

**Independent Auditor's Report on the accounting treatment in the proposed scheme of arrangement under Sections 230 to 232 of the Companies Act, 2013, relevant rules thereunder and SEBI Master circular SEBI/HO/CFD/DIL1/CIR/P/2021/000000665**

The Board of Directors  
UNO MINDA LIMITED (formerly known as Minda Industries Limited)  
B-64/1, Wazirpur Industrial Area  
New Delhi - 110052

1. This Report is issued in accordance with the terms of our master engagement dated August 12, 2021 and service scope letter dated June 06, 2022 with the UNO MINDA LIMITED (Formerly known as Minda Industries Limited) (hereinafter the "Company") pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the Bombay Stock Exchange ("BSE"), National Stock Exchange ("NSE"), National Company Law Tribunal ("NCLT") and other regulatory authorities in connection with the scheme of arrangement as mentioned in paragraph 2 below.
2. We, S.R. Batliboi & CO. LLP, Chartered Accountants, are the Statutory Auditors of the Company and have been requested by the management of the Company, to examine the accounting treatment given in clause 19.2 and 33.2 of the attached Proposed Scheme of arrangement (approved in the board meeting dated May 24, 2022) (the "Proposed Scheme" or "Proposed Scheme of Arrangement") between the Company (Transferee Company) and Harita Fehrer Limited (Transferor Company) and domestic division of Minda Storage Batteries Private Limited (Transferor Entity), in terms of the provisions of sections 230 to 232 and all other applicable provisions of the Companies Act, 2013 ("the Act") and SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/000000665 ("SEBI Master Circular"), for compliance with the applicable accounting standards prescribed under section 133 of the Companies Act, 2013, relevant rules thereunder and other generally accepted accounting principles in India (collectively referred to as 'applicable accounting standards'), read with General Circular No 09/2019 issued by the Ministry of Corporate Affairs dated August 21, 2019 (MCA Circular). The accounting treatment as prescribed in the proposed scheme has been included in Annexure which has been initialed by us for identification purposes only.

**Management's Responsibility**

3. The preparation of the Proposed Scheme is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of 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 the circumstances. The proposed Scheme has been approved by the Board of Directors.
4. The management of the Company is also responsible for ensuring that the Company complies with the relevant laws and regulations, including the applicable accounting standards as aforesaid and circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also provides relevant information to the NCLT.

**Auditors Responsibility**

5. Pursuant to the requirements of Section 230 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and SEBI Master Circular, our responsibility is to provide reasonable assurance in the form of an opinion on whether the proposed accounting treatment as contained in the Annexure is in compliance with the applicable accounting standards read with MCA circular.
6. We audited the financial statements of the Company as of and for the financial year ended March 31, 2022, on which we issued an unmodified audit opinion vide our reports dated May 24, 2022. Our audits



of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

7. We conducted our examination of the Annexure in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI"). 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.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) I, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof for the purpose of this report. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of legal or propriety nature of the Scheme and other compliances thereof. Nothing contained in this report, nor anything said or done in the course of, or in connection with the services that are subject to this report, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria, mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Accordingly, our procedures included the following in relation to the Annexure:
  - a. Obtained and read the draft Scheme and the proposed accounting treatment specified therein.
  - b. Obtained copy of resolution passed by the Board of Directors of the Company dated May 24, 2022 approving the Scheme.
  - c. Examined whether the proposed accounting treatment as per clause 19.2 and 33.2 of the Scheme is in compliance with the Applicable Accounting Standards.
  - d. Performed necessary inquiries with the management and obtained necessary representations from the management.

## Opinion

11. Based on our examination and according to the information and explanations given to us, read with paragraph 10 above, in our opinion, the proposed accounting as contained in the Annexure, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder and all the applicable accounting standards notified by the Central Government under section 133 of the Act read with relevant rules thereunder and other Generally Accepted Accounting Principles and MCA circular.

## Restriction on Use

12. This report has been issued at the request of the Company and is addressed to and provided to the Board of Directors pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onwards submission to the BSE, NSE, NCLT and any other regulatory authority in connection with the Scheme, and should not be used for any other person or purpose or distributed to anyone or referred to in any document without our prior written consent. Our examination relates to the matters specified in this report and does not extend to the Company as a whole.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

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Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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per Vikas Mehra

Partner

Membership Number: 094421



UDIN: 22094421APNJPV6740

Place of Signature: Gurugram

Date: August 22, 2022

Part II & III of the Proposed Scheme of Amalgamation between Harita Fehrer Limited ("Transferor company"), and Domestic division of Minda Storage Batteries Private Limited (the "Transferor demerged undertaking") and Uno Minda Limited (formerly known as Minda Industries Limited) ("Transferee company")

Accounting treatment (in the books of transferee company)

A) Accounting treatment in the books of Transferee Company for the merger of Harita / Transferor Company

Transferee Company: Uno Minda Limited [formerly known as Minda Industries Limited]

Transferor Company: Harita Fehrer Limited

Clause 19.2 of Part II of the Proposed Scheme of Arrangement underlines the accounting treatment as follows:

**19.2 ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEREE COMPANY (FOR AMALGAMATION OF THE TRANSFEROR COMPANY)**

- 19.2.1 Notwithstanding anything else contained in the Scheme, the Transferee Company shall account for the amalgamation of the Transferor Company in accordance with the Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standards ("Ind AS") 103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:
- 19.2.1.1 The Transferee Company shall record the assets and liabilities, if any, of the Transferor Company vested in it pursuant to this Scheme, at the carrying values as appearing in the consolidated financial statements of the Transferee Company;
- 19.2.1.2 The identity of the reserves of the Transferor Company shall be preserved and the Transferee Company shall record the reserves of the Transferor Company in the same form and at the carrying amount as appearing in the consolidated financial statements of the Transferee Company;
- 19.2.1.3 Pursuant to the amalgamation of the Transferor Company with the Transferee Company, inter-company balances between the Transferee Company and the Transferor Company, if any, appearing in the books of the Transferee Company shall stand cancelled;
- 19.2.1.4 The value of all investments held by the Transferee Company in the Transferor Company shall stand cancelled pursuant to amalgamation;
- 19.2.1.5 The surplus/deficit, if any arising after taking the effect of clause 19.2.1.1, clause 19.2.1.2 and clause 19.2.1.4, after adjustment of clause 19.2.1.3 shall be transferred to Capital Reserve in the financial statements of the Transferee Company and should be presented separately from other capital reserves with disclosure of its nature and purpose in the notes;
- 19.2.1.6 In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the accounting policies followed by the Transferee Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

- 19.2.1.7 Comparative financial information in the financial statements of the Transferee Company shall be restated for the accounting impact of the merger, as stated above as if the merger had occurred from the beginning of the comparative period. However, if a business combination had occurred after that date, the prior period information shall be restated only from that date.
- 19.2.1.8 For accounting purpose, the Scheme will be given effect on the date when all substantial conditions for the transfer of the Transferor Company are completed;
- 19.2.1.9 Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the Indian Accounting Standards applicable to the Transferee Company.

**B) Accounting treatment in the books of Resulting Company for merger of Demerged Undertaking of Minda Storage Batteries Private Limited**

**Resulting Company:** Uno Minda Limited [formerly known as Minda Industries Limited]

**Demerged Company:** Minda Storage Batteries Private Limited

**Demerged Undertaking** shall mean the "Domestic manufacturing & Trading Business of Batteries" of Minda Storage

Clause 32.2 of Part III of the proposed Scheme of Arrangement underlines the accounting treatment as follows:

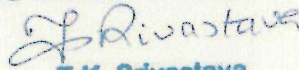
**33.2 ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY (FOR DEMERGER OF DEMERGED UNDERTAKING OF MINDA STORAGE BATTERIES PRIVATE LIMITED)**

- 33.2.1 Notwithstanding anything else contained in the Scheme, the Resulting Company shall account for the transfer /demerger of Domestic manufacturing & Trading Business of Batteries ("Demerged Undertaking") of Demerged Company into the Resulting Company in accordance with the Pooling of Interest Method of accounting as laid down in Appendix C of Indian Accounting Standards ("Ind AS") 103 (Business Combinations of entities under common control) notified under Section 133 of the Companies Act, 2013, under the Companies (Indian Accounting Standard) Rules, 2015, as may be amended from time to time, in its books of accounts such that:
- 33.2.1.1 The Resulting Company shall record the assets and liabilities, if any, of the Demerged Undertaking of the Demerged Company vested in it pursuant to this Scheme, at the carrying values as appearing in the books of Demerged Company;
- 33.2.1.2 The identity of the reserves of the Demerged Undertaking of the Demerged Company shall be preserved and the Resulting Company shall record the reserves of the Demerged Undertaking of the Demerged Company in the same form and at the carrying amount as appearing in the books of Demerged Company;
- 33.2.1.3 Pursuant to the demerger of Demerged Undertaking of the Demerged Company with the Resulting Company, the inter-company balances between the Resulting Company and the Demerged Undertaking of the Demerged Company, if any appearing in the books of the Resulting Company shall stand cancelled;
- 33.2.1.4 The value of investments held by the Resulting Company attributable to the Demerged Undertaking of the Demerged Company as determined in accordance with Ind AS and other accounting principles generally accepted in India shall stand cancelled pursuant to demerger. Accordingly, the existing carrying value of the investment held by the Resulting Company in the Demerged Company after deducting the amount attributable to Demerged Undertaking of the Demerged Company as per this clause, subject to impairment assessment, will be deemed as the new carrying value of the investment held by the Resulting Company in the Demerged Company;
- 33.2.1.5 The surplus/deficit, if any arising after taking the effect of clause 33.2.1.1, clause 33.2.1.2 and clause 33.2.1.4, after adjustment of clause 33.2.1.3 shall be transferred to Capital Reserve in the financial statements of the Resulting Company and should be presented

separately from other capital reserves with disclosure of its nature and purpose in the notes;

- 33.2.1.6 In case of any difference in accounting policy between the Demerged Undertaking of the Demerged Company and the Resulting Company, the accounting policies followed by the Resulting Company will prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.
- 33.2.1.7 Comparative financial information in the financial statements of the Resulting Company shall be restated for the accounting impact of the demerger, as stated above as if the demerger had occurred from the beginning of the comparative period. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- 33.2.1.8 For accounting purpose, the Scheme will be given effect on the date when all substantial conditions for the transfer of Demerged Undertaking are completed.
- 33.2.1.9 Any matter not dealt with in Clause hereinabove shall be dealt with in accordance with the Indian Accounting Standards applicable to the Resulting Company.

For UNO Minda Limited

  
T. K. Srivastava  
Company Secretary

S.R. Batlibal & Co. LLP, New Delhi

for Identification

# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

4th Floor, Office 405  
World Mark - 2, Asset No. 8  
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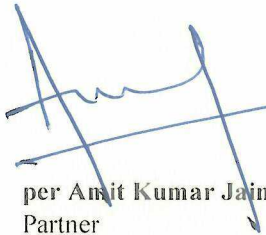
To  
The Board of Directors  
Harita Fehrer Limited  
B-64/1, Wazirpur Industrial Area  
New Delhi -- 110052

1. We, S.R. Batliboi & CO. LLP, Chartered Accountants, are the statutory auditors of Harita Fehrer Limited (the "Company" or "the Transferor Company").
2. In respect of the proposed Scheme of Arrangement between the Transferor Company, Minda Storage Batteries Private Limited ("Demerged Entity") and Uno Minda Limited (formerly known as Minda Industries Limited) ("the Transferee Company") and their respective shareholders under Sections 230 to 232 of the Companies Act, 2013 approved by the Board of Directors of the Company in their meeting held on May 24, 2022 (hereinafter referred to as "Proposed Scheme"), we have been requested by the management of the Company to report that the accounting treatment mentioned in the Proposed Scheme is in conformity with the applicable accounting standards.
3. The Company is a Transferor Company in the Proposed Scheme and upon the Scheme becoming effective, the Company shall cease to exist. Accordingly, a report confirming the accounting treatment in the books of the Transferor Company in respect of its amalgamation with the Transferee Company is not required.
4. We hereby provide our consent for onward filing of this letter with the jurisdictional bench of the National Company Law Tribunal, Bombay Stock Exchange, National Stock Exchange and /or any other concerned statutory or regulatory authority, if and as required.

**For S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

  
per Ankit Kumar Jain  
Partner

Membership No.: 097214



Place of signature: New Delhi

Date: August 22, 2022

# B S R & Co. LLP

Chartered Accountants

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DLF Cyber City, Phase – II,  
Gurugram – 122 002, India

Telephone: +91 124 719 1000  
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Date :- 24 May 2022

The Board of Directors  
Minda Storage Batteries Private Limited  
B-64/1 Wazirpur Industrial Area Delhi, 110052

**Independent Auditor's Certificate on the proposed accounting treatment specified in the Scheme of Arrangement between Hartia Fehrer Limited ("Transferor Company"), Minda Storage Batteries Private Limited (Demerged Company) and Minda Industries Limited ("the Resulting Company") ("Scheme of Arrangement/Draft Scheme") in pursuance of the provisions of Section 230 to 232 of the Companies Act, 2013**

1. This certificate is issued in accordance with the terms of our engagement letter dated 24 May 2022.
2. Minda Storage Batteries Private Limited ("the Company" or "Demerged Company") has entered into a Scheme of Arrangement, where the Domestic manufacturing undertaking and business of Demerged Company will transfer to and vest into the Resulting Company pursuant to and subject to the provisions of Section 230 to 232 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.
3. The aforesaid Scheme of Arrangement has been approved by the Board of Directors of the Company on 24 May 2022
4. We, the statutory auditors of the Company, have been requested by the Company to provide a certificate in respect of the compliance of the proposed accounting treatment in the books of the Demerged Company referred to in Clause 33.1 in Part III of the Draft Scheme with the applicable Accounting Standards prescribed under Section 133 of the Act, read with rules made there under and others generally accepted accounting principles. This certificate has been requested by the Company for submission to the concerned National Company Law Tribunal in respect of the Draft Scheme.

## Management's Responsibility

5. The responsibility for preparation of the Draft Scheme and its compliance with other Act/ other relevant laws and regulations, including the applicable Accounting Standards prescribed under the Section 133 of the Act, read with rules made there under and other generally accepted accounting principles, is that of the Board of Directors of the Companies involved. The Management is responsible for the Accounting Treatment of the Draft Scheme in accordance with applicable Accounting Standards as prescribed under Section 133 of the Act read with rules made there under and other generally accepted accounting principles. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the proposed Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

AS



**Auditor's Responsibility**

6. Our responsibility is only to examine and report whether the proposed accounting treatment referred to in Clause 33.1 in Part III of the Draft Scheme and as produced in "Annexure-1" complies with the applicable Accounting Standards prescribed under Section 133 of the Act read with rules made there under and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate will extend any duty of care that we may have in our capacity as statutory auditors of any financial statements of the companies involved. Further, our examination will not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Proposed Scheme.
7. We conducted our examination of the proposed accounting treatment in accordance with the Guidance Note on Reports or Certificates for Special Purposes (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.
8. 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**

9. Based on our examination and according to the information and explanation provided to us, we are of the opinion that the accounting treatment proposed in the Draft Scheme and as specified in "Annexure 1" in the books of the Demerged Company is in compliance with the applicable Accounting Standards as notified under Section 133 of the Act, read together with rules made thereunder and other accounting principles generally accepted in India.

**Restriction on Use**

10. This certificate is issued at the specific request of the Board of directors of the Company solely for the purpose of their records to comply with the relevant provisions of the Act and for onward submission to the concerned National Company Law Tribunal (NCLT), BSE Limited (BSE), National Stock Exchange of India Limited and any other regulatory authority in relation to the Proposed Scheme. This Certificate should not be used by any other person or used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care 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*

ICAI Firm Registration No.: 101248W/W-100022



**Ankush Goel**

*Partner*

Membership No.: 525121

ICAI UDIN: 22505121AJNVPN6963

Place: Gurugram

Date: 24 May 2022

## **Annexure 1**

Extract from the Proposed Scheme of Arrangement between Minda Storage Batteries Private Limited (“the Company” or “Demerged Company”) and Minda Industries Limited (“The Resulting Company) approved by the Board of Directors of the Company on 24 May 2022

### **Clause 33.1**

#### **Accounting treatment in the books of the Demerged Company:**

- (a) Notwithstanding anything contained in any other clause in the Scheme, Demerged Company shall account for transfer of Demerged Undertaking to Resulting Company in its books of accounts as per the applicable accounting principles and as on the date as prescribed under Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rule, 2015, as may be amended from time to time read with clarification issued by the Institute of Chartered Accountants of India and on the date as determined in accordance with Ind AS.

*For and on behalf of the Board of Directors of  
Minda Storage Batteries Private Limited*



**Sanjay Jain**  
*Director*

*For B S R & Co. LLP  
Chartered Accountant*

Firm's Registration Number: 101248W/W-100022



**Ankush Goel**  
*Partner*

Membership No. 525121

ICAI UDIN: 22505121AJNVPN6963

Place: Gurugram  
Date: 24 May 2022

Place: Gurugram  
Date: 24 May 2022