ANNEXURE 5

SBI Capital Markets Limited

CMG/M&M/RK/ 75

December 03, 2016

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

Dear Sirs/Madams,

**Subject: Fairness Opinion Report on the Swap Ratio for Demerger of the Two Wheeler Business of Mahindra Two Wheelers Limited Into Mahindra & Mahindra Limited**

We, SBI Capital Markets Limited ("**SBICAP**"), understand that Mahindra & Mahindra Limited ("**M&M**" or the "**Company**") is contemplating a demerger of the two-wheeler business of Mahindra Two Wheelers Limited ("**MTWL**") (the business proposed to be transferred hereinafter referred as "**M&M Two Wheeler Business**") to the company ("**Proposed Business Transaction**") and has initiated a valuation exercise by appointing S. R. Batliboi & Co. LLP (hereinafter referred to as "SRBC") and SSPA & Co. (hereinafter referred to as "SSPA"). In this regard, the Company seeks fairness opinion report from SBICAP on the swap ratio as recommended by the Valuers.

We have been requested to give a "**Fairness Opinion Report**" on the swap ratio for issuance of its own equity shares to the minority shareholders of Mahindra Two Wheelers Limited.

SBICAP has not undertaken the valuation of Two Wheeler Business. We have examined the Valuation Report submitted by SRBC and SSPA, dated December 03, 2016 to the Company. We have not independently checked or verified the assumptions made by SRBC and SSPA. We have reviewed the historical financial and business information of the Company and certain comparable companies and their valuation multiples, and other relevant information from publicly available sources, and have taken into account such other matters as we deemed necessary including our assessment of general economic, market and monetary conditions.

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For the purpose of the Fairness Opinion report, unaudited carved out financials of Two Wheeler business of MTWL up to September 30, 2016 and the projections till FY22 as provided by the company have been relied upon. We have relied upon publicly available data of M&M including documents available on their website

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

Further, we have had discussions with SRBC and SSPA (the Valuers) on such matters which 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 business 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, express or implied, is or will be made, and no responsibility or liability is or will be accepted by SBICAP and its affiliates, its directors, employees, agents or representatives, or in relation to, the accuracy or adequacy of information, contained in the Fairness Opinion 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 this 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 Two Wheeler Business of MTWL. 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 Two Wheeler Business of MTWL.

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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 Two Wheeler Business of MTWL.

We express no view as to, and our Fairness Opinion Report does not address, the underlying business decision of any company to effect the Proposed Business Transaction or the merits of 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 swap ratio for issuance of M&M's own equity shares to the minority shareholders of Mahindra Two Wheelers Limited. We are not expressing any suggestion 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.

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 securities 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 hereof. It should be understood that in 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 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, MTWL and their respective affiliates.

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

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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 of 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 valuation is fair, from a financial point of view.**

Thanking you,

Yours faithfully,
For SBI Capital Markets Limited

SBI CAPITAL MARKETS MUMBAI

Name: Ramnish Kochgave
Designation: Vice President

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SBI Capital Markets Limited

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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.

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