

CONFIDENTIAL

May 28, 2021

To,

The Board of Directors
Mahindra and Mahindra Limited
Gateway Building,
Apollo Bunder,
Mumbai-400001

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

Dear Members of the Board:

Subject: Fairness Opinion Report on the Equity Share Exchange Ratio for the Scheme of Merger by Absorption of Mahindra Electric Mobility Limited with Mahindra and Mahindra Limited

We, SBI Capital Markets Limited ("SBICAP") understand that the Board of Directors of Mahindra and Mahindra Limited ("M&M" or the "Company" or the "Transferee Company") is contemplating a merger of Mahindra Electric Mobility Limited ("MEML" or "Transferor Company") with Mahindra and Mahindra under a Scheme of Merger by absorption under section 230-232 and other applicable provisions of the Companies Act, 2013 ("Proposed Business Transaction") and has initiated an exercise to determine Fair Equity Share Exchange Ratio by appointing BDO Valuation Advisory LLP (hereinafter referred to as "BDO" or "Valuer").

D.S.



In consideration of the merger of the Transferor Company into the Transferee Company pursuant to the Scheme of Merger by absorption,

for every 10,000 equity share of the face value of Rs. 10 each held by the minority shareholders of the Transferor Company, the Transferee Company shall issue and allot 480 ordinary equity shares of the face value of Rs. 5 each fully paid up (hereinafter referred to as the **"Equity Share Exchange Ratio"**).

In this regard, the Company seeks a Fairness Opinion Report from SBICAP on the Equity Share Exchange Ratio as recommended by the Valuer.

SBICAP has not undertaken the valuation of MEML. Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Transferee Company and Transferor Company including the Valuation Report prepared by BDO dated May 28, 2021. We have relied upon the accuracy and completeness of all information and documents provided to us including the audited Balance sheet of the transferor company as on March 31, 2020 and forward-looking projections till FY30 as provided by the company. We have relied upon publicly available data of M&M including documents available on their website.

In addition to the above, we had discussions with the Company officials on the business operations of the businesses concerned.

Further, we have had discussions with BDO on such matters that we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject assets is assumed to be good and marketable and we would urge the Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicly available. We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted by



D.S.

SBICAP and its affiliates, directors, employees, agents or representatives, in relation to the accuracy or adequacy of information, contained in the Fairness Report or any other written or oral information made available to any party or their advisors. We do not accept any liability to any third party in relation to the issuance of the Fairness Opinion Report.

We have not conducted any evaluation of the solvency or fair value of the Company, under any laws relating to bankruptcy, insolvency or similar matters. In addition, we have not assumed any obligation to conduct any physical inspection of the properties or facilities of MEML. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or publicly available; we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of MEML.

Our Fairness Opinion Report does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us. We have not assumed the risk of any material adverse change having an impact on the business of MEML.

We express no view as to, and our Fairness Opinion Report does not address, the underlying business decisions of any company to effect the Proposed Business Transaction nor does it constitute any kind of recommendation to any shareholder or creditor of M&M as regards to the Proposed Business Transaction or any matter related thereto. In addition, this Fairness Opinion Report does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of M&M. Our Fairness Opinion Report, as set forth herein relates to fairness of the Equity Share Exchange Ratio for issuance of M&M's own ordinary equity shares to the minority shareholders of MEML. We are not expressing any suggestions or opinion herein as to the price at which the shares of M&M will trade following the announcement of consummation of the Proposed Business Transaction or as to the prices at which the shares of M&M may be transacted.

D.S.



Our Fairness Opinion Report is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or security actually could be ideally bought or sold by any party and is not indicative of actual value or actual future results that might be achieved, which value may be higher or lower than those indicated, and any investment decision shall not be based solely on this Fairness Opinion Report and the buyer shall carry out their own due diligence.

Our Fairness Opinion Report is not necessarily based on economic, market and other conditions as in effect on the date of issuing this Fairness Opinion Report, and the information made available to us as of, the date thereof. It should be understood that in the case of any subsequent developments we do not have any obligation to update, revise, or reaffirm this Fairness Opinion Report.

To the extent that the conclusions are based on the projections, SBICAP expresses no opinion on the achievability of those forecasts.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of the company that may be the subject matter of this transaction for our own account or for the account of our customers and accordingly, may at any time hold long or short position in such securities. In addition, we and our affiliates maintain relationships with M&M, MEML and their respective affiliates.

This Fairness Opinion Report is provided solely for the benefit of the Board of Directors of M&M and MEML and shall not confer rights and remedies upon, any shareholder of M&M or MEML, or any other person other than the members of the Board of Directors of M&M and MEML or be used for any other purpose.

This Fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by SBICAP to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.



Disputes, if any regarding this Fairness Opinion Report will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, India shall have exclusive jurisdiction in this regard.

On the basis and subject to the foregoing, to the best of our knowledge and belief, it is our view that, as of the date hereof, the proposed Equity Share Exchange Ratio is fair, from a financial point of view.

Thanking you,

Yours faithfully,

For SBI Capital Markets Limited



Name: Debrato Sen

Designation: Dy Head- Investment Banking

Disclaimer:

This Fairness Opinion Certificate ("Certificate" or "This Certificate" or "this certificate") contains proprietary and confidential information regarding Mahindra and Mahindra Limited and Mahindra Electric Mobility Limited (the "Company" or "companies"). This certificate is issued for the exclusive use and benefit of the companies as the per Engagement letter dated May 16, 2021. This certificate has been issued by SBI Capital Markets ("SBICAP"), on the basis of information available in public domain and sources believed to be reliable and the information provided by the Company, Valuer and for the purpose to facilitate the Company to comply with, if applicable, the SEBI Listing Obligations and Disclosure Regulations, 2015 as amended, ("Listing Regulations") and it shall not be valid for any other purpose or as at any other date. This certificate is issued by SBICAP in the capacity of an independent merchant banker, on the valuation of assets/shares of the company done by BDO Valuation Advisory LLP.

This Certificate is issued by SBICAP without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, and should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein. Nothing in these materials is intended by SBICAP to be construed as legal, accounting, technical or tax advice. Past performance is not a guide for future performance. Forward-looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from these forward-looking statements due to various factors. This certificate has not been and may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India. This certificate may not be all inclusive and may not contain all the information that the recipient may consider material.

This certificate and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted sold, distributed or published by the recipient without the prior written approval of SBICAP except for regulatory purposes and to effect the Proposed Business Transaction. The distributing/taking/sending/dispatching/transmitting of this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

D.S.



Neither SBICAP and its affiliates, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenues or lost profits that may arise from or in connection with the use of this document. This document may contain confidential, proprietary and/or legally privileged information and it must be kept confidential by the recipient.

SBICAP has not carried out any due diligence independently in verifying the accuracy or veracity of data provided by the Company and/or Valuer and SBICAP assumes no liability for the accuracy, authenticity, completeness or fairness of the data provided by the Company and/or Valuer. SBICAP has also assumed that the business continues normally without any disruptions.

Neither SBICAP nor State Bank of India or any of its associates, nor any of their respective Directors, officers, employees, agents or advisors or affiliate of any such person or such persons make any expressed or implied representation or warranty and no responsibility or liability is accepted by any of them and is expressly disclaimed with respect to the accuracy, completeness, authenticity or reasonableness of the facts, opinions, estimates, forecasts, projections, or other information set forth in this certificate, or the underlying assumptions on which they are based and nothing contained herein is or shall be relied upon as a promise or representation regarding the historic or current position or performance of the Company or any future events or performance of the Company.

This Certificate may be divided into chapters & sub-sections only for the purpose of reading convenience. Any partial reading of this certificate may lead to inferences, which may be at divergence with the conclusions and opinions based on the entirety of this certificate.

The opinion of SBICAP ("Opinion") under this certificate is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Proposed Business Transaction or any matter related therein. The opinion is not, nor should it be construed as our opining or certifying the compliance of the Proposed Business Transaction with the provisions of any law including company law, taxation and capital market related laws or as regards any legal implications or issued arising thereon. SBICAP assumes no responsibility for updating or revising our opinion based

D.S.



on circumstances or events occurring after the date hereof. SBICAP does not express any

opinion as to the price at which the shares of M&M may trade at any time,

including subsequent to the date of this opinion. In rendering the opinion, SBICAP has assumed, that the Proposed Business Transaction will be implemented on the terms described in the business agreement, without any waiver or modification of any material terms or conditions, and that in the course of obtaining any necessary regulatory or third party approvals for the merger, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the entities under the Proposed Business Transaction and/or its holding or subsidiaries or affiliates and their respective shareholders.

In the past, SBICAP may have provided, and may currently or in the future provide, investment banking services to the entities under the Proposed Business Transaction and/or its holding or subsidiaries or affiliates and their respective shareholders, for which services SBICAP has received or may receive customary fees. In addition, in the ordinary course of their respective businesses, affiliates of SBICAP may actively trade securities of the entities under the Proposed Business Transaction and/or its holding or subsidiaries or affiliates and their respective shareholders for their own accounts or for the accounts of their customers and accordingly, may at any time hold position in such securities. SBICAP engagement and the opinion expressed herein are for the benefit of the Board of Directors of the entities under the Proposed Business Transaction and for no other purposes. Neither SBICAP nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information or documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on relating to any such information contained therein.

By accepting a copy of this certificate, the recipient accepts the terms stated above, which form an integral part of this certificate.

D.S.

