

Statutory Auditor's Certificate

To,
The Board of Directors,
Wheels India Limited,
21, Patullos Road,
Chennai - 600 002

We, the statutory auditors of M/s. Wheels India Limited, (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause 13 of the Draft Scheme of Amalgamation between Sundaram Hydraulics Limited ("Transferor Company" or "SHL" with Wheels India Limited (Transferee company or "WIL") and their respective shareholders in terms of the provisions of section(s) 230 to 232 of the Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

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 any thing 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 Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme (enclosed in Annexure-I) 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 the Companies Act, 2013.

This Certificate is issued at the request of the M/s. Wheels India Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the Bombay Stock Exchange/National Stock Exchange. This Certificate should not be used for any other purpose without our prior written consent.

Place: Chennai
Date: 6th December, 2021

CERTIFIED TRUE COPY



For BRAHMAYYA & CO.
Chartered Accountants
Firm Regn. No.000511S

L.Ravi Sankar
Partner
Membership No:25929
UDIN:21025929AAAACL1560

For WHEELS INDIA LIMITED

K.V. Lakshmi
K.V. LAKSHMI
Company Secretary

ANNEXURE-I

EXTRACT OF THE SCHEME OF AMALGAMATION OF M/S.SUNDARAM HYDRAULICS LIMITED WITH M/S.WHEELS INDIA LIMITED AND THEIR RESPECTIVE SHAREHOLDERS

13. ACCOUNTING TREATMENT IN BOOKS OF THE TRANSFEREE COMPANY

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the transfer and vesting of the assets and liabilities of the Transferor Company in its books of accounts as per "Acquisition Method" prescribed under the Indian Accounting Standard (Ind AS) 103 -"Business Combination" notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Act, specifically:

- 13.1. All the assets (including intangible assets whether or not recorded in the books of Transferor Company) and all liabilities, including contingent liabilities of the Transferor Company, shall stand transferred to, and the same shall be recorded by, the Transferee Company at their fair value, as per Ind AS 103 and / or other applicable Ind AS;
- 13.2. The value of the investments in the shares of the Transferor Company held by the Transferee Company inter-se shall stand cancelled, without further act or deed;
- 13.3. The loans and advances inter-se between the Transferor Company and the Transferee Company appearing in the books of accounts of either the Transferor Company or the Transferee Company, if any, shall stand cancelled
- 13.4. The Transferee Company shall credit to its share capital account, the aggregate face value of the equity shares issued by it to the shareholders of the Transferor Company in terms of Clause 12 of this Scheme. The difference between the fair value and the face value of such equity shares issued will be credited to the securities premium account;
- 13.5. The difference between the fair value of the equity shares issued and the fair value of the net assets acquired and subject to adjustment as per clause 13.2 and 13.3 above will be treated as goodwill or capital reserve as per Ind AS 103;
- 13.6. The Transferee Company shall ensure compliance with the requirements of the "Acquisition Method" under Ind AS 103 for all other aspects of accounting for the amalgamation
- 13.7. In case of any difference in accounting policy between the Transferor Company and the Transferee Company, the impact, if any, will be quantified and adjusted in the "Other Equity" of the Transferee Company to ensure that financial statements reflect the financial position on the basis of consistent accounting policies



The Board of Directors,
Sundaram Hydraulics Limited
21, Patullos Road,
Chennai – 600 002,
Tamil Nadu, India.

7th December 2021

Independent Auditor's Certificate on the proposed Accounting Treatment specified in the draft Scheme of Amalgamation of Sundaram Hydraulics Limited ("the Company") with Wheels India Limited ("WIL") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act"), and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("the Rules") with reference to its compliance with the accounting standards prescribed under Section 133 of the Act, relevant rules issued thereunder (the "Applicable Accounting Standards") and other generally accepted accounting principles in India.

We, M/s. S P V R and Associates, Chartered Accountants, the statutory auditors of the Company, have been requested by the Company to provide a certificate on whether the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards specified under Section 133 of the Act and other relevant provisions of the Act, to the extent applicable.

This Certificate is issued in accordance with the terms of our Engagement Letter dated 04-12-2021 with the Company

MANAGEMENT'S RESPONSIBILITY

The responsibility for the preparation of the Scheme, and its compliance with the relevant laws and regulations, including the Applicable Accounting Standards and other generally accepted accounting principles in India, is that of the Board of Directors of the companies involved. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

The Management is also responsible for ensuring that the Company complies with the requirements of the Act and the rules, and the Applicable Accounting Standards, in relation to the Scheme, and for providing all relevant information to the relevant National Company Law Tribunal

AUDITOR'S RESPONSIBILITY

Our responsibility is to certify that the proposed accounting treatment specified in the Scheme is in conformity with the Applicable Accounting Standards and other generally accepted accounting principles read with the General Circular No. 09/2019 dated 21st August 2019 issued by the Ministry of Corporate Affairs ("MCA General Circular"). Our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme

CERTIFIED TRUE COPY

For SUNDARAM HYDRAULICS LIMITED

K. Saiganesh

SAIGANESH K
COMPANY SECRETARY

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("Guidance Note") 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 ICAI.

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, issued by the ICAI.

OPINION

Based on our examination and according to the information and explanations given to us, along with the representations provided by the management, the company shall be amalgamated with WIL with effect from the relevant appointed date and shall stand dissolved without the process of winding-up. Accordingly, no accounting treatment shall be required in the books of accounts of the Company pursuant to the Scheme becoming effective.

RESTRICTION ON USE

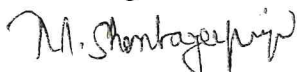
This Certificate is issued at the specific request of the Company's management solely for the purpose of their record to comply with the provisions of Section 230 to 232 of the Act and for onward submission along with the Scheme to the National Company Law Tribunal, Chennai Bench. Accordingly, this Certificate may not be suitable for any other purpose, and should not be used, referred to or distributed for any other purpose or to any other party 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 party to whom it is shown or into whose hands it may come without our prior consent in writing.

Our obligations in respect of this Certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.

For S P V R and Associates

Chartered Accountants

Firm's Registration No:0016918S



M Shenbagapriya

Partner

Membership No: 212806

UDIN

Place: Chennai

