary with the parent listed company is contemplated under the proposed Scheme. Moreover, M&M has not acquired the equity shares of MTWL by paying consideration in cash or in kind in the past to any of the shareholders of MTWL covered in any of the aforesaid categories.*

In view of the aforesaid facts, the requirements of paragraph I.A. 9(a) of Annexure I of the SEBI Circular NO. CIR/CFD/CMD/16/2015 dated November 30, 2015 is not applicable to the proposed Scheme.

For MAHINDRA & MAHINDRA LIMITED

  
NARAYAN SHANKAR  
COMPANY SECRETARY

Place: Mumbai  
Date: 3 December 2016



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