Independent Auditor’s Certificate on the proposed accounting treatment specified in the Draft Scheme of Arrangement

Dear Sirs

We B S R & Co. LLP, Chartered Accountants, the statutory auditors of Tata Motors Limited (‘the Company’) have been requested to examine the proposed accounting treatment specified in Part III – General Terms and Condition under Clause 20 – Accounting Treatment of the Draft Scheme of Arrangement (‘the Draft Scheme’), as approved by the Board of Directors of the Company at its meeting held on 3 May 2018, between the Company (referred to as ‘Transferor Company’), Tata Advanced Systems Limited (referred to as ‘Transferee Company’) and their respective shareholders and creditors, in terms of the provisions of Section 230 to 232 of the Companies Act, 2013 (‘the Act’), other applicable provisions of the Act and the requirements of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Regulations’), with reference to its compliance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rule, 2015 and other generally accepted accounting principles in India (‘applicable accounting standards’). This certificate is issued in accordance with the terms of our engagement letter dated 18 September 2017.

For ease of reference, ‘Clause 20– Accounting Treatment’ under Part III – General Terms and Condition of the Draft Scheme, duly authenticated by the Company Secretary on behalf of the Company, is reproduced in Annexure I to this certificate, and is initialed by us only for the purpose of identification.

Management’s Responsibility for the Draft Scheme

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable accounting standards, 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 and presentation of the Draft 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 Companies Act, 2013 and SEBI Regulations and to provide all relevant information to The Securities and Exchange Board of India, Bombay Stock Exchange Limited and National Stock Exchange of India Limited and the National Company Law Tribunal.
Auditor’s Responsibility

Pursuant to the requirements of the Companies Act, 2013 and SEBI Regulations, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment specified in ‘Clause 20 – Accounting Treatment’ under Part III – General Terms and Condition of the Draft Scheme complies with the applicable accounting standards. Nothing contained in this certificate, nor anything said or done in the course of, or in the connection with the services that are subject to this certificate, will extend any duty of care that we may have in our capacity as the statutory auditors to any financial statements of the Company.

We conducted 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. This requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

Based on our examination as above and according to the information and explanations and representations given to us by the Company’s management, we state that the proposed accounting treatment in the books of the Company as specified in ‘Clause 20 – Accounting Treatment’ under Part III – General Terms and Condition of the Draft Scheme as reproduced in Annexure I to this certificate is in compliance with the applicable accounting standards.

Restriction on Use

This Certificate is issued solely for the purpose of compliance with the Companies Act, 2013 and the SEBI Regulations and for onward submission to The Securities and Exchange Board of India, Bombay Stock Exchange Limited, National Stock Exchange Limited and National Company Law Tribunal and is not suited for any other purpose and should not be used by any other person or for any other purpose. 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 written consent.

For B S R & Co. LLP
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Rajiv Shah
Partner
Membership Number: 112878

Place: Mumbai
5 September 2018

Enclosure
Annexure I – ‘Clause 20 – Accounting Treatment’ under Part III – General Terms and Condition’ of the Draft Scheme
Annexure 1

Clause 20 – Accounting treatment under Part III - General Terms and Condition of the Draft Scheme

i. The Transferor Company shall transfer all assets and liabilities of the Defense Undertaking contemplated to be transferred under this Scheme to the Transferee Company and recognize the corresponding gain/loss, if any, on the difference between the book value and sale consideration less cost to sell in the statement of profit and loss.

ii. The Transferor Company and the Transferee Company shall abide by their applicable accounting standards for giving effect to the transfer and vesting of the Defense Undertaking as contemplated in this Scheme.

For Tata Motors Limited

Hoshang Sethna
Company Secretary

August 30, 2018