Mahindra CIE

Mahindra CIE Automotive Ltd
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November 14, 2016

BSE Limited Corporate Relationship Department, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001. **BSE Scrip Code: 532756**	**National Stock Exchange of India Limited** Corporate Relationship Department, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. **NSE Scrip Code: MAHINDCIE**

Sub: Unaudited Consolidated Financial Results of Bill Forge Private Limited as of and for the six month period ended on 30th September, 2016

Dear Sir/Madam,

The Company has received the unaudited consolidated financial results of Bill Forge Private Limited ("**BFPL**") as of and for the six month period ended on 30th September, 2016 ("**BFPL Unaudited Consolidated Financial Results**") along with limited review report of BFPL's auditors. As previously intimated by us, BFPL had become a wholly owned subsidiary of the Company in October, 2016 and therefore, the BFPL Unaudited Consolidated Financial Results do not form part of the unaudited consolidated financial results of the Company as of and for the nine month period ended on 30th September, 2016.

A copy of the BFPL Unaudited Consolidated Financial Results along with limited review report of BFPL's auditors is being submitted herewith pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The BFPL Unaudited Consolidated Financial Results have been prepared and are adopted by BFPL for the limited purpose of disclosure in any offer document that may be prepared by the Company in relation to its proposed fund raising activity, which includes, amongst other things, a qualified institutions placement.

Kindly acknowledge receipt of the same.

Thanking you,
Yours faithfully,
For Mahindra CIE Automotive Limited

MAHINDRA CIE AUTOMOTIVE LTD. MUMBAI

Krishnan Shankar
Company Secretary & Head – Legal
Membership No. F 3482

Deloitte
Haskins & Sells LLP

Chartered Accountants
Deloitte Centre
Anchorage II
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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF BILL FORGE PRIVATE LIMITED

Introduction

We have reviewed the accompanying Condensed Consolidated Balance Sheet of **BILL FORGE PRIVATE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), as of September 30, 2016 and the related Condensed Consolidated Statements of Profit & Loss and Cash flows for the six months then ended ("Interim Financial Information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard 25 (Interim Financial Reporting), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the Accounting Standard 25 (Interim Financial Reporting), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

Other Matter

These financial information have been prepared by the management for the purpose of its inclusion in the placement document of The Proposed Qualified Institutional Placement of Equity Shares of Mahindra CIE Automotive Limited (The "Issuer") which is prepared in accordance with the requirements of items (3) and (12) of Schedule XVIII of Chapter VIII of the SEBI ICDR Regulations, wherein the financial information of the Company will be included in the placement document of the Issuer. This report is intended solely for use in preparation of the placement document of Proposed Qualified Institutional Placement of Equity Shares and should not be used for any other purpose.

Deloitte
Haskins & Sells LLP

We did not review the financial information of three Subsidiaries, whose financial information reflect total assets of Rs. 743,849,085/- as at September 30, 2016, total revenues of Rs. 41,940/- and net cash inflows amounting to Rs. 120,205,080/- for the half year ended on that date, as considered in the condensed consolidated financial information.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Firm Registration No. 117366W/W-100018



S. Ganesh
Partner
Membership No. 204108

Place: Bengaluru
Date: November 14, 2016

BILL FORGE PRIVATE LIMITED
CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30TH SEPTEMBER 2016

	Particulars	Note No.	As at 30-Sep-16 Rs.	As at 31-Mar-16 Rs.
A	**EQUITY AND LIABILITIES**			
1	**SHAREHOLDERS' FUNDS**			
	(a) Share Capital	3	11,712,070	11,636,250
	(b) Reserves and Surplus	4	3,056,467,421	2,812,802,034
			3,068,179,491	2,824,438,284
2	**NON-CURRENT LIABILITIES**			
	(a) Long-term borrowings	5	757,207,953	314,614,703
	(b) Deferred tax liabilities (net)		61,242,190	61,377,831
	(c) Long-term provisions	6	20,903,448	20,903,448
			839,353,591	396,895,982
3	**CURRENT LIABILITIES**			
	(a) Short-term borrowings	7	496,862,098	144,391,402
	(b) Trade payables			
	(i) Total outstanding dues of micro enterprise and small enterprise	8	6,929,567	7,261,468
	(ii) Total outstanding dues of creditors other than micro enterprise and small enterprise	8	787,214,507	799,127,981
	(c) Other current liabilities	9	161,988,592	467,935,042
	(d) Short-term provisions	10	9,029,719	5,787,983
			1,462,024,483	1,424,503,876
	TOTAL		**5,369,557,565**	**4,645,838,141**
B	**ASSETS**			
1	**NON CURRENT ASSETS**			
	(a) Fixed assets			
	(i) Tangible assets	11 A	1,818,636,255	1,643,874,152
	(ii) Intangible assets	11 B	13,309,321	15,303,260
	(iii) Capital work-in-progress		26,241,926	31,264,089
			1,858,187,502	1,690,441,501
	(b) Non-current investments	12	3,033,000	3,033,000
	(c) Long-term loans and advances	13	728,637,052	202,901,539
			2,589,857,554	1,896,376,040
2	**CURRENT ASSETS**			
	(a) Current investments	14	18,000	18,000
	(b) Inventories	15	1,116,185,417	1,202,279,310
	(c) Trade receivables	16	1,276,014,636	1,373,364,164
	(d) Cash and cash equivalents	17	192,162,208	45,000,390
	(e) Short-term loans and advances	18	191,737,044	127,472,172
	(f) Other current assets	19	3,582,706	1,328,065
			2,779,700,011	2,749,462,101
	TOTAL		**5,369,557,565**	**4,645,838,141**

See accompanying notes forming part of the interim financial information

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

S. GANESH
PARTNER

Deloitte Haskins & Sells LLP Chartered Accountants Bangalore

Place: Bengaluru
Date: November 14, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ANIL HARIDASS
MANAGING DIRECTOR

K RAVINDRA
DIRECTOR

K.HARI
DIRECTOR

BILL FORGE PVT. LTD. BANGALORE

Place: Bengaluru
Date: November 14, 2016

BILL FORGE PRIVATE LIMITED

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE HALF YEAR ENDED 30TH SEPTEMBER 2016

	Particulars	Note No.	For the Six Months ended 30-Sep-16 Rs.
1	Revenue from operations (gross)	20	3,426,766,644
	Less: Excise duty		321,387,640
	Revenue from operations (net)		3,105,379,004
2	Other income	21	4,925,803
3	**TOTAL REVENUE (1+2)**		**3,110,304,807**
4	Expenses		
	(a) Cost of materials consumed	22 A	1,082,779,212
	(b) Changes in inventories of finished goods and work-in-progress	22 B	(91,760,933)
	(c) Employee benefits expense	23	430,868,840
	(d) Finance costs	24	49,945,946
	(e) Depreciation and amortisation expense	11 A & B	134,869,422
	(f) Other expenses	25	1,185,342,087
	TOTAL EXPENSES		**2,792,044,574**
5	**PROFIT BEFORE TAX (3 - 4)**		**318,260,233**
6	**TAX EXPENSE:**		
	(a) Net current tax expense		117,639,830
	(b) Deferred tax		(135,641)
			117,504,189
7	**PROFIT FOR THE YEAR (5 - 6)**		**200,756,044**
7.i	Earnings Per share (Equity Share par value Rs 10 each) Basic & Diluted		1,006,206
7.ii	Weighted Average number of Equity Shares used in computation Basic & Diluted		199.52

See accompanying notes forming part of the interim financial information

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

S. GANESH
PARTNER

Deloitte Haskins & Sells LLP Chartered Accountants Bangalore

Place: Bengaluru
Date: November 14, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ANIL HARIDASS
MANAGING DIRECTOR

K RAVINDRA
DIRECTOR

K.HARI
DIRECTOR

BILL FORGE PVT. LTD. BANGALORE

Place: Bengaluru
Date: November 14, 2016

BILL FORGE PRIVATE LIMITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

Particulars	For the Six Months ended 30-Sep-16 Rs.	For the year ended March 31, 2016 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	**318,260,233**	**713,079,411**
Adjustments for :		
-Depreciation and amortisation expense	134,869,422	267,226,911
-Finance Cost	49,534,633	124,991,547
-Interest income	(2,890,376)	(6,171,519)
-Dividend income	(3,500)	(9,950)
-Loss/ (profit) on sale of fixed assets(net)	(100,000)	(910,193)
Operating profit before working capital changes	**499,670,411**	**1,098,206,207**
Changes in working capital		
Adjustments for (increase)/ decrease in operating assets		
-Inventories	86,093,893	(87,895,066)
-Trade receivables	85,952,619	(351,023,007)
-Long-term loans and advances	(5,135,065)	(6,969,410)
-Short-term loans and advances	(65,204,871)	(35,898,104)
Adjustments for (decrease)/ increase in operating liabilities		
-Trade Payables	2,295,949	268,526,704
-Other current liabilities	(36,184,238)	13,523,845
-Short term provisions	3,221,777	5,787,983
-Long term provisions	-	6,474,493
Cash generated from operations	**570,710,475**	**910,733,646**
-Direct taxes (paid)/ refund	(130,119,594)	(235,566,152)
Net cash from/(used in) operating activities (A)	**440,590,881**	**675,167,494**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets	(809,790,219)	(591,803,508)
Proceeds from sale of fixed assets	100,000	5,569,404
Investments in subsidiaries	-	(3,000,000)
Dividend received	3,500	9,950
Interest received	635,734	5,179,255
Net cash from/(used in) investing activities (B)	**(809,050,984)**	**(584,044,899)**

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BILL FORGE PVT. LTD. BANGALORE

BILL FORGE PRIVATE LIMITED

CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED 30TH SEPTEMBER 2016

Particulars	For the Six Months ended 30-Sep-16 Rs.	For the year ended March 31, 2016 Rs.
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of preference shares	-	479,282,870
Proceeds from issue of debentures	-	20,715,878
Proceeds from Long term borrowings	614,270,388	47,095,000
Repayment of Long term borrowings	(404,582,867)	(311,874,457)
Proceeds from Short term borrowings	352,470,696	(197,070,951)
Interest paid	(46,536,296)	(124,991,547)
Net cash from/(used in) financing activities (C)	**515,621,921**	**(86,843,207)**
Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	**147,161,818**	**4,279,388**
Cash and cash equivalents (opening balance)	45,000,390	40,721,002
Cash and cash equivalents (closing balance)	**192,162,208**	**45,000,390**
Cash and cash equivalents comprise of: (Refer Note 17)		
(a) Cash on hand	454,186	317,974
(b) Balances with banks		
(i) In current accounts	155,692,729	15,263,054
(ii) In deposit accounts	36,015,293	29,419,362
Total	**192,162,208**	**45,000,390**
See accompanying notes forming part of the interim financial information		

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

S. GANESH
PARTNER

Deloitte Haskins & Sells LLP Chartered Accountants Bangalore

Place: Bengaluru
Date: November 14, 2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ANIL HARIDASS
MANAGING DIRECTOR

K RAVINDRA
DIRECTOR

K.HARI
DIRECTOR

Place: Bengaluru
Date: November 14, 2016

BILL FORGE PVT. LTD. BANGALORE

BILL FORGE PRIVATE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. Corporate Information

Bill Forge Private Limited ("the Holding Company") was incorporated on 23rd December 1982. The Company is in the business of manufacturing of retainers, steering races, hubs, pinions, gear blanks, shaft, for two and four wheeler vehicles.

The Holding Company has three subsidiaries BF Precisions Private Limited located at Coimbatore, Bill Forge Global DMCC located Dubai and Bill Forge de Mexico, S.de RL de C.V. located at Mexico. The subsidiary are involved in the setting up of manufacturing units at the respective locations and the same are not operational.

Holding Company has entered into acquisition agreement on 12th September 2016 between Bill Forge Private Limited and Mahindra CIE Automotive Limited, wherein the Bill Forge Private Limited will become a wholly owned subsidiary of the Mahindra CIE Automotive Limited on completion of acquisition. The Holding Company on October 26, 2016 has been acquised 100% by Mahindra CIE Automotive Limited.

2. Basis of Consolidation and significant accounting policies

A. Basis of accounting and preparation of consolidated interim financial information

2.1 The consolidated interim financial information of the Company and its subsidiaries (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standard 25 (Interim Financial Reporting) specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The consolidated interim financial information have been prepared on accrual basis under the historical cost convention.

2.2 Principles of consolidation

The consolidated interim financial information comprise of the interim financial information of Bill Forge Private Limited ("the Holding Company"), its subsidiaries (collectively referred to as "the Group") . The consolidated interim financial information have been prepared on the following basis:

(a) The interim financial information of the subsidiaries included in the consolidation are drawn up to the same reporting date as that of the parent company i.e. September 30, 2016.

(b) The interim financial information of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

(c) The excess of cost to the Company of its investments in the subsidiary companies over its share of the equity of the subsidiary companies, at the date on which the investments in the subsidiary companies were made, is recognised as 'goodwill', being an asset in the Consolidated Interim Financial Information. Where the share of the equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus' in the Consolidated Interim Financial Information.

(d) Minority interest in consolidated subsidiaries comprises the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Holding Company in the subsidiary companies and movements in their share in the equity, subsequent to the date of investment.

(e) The following subsidiaries and associates have been included in the Consolidated Interim Financial Information:

Name of the Company	Country of Incorporation	Ownership held through	Status as at September 30, 2016	% ownership held either directly or through subsidiaries as at September 30, 2016
BF Precisions Private Limited	India	Bill Forge Private Limited	Subsidiary	100%
Bill Forge Global DMCC	Dubai	Bill Forge Private Limited	Subsidiary	100%
Bill Forge de Mexico, S.de RL de C.V.	Mexico	Bill Forge Private Limited	Subsidiary	100%

Figures pertaining to subsidiary companies have been regrouped / reclassified wherever necessary to bring them in line with the Company's Interim Financial Information.

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BILL FORGE PVT. LTD. BANGALORE

B. Significant accounting policies used in preparation of the financial information of the Company, its subsidiaries (severally referred to as the `Components' and together referred to as the `Group') .

2.3. Use of Estimates

The preparation of the financial informaiton in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial information are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.4. Inventories

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, wherever considered necessary. Cost comprises all cost of purchase, duties and other cost incurred in bringing the inventories to their present location and condition.

Cost is determined as follows:
- Raw materials / Loose Tools are valued on a weighted average basis.
- Work-in-progress is valued at material cost and an appropriate share of overheads.
- Finished Goods are valued at material cost and an appropriate share of overheads and excise duty, where paid/payable (wherever applicable).

2.5. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.6. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.7. Fixed Assets – Tangible and Intangible Assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date.

Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

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2.8. Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except certain class of Machines "Presses" are 15 years as certified by our Internal Engineers and Maintenance department.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

Pro-rata depreciation is charged on assets purchased and / or sold during the year.

2.9. Impairment of Fixed Assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. The following intangible assets are tested for impairment each financial year even if there is no indication that the asset is impaired:
(a) an intangible asset that is not yet available for use; and (b) an intangible asset that is amortised over a period exceeding ten years from the date when the asset is available for use.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

2.10. Revenue Recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

Goods dispatched to consignee are recognized as sales on dispatch to customers by the consignee.

Service income earned from rendering contracting services is recognized as and when the services are rendered.

2.11 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.12. Foreign Currency Transactions

Initial Recognition :

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction

Measurement of foreign currency monetary items at the Balance Sheet date:

All foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year end rates. Non-monetary items of the company are carried at historical cost.

Treatment of exchange differences:

Exchange differences arising on restatement / settlement of foreign currency monetary assets/liabilities are recognized as income or expense in the Statement of profit and loss, except for those differences that are considered as part of borrowing cost of a qualifying asset, in which case they are adjusted to the cost of the fixed asset.

Accounting of forward contracts:

Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the balance sheet date. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense in the period in which such cancellation or renewal is made.

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2.13. Derivative contracts

The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

2.14. Investments

a) Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

b) Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.15. Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity fund and compensated absences

Defined contribution plans

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.16. Borrowing Costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.17. Segment reporting

The Company identifies segments based on the dominant source, nature of risks and returns and the internal organisation and management structure.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Deloitte Haskins & Sells LLP Chartered Accountants
BILL FORGE PVT. LTD. BANGALORE

2.18. Leases

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

2.19. Earnings Per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.20. Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefit in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offlater date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are

2.21. Provisions and Contingencies

A provision is recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balances sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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BILL FORGE PRIVATE LIMITED
NOTES FORMING PART OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

	As at 30-Sep-16		As at 31-Mar-16	
	Number of Shares	Rs.	Number of Shares	Rs.
NOTE 3 :				
SHARE CAPITAL				
AUTHORISED				
Equity Shares of Rs. 10/- each, with voting rights	3,400,000	34,000,000	2,400,000	24,000,000
Compulsory Convertible Preference Shares of Rs. 10/- each	250,000	2,500,000	250,000	2,500,000
	3,650,000	**36,500,000**	**2,650,000**	**26,500,000**
ISSUED, SUBSCRIBED, CALLED UP AND FULLY PAID-UP				
Equity Shares of Rs. 10/- each.	1,171,207	11,712,070	988,206	9,882,060
Compulsory Convertible Preference Shares of Rs. 10/- each	-	-	175,419	1,754,190
Total	**1,171,207**	**11,712,070**	**1,163,625**	**11,636,250**
Refer Notes (a) to (c) below				

NOTES:

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Conversion	Closing Balance
Equity shares with voting rights				
Year ended 31 March, 2016				
- Number of shares	988,206	-	-	988,206
- Amount (Rs.)	9,882,060	-	-	9,882,060
Six months ended 30 Sept, 2016				
- Number of shares	988,206	-	183,001	1,171,207
- Amount (Rs.)	9,882,060	-	1,830,010	11,712,070
Compulsory Convertible Preference Shares				
Year ended 31 March, 2016				
- Number of shares	90,880	84,539	-	175,419
- Amount (Rs.)	908,800	845,390	-	1,754,190
Six months ended 30 Sept, 2016				
- Number of shares	175,419		(175,419)	-
- Amount (Rs.)	1,754,190		(1,754,190)	-

(b) Detail of the rights, preferences and restrictions attaching to each class of shares

Equity Shares :

The Company has only one class of equity shares having a face value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees .The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General meeting. In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Compulsory Convertible Preference Shares and Compulsory Convertible Debentures :

During the current period the Company's Board of Director have approved the conversion of the Compulsory Convertible Preference Shares and Compulsory Convertible Debentures into Equity shares of the Company. The conversion of Compulsory Convertible Preference Shares and Compulsory Convertible Debentures to equity shares was determined at Par Value.

(c) Details of shares held by each shareholder holding more than 5%

Class of shares / Name of shareholder	As at 30 September , 2016		As at 31 March, 2016	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Anjali Powar Haridas	202,034	17.25%	202,034	20.44%
Anil Haridas	197,988	16.90%	197,988	20.04%
Sunil Haridas	163,425	13.95%	163,425	16.54%
Ainos Holdings Limited, Mauritius	526,277	44.93%	350,858	35.50%
Compulsory Convertible Preference Shares				
Ainos Holdings Limited, Mauritius	-	0%	175,419	100%

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NOTES FORMING PART OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

	As at 30-Sep-16 Rs.	As at 31-Mar-16 Rs.
NOTE 4		
RESERVES AND SURPLUS		
(a) Capital Reserve	44,871,222	44,871,222
(b) Capital redemption reserve		
Opening balance	1,609,020	1,609,020
Closing balance	1,609,020	1,609,020
(c) Securities Premium Account		
Opening balance	1,302,528,269	824,090,789
Add: Premium on conversion of convertible debentures during the period	42,909,343	478,437,480
Closing balance	1,345,437,612	1,302,528,269
(d) Revaluation Reserve	18,978,302	18,978,302
(e) General Reserve		
Opening balance	38,014,076	38,014,076
Closing balance	38,014,076	38,014,076
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	1,406,801,145	915,718,624
Add: Profit for the year	200,756,044	491,082,521
Closing balance	1,607,557,189	1,406,801,145
	3,056,467,421	**2,812,802,034**
NOTE 5		
LONG-TERM BORROWINGS		
Compulsory Convertible Debentures (Unsecured)	-	42,985,163
Term Loans (Secured)		
(a) From Banks	614,290,387	355,113,117
(b) From other parties	238,865,951	284,190,701
Term Loans (Unsecured)		
From other parties	4,173,000	8,338,000
	857,329,338	647,641,818
Less: Repayments due in one year (Current maturities of long term debt - Refer note 9)		
From Banks	(20,000)	(275,178,117)
From Others parties	(100,101,385)	(100,834,161)
	(100,121,385)	(376,012,278)
	757,207,953	**314,614,703**
NOTE 6		
LONG-TERM PROVISIONS		
Provision for employee benefits:		
Provision for Compensated Absences	20,903,448	20,903,448
Total	**20,903,448**	**20,903,448**

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	As at 30-Sep-16 Rs.	As at 31-Mar-16 Rs.
NOTE 7		
SHORT-TERM BORROWINGS		
Loans repayable on demand and working capital loans		
From banks	246,862,098	24,391,402
From other parties	250,000,000	120,000,000
	496,862,098	**144,391,402**
NOTE 8		
TRADE PAYABLES		
Trade payables:		
(i) Total outstanding dues of micro enterprise and small enterprise	6,929,567	7,261,468
(ii) Total outstanding dues of creditors other than micro enterprise and small enterprise	787,214,507	799,127,981
	794,144,074	**806,389,449**
NOTE 9		
OTHER CURRENT LIABILITIES		
(a) Current maturities of long-term debt	100,121,385	376,012,278
(b) Other payables		
(i) Statutory remittances	29,488,899	29,108,926
(ii) Payables on purchase of fixed assets	21,845,936	52,269,466
(iii) Trade / security deposits received	991,534	991,534
(iv) Advances from Bill Forge ESOP Trust	9,540,838	9,540,838
(v) Advances from customers	-	12,000
	161,988,592	**467,935,042**
NOTE 10		
SHORT-TERM PROVISIONS		
Provision for employee benefits:		
Provision for compensated absences	9,029,719	5,787,983
	9,029,719	**5,787,983**

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NOTE 11 FIXED ASSETS

[in Rupees]

DESCRIPTION*	GROSS BLOCK				DEPRECIATION & ACCUMULATED DEPRECIATION				NET BLOCK	
	Balance as at 1-Apr-16	Additions during the period	Disposals during the Year	Balance as at 30-Sep-16	Balance as at 1-Apr-16	Depreciation / Amortisation For the period	Eliminated on Disposal of Assets	Balance as at 30-Sep-16	As at 30-Sep-16	As at 31-Mar-16
A. TANGIBLE ASSETS										
FREEHOLD LAND	70,561,683	-	-	70,561,683	-	-	-	-	70,561,683	70,561,683
BUILDINGS	16,905,619	-	-	16,905,619	2,513,370	143,883	-	2,657,253	14,248,366	14,392,249
FACTORY BUILDINGS	295,756,466	15,879,806	-	311,636,272	76,368,467	4,919,964	-	81,288,431	230,347,841	219,387,999
PLANT AND MACHINERY	2,836,919,431	278,786,105	(497,040)	3,115,208,496	1,618,505,367	112,588,316	(497,040)	1,730,596,643	1,384,611,854	1,218,414,064
ELECTRICAL EQUIPMENTS	166,541,168	6,231,376	-	172,772,544	77,244,227	9,564,489	-	86,808,716	85,963,828	89,296,941
OFFICE EQUPMENTS	13,909,001	1,857,282	-	15,766,283	11,673,771	460,784	-	12,134,555	3,631,728	2,235,230
FURNITURE & FIXTURES	20,739,630	628,176	-	21,367,806	14,553,723	896,420	-	15,450,143	5,917,663	6,185,907
COMPUTERS	37,185,774	3,439,446	-	40,625,220	32,609,106	1,475,398	-	34,084,504	6,540,716	4,576,668
VEHICLES	36,204,618	-	-	36,204,618	17,381,207	2,010,834	-	19,392,041	16,812,577	18,823,411
SUB TOTAL - A	**3,494,723,390**	**306,822,191**	**(497,040)**	**3,801,048,541**	**1,850,849,238**	**132,060,088**	**(497,040)**	**1,982,412,285**	**1,818,636,255**	**1,643,874,152**
B. INTANGIBLE ASSETS										
TECHNICAL KNOWHOW	2,000,000	-	-	2,000,000	2,000,000	-	-	2,000,000	-	-
SOFTWARES	47,042,225	815,395	-	47,857,620	31,738,965	2,809,334	-	34,548,299	13,309,321	15,303,260
SUB TOTAL - B	**49,042,225**	**815,395**	**-**	**49,857,620**	**33,738,965**	**2,809,334**	**-**	**36,548,299**	**13,309,321**	**15,303,260**
GRAND TOTAL (A+B)	**3,543,765,615**	**307,637,586**	**(497,040)**	**3,850,906,161**	**1,884,588,203**	**134,869,422**	**(497,040)**	**2,018,960,584**	**1,831,945,577**	**1,659,177,412**

Represents owned assets, unless otherwise stated

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	As at 30-Sep-16 Rs.	As at 31-Mar-16 Rs.
NOTE 12		
INVESTMENTS		
Trade Investments (Unquoted, At cost less diminution other than temporary)		
(a) Investments in equity instruments		
In Other Companies		
Clean Wind Power (Manvi) Private Limited	3,000,000	3,000,000
(b) Investments in bonds instruments		
Krishna Bhagya Jala Nigam Limited	33,000	33,000
	3,033,000	**3,033,000**
NOTE 13		
LONG-TERM LOANS AND ADVANCES		
Unsecured, considered good		
(a) Capital advances	647,804,436	140,623,751
(b) Security deposits		
- Lease Deposits and other deposits	57,146,319	51,041,995
- Deposits with Excise, Sales Tax and Customs Authorities	8,539,398	8,589,398
(c) Advance income tax	15,146,899	2,646,394
Total	**728,637,052**	**202,901,539**
NOTE 14		
CURRENT INVESTMENTS		
Other Current Investments - Trade - quoted		
Investment in equity instruments		
- Corporation Bank	8,000	8,000
- Munjal Auto Industries Limited	5,000	5,000
- Shivam Autotech Limited	5,000	5,000
Total	**18,000**	**18,000**

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	As at 30-Sep-16 Rs.	As at 31-Mar-16 Rs.
NOTE 15		
INVENTORIES		
(At lower of cost and net realisable value)		
(a) Raw materials	174,313,257	261,607,196
(b) Work-in-progress (Auto parts)	374,107,296	359,549,648
(c) Finished goods (Auto parts)	30,144,924	44,208,914
Goods-in-transit	161,751,223	70,483,948
(d) Stores and spares	375,868,717	466,429,603
Total	**1,116,185,417**	**1,202,279,310**
NOTE 16		
TRADE RECEIVABLES		
Unsecured, considered good		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment	15,721,527	29,144,129
Other Trade receivables	1,260,293,109	1,344,220,035
Total	**1,276,014,636**	**1,373,364,164**
NOTE 17		
CASH AND CASH EQUIVALENTS		
(a) Cash on hand	454,186	317,974
(b) Balances with banks		
(i) In current accounts	155,692,729	15,263,054
(ii) In deposit accounts	36,015,293	29,419,362
Total	**192,162,208**	**45,000,390**
(i) of the above, the balances that meet the definition of cash and cash equivalent as per AS 3 cash flow statements is	**192,162,208**	**45,000,390**

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	As at 30-Sep-16 Rs.	As at 31-Mar-16 Rs.
NOTE 18		
SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered good		
(a) Advance to suppliers	54,366,921	17,883,137
(b) Loans and advances to employees	3,466,300	4,789,878
(c) Prepaid expenses	12,098,496	6,359,439
(d) Balances with government authorities		
(i) CENVAT credit receivable	91,959,032	71,168,310
(ii) VAT credit receivable	955,281	785,469
(iii) Duty drawback receivable	14,187,231	11,875,582
(e) Other Advances	14,703,783	14,610,357
Total	**191,737,044**	**127,472,172**
NOTE 19		
OTHER CURRENT ASSETS		
Interest accrued:		
- on deposits with banks	3,582,706	1,328,065
Total	**3,582,706**	**1,328,065**

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		For the Six Months ended 30-Sep-16 Rs.
	NOTE 20	
	REVENUE FROM OPERATIONS	
(a)	Sale of products	
	Domestic	2,700,384,508
	Exports	642,094,529
(b)	Sale of services	5,229,786
(c)	Other operating revenues	79,057,821
	Less:	3,426,766,644
(d)	Excise duty	321,387,640
		3,105,379,004
	NOTE 21	
	OTHER INCOME	
(a)	Interest income	2,890,376
(b)	Dividend income from current investments	3,500
(c)	Other non-operating income	2,031,928
	NOTE 22	
A.	**COST OF MATERIALS CONSUMED**	
	Opening Stock	261,607,196
	Add : Cost of Purchases	995,485,273
		1,257,092,469
	Less : Closing Stock	174,313,257
		1,082,779,212
B	**CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS**	
	Inventories at the end of the year:	
	Finished goods	30,144,924
	Finished goods with consignee incl goods in Transit	161,751,223
	Work-in-progress	374,107,296
		566,003,443
	Inventories at the beginning of the year:	
	Finished goods	44,208,914
	Finished goods with consignee incl goods in Transit	70,483,948
	Work-in-progress	359,549,648
		474,242,510
	Net (Increase) / Decrease	**(91,760,933)**

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		For the Six Months ended 30-Sep-16 Rs.
	NOTE 23	
	EMPLOYEE BENEFITS EXPENSE	
	Salaries and wages	357,872,144
	Contributions to provident and other funds	24,586,049
	Staff welfare expenses	48,410,647
		430,868,840
	NOTE 24	
	FINANCE COSTS	
(a)	Interest expense on:	
	Borrowings	40,660,383
	Trade payables	139,766
(b)	Bank charges	9,145,797
		49,945,946
	NOTE 25	
	OTHER EXPENSES	
	Consumption of stores and spare-parts	327,992,615
	Increase / (Decrease) ED Liability	6,133,652
	Power and fuel	154,029,366
	Rent including lease rentals	24,750,111
	Repairs and maintenance	
	Buildings	374,252
	Machinery	68,377,845
	Others	7,797,287
	Contract labour cost	60,343,576
	Subcontracting cost	332,111,613
	Insurance	2,780,354
	Rates and taxes	1,012,953
	Communication expenses	2,772,814
	Travelling and conveyance	14,553,948
	Printing and stationery	4,639,545
	Freight and forwarding	69,800,236
	Sales commission	5,386,429
	Selling expenses	38,362,887
	Donations and contributions	102,323
	Expenditure on Corporate Social Responsibility	3,500,000
	Legal and professional fees	39,266,690
	Payments to auditors	708,070
	Security charges	12,954,969
	Miscellaneous expenses	2,255,444
	Net loss on foreign currency transactions and translation	(2,385,606)
	Pre-Operative Expenses - Mexico	1,540,248
	Pre-Operative Expenses - Dubai	3,515,623
	Pre-Operative Expenses - BF Precision	2,664,846
		1,185,342,087

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26	**Contingent liabilities and commitments (to the extent not provided for)**	**30-Sep-16 Rs.**
	Contingent liabilities	
	(a) Claims against the Company not acknowledged as debt, in the nature of tax demands	
	Income Tax	27,093,940
	Sales Tax (net of amount fully deposited CY: Rs. 5,517,417/-)	-
	Excise duty	4,647,959
		31,741,899
	(b) Outstanding Letter of Credit issued by Bank (Including obligation towards buyer credits)	205,856,677
	(c) Guarantee given to ICICI Bank Limited for Term Loan in favour of Bill Forge Global DMCC (subsidiary of the Company). The Company assumes eventual loss, if any, on non-payment of the term loan.	613,268,320

27 **Segment reporting**

A. Primary segment information

The Company is engaged in a single business segment of Automobile Components and hence, no additional disclosures are required, other than those already given in the financial information.

B. Secondary segment information

Distribution of the Company's turnover by geographic location of customers

	For the half year ended 30-Sep-16
	Rs.
India	2,463,284,475
Asia Pacific (other than India)	110,838,138
Americas	459,999,803
Europe	71,256,588
	3,105,379,004

Segment assets by location of customers (receivables classified based on location of customer)

	As at 30-Sep-16
	Rs.
India	891,393,430
Asia Pacific (other than India)	58,534,248
Americas	280,503,677
Europe	45,583,280
	1,276,014,635

Cost incurred during the year to acquire segment assets (tangible & intangible fixed assets)

	For the half year ended 30-Sep-16
	Rs.
India	309,189,880
Americas	1,693,996
	310,883,876

28 **Earnings per share**

Particulars	**For the half year ended 30-Sep-16 Rs.**
Net profit / (loss) for the year attributable to the equity shareholders (A)	200,756,044
Weighted average number of equity shares - basic & diluted (B)	1,006,206
Earnings Per Share (Par Value – Rs. 10 each)	
Earnings Per Share basic & diluted (A/B)	199.52

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29 **Related party**

(A) Names of Related Parties

Nature of relationship	Name of related party
Key Management Personnel	Anil Haridass - Managing Director K Ravindra - Director K Hari - Director Sunil Haridass - Director Sunish Sharma Aditya Vij Ashay Chetan Shah
Enterprise in which Key Management Personnel have significant influence	Uni Drivelines Private Limited Universal Heat Exchangers Limited Suraj Precision Engineering Works Private Limited Ainos Holdings Limited Madras Radiators & Pressings Limited Manjushree Technopack Limited Mahindra Logistic Limited Kedaara Capital Advisors LLP JAM Holdings Private Limited Gabriel India Limited Visa Suncoke Limited Kricon Capital Advisors LLP Bill Forge Employees Stock Option Plan Trust

(B) Transaction with Related Parties

Particulars	Key Management Personnel	Enterprise in which Key Management Personnel have significant influence	Total
	2016-17	2016-17	2016-17
	Rs.	Rs.	Rs.
Services received			
Suraj Precision Engineering Works Pvt Ltd	-	26,680,000	**26,680,000**
Sushil Haridass	900,000	-	**900,000**
Purchase of Fixed Asset			
Suraj Precision Engineering Works Pvt Ltd	-	631,125	**631,125**
Remuneration (inclusive of perquisites)			
Anil Haridass	6,803,405	-	**6,803,405**
K Ravindra	4,843,232	-	**4,843,232**
K Hari	5,654,709	-	**5,654,709**
Loans / Advances payable at the period end			
Bill Forge Employees Stock Option Plan Trust	-	9,540,838	**9,540,838**

Note 1: Information of related parties and the relationship is as identified by the Company on the basis of information available with them and relied upon by the auditors.

Note 2: Holding Company has entered into acquisition agreement on 12th September 2016 between Bill Forge Private Limited and Mahindra CIE Automotive Limited, wherein the Bill Forge Private Limited will become a wholly owned subsidiary of the Mahindra CIE Automotive Limited on completion of acquisition. The Company on October 26, 2016 has been acquised 100% by Mahindra CIE Automotive Limited.

30 The Bill Forge Employees Stock Option Plan Trust was formed in the year 2012. The Company had an Employees Stock Option Plan Trust (ESOP) Scheme 2012, and granted options to certain executives. These have been subsequently converted to shares. The ESOP Scheme has been closed in the year 2014-15. The Company has a payable of Rs. 9,540,838/- towards Bill Forge ESOP Trust as at September 30, 2016.

31 These financial information have been prepared by the management for the purpose of its inclusion in the placement document of The Proposed Qualified Institutional Placement of Equity Shares of Mahindra CIE Automotive Limited (The "Issuer") which is prepared in accordance with the requirements of items (3) and (12) of Schedule XVIII of Chapter VIII of the SEBI ICDR Regulations, wherein the financial information of the Company will be included in the placement document of the Issuer.

32 Previous year's figures relating to the Balance sheet have been regrouped/ reclassified where ever necessary to correspond with the current period's classification/disclosure. As this is the first time the interim financial information, previous period's figures for Statement Profit and Loss have not been given.

Deloitte Haskins & Sells LLP Chartered Accountants Bangalore

BILL FORGE PVT. LTD. BANGALORE