

Brahmayya & Co.
Chartered Accountants
D. No. 33-25-33B,
Govindarajulu Naidu Street,
Vijayawada - 520 002

Deloitte Haskins & Sells LLP
Chartered Accountants
KRB Towers, Plot No 1 to 4 & 4A,
1st, 2nd & 3rd Floor, Jubilee Enclave,
Madhapur, Hyderabad-500 081

To,
The Board of Directors,
Amara Raja Batteries Limited
Terminal A,
1-18/AMR/NR, Nanakramguda,
Hyderabad- 500 032

Independent Auditor's Certificate certifying the accounting treatment contained in the Draft Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder between Amara Raja Batteries Limited and Mangal Industries Limited and their respective shareholders and creditors

1. This certificate is issued in accordance with the terms of our engagement letter dated September 12, 2022.
2. We, Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/W - 100018), Chartered Accountants and Brahmayya & Co. (Firm Registration No. 000513S), Chartered Accountants, the joint Statutory Auditors of Amara Raja Batteries Limited ("the Company/ the Resulting Company"), have examined the proposed accounting treatment specified in Clause 12 with regard to the proposed demerger of the plastic component for battery business undertaking of Mangal Industries Limited ("Demerged Undertaking"); as specified in the draft scheme of arrangement under sections 230 To 232 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, between Amara Raja Batteries Limited and Mangal Industries Limited ("Demerged Company") and their respective shareholders and creditors (hereinafter referred as 'the Draft Scheme') with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles in India.

For ease of reference, Clause 12 of the draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purposes of identification.

Management's responsibility

3. The responsibility for the preparation of the draft Scheme and its compliance with the relevant laws and regulations, including the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules made there under and other generally accepted accounting principles in India as aforesaid, is that of the Board of Directors of the Companies involved. This responsibility includes the design, implementation and maintenance of internal controls 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.

Auditor's responsibility

4. Our responsibility is only to examine and report whether the proposed accounting treatment in the books of the Resulting Company referred to in Clause 12 of the draft Scheme referred to above comply with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, as applicable, read with the rules made there under, and Other Generally Accepted Accounting Principles in India, as applicable and did not include examination of compliance with other relevant provisions of the Companies Act, 2013 and applicable laws and regulations. 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 of the statutory auditors of any financial statements of the Company. Further, our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid draft Scheme.



5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (ICAI) 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.

Opinion

7. The draft Scheme has been approved by the Board of Directors of the Company in its meeting held on September 26, 2022. The appointed date for the purpose of this draft scheme is April 1, 2022 or such other date as may be mutually agreed by the Board of Directors of the Companies and conveyed in writing to the National Company Law Tribunal in writing. The said appointed date mentioned in the draft scheme may precede the acquisition date as per Ind AS 103.
8. Based on our examination and according to the information and explanations given to us and considering the appointed date as referred to in paragraph 7 above, we are of the opinion that the proposed accounting treatment contained in Clause 12 of the draft Scheme is in compliance with the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of the Companies Act, 2013, read with the rules made there under, and Other Generally Accepted Accounting Principles in India, as applicable.

Restriction on use

9. This Certificate is issued at the request of the Company pursuant to the requirements of applicable circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and proviso to sub section 7 of Section 230 of the Companies Act, 2013 for onward submission to the National Company Law Tribunal, BSE Limited and National Stock Exchange of India Limited with respect to the Draft Scheme. This certificate should not be 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 BRAHMAYYA & Co.
Chartered Accountants
(FRN: 000513S)


Karumanchi Rajaj
Partner
Membership No. 202309
UDIN: 22202309AVIBUR4968
Place: Vijayawada
Date: September 26, 2022



For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(FRN: 117366W/W-100018)




R. Prasanna Venkatesh
Partner
Membership No. 214045
UDIN: 22214045AVFRFS4298
Place: Hyderabad
Date: September 26, 2022

Annexure 1

Relevant extract of clause 12 to the Draft Scheme of Arrangement between Mangal Industries Limited ('Demerged Company') and Amara Raja Batteries Limited ('Resulting Company') and their respective shareholders and creditors in terms of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act")

12. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

Upon this Scheme coming into effect, the Resulting Company shall account for the Demerger in its books of accounts, in accordance with "acquisition method" of accounting principles as laid down in Ind AS-103 "Business Combinations" notified under Section 133 of the Companies Act, 2013, as part of the Companies (Indian Accounting Standards) Rules, 2015, such that:

- 12.1 On the Appointed Date, the Resulting Company shall record the assets (including the intangible assets, meeting the recognition criteria of Ind AS 103) and liabilities of the Demerged Undertaking, transferred to and vested in it pursuant to this Scheme, at their respective fair values;
- 12.2 The Resulting Company shall credit its share capital account in its books of accounts with the aggregate face value of the equity shares issued to shareholders of the Demerged Company as per Clause 10.1 of the Scheme. The excess, if any of the fair value of the equity shares issued as per Clause 10.1 over the said face value of the equity shares issued, shall be credited to securities premium account;
- 12.3 Pursuant to the Demerger, the inter-company transactions and balances including loans, advances, receivables or payable etc. inter se between the Demerged Undertaking and the Resulting Company, if any, as appearing in the books of the Resulting Company shall stand settled and any resultant gain/loss recognised as per Ind AS 103;
- 12.4 The difference, if any, between (i) the fair value of the assets and liabilities as recorded under Clause 12.1 above after settlement of pre-existing relationships as per Clause 12.3 above and (ii) the aggregate of share capital and share premium recorded as per Clause 12.2 above, shall be debited or credited to goodwill or capital reserve, respectively in the books of the Resulting Company;

For Amara Raja Batteries Limited

G. Dellubah

Chief Financial Officer

Date: September 26, 2022

Place: Hyderabad



To,
The Board of Directors
Mangal Industries Limited

Independent Auditor's Certificate certifying the accounting treatment contained in the proposed scheme of arrangement (Demerger) amongst Mangal Industries Limited ("MIL" or the "Company" or the "Demerged Company") and Amara Raja Batteries Limited ("ARBL" or the "Resulting Company") and their respective shareholders and creditors under Sections 230 to and other applicable provisions of the Companies Act, 2013 (the "Act") (the "Scheme").

1. This certificate is issued in accordance with the terms of our engagement letter.
2. We, Brahmayya & Co., Chartered Accountants, the statutory auditors of Mangal Industries Limited (hereinafter referred to as the "Company"), have examined the proposed accounting treatment specified in Clause 11 of the Scheme amongst MIL and ARBL (*as defined above*), with reference to its compliance with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other Generally Accepted Accounting Principles, to ensure compliance with the Securities Exchange Board of India (SEBI) Circular SEBI/HO/CFD/DIL3/CIR/P/2021/0000000665 dated November 23, 2021 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder (hereinafter referred to as "**SEBI Guidelines**").

Management's responsibility

3. The responsibility for the preparation of the Draft 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. Our responsibility is to examine and report whether the Draft Scheme complies with the applicable Accounting Standards 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 of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Auditor's responsibility

4. Our responsibility is only to examine and report whether the accounting treatment referred to in Clause 11 of the Scheme referred to above comply with the applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles so as to be in compliance with the accounting treatment referred to in the SEBI Guidelines. 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 of the statutory auditors of any financial statements of the Company.
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. The draft Scheme has been approved by the Board of Directors of the Company in its meeting held on September 26, 2022. The appointed date for the purpose of this draft scheme in April 1, 2022 or such other date as may be mutually agreed by the Board of Directors of the Companies and conveyed in writing to the National Company Law Tribunal. The said appointed date of April 1, 2022, mentioned in the draft scheme precedes the acquisition date as per Ind As 103
8. Based on our examination and according to the information and explanations given to us and considering the appointed date as April 1, 2022, we are of the opinion that the proposed accounting treatment contained in clause 11 of the draft scheme is in compliance with the companies (Indian Accounting Standards) Rules, 2015, notified under section 133 of the Companies Act, 2013, read with the rules made there under and other Generally Accepted Accounting Principles in India, as applicable.

Restriction on use

9. This certificate is issued at the request of the Company pursuant to the requirements circulars issued under Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and proviso to sub section 7 of Section 230 of the Companies Act, 2013 for onward submission to the National Company Law Tribunal, BSE Limited and National Stock Exchange of India Limited and other regulatory authorities, as applicable, with respect to the Draft Scheme. This Certificate should not be 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 Brahmayya & Co,
Chartered Accountants,
Firm Regn. No. 000513S.



(Karumanchi Rajaj)
Partner

UDIN: 22202309AVICDP0002

For Brahmayya & Co,
Chartered Accountants,



Place: Vijayawada
Date: 26th September, 2022

Annexure I

Upon the effectiveness of this Scheme, in accordance with the applicable Indian Accounting Standards, Act and generally accepted accounting principles in India, the Demerged Company shall provide the following accounting treatment in its books of accounts:

- 11.1 Upon the Scheme coming into effect, with effect from the Appointed Date, the Demerged Company shall transfer the assets and liabilities forming part of the Demerged Undertaking to the Resulting Company at their respective carrying amounts (i.e., book value) at the Appointed Date.
- 11.2 Upon the Scheme coming into effect, solely to meet the requirements prescribed in Appendix A to Ind AS 10 notified under section 133 of the Act, the Demerged Company shall debit the fair value of the Demerged Undertaking to the Other equity and recognise a corresponding liability towards dividend payable (to the extent of distributable profits).
- 11.3 Upon the Scheme coming into effect, with effect from the Appointed Date, solely to meet the requirements prescribed in Appendix A to Ind AS 10 notified under section 133 of the Act the difference between (a) the liability recognised at 11.2 above and (b) the excess of the book value of the assets over the book value of liabilities transferred as per 11.1 above as at the Appointed Date, shall be credited / debited to the statement of Profit & Loss.
- 11.4 It is reiterated that the demerger of the Demerged Undertaking of the Demerged Company into the Resulting Company pursuant to this Scheme shall take place with effect from the Appointed Date and shall be in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961.



For Mangal Industries Limited

G. Satish Kumar

G. Satish Kumar
Chief Financial Officer