

**FORM NO. CAA.3**

[Pursuant to section 230(5) and rule 8]

**In the Matter of amalgamation of  
Bill Forge Private Limited ('Transferor Company'),  
WITH  
Mahindra CIE Automotive Limited ('Transferee Company')  
AND  
their respective shareholders**

**Company Scheme Application No 1335 Of 2018**

**Mahindra CIE Automotive Limited**

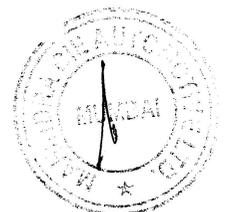
**..... Transferee Company**

**Notice to the Central Government, Regulatory Authorities**

To,  
National Stock Exchange of India Limited  
Corporate Listing Department  
Exchange Plaza, 5th Floor, Plot No. C-1,  
G-Block, Bandra-Kurla Complex,  
Bandra (East), Mumbai 400051

Notice is hereby given in pursuance of sub-section (5) of section 230 of the Companies Act, 2013, that as directed by the Mumbai Bench of the National Company Law Tribunal at Mumbai (the Tribunal) by an Order dated 4<sup>th</sup> January, 2019, Mahindra CIE Automotive Limited is not required to hold either shareholders' meeting or creditors' meeting for approval of the proposed Scheme, since no reconstruction or arrangement happens with shareholders or creditors of the Transferee Company. The Transferee Company is directed to serve notice upon all relevant Regulatory authorities including the Stock Exchanges, Mumbai.

A copy of the scheme of the amalgamation adopted by the Board of Directors, Copy of statement as required under section 230(3), a report adopted by the Directors of the Applicant Company as required under section 232 (2) (c) is enclosed herewith. Since the Scheme involves merged of wholly owned subsidiaries with the holding company no valuation report is required.



It is hereby confirmed that copy of the draft Scheme has been filed with the Registrar.

You are hereby informed that representations, if any, in connection with the proposed Scheme may be made to the Tribunal within thirty (30) days from the date of receipt of this notice. Copy of the representation may simultaneously be sent to the Transferee Company at the registered office at Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai 400018 (email: [shankar.krishnan@mahindracie.com](mailto:shankar.krishnan@mahindracie.com))

In case no representation is received within the stated period of thirty (30) days, it shall be presumed that you have no representation to make on the proposed scheme of Amalgamation.

For Mahindra CIE Automotive Limited



Krishnan Shankar  
Company Secretary and Head – Legal  
Membership Number – F3482

Dated this 6<sup>th</sup> day of February, 2019

Place: Mumbai

Mahindra CIE Automotive Limited  
(CIN: L27100MH1999PLC121285)

Registered Office:

Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai 400018

Tel No.: 022-24931449; Fax No.: 022-24915890

Email: [shankar.krishnan@mahindracie.com](mailto:shankar.krishnan@mahindracie.com)

Website: [www.mahindracie.com](http://www.mahindracie.com)

Enclosures:

Copy of statement as required under section 230(3)

Copy of scheme of amalgamation



**MAHINDRA CIE AUTOMOTIVE LIMITED**

**CIN: L27100MH1999PLC121285**

**Registered Office:** Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai – 400 018.

**Website:** [www.mahindracie.com](http://www.mahindracie.com); **Email:** [mcie.investors@mahindracie.com](mailto:mcie.investors@mahindracie.com);

**Tel:** +91 22 24931449; **Fax:** +91 22 24915890

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**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH**

In the matter of the Companies Act, 2013 (18 of 2013);

AND

In the matter of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013;

And

In the matter of Scheme of Merger by way of absorption of Bill Forge Private Limited (Transferor Company) by Mahindra CIE Automotive Limited (Transferee Company) and their respective shareholders

**C.A. (C.A.A.) / 1335 / MB / 2018**

**MAHINDRA CIE AUTOMOTIVE LIMITED (“MCIE”),**  
Mahindra Towers, P. K. Kurne Chowk, Worli,  
Mumbai – 400 018

**APPLICANT COMPANY / TRANSFEREE COMPANY**

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**STATEMENT UNDER SECTION 230 OF THE COMPANIES ACT, 2013 AND RULE 6 OF THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013.**

**1) Details of the order of the Tribunal directing to serve the notice**

The Mumbai Bench of the National Company Law Tribunal at Mumbai (the Tribunal) by an Order dated 4<sup>th</sup> January, 2019, have directed the Transferee Company to serve notices along-with the documents as mentioned (a) the draft of the proposed terms of the Scheme drawn up and adopted by the Board of Directors; (b) confirmation that a copy of the draft Scheme has been filed with the Registrar; (c) a report adopted by the Directors of the Applicant Company explaining the effect of the amalgamation on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties; (d) a supplementary accounting statement as on 30<sup>th</sup> June, 2018, upon :- (i) concerned Income Tax Authority within whose jurisdiction the Applicant Company assessments are made (PAN AABCM6632J) Office Of the Assistant Commissioner of Income Tax, Circle 7(2)(1), Room No. 126A, 1st Floor Aaykar Bhavan, Maharshi Karve Marg, Mumbai – 400020 (ii) the Central Government through the office of Regional Director, Western region, Mumbai (iii) Registrar of Companies, Mumbai (iv) BSE Limited (BSE) (vi) National Stock Exchange of India Limited (NSE), (vii) the Securities and Exchange Board of India (SEBI), with a direction that they may submit their representations, if any, within a period of thirty (30) days from the date of receipt of such notice to the Tribunal with copy of such representations shall simultaneously be served upon the Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposals.

Further, no meeting of shareholders and creditors of the Transferee Company is required to be convened since no reconstruction or arrangement happens with shareholders or creditors of the Transferee Company

- a. Date of the Order 4<sup>th</sup> January, 2019
- b. Date, time and venue of the meeting:, Not Applicable since no meeting of shareholders or creditors is required to be held for Transferee Company

## **2) Details of the / Transferee Company and the Transferor Company**

### **I. Details of the Transferee Company**

#### **A. Date of incorporation, CIN etc. of the Transferee Company along-with details of change in Name**

The Transferee Company was incorporated on 13<sup>th</sup> day of August 1999, under the name and style Mahindra Automotive Steels Limited (MASL) under the provisions of Companies Act, 1956, as a public limited company. Pursuant to the order of the Central Government dated January 13, 2003 and a fresh certificate of incorporation dated January 15, 2003 received from the Register of Companies (RoC), the Transferee Company was converted from a public limited company to a private limited company and its name was changed to "Mahindra Automotive Steels Private Limited". Pursuant to the special resolution approved by the members at the extra ordinary general meeting held on March 24, 2006 the Transferee Company was converted into a public limited company and received a certificate dated April 4, 2006 from the RoC for change of name to "Mahindra Automotive Steels Limited". Pursuant to a special resolution dated May 19, 2006 and a fresh certificate of incorporation issued on September 26, 2006 by the RoC, the name of Transferee Company was changed from "Mahindra Automotive Steels Limited" to "Mahindra Forgings Limited". Pursuant to a special resolution dated November 1, 2013 and a fresh certificate of incorporation dated November 27, 2013, the name of Transferee Company was changed from "Mahindra Forgings Limited" to its present name "Mahindra CIE Automotive Limited. CIN of the Transferee Company is L27100MH1999PLC121285 and PAN is AABCM6632J

#### **B. The main object of the Transferee Company are set out in the Memorandum of Association of the Transferee Company. The main objects inter alia are as under:**

- i) To carry on business as manufacturers of dealers in and marketing, selling of special steel rolled and forged long products, heavy castings, forgings and assembled components, all grades, types, qualities, shapes, categories, and descriptions of Mild and tool, alloy and special steels including, inter-alia, alloy constructional steel, case hardening steel, nitriding steel, high speed steel, ball bearing steel, fast-cutting steel, hot die steel, die steel, alloy spring steel, stainless and heat resisting steel, carbon tool steel, polished drill rods, silver steel, mining drill steel, high silicon and electrical steel, creep-resisting steel, valve steel, magnet steel, silicon manganese steel and tree cutting quality steel, faggot steel, armour steel, shell steel and high tensile steel.

- ii) To carry on business as manufacturers of, dealers in and sellers of cold drawn and ground bars and sections, polished steel, silver steel, bright bars and shaftings, ball and roller races, wheels, tyres and axles of all kinds, types and descriptions whatsoever, welded, seamless and extruded ferrous and non-ferrous tubes, including, inter alia, mechanical tubing, stainless steel tubing, boiler tubing, fin tubing, ball bearing steel tubes, extruded ferrous and non-ferrous sections and profiles of all types and shapes including hollow and solid sections, steel castings of all types and varieties, forgings, including inter alia, die blocks, rings, discs hubs, sleeves, shafts, crown wheels, cups, shanks, bolts, nuts, screws, stampings, rivets, wire ropes, stranded wire, signal wire, piano wire, blanks, manganese alloys, pig iron, wrought iron, ferro-manganese, ferrochromium, ferro silicon, silico-manganese, ferro-tungsten, ferrovanadium, ferro-titanium, ferro-molybdenum, spiegel iron, graphite electrodes, carbon electrodes, carbon blocks, calcium carbide, carborundum tungsten carbide tips, refractory bricks of any kind, type and description whatsoever, permanent magnets and to carry on the manufacture, preparation, selling and distribution of any electrometallurgical, electro chemical products which may be usefully or conveniently combined with the business of the Company or otherwise calculated, directly or indirectly, to enhance the value of any of the Company's properties and rights for the time being.
- iii) To carry on the business of mechanical, electrical, railway, marine, aeronautical, agricultural, sanitary, civil and structural engineers, aluminium founders, iron founders, brass founders, casters, spinners, rollers and workers of metals and their alloys, founders of metals whether ferrous or non-ferrous, welded by any process whatsoever of ferrous and non-ferrous metals and metal compounds, manufacturers of welding appliances, tool makers, metal workers, boiler makers, mill wrights, machinists, manufacturers of aluminium, magnesium, calcium, sodium, copper, brass, bronze, cobalt, titanium, zirconium, nickel and other metals and their alloys of all kinds and descriptions, tools and implements, sheets, that could be manufactured out of aluminium, iron, steel, brass, zinc, copper or any other kind of metals, converters of iron and steel and other metals, smiths, tin manufacturers and tinkers, wheel wrights, wood workers, builders, painters, metallurgists, water-supply engineers, gas makers, framers, nailers, brushers, electro-platers, silverplaters, nickel-platers, aluminiumplaters, importers, exporters and distributors of all kinds of plant and machinery, apparatus, tools, component parts, accessories, and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in all kind of metals, machinery, implements, tools accessories, hardware of all kinds and things necessary or convenient for carrying on the business.

*Pursuant to special resolution passed at 19th April, 2005 following Clause (III)(C)(106) was inserted into the other object clause of the Transferee Company. Pursuant to Section 149(2A) of Companies Act, 1956, the shareholders of the Transferee Company at the same meeting approved the commencement of following business:*

“To manufacture, machine, fabricate, develop, design, refine, process, research in, contract, install, service, repair, maintain, process, refine, cure, convert or buy, sell, trade in, or otherwise deal in all types, categories, form and description of forgings, castings and stampings of all metals including die making, die casting, machinery parts, moulds, press tools, jigs, fixtures, injections and compression moulding, tools implements, and including but not limited for products such as Crankshafts, Front Axle, Connecting rods, Steering Knuckle, Stub axle, Axle Beam, Gears, Carriers, Flanges, Drives, Yokes, Axles, Links, Levers, Forks, Shifter, Seat Spring, Gears, Pinion, Shafts, Pins, Arms, Cam shaft, any parts required for automotives, engineering, electrical, mechanical, construction, agricultural, electronics, metallurgical, auto component, petroleum, railway, defense or any other industry, transport equipments, earth moving equipments, agricultural equipments, implements including hydraulic machine tools, special purpose machines, die sinking machines, components, parts, accessories, fittings and things used in the manufacture of these equipment in any stage or degree of manufacture, process thereof, any other components, parts or equipments; To undertake sheet metal press jobs and all other engineering job work, structural and rolling works of all kinds, die and press work of all kinds; To research in, develop, design, engineer, manufacture, contract, install, service, maintain, buy and sell, import, export or otherwise deal in forgings, in raw, machined or any other form, including regulating equipment, plant, instruments and controls tooling, fixture gauges, raw materials required to be used and scrap or byproducts generated in the process of manufacture of forging / machining of the same, casting/machining of the same, stampings and tools.”

**C. Main business carried on by the Transferee Company**

The Transferee Company is an auto components supplier with presence in many technologies viz. forgings, castings, stampings, magnetic products and composites. The Transferee Company have a multi-locational and multi-technology business with engineering capabilities and manufacturing facilities of its own and of its subsidiaries in India and in Germany, Spain, Lithuania, Italy and the United Kingdom in Europe. The Transferee Company have an established presence in each of these locations and supply automotive components to its customers based there and export its products to customers based in other countries as well.

**D.** The Registered Office of the Transferee Company is situated at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra, India. The email address is: [mcie.investors@mahindracie.com](mailto:mcie.investors@mahindracie.com)

**E. Details of the capital structure of the Transferee Company including authorized, issued, subscribed and paid up share capital**

(i) The Authorized, issued, subscribed and paid-up share capital of the Transferee Company as on December 31<sup>st</sup>, 2017 is as follows:

<b>Authorized Capital</b>	<b>Amount (Rupees)</b>
513,192,621 Equity Shares of Rs. 10 each	5,131,926,210
5 (Five) 4% Non-Cumulative Redeemable Non-Convertible Preference Shares of Rs. 31 each	155
<b>Total</b>	<b>5,131,926,365</b>
<b>Issued Capital</b>	<b>Amount (Rupees)</b>
378,368,187 Equity Shares of Rs. 10 each	3,783,681,870
<b>Subscribed and Paid – up Capital</b>	<b>Amount (Rupees)</b>
378,367,242 Equity Shares of Rs. 10 each fully paid up	3,783,672,420

The equity shares of the Transferee Company are listed on BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). Subsequent to December 31, 2017 and up to the approval of this Scheme by the Board of the Transferee Company, the Transferee Company has issued and allotted 254,332 equity shares pursuant to exercise of options granted under the Employees Stock Options Scheme of the Transferee Company. Accordingly, the authorised, issued, subscribed and paid-up share capital of the Transferee Company as on the date of approval of this Scheme by the Board of Directors i.e. as at 25<sup>th</sup> September, 2018, is as under

<b>Authorized Capital</b>	<b>Amount (Rupees)</b>
513,192,621 Equity Shares of Rs. 10 each	5,131,926,210/-
5 (Five) 4% Non-Cumulative Redeemable Non-Convertible Preference Shares of Rs. 31 each	155/-
<b>Total</b>	<b>5,131,926,365/-</b>
<b>Issued Capital</b>	<b>Amount (Rupees)</b>
378,622,519 Equity Shares of Rs. 10 each	3,786,225,190/-
<b>Subscribed and Paid – up Capital</b>	<b>Amount (Rupees)</b>
378,621,574 Equity Shares of Rs. 10 each	3,786,215,740/-

There are no existing commitments, obligations or arrangements by the Transferee Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities except to issue shares on exercise of options granted under any of its existing employee stock option schemes.

- (ii) As per the audited balance sheet of the Transferee Company made upto 31.12.2017, the assets and liabilities of the Transferee Company are as follows:

<b>Liabilities</b>	<b>Amount (Rs. in Mio)</b>	<b>Assets</b>	<b>Amount (Rs. in Mio)</b>
Share Capital	3,784	Non-Current Assets	34,609
Reserves and surplus	31,212	Current Assets	8,333
Non- Current Liabilities	727		
Current Liabilities & Provisions	7,219		
<b>Total</b>	<b>42,942</b>	<b>Total</b>	<b>42,942</b>

**F. Details of change of registered office and objects of the Transferee Company during the last five years.**

There was no change in the registered office or objects of the Transferee Company during the last five years.

**G. Name of the promoters and directors of Transferee Company along with their addresses.**

**(i) Promoters**

<b>Name</b>	<b>Address</b>
Participaciones Internacionales Autometal, Dos S.L.	Alameda Mazarredo No 69, 80, 48009, Bilbao (Spain)
Mahindra Vehicle Manufacturers Limited	Mahindra Towers, P. K. Kurne Chowk Worli Mumbai – 400018

**(ii) Directors**

<b>Name</b>	<b>DIN</b>	<b>Designation</b>	<b>Address</b>
Shriprakash Shukla	00007418	Director	B-1503, Chaitanya Towers, Appasaheb Marathe Marg, Nr Scoda Car Show Room, Prabhadevi, Mumbai 400025
Dhananjay Mungale	00007563	Independent Director	A-10, Ameya Apartments, Near Kirti College, Dadar West Mumbai 400028
Manojkumar Maheshwari	00012341	Independent Director	20-A Maheshwari Mansion 34,L Jagmohandas Marg Near Rusian Consulate Cumbala Hill Mumbai 400026
Daljit Mirchandani	00022951	Independent Director	101, Sindh Hsg Soc, Aundh, Pune City Pune 411007
Zhooben Bhiwandiwala	00110373	Director	S-13 Cusrow Baug Shahid Bhagat Singh Road, Colaba Mumbai 400039
Romesh Kaul	00209261	Executive Director	Bungalow No.8 Dariyalal C.h.s.I, JuhuTara Road, Silver Sands Bungalows, Santacruz West Mumbai 400049

Hemant Luthra	00231420	Chairman	D-10, 4th Floor, Sea Face Park, 50, B Desai Road, Mumbai 400026
Suhail Nathani	01089938	Independent Director	801 Prabhu Kutir 15 Altamount Road Mumbai 400026
Neelam Deo	02817083	Independent Director	Apartment No. 4, Fourth floor Scherazade Colaba Dilip Sardesai Chowk Near Faryas Hotel Colaba Mumbai 400005
Jesus Maria Herrera Barandiaran	06705854	Director	CL Andre Mari 49, B 20200 Beasian Gipizkoa Beasian 20200 Es
Juan Maria Bilbao Ugarriza	06963805	Independent Director	CL Huertas De La Viilla 30, 5o, A 48007 Bilbao 48007 ES
Ander Arenaza Alvarez	07591785	Executive Director	Calle Manuel Allende 19, 7A, Izda, 48010, Bilbao-Vizcaya Bilbao 48010 ES

## II. Details of the Transferor Company

A. The Transferor Company was incorporated on 23<sup>rd</sup> December 1982 under the provisions of the Companies Act, 1956, under the name and style “**Bill Forge Private Limited**” with the Registrar of Companies, Bengaluru, with the CIN No. U51392KA1982PTC005086. The PAN of the Transferor Company is AAACB8620J. The Transferor Company is incorporated as a Private Company. However, being a wholly owned subsidiary of a public company namely Mahindra CIE Automotive Limited, in accordance with proviso to Section 2(71) of the Act the Transferor Company is deemed to be a ‘Public Company’ for the purpose of the Companies Act, 2013.

B. **The main object of the Transferor Company are set out in the Memorandum of Association of the Transferor Company. The main objects inter alia are as under:**

To carry on all or any of the business of manufacturers, processors, fabricators, forgers, dealers, importers, exporters, traders and / or otherwise deal in any other capacity in pipes, machinery components, machine tool components, precision components, machined components and all other types of components, machineries of all kinds and description, machinery parts, machine tools, parts of machine tools, all types of tools, equipments, implements jigs, fixtures, gauges, moulds, dyes, spares, hardware, pressed machine parts and components, patterns, valves, toys and other educational instruments, pumps and products of all kinds and description manufactured out of any wood, plastic, non-metals, metals and their alloys.

To carry on all or any of the business of welders, fitters, wire-drawers, too makers, galvanizers, electro-platers, extruders (of ferrous, non-ferrous strips, sheets and extrusions), repairers, mechanics, mechanics-shop keepers, founders, manufacturers of ferrous and non ferrous castings, moulders, spinners, drawers, rollers, pattern makers, wood workers, boiler makers, machinists, iron and steel converters, workshop keepers and vulcanisers.

**C. Main business carried on by the Transferor Company**

Bill Forge is a precision forging company based in Bangalore, India with 6 manufacturing facilities in India across Bangalore, Coimbatore and Haridwar. Bill Forge is a crucial supplier to a number of domestic and global two-wheeler and passenger car OEMs and Tier 1 auto component companies. It manufactures a variety of cold, warm, hot forged and machined components primarily for steering, transmission and wheel-related assemblies.

**D.** The Registered Office of the Transferor Company is situated at No. 9C, Bommasandra Industrial Area, Bangalore 560099, Karnataka, India. The email address is : vijendra@billforge.com

**E. Details of change of name, registered office and objects of the Transferor Company during the last five years.**

There was no change in the name, registered office or objects of the Transferor Company during the last five years.

**F. Details of the capital structure of the Transferor Company including authorized, issued, subscribed and paid up share capital**

(i) The authorized, issued, subscribed and paid-up share capital of the Transferor Company as on December 31, 2017, was as follows:

<b>Authorized Capital</b>	<b>Amount (Rupees)</b>
3,400,000 Equity Shares of Rs. 10 each	34,000,000/-
250,000 Compulsory Convertible Preference Shares of Rs. 10/- each	2,500,000/-
<b>Total</b>	<b>36,500,000/-</b>
<b>Issued Subscribed and Paid – up Capital</b>	<b>Amount (Rupees)</b>
1,171,207 Equity Shares of Rs. 10 each fully paid up	11,712,070/-

The equity shares of the Transferor Company are not listed on the Stock Exchanges.

Subsequent to December 31, 2017 and up to the date of approval of this Scheme by the Board of Transferor Company, there is no change in the stated capital of Transferor Company.

As on the date of approval of this Scheme by the Board of Directors, the entire Equity Share Capital of the Transferor Company is held by the Transferee Company along with its nominees. Accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company.

There are no existing commitments, obligations or arrangements by the Transferor Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.

- (ii) As per the audited balance sheet of the Transferor Company made upto 31.12.2017, the assets and liabilities of the Transferor Company are as follows:

<b>Liabilities</b>	<b>Amount (Rs. In Mio)</b>	<b>Assets</b>	<b>Amount (Rs. in Mio)</b>
Share Capital	11.71	Non-current Assets	2,535.79
Reserves and Surplus	3,442.55	Current Assets	3,551.69
Non-Current Liabilities	690.99		
Current liabilities & Provisions	1,942.23		
<b>Total</b>	<b>6,087.48</b>	<b>Total</b>	<b>6,087.48</b>

**G. Name of the promoters and directors of Transferor Company along with their addresses.**

**(i) Promoters**

Name of the promoters - **Mahindra CIE Automotive Limited**

Address: **Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra, India**

**(ii) Directors**

<b>Name</b>	<b>DIN</b>	<b>Designation</b>	<b>Address</b>
Mr. Anil Haridass	00266080	Managing Director	Vishranti Farm, Doddakalasandra, Kanakapura Main Road, Bangalore 560 062, Karnataka, India
Mr. Hari Krishnan	01566551	Joint Managing Director	# C1101, Mantri Elite, Bannerghatta Road, Bangalore 560076 Karnataka, India
Mr. K Ravindra	00267069	Executive Director	104, 3 <sup>rd</sup> Main Road, II Avenue, Teachers Colony, Koramangala, Bangalore - 560034 Karnataka, India
Mr. Daljit Mirchandani	00022951	Independent Director	101, Sindh Co-Operative Housing Society, Aundh, Pune - 411 007 Maharashtra, India
Mr. Hemant Luthra	00231420	Director	Sea Face Park, Flat No. 10, 4 <sup>th</sup> Floor, Bhulabhai Desai Road Mumbai- 400026 Maharashtra, India
Mr. Manoj Maheshwari	00012341	Independent Director	20A, Maheshwari Mansion, 34L Jagmohandas Marg, Mumbai 400026, Maharashtra, India
Mr. Romesh Kaul	00209261	Director	Bungalow No. 8 Dariyalal C.h.s.I, JuhuTara Road, Silver

			Sands Bungalows, Santacruz West, Mumbai 400049 Maharashtra, India
Mr. Ander Arenaza Alvarez	7591785	Director	19,7,IZ,1, C. Manuel Allende Vizcaya, Bilbao - 48001, Spain

1. **The scheme of compromise or arrangement relates to more than one company. The fact and details of the relationship subsisting between such Companies who are parties to such scheme of compromise or arrangement, including holding, subsidiary or of associate Companies is as under**

The Transferor Company is a wholly owned subsidiary of the Transferee Company

2. **Details of the scheme of amalgamation**

Sr. No.	Category	Particulars
(i)	Parties involved in the Scheme of Amalgamation	Mahindra CIE Automotive Limited and Bill Forge Private Limited
(ii)	Appointed date	1 <sup>st</sup> April, 2018
(iii)	Effective date	<b>Effective Date</b> means the last of the following dates, namely: a. That on which the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 23(a) shall be obtained or passed; or b. That on which the last of the dates on which certified copy of the order of the Tribunal of the Relevant Jurisdiction under Sections 230 to 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies of the Relevant Jurisdiction
(iv)	Share exchange ratio (if applicable) and other considerations, if any;	Not Applicable. Since Transferor Company is a wholly-owned subsidiary of the Transferee Company, and is being absorbed by its Holding Company, no shares will be issued as consideration for the amalgamation and the shares held by Transferee Company in the Transferor Company shall stand cancelled. As a result, the shareholders of MCIE will continue to remain beneficial owners of MCIE in the same proportion in which they hold shares in MCIE prior to amalgamation.
(v)	Summary of valuation report (if applicable) including basis of valuation and fairness opinion of the registered valuer, if any;	Not Applicable since the scheme is pertaining to amalgamation of wholly-owned subsidiary of the Transferee Company

(vi)	Details of capital/debt restructuring, if any;	<p>The Scheme does not involve any capital or debt restructuring. No shares will be issued as consideration for the amalgamation and the shares held by Transferee Company, in the Transferor Company shall stand cancelled.</p> <p>However, the Authorised Share capital of the Transferee Company shall be increased by the Authorised Share Capital of the Transferor Company and relevant clauses of Memorandum of Association and Articles of Association of the Transferee Company shall be altered, in accordance with Clause 17 of the Scheme</p>
(vii)	Rationale for the compromise or arrangement and	<p>In October 2016, the Transferee Company completed strategic acquisition of the entire shares of the Transferor Company. The acquisition was intended to significantly strengthen the Transferee Company's market position and capability of delivering innovative solutions in the market. The acquisition was made of the Transferor Company for its tangible and valuable intangible assets.</p> <p>This scheme of merger by absorption is expected to enable better realisation of potential of the businesses of the Companies and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, customers, creditors and employees.</p> <p>The rationale for the proposed Scheme is set out below:</p> <ol style="list-style-type: none"> <li>a. Both the entities are engaged into similar line of business and as a result the merger would lead to better leveraging of manufacturing facility (including facility of the Transferee Company's Pune plant) and marketing facilities and will bring both the entities under one roof to portray one face to all the customers.</li> </ol> <p>Further, the combined entity will have a bigger portfolio of products targeted at a wider array of customers, which will strengthen its competitive position in the market. This will also enable the Transferee Company to offer newer products to its customers.</p> <ol style="list-style-type: none"> <li>b. Consolidation of the business and simplification of the group structure.</li> <li>c. Merger will provide the Transferee Company access to the Transferor Company's additional forging technology in the form of cold forgings and warm forging;</li> <li>d. The Transferee Company will offer a strong financial structure to all stakeholders including the creditors of the Transferor Company. The merger will help the combined entity to get better credit facilities/terms from the debt market and banks.</li> </ol>

		<p>e. Unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund organic and inorganic growth opportunities and to maximize shareholders value; It strengthens the dividend paying abilities of the Transferee Company.</p> <p>f. Administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses and optimal utilization of various resources. It will prevent leakage of cost incurred on transfer of goods between both the entities.</p> <p>g. Reduction in compliances and statutory filings with various government departments;</p> <p>h. Merger will reduce managerial overlaps involved in running multiple entities. This will enable management efforts being more concentrated towards growth of the combined business;</p> <p>i. Enhances the Company's ability to fund future acquisition from internal accruals;</p> <p>j. It will improve and consolidate internal controls and enable functional integration at various level of the organization such as information technology, human resources, finance, secretarial, legal and general management leading to an efficient organization capable of responding swiftly to volatile and rapidly changing market scenarios; and</p> <p>k. The Scheme does not affect the rights and interests of the shareholders or the creditors of the Transferee/ Transferor Company. The shareholding and other rights of the members of the Transferee Company will remain unaffected as no new shares are proposed to be issued by the Transferee Company and there is no change in the capital structure. Further, the creditors of the Transferee Company/ Transferor Company will not be affected by the Scheme since the combined assets of the Transferee Company are more than its combined liabilities.</p> <p>In view of the above, the Board of Directors of the Transferor Company as well as Board of Directors of the Transferee Company have considered and proposed the merger of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the Companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Merger by Absorption pursuant to the provisions of Sections 230 to 232 or other applicable provisions of the Companies Act, 2013 as may be applicable and rules framed thereunder.</p>
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(viii)	Benefits of the compromise or arrangement as perceived by the Board of directors of the parties involved, to the Companies, their members, creditors and others (as applicable);	<p>the proposed merger would unlock the various synergies which included the following:</p> <ul style="list-style-type: none"> <li>• <u>Production and Marketing synergies:</u> <ul style="list-style-type: none"> <li>• Possibility to offer larger product portfolio to wide array of customers which will also enable the Company to offer newer products to its customers.</li> <li>• Better leveraging of the manufacturing and marketing capacity through optimization of the capacity moving assets form one location to another.</li> <li>• Direct accesses to operations and resources between both the entities without transfer pricing issues and transfer cost.</li> </ul> </li> <li>• <u>Financial synergies</u> <ul style="list-style-type: none"> <li>• Improves cash flow optimization and control which can be deployed more efficiently to fund organic and inorganic growth opportunities</li> <li>• Being able to transfer cash easily and without cost from one division to another. Reduce bank financing necessity. Strong financial position for negotiation with banks</li> <li>• Enhances dividend paying abilities of the Company</li> <li>• Thus, result in improved shareholder value for the Company by improved financial structure and cash, increased assets base and stronger consolidated revenue and profitability</li> </ul> </li> <li>• <u>Accounting and Tax synergies</u> <ul style="list-style-type: none"> <li>• Simplifies the accounting compliance requirements: only one set of annual accounts, significant reduction of transfer pricing requirements, more efficient financial audit, simpler consolidation process.</li> <li>• Single/ consolidated and simplifies the process of undertaking direct and indirect tax compliances (illustratively filing of single income tax return)</li> <li>• Optimization of the effective corporate tax rate</li> </ul> </li> <li>• <u>Organization synergies</u> <ul style="list-style-type: none"> <li>• Reduction in managerial overlaps involved in running multiple entities and speed up the overall decision-making process</li> <li>• reduce duplication of system and process (including administrative process)</li> </ul> </li> </ul>
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		<ul style="list-style-type: none"> <li>• Overall organizational efficiency due to functional integration at various level of the organization such as information technology, human resources, finance, secretarial, legal and general management</li> <li>• reduces overall regulatory filings/ compliances and cost involved there in</li> <li>• Simplification of Group structure</li> </ul>
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**3. Amount due to unsecured creditors as on 30th September, 2018**

Particulars	Transferee Company	Transferor Company
Unsecured Creditors	Rs. 3,602,134,732/-	Rs. 202,74,88,259/-

4. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, which has been approved by the respective Board of Directors of the Transferor Company and Transferee Company at their respective meetings is attached to this explanatory statement and forms part of this statement.

**5. Salient features of the scheme:**

- a. This Scheme of Merger is presented inter-alia for the merger by way of absorption of Bill Forge Private Limited by Mahindra CIE Automotive Limited, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules made thereunder. This Scheme seeks to amalgamate and consolidate the business of Bill Forge Private Limited (“Transferor Company”) and Mahindra CIE Automotive Limited (“Transferee Company”). The Transferor Company is a wholly owned subsidiary of the Transferee Company.
- b. The Scheme shall be effective from the Appointed Date but shall be operative from the Effective Date.
- c. Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal of Relevant Jurisdiction and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the Undertakings of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in the Scheme.
- d. The Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company and the issued and paid-up capital of the Transferor Company shall stand cancelled on the Effective Date without any further act, instrument or deed.
- e. As a part of this Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Company and Clause V of the Memorandum of association and Article-3 of the Articles of Association shall be amended in that manner.

- f. Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up without any further act or deed
  - g. All costs, charges, taxes, including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing the Scheme and matters incidental thereto shall be borne and paid by the Transferee Company
6. There are no investigation proceedings are pending against the Applicant Company under Sections 235 to 251 or any other provisions of the Companies Act, 1956 or Sections 206 to 229 of the Companies Act, 2013.
  7. In accordance with Section 232(2)(b) it is hereby confirmed that, the scheme has been filed by the Transferor Company with Registrar of Companies, Karnataka and by the Transferee Company with Registrar of Companies, Mumbai, Maharashtra
  8. Inspection of the following documents may be taken at the Registered Office of the Transferor Company and the Transferee Company on any working day (except Saturday and Sunday) prior to the date of the meeting between 10.00 A.M. to 4.00 PM.
    - (a) Order dated 16/01/2019 of the Hon'ble Tribunal, Bengaluru passed in Company Application (CAA) No 03/BB/2018 directing the convening of the meeting of Unsecured Creditors of the Transferor Company.
    - (b) Order dated 04/01/2019 passed by the Mumbai Bench of the National Company Law Tribunal in the C.A.(C.A.A.)/1335/MB/2018 directing the Transferee Company to issue notices to regulatory authorities
    - (c) Copy of the Scheme of Amalgamation.
    - (d) Memorandum and Articles of Associations of the Transferor and the Transferee Companies.
    - (e) The Audited Financial Statement including consolidated financial statements of the Transferor Company and the Transferee Company for the year ended 31<sup>st</sup> December, 2017
    - (f) Copy of the certificate issued by Auditor of the Transferee Company to the effect that the accounting treatment if any proposed in the scheme of compromise or arrangement is in conformity with the Accounting standards prescribed under section 133 of the Companies Act, 2013.

There are no contract or agreements material to the Scheme

9. **Details of approvals, sanctions or no-objection(s), if any, form regulatory or any other government authorities required, received or pending for the purpose scheme of compromise or arrangement**
  - (i) Pursuant to Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circulars issued by SEBI from time to time, Transferee Company has filed the draft schemes with BSE Limited and National Stock Exchange of India Limited (the Stock Exchanges) for the purpose of disclosures and the Stock Exchanges have disseminate the scheme documents on their websites.

- (ii) The Transferor Company and the Transferee Company will serve the notices as directed by the Tribunal along-with copy of the Scheme and all the necessary document with the Regional Director, Income Tax Authorities, and Registrar of Companies of the relevant jurisdiction
  - (iii) After the Scheme of Amalgamation is approved by Unsecured Creditors of the Transferor Company, it will be further subject to the approval by the Hon'ble National Company Law Tribunal Bengaluru Bench and National Company Law Tribunal, Mumbai Bench
10. There are no winding up proceedings pending against the Transferor Company or the Transferee Company as of date of this Notice.
11. This statement may also be treated as an Explanatory Statement under Section 102 of the Companies Act, 2013.

Dated this 7<sup>th</sup> day of February, 2019

By order of the Board  
Mahindra CIE Automotive Limited

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

**Registered Office:**

Mahindra Towers, P. K. Kurne Chowk,  
Worli, Mumbai - 400 018.  
CIN: L27100MH1999PLC121285  
E-mail: mcie.investors@mahindracie.com  
Tel: +91 22 24931441; Fax: +91 22 24915890

## **SCHEME OF MERGER**

**BY AND AMONG**

**BILL FORGE PRIVATE LIMITED ('TRANSFEROR COMPANY')**

**AND**

**MAHINDRA CIE AUTOMOTIVE LIMITED ('TRANSFeree COMPANY')**

**AND**

**THEIR RESPECTIVE MEMBERS**

**Under Sections 230 to 232 or other applicable provisions of the Companies Act, 2013 as may be applicable and rules framed thereunder)**

### **PRELIMINARY**

#### **1. OVERVIEW**

- 1.1 This Scheme of Merger is presented inter-alia for the merger by way of absorption of Bill Forge Private Limited by Mahindra CIE Automotive Limited, pursuant to Sections 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules made thereunder.*
- 1.2 This Scheme seeks to amalgamate and consolidate the business of Bill Forge Private Limited ("Transferor Company") with that of Mahindra CIE Automotive Limited ("Transferee Company") which is a wholly owned subsidiary of the Transferee Company. The Board of Directors of the Transferor Company and the Transferee Company (together referred to as the "Amalgamating Companies") have resolved that the merger by way of absorption of the Transferor Company into the Transferee Company would be in the interests of all the stakeholders of the Amalgamating Companies, as it would result in increased operational efficiencies, bring economies of scale and result in synergetic integration of businesses presently being carried on by the Amalgamating Companies.*
- 1.3 This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.*

#### **2. DESCRIPTION OF AMALGAMATING COMPANIES**

##### **2.1 Transferor Company**

Bill Forge Private Limited is a company incorporated under the Companies Act, 1956, having CIN - U51392KA1982PTC005086, with its registered office at No. 9C, Bommasandra-Industrial Area, Bangalore Karnataka, India ("Transferor Company" or "Bill Forge"). Bill Forge is a precision forging company based in Bangalore, India with

6 manufacturing facilities in India across Bangalore, Coimbatore and Haridwar. Bill Forge is a crucial supplier to a number of domestic and global two-wheeler and passenger car OEMs and Tier 1 auto component companies. It manufactures a variety of cold, warm, hot forged and machined components primarily for steering, transmission and wheel-related assemblies;

## 2.2 Transferee Company

Mahindra CIE Automotive Limited is a public limited company incorporated under the Companies Act, 1956, having CIN-L27100MH1999PLC121285, with its registered office at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra, India (“Transferee Company” or “MCIE”). The Transferee Company is a multi-locational and multi-technology business with engineering capabilities and manufacturing facilities of its own and of its subsidiaries in India and in Germany, Spain, Lithuania, Italy and the United Kingdom. The Company has an established presence in each of these locations and supply automotive components to its customers based there and export its products to customers based in other countries as well. The equity shares of the Transferee Company are listed on the BSE and the NSE.

The Transferor Company is a wholly owned subsidiary of the Transferee Company.

## 3. *RATIONALE FOR THE SCHEME*

In October 2016, the Transferee Company completed strategic acquisition of the entire shares of the Transferor Company. The acquisition was intended to significantly strengthen the Transferee Company’s market position and capability of delivering innovative solutions in the market. The acquisition was made of the Transferor Company for its tangible and valuable intangible assets.

This scheme of merger by absorption is expected to enable better realisation of potential of the businesses of the companies and yield beneficial results and enhanced value creation for the Companies, their respective shareholders, customers, creditors and employees.

The rationale for the proposed Scheme is set out below:

- a. Both the entities are engaged into similar line of business and as a result the merger would lead to better leveraging of manufacturing facility (including facility of the Transferee Company’s Pune plant) and marketing facilities and will bring both the entities under one roof to portray one face to all the customers.

Further, the combined entity will have a bigger portfolio of products targeted at a wider array of customers, which will strengthen its competitive position in the market. This will also enable the Transferee Company to offer newer products to its customers.

- b. Consolidation of the business and simplification of the group structure.
- c. Merger will provide the Transferee Company access to the Transferor Company’s additional forging technology in the form of cold forgings and warm forging;

- d. The Transferee Company will offer a strong financial structure to all stakeholders including the creditors of the Transferor Company. The merger will help the combined entity to get better credit facilities/terms from the debt market and banks.
- e. Unfettered access to cash flow generated by the combined businesses which can be deployed more efficiently to fund organic and inorganic growth opportunities and to maximize shareholders value; It strengthens the dividend paying abilities of the Transferee company.
- f. Administrative and operational rationalization, organizational efficiencies, reduction in overheads and other expenses and optimal utilization of various resources. It will prevent leakage of cost incurred on transfer of goods between both the entities.
- g. Reduction in compliances and statutory filings with various government departments;
- h. Merger will reduce managerial overlaps involved in running multiple entities. This will enable management efforts being more concentrated towards growth of the combined business;
- i. Enhances the Company's ability to fund future acquisition from internal accruals;
- j. It will improve and consolidate internal controls and enable functional integration at various level of the organization such as information technology, human resources, finance, secretarial, legal and general management leading to an efficient organization capable of responding swiftly to volatile and rapidly changing market scenarios; and
- k. The Scheme does not affect the rights and interests of the shareholders or the creditors of the Transferee/ Transferor Company. The shareholding and other rights of the members of the Transferee Company will remain unaffected as no new shares are proposed to be issued by the Transferee Company and there is no change in the capital structure. Further, the creditors of the Transferee Company/ Transferor Company will not be affected by the Scheme since the combined assets of the Transferee Company are more than its combined liabilities.

In view of the above, the Board of Directors of the Transferor Company as well as Board of Directors of the Transferee Company have considered and proposed the merger of the Transferor Company with the Transferee Company in order to benefit the stakeholders of both the Companies. Accordingly, the Board of Directors of the Transferor Company and the Transferee Company have formulated this Scheme of Merger by Absorption pursuant to the provisions of Sections 230 to 232 or other applicable provisions of the Companies Act, 2013 as may be applicable and rules framed thereunder.

#### **4. PARTS OF THE SCHEME**

The Scheme of merger is divided into following three parts:

- (i) **Part I** – Deals with the definitions and share capital;
- (ii) **Part II**– Deals with merger of Bill Forge Private Limited with Mahindra CIE Automotive Limited; and
- (iii) **Part III** – Deals with the dissolution of the Transferor Company and General Clauses, Terms and Conditions applicable to the Scheme.

## **PART I – DEFINITIONS, INTERPRETATION AND SHARE CAPITAL**

### **5. DEFINITIONS AND INTERPRETATION**

In this Scheme, unless repugnant to the meaning or context thereof, (i) terms defined in the introductory paragraphs and recitals shall have the same meanings throughout this Scheme and (ii) the following words and expressions, wherever used (including in the recitals and the introductory paragraphs above), shall have the following meanings:

- 5.2. ‘**Act**’ or ‘**the Act**’ means the Companies Act, 2013 and Rules made thereunder.
- 5.3. ‘**Applicable Law(s)**’ means any statute, notification, bye laws, rules, regulations, guidelines, rule or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions law enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force.
- 5.4. ‘**Appointed Date**’ means the 1<sup>st</sup> day of April, 2018.
- 5.5. ‘**Appropriate Authority**’ means any governmental, statutory, regulatory, departmental or public body or authority of the Relevant Jurisdiction including Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies of Maharashtra and Karnataka, the National Company Law Tribunal of Relevant Jurisdiction
- 5.6. “**Board of Directors**” or “**Board**” in relation to the Transferor Company and the Transferee Company, as the case may be, means the board of directors of such company, and shall include a committee duly constituted and authorised for the purposes of matters pertaining to the merger, this Scheme and/or any other matter relating thereto;
- 5.7. ‘**Effective Date**’ means the last of the following dates, namely:
- a. That on which the last of the consents, approvals, permissions, resolutions and orders as mentioned in Clause 23(a) shall be obtained or passed; or
  - b. That on which the last of the dates on which certified copy of the order of the Tribunal of the Relevant Jurisdiction under Sections 230 to 232 of the Act sanctioning the Scheme is filed with the Registrar of Companies of the Relevant Jurisdiction.
- Any references in this Scheme to the date of “**coming into effect of this Scheme**” or “**effectiveness of this Scheme**” or “**Scheme taking effect**” shall mean the Effective Date;
- 5.8. “**Governmental Authority**” means (i) a national government, political subdivision thereof; (ii) an instrumentality, board, commission, court, or agency, whether civilian or military, of any of the above, however constituted; and (iii) a government-owned/ government-controlled association, organization in the Republic of India;
- 5.9. ‘**Relevant Jurisdiction**’ means the territories of the State of Maharashtra or State of Karnataka or Republic of India.

- 5.10. **‘Scheme’ or ‘the Scheme’ or ‘this Scheme’** means this Scheme of Merger by absorption in its present form as submitted to the Tribunal of Relevant Jurisdiction with any modification(s) made under Clause 25 of the Scheme as approved or directed by the Tribunal or such other competent authority, as may be applicable.
- 5.11. **‘SEBI’** means the Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992;
- 5.12. **‘SEBI Circular’** shall mean the circular issued by the SEBI, being Circular **CFD/DIL3/CIR/2017/21** dated March 10, 2017, and any amendments thereof.
- 5.13. **‘Stock Exchanges’** means the BSE Limited and National Stock Exchange of India Limited;
- 5.14. **‘Tribunal’** means the National Company Law Tribunal, Mumbai Bench and/or the National Company Law Tribunal, Bengaluru Bench as constituted and authorized as per the applicable provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under Section 230 to 240 of the Companies Act, 2013, if applicable.
- 5.15. **“Undertaking”** means all the undertakings and entire business of the Transferor Company as a going concern, including, without limitation:
- a. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature) of the Transferor Company, whether situated in India or abroad, including, without limitation, all manufacturing units and facilities, all land, buildings and structures, offices, residential and other premises, capital work-in-progress, machines and equipments, furniture, fixtures, office equipment, computers, appliances, accessories, power lines, stocks (including work-in-progress and transit), current assets (including inventories, sundry debtors, bills of exchange, loans and advances), investments of all kinds (including shares, scrips, stocks, bonds, debenture stocks, units or pass through certificates), cash and bank accounts (including bank balances), contingent rights or benefits, benefits of any deposits, earnest monies, receivables, advances or deposits paid by or deemed to have been paid by the Transferor Company, financial assets, benefit of any bank guarantees, performance guarantees and letters of credit, leases (including lease rights), hire purchase contracts and assets, lending contracts, rights and benefits under any agreement, benefit of any security arrangements or under any guarantees, reversions, powers, tenancies in relation to the office and/or residential properties, guest houses, godowns, warehouses, vehicles, D.G. sets, share of any joint assets, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, other benefits (including tax benefits), tax holiday benefit, incentives, deductions, exemptions, rebates, allowances, amortizations, credits (including tax credits), Minimum Alternate Tax Credit entitlement (“MAT Credit”) and advance income tax payments, unabsorbed depreciation and carried forward business losses (if available) under Income Tax Act 1961, the input credit balances (including SGST, CGST and IGST credits) under the Good and Service Tax (GST)

laws, all customs duty benefits and exemptions, export and import incentives and benefits or any other benefits/incentives/ exemptions given under any policy announcements issued or promulgated by the government of India, any state government or any other government body or authority or any other like benefits under any statute and advantages of whatsoever nature belonging to or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company, including but without being limited to recognition or approvals received from government departments/ authorities, the CENVAT/MODVAT credit balances under the Central Excise Act, 1944, duty drawback claims, rebate receivables, refunds and advances, contracts entered into by the Transferor Company (including but not limited to government contracts procured by the Transferor Company), privileges and all other rights, easements, privileges, liberties and advantages of whatsoever nature and wheresoever situate belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Transferor Company or in connection with or relating to the Transferor Company and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Company, whether in India or abroad;

- b. all permits, quotas, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreements or otherwise), municipal permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions in respect of the profits of the undertaking for the residual period, i.e., for the period remaining as on the Appointed Date out of the total period for which the benefit or exemption is available in law if the merger pursuant to this Scheme does not take place, all other rights including sales tax deferrals and exemptions and other benefits, receivables, and liabilities related thereto, licenses, powers and facilities of every kind, nature and description whatsoever provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Company;
- c. all debts, borrowings, obligations, duties and liabilities, both present and future (including deferred tax liabilities, contingent liabilities and the Liabilities and obligations under any licenses or permits or schemes) of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, whether secured or unsecured, whether in Rupees or foreign currency, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Company. Provided that, any reference in the security documents or arrangements entered into by the Transferor Company and under which, the assets of the Transferor Company stand offered as a security, for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to that Undertaking of the Transferor Company only as are vested in the Transferee Company by virtue of the Scheme and the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by the Transferor Company which shall vest in the Transferee Company by virtue of the merger and the Transferee Company shall not be obliged to create any further or additional security therefore after the merger has become effective.

- d. All other obligations of whatsoever kind, including liabilities of the Transferor Company with regard to its employees, with respect to the payment of gratuity, pension benefits and the provident fund or compensation, if any, in the event of resignation, death, voluntary retirement or retrenchment.
- e. all trade and service names and marks, patents, copyrights, brands, knowhow, designs, trade secrets, customer contracts, established customer base and information, supplier contracts, domain name, Unpatented proprietary technology, product and process, a time tested range of products with significant sales coming from unrelated parties, skilled labour, strategic location of the factories and other intellectual property rights of any nature whatsoever constituting in the overall goodwill of the business, books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, sales and advertising material, lists of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to business activities and operations of the Transferor Company;
- f. Amounts claimed by the Transferor Company whether or not so recorded in the books of accounts of the Transferor Company from any Governmental Authority, under any law, act or rule in force, as refund of any tax, duty, cess or of any excess payment.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.

References to clauses and recitals, unless otherwise provided, are to clauses and recitals **of and to this Scheme.**

The headings herein shall not affect the construction of this Scheme. Unless the context otherwise requires:

- i. the singular shall include the plural and vice versa, and references to one gender include all genders.
- ii. references to a person include any individual, firm, body corporate (whether incorporated), government, state or agency of a state or any joint venture, association, partnership, works council or employee representatives body (whether or not having separate legal personality).
- iii. Whenever the words include, includes or including are used, they will be deemed to be followed by the words "without limitation", whether or not they are in fact followed by those words or words of like import;
- iv. reference to any law or to any provision thereof or to any rule or regulation promulgated thereunder includes a reference to such law, provision, rule or regulation as it may, from time to time, be amended, supplemented or re-enacted, or to any law, provision, rule or regulation that replaces it.

## 6. **DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form with or without any modification(s) approved or imposed or directed by the Tribunal or made as per the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

Any references in the Scheme to 'upon the Scheme becoming effective' or 'effectiveness of the Scheme' shall mean the Effective Date.

## 7. **SHARE CAPITAL**

### 7.1 **The share capital of Transferor Company as at December 31, 2017 is as under:**

<b>Particulars</b>	<b>Amount (Rupees)</b>
<b>Authorized Capital</b>	
3,400,000 Equity Shares of Rs. 10 each	34,000,000
250,000 Compulsory Convertible Preference Shares of Rs. 10/- each	2,500,000
<b>Total</b>	<b>36,500,000</b>
<b>Issued</b>	
1,171,207 Equity Shares of Rupees 10 each	11,712,070
<b>Subscribed and Paid – up</b>	
1,171,207 Equity Shares of Rupees 10 each	11,712,070
<b>Total</b>	<b>11,712,070</b>

The equity shares of the Transferor Company are not listed on the Stock Exchanges.

Subsequent to December 31, 2017 and up to the date of approval of this Scheme by the Board of Transferor Company, there is no change in the stated capital of Transferor Company.

As on the date of approval of this Scheme by the Board of Directors, the entire Equity Share Capital of the Transferor Company is held by the Transferee Company along with its nominee. Accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company.

There are no existing commitments, obligations or arrangements by the Transferor Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities.

### 7.2 **The share capital of Transferee Company as at December 31, 2017 is as under**

<b>Particulars</b>	<b>Amount (Rupees)</b>
<b>Authorized Capital</b>	

513,192,621 Equity Shares of Rs. 10 each	5,131,926,210
5 4% Non-Cumulative Redeemable Non-Convertible Preference Shares of Rs. 31 each	155
<b>Total</b>	<b>5,131,926,365</b>
<b>Issued</b>	
378,368,187 Equity Shares of Rs. 10 each	3,783,681,870
<b>Subscribed and Paid – up</b>	
378,367,242 Equity Shares of Rs. 10 each	3,783,672,420
<b>Total</b>	<b>3,783,672,420</b>

The equity shares of the Transferee Company are listed on BSE Limited (BSE.) and the National Stock Exchange of India Limited ('NSE').

Subsequent to December 31, 2017 and up to the approval of this Scheme by the Board of the Transferee Company, the Transferee Company has issued and allotted 254,332 equity shares pursuant to exercise of options granted under the Employees Stock Options Scheme of the Transferee Company.

Accordingly, the authorised, issued, subscribed and paid-up share capital of the Transferee Company as on the date of approval of this Scheme by the Board of Directors i.e. as at 25<sup>th</sup> September, 2018, is as under

<b>Particulars</b>	<b>Amount (Rupees)</b>
<b>Authorized Capital</b>	
513,192,621 Equity Shares of Rs. 10 each	5,131,926,210
5 4% Non-Cumulative Redeemable Non-Convertible Preference Shares of Rs. 31 each	155
<b>Total</b>	<b>5,131,926,365</b>
<b>Issued Capital</b>	
378,622,519 Equity Shares of Rs. 10 each	3,786,225,1900
<b>Subscribed and Paid – up Capital</b>	
378,621,574 Equity Shares of Rs. 10 each	3,786,215,740
<b>Total</b>	<b>3,786,215,740</b>

There are no existing commitments, obligations or arrangements by the Transferee Company as on the date of sanction of this Scheme by the Board of Directors to issue any further shares or convertible securities except to issue shares on exercise of options granted under any of its existing employee stock option schemes.

## **PART II – MERGER OF BILL FORGE WITH MCIE**

### **8. TRANSFER AND VESTING**

8.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the Tribunal of Relevant Jurisdiction and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, the Undertakings of the Transferor Company shall be and stand vested in or be deemed to have been vested in the Transferee Company, as a going concern without any further act, instrument, deed, matter or thing so as to become, as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

#### 8.1.1 Vesting of Assets

(a.) Without prejudice to the generality of Clause 8.1 above, upon the coming into effect of this Scheme and with effect from the Appointed Date, all the estate, assets, properties, rights, claims, title, interest and authorities including accretions and appurtenances comprised in the Undertakings of whatsoever nature and where so ever situate shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions of Applicable Law, if any, without any further act or deed, be and stand transferred to and vested in the Transferee Company and/or be deemed to be transferred to and vested in the Transferee Company as a going concern so as to become, as and from the Appointed Date, the estate, assets, properties, rights, claims, title, interest and authorities of the Transferee Company. Provided that the movable assets of the Transferor Company shall vest in the Transferee Company in the manner laid down hereunder:

- i. Without prejudice to the provisions of Clause 8.1.1 above, in respect of such of the assets and properties of the Transferor Company as are movable in nature or incorporeal property or are otherwise capable of vesting or transfer by delivery or possession, or by endorsement and/or delivery, the same shall stand so transferred or vested by the Transferor Company upon the coming into effect of this Scheme, and shall, become the assets and property of the Transferee Company with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act, without requiring any deed or instrument of conveyance for transfer or vesting of the same.
- ii. In respect of such of the assets and properties belonging to the Transferor Company (other than those referred to in Clause (i) above) including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any government, quasi government, local or other authority or body or with any company or other person, the same shall stand transferred to and vested in the Transferee Company and/or be deemed to have been transferred to and vested in the Transferee Company, without any further act, instrument or deed, cost or charge and without any notice or other intimation to any third party, upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.

- iii. All assets, rights, title, interest, investments and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets, rights, title, interest, investments and properties, which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets, rights, title, interest, investments and properties of the Transferee Company, and shall under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
  - iv. All the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether on, before or after the Appointed Date, including income tax benefits and exemptions, shall, under the provisions of Sections 230 to 232 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in and/or be deemed to be transferred to and vested in and be available to the Transferee Company so as to become the licenses, permits, registrations, quotas, entitlements, approvals, permissions, registrations, incentives, tax deferrals, exemptions and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Transferee Company and shall remain valid, effective and enforceable on the same terms and conditions.
- (b.) All assets and properties of the Transferor Company as on the Appointed Date, whether or not included in the books of the Transferor Company, and all assets and properties which are acquired by the Transferor Company on or after the Appointed Date but prior to the Effective Date, shall be deemed to be and shall become the assets and properties of the Transferee Company, and shall under the relevant provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in, and be deemed to have been transferred to and vested in, the Transferee Company upon the coming into effect of this Scheme pursuant to the relevant provisions of the Act.
  - (c.) All intangible assets (including but not limited to goodwill) belonging to but not recorded in the books of accounts of the Transferor Company and all intangible assets (including but not limited to goodwill) arising or recorded in the process of merger in the books of the Transferee Company, shall, for all purposes, be regarded as intangible assets in terms of Explanation 3(b) to Section 32(1) of the Income-tax Act, 1961 and the Transferee Company shall be eligible for depreciation there under at the prescribed rates.
  - (d.) From the Appointed Date, all immovable properties, of the Transferor Company, as described in the Schedule A, including land together with the buildings and structures standing thereon and rights and interests in immovable properties of the Transferor Company, whether freehold or leasehold or otherwise, and all documents of title, rights

and easements in relation thereto, shall, stand vested in and/or be deemed to have been vested in the Transferee Company. The Transferee Company shall upon the Scheme becoming effective, be always entitled to all the rights and privileges attached in relation to such immovable properties and shall be liable to pay appropriate rent, rates and taxes and fulfil obligations in relation thereto or as applicable to such immovable property. Upon the Scheme becoming effective, the title to such properties shall be deemed to have been mutated and recognized as that of the Transferee Company and the mere filing thereof with the appropriate registrar or sub-registrar of assurances or with the relevant Government Authorities shall suffice as record of continuing titles with the Transferee Company and shall constitute a deemed mutation and substitution thereof. The Transferee Company shall, subsequent to the Scheme becoming effective, be entitled to the delivery and possession of all documents of title to such immovable property in this regard. It is hereby clarified that all the rights, title and interest of the Transferor Company in any leasehold or freehold properties shall, pursuant to the provisions of this Scheme, without any further act, instrument or deed, be vested in, or be deemed to have been vested in, the Transferee Company.

- (e.) Upon the scheme coming into effect and with effect from the Appointment date, the title to the immovable properties of the Transferred Undertakings shall be deemed to have been mutated and recognised as that of the Transferee Company and the mere filing of the certified true copy of the vesting order of the Court sanctioning the Scheme with the appropriate Registrar or Sub—registrar of Assurances or with the relevant Government agencies shall suffice as record of continuing title of the immovable properties of the Transferred Undertakings with the Transferee Company pursuant to the Scheme becoming effective and shall constitute a deemed mutation and substitution thereof.

## **9. CONTRACTS, DEEDS ETC.**

- a. Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements, insurance, letters of Intent, undertakings, policies and other instruments of whatsoever nature, to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder.
- b. Without prejudice to the other provisions of this Scheme and notwithstanding that vesting of the Undertakings occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or arrangements with any party to any contract or arrangement to which any of the Transferor Company is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, after the Effective Date, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.

- c. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme and with effect from the Appointed Date, all consents, permissions, licenses, certificates, clearances, authorities, powers of attorney given by, issued to or executed in favour of the Transferor Company shall stand transferred to the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company, and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Transferee Company.

## **10. TRANSFER OF LIABILITIES**

- a. Upon the coming into effect of this Scheme and with effect from the Appointed Date all debts and liabilities of the Transferor Company including all secured and unsecured debts (in whatsoever currency), liabilities (including contingent liabilities), duties and obligations of the Transferor Company of every kind, nature and description whatsoever whether present or future, and howsoever arising, along with any charge, encumbrance, lien or security thereon (herein referred to as the "Liabilities") shall, pursuant to the sanction of this Scheme by the Tribunal and under the provisions of Sections 230 to 232 of the Act and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company, to the extent they are outstanding on the Effective Date so as to become as and from the Appointed Date the Liabilities of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company, and the Transferee Company shall meet, discharge and satisfy the same and further it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such Liabilities have arisen in order to give effect to the provisions of this Clause 10.
- b. Where any such debts, liabilities, duties and obligations of the Transferor Company as on the Appointed Date have been discharged by such Transferor Company on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of the Transferee Company upon the coming into effect of this Scheme.
- c. All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by the Transferor Company on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 230 to 232 of the Act, without any further act, instrument or deed be and stand transferred to and vested in the Transferee Company and shall become the loans and liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.
- d. Loans, advances and other obligations (including any guarantees, letters of credit, letters of comfort or any other instrument or arrangement which may give rise to a contingent liability in whatever form), if any, due or which may at any time from the Appointed Date to the Effective Date become due between the Transferor Company and the Transferee Company shall, ipso facto, stand discharged and come to an end and there shall be no

liability in that behalf on any party and the appropriate effect shall be given in the books of accounts and records of the Transferee Company.

## 11. ENCUMBRANCES

- a. The transfer and vesting of the assets comprised in the Undertakings to the Transferee Company under Clause 8.1.1 and Clause 9 of this Scheme shall be subject to the Encumbrances, if any, affecting the same as hereinafter provided.
- b. All Encumbrances, if any, existing prior to the Effective Date over the assets of the Transferor Company shall, after the Effective Date, without any further act, instrument or deed, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date, provided that if any of the assets of the Transferor Company have not been Encumbered, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. Further, such Encumbrances shall not relate or attach to any of the other assets of the Transferee Company. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.
- c. The existing Encumbrances over the other assets and properties of the Transferee Company or any part thereof which relate to the Liabilities of the Transferee Company prior to the Effective Date shall continue to relate to such assets and properties and shall not extend or attach to any of the assets and properties of the Transferor Company transferred to and vested in the Transferee Company by virtue of this Scheme.
- d. Any reference in any security documents or arrangements (to which the Transferor Company is a party) to the Transferor Company and its respective assets and properties, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Company transferred to the Transferee Company by virtue of this Scheme. Without prejudice to the foregoing provisions, the Transferee Company may execute any instruments or documents or do all the acts and deeds as may be considered appropriate, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies of Relevant Jurisdiction to give formal effect to the above provisions, if required.
- e. Upon the coming into effect of this Scheme, the Transferee Company shall be liable to perform all obligations in respect of the Liabilities, which have been transferred to it in terms of this Scheme.
- f. It is expressly provided that, save as herein provided, no other term or condition of the Liabilities transferred to the Transferee Company is amended by virtue of this Scheme except to the extent that such amendment is required statutorily.
- g. The provisions of this Clause 11 shall operate notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document; all of which instruments, deeds or writings or the terms of sanction or issue or any security document shall stand modified and/or superseded by the foregoing provisions.

## **12. EMPLOYEES OF THE TRANSFEROR COMPANY**

- a. Upon the coming into effect of this Scheme, all Employees of the Transferor Company shall, become the employees of the Transferee Company, on same terms and conditions and shall not be less favorable than those on which they are engaged by the Transferor Company and without any interruption of or break in service as a result of the merger of the Transferor Company with the Transferee Company. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such Employees with the Transferor Company and such benefits to which the Employees are entitled in the Transferor Company shall also be taken into account, and paid (as and when payable) by the Transferee Company.
- b. It is clarified that save as expressly provided for in this Scheme, the Employees who become the employees of the Transferee Company by virtue of this Scheme, shall not be entitled to the employment policies and shall not be entitled to avail of any schemes and benefits (including employee stock options) that may be applicable and available to any of the other employees of the Transferee Company (including the benefits of or under any employee stock option schemes applicable to or covering all or any of the other employees of the Transferee Company), unless otherwise determined by the Transferee Company. The Transferee Company undertakes to continue to abide by any agreement/settlement, if any, entered into or deemed to have been entered into by the Transferor Company with any union/employee of the Transferor Company.
- c. On and from the Effective Date and with effect from the Appointed Date, the services of the employees of the Transferor Company will be treated as having been continuous, without any break, discontinuance or interruption, for the purpose of membership and the application of the rules or bye-laws of provident fund or gratuity fund or pension fund or superannuation fund or other statutory purposes as the case may be.
- d. With regard to provident fund and gratuity fund or any other special funds or schemes created or existing for the benefit of such employees (hereinafter referred to as the "said Funds") of the Transferor Company, upon the Scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever relating to the administration or operation of such schemes or funds in relation to the obligations to make contributions to the said Funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Company in relation to such Funds shall become those of the Transferee Company. In the event that trustees are constituted as holders of any securities, trust funds or trust monies, in relation to any provident fund trust, gratuity trust, superannuation trust, welfare trust, or any other such trust existing for the benefit of the employees of the Transferor Company, such funds shall be transferred by such trustees of the trusts of the Transferor Company, to separate trusts and the trustees of the Transferee Company if set up for the same purpose and object and shall be deemed to be a transfer of trust property from one set of trustees to another set of trustees in accordance with the provisions of the relevant labour laws, Indian Trusts Act, 1882, the Income Tax Act, 1961 and relevant stamp legislations, as applicable. In such a case, appropriate deeds of trusts and/or documents for transfer of trust properties shall be executed upon the sanction of the

Scheme in accordance with the terms hereof by the trustees of such trusts in favour of the trusts of the Transferee Company so as to continue the benefits of the employees. For this purpose, the trusts created by the Transferor Company shall be transferred/ merged with the respective trust(s) of the Transferee Company and/or be continued; by the Transferee Company, if permitted by law, failing which the Transferee Company shall establish similar trusts ensuring that there is continuity in this regard. The Trustees, including the Board of Directors of the Transferee Company, shall be entitled to adopt such course of action in this regard, as may be advised, provided however that there shall be no discontinuation or break-in the service of the employees of the Transferor Company. Notwithstanding the above, the Board of Directors of the Transferee Company, if it deems fit and subject to applicable law, shall be entitled to retain separate trusts/schemes within the Transferee Company for each of the erstwhile trusts/schemes of the Transferor Company.

### **13. LEGAL, TAXATION AND OTHER PROCEEDINGS**

- a. Upon the coming into effect of this Scheme, all suits, actions, and other proceedings including legal and taxation proceedings, (including before any statutory or quasi-judicial authority or tribunal, whether in India or abroad) by or against the Transferor Company pending on the Effective Date shall be continued and/ or enforced by or against the Transferee Company as effectually and in the same manner and to the same extent as if the same had been instituted by or against the Transferor Company.
- b. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- c. In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Transferor Company, Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Transferee Company.
- d. Without prejudice to the provisions of Clauses 8.1) to 13), with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date.

### **14. SAVING OF CONCLUDED TRANSACTIONS**

The transfer and vesting of the undertaking of the Transferor Company and the continuance of proceedings by or against the Transferor Company of this Scheme shall not affect any transactions or proceedings already concluded by the Transferor Company on or before the Appointed Date or concluded after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things made, done and executed by the Transferor Company as acts, deeds and things made, done and executed by or on behalf of the Transferee Company.

## 15. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

With effect from the Appointed Date and up to and including the Effective Date:

- a. the Transferor Company shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts and investments for and on account of, and in trust for, the Transferee Company;
- b. The Transferor Company shall carry on its business and activities with due business prudence and diligence and shall not, without prior written consent of the Transferee Company or pursuant to any preexisting obligation, sell transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with any part of its assets nor incur or accept or acknowledge any debt, obligation or liability except as is necessary in the ordinary course of business.
- c. all profits and income accruing or arising to the Transferor Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of the Transferee Company;
- d. any of the rights, powers, authorities or privileges exercised by the Transferor Company shall be deemed to have been exercised by the Transferor Company for and on behalf of, and in trust for and as an agent of the Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by the Transferor Company shall be deemed to have been undertaken for and on behalf of and as an agent for the Transferee Company; and
- e. all taxes (including, without limitation, income tax, GST, sales tax, service tax, VAT, etc.) paid or payable by the Transferor Company in respect of the operations and/or the profits of the Transferor Company before the Appointed Date, shall be on account of the Transferor Company and, insofar as it relates to the tax payment (including, without limitation, income tax, GST, sales tax, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Transferor Company in respect of the profits or activities or operation of the Transferor Company with effect from the Appointed Date, the same shall be deemed to be the corresponding taxes paid by the Transferee Company, and, shall, in all proceedings, be dealt with accordingly.
- f. For the removal of doubt, it is clarified that to the extent there are intercompany loans, deposits, obligations, balances or other outstanding between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of accounts and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.

- g. Pending sanction of the Scheme, the Transferor Company shall not, except by way of issue of shares / convertible debentures to the Transferee Company, increase its capital (by fresh issue of shares, convertible debentures or otherwise).
- h. Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes, except where any specific Indian law provides otherwise.

## **16. CANCELLATION OF SHARE CAPITAL OF TRANSFEROR COMPANY**

- 16.1 The Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company and the issued and paid-up capital of the Transferor Company shall stand cancelled on the Effective Date without any further act, instrument or deed.

## **17. INCREASE IN AUTHORIZED SHARE CAPITAL OF TRANSFEE COMPANY**

- 17.1 As a part of this Scheme, and, upon the coming into effect of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the aggregate authorised share capital of the Transferor Company.
- 17.2 The capital clause of the Memorandum of Association and the Articles of Association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

### **MEMORANDUM OF ASSOCIATION**

*“V. The Authorised Share Capital of the Company is INR 5,168,426,365 (Rupees Five billion One Hundred Sixty Eight million Four Hundred and Twenty Six thousand Three hundred Sixty Five only) divided into 516,592,621 (Five Hundred Sixteen million Five Hundred Ninety Two Thousand Six Hundred Twenty One) Equity Shares of INR 10 (Rupees ten only) each aggregating INR 5,165,926,210 (Rupees Five billion One Hundred Sixty Five million Nine Hundred and Twenty Six thousand Two Hundred Ten only) and 5 (Five) 4% (four percent) Non Cumulative Redeemable Non Convertible Preference Shares of INR 31 (Rupees thirty one only) each aggregating INR 155 (Rupees One Hundred Fifty Five) and 250,000 (Two Hundred Fifty Thousand) Compulsory Convertible Preference Shares of Rs. 10/- each aggregating to INR 2,500,000 (Rupees Two Million Five Hundred Thousand only), with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”*

## ARTICLES OF ASSOCIATION

- 17.3 *“3. The Authorised Share Capital of the Company is INR 5,168,426,365 (Rupees Five billion One Hundred Sixty Eight million Four Hundred and Twenty Six thousand Three hundred Sixty Five only) divided into 516,592,621 (Five Hundred Sixteen million Five Hundred Ninety Two Thousand Six Hundred Twenty One) Equity Shares of INR 10 (Rupees ten only) each aggregating INR 5,165,926,210 (Rupees Five billion One Hundred Sixty Five million Nine Hundred and Twenty Six thousand Two Hundred Ten only) and 5 (Five) 4% (four percent) Non Cumulative Redeemable Non Convertible Preference Shares of INR 31 (Rupees thirty one only) each aggregating INR 155 (Rupees One Hundred Fifty Five) and 250,000 (Two Hundred Fifty Thousand) Compulsory Convertible Preference Shares of Rs. 10/- each aggregating to INR 2,500,000 (Rupees Two Million Five Hundred Thousand only), with power to increase and reduce the capital of the Company or to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company and the legislative provisions for the time being in force.”*
- 17.4 It is clarified that for the purposes of Clause 17.1 and 17.2 above, the stamp duties and fees (including registration fee) paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increased authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee (including registration fee) by the Transferee Company for increase in the authorised share capital to that extent. The Transferee Company shall file requisite forms with the concerned Registrar of Companies.

## **PART III – DISSOLUTION OF TRANSFEROR COMPANY, GENERAL CLAUSES, TERMS AND CONDITIONS APPLICABLE TO THE SCHEME**

### **18. ACCOUNTING TREATMENT**

The Transferor Subsidiary Company shall merge into the Transferee Parent Company. The accounting treatment to be followed by Transferee Company is explained below.

Upon scheme being effective, the Transferee Company shall account for merger as under:

- 18.1 The Transferee Company shall account for the merger in its financial statement in accordance with “Pooling of Interest Method” laid down by Appendix C of Ind AS 103 (Business combinations of entities under common control) notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other applicable accounting standards prescribed under the Act.
- 18.2 All the assets, liabilities and reserves of the Transferor Company shall be recorded in the merged separate financial statements of the Transferee Company at the carrying value as appearing in the consolidated financial statements of the Transferee Company. The goodwill pertaining to the Transferor Company recorded in the consolidated financial

statements of the Transferee Company will also be accounted by the Transferee Company in its merged separate financial statements.

- 18.3 The identity of the reserves pertaining to Transferor Company shall be preserved and shall appear in the merged separate financial statements of the Transferee Company in the same form in which they appeared in the consolidated financial statements of the Transferee Company. The balance of the retained earnings pertaining to Transferor Company appearing in the consolidated financial statements of the Transferee Company shall be aggregated with the corresponding balance appearing in the financial statements of the Transferee Company.
- 18.4 The investment in shares of the Transferor Company appearing, inter alia, in the books of accounts of the Transferee Company shall stand cancelled.
- 18.5 To the extent that there are inter—company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of the Transferee Company for the reduction of such assets or liabilities as the case may be.
- 18.6 In case of any difference in accounting policies between the Transferor Company and the Transferee Company, the impact of the same will be quantified and adjusted in reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of a consistent accounting policies.

## **19. APPLICABILITY OF PROVISIONS INCOME TAX ACT**

The provisions of this Scheme as they relate to the merger of Transferor Company with Transferee Company has been drawn up to comply with the conditions relating to 'amalgamation' as defined under Section 2(1B) of the (Indian) Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the (Indian) Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the (Indian) Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the (Indian) Income-tax Act, 1961. Such modification will, however, not affect the other parts of the Scheme.

Upon the Scheme becoming effective, the Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Income Tax Act 1961 (including for minimum alternate tax purposes and tax benefits), service tax law and other tax laws and to claim refunds and/or credits for taxes paid (including minimum alternate tax), and to claim tax benefits under the Income Tax Act. 1961 etc. and for matters incidental thereto, if required to give effect to the provisions of this Scheme.

## 20. TREATMENT OF TAXES

- i. Upon the Scheme coming into effect, all taxes (direct and/or indirect)/ cess/ duties payable by or on behalf of the Transferor Company from the Appointed Date onwards including all or any refunds and claims, including refunds or claims pending with any Governmental Authority and including the right to claim credit for minimum alternate tax and carry forward of accumulated losses, and unutilized CENVAT credit, VAT credit or input tax credit etc shall, for all purposes, be treated as the tax/ cess/ duty, liabilities or refunds, claims, accumulated losses and unutilized CENVAT credits, VAT credit and rights to claim credit or refund etc of the Transferee Company. Accordingly, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns, wealth tax returns, sales tax returns, excise and CENVAT returns, service tax returns, GST return, other statutory returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.
- ii. The Transferee Company shall also be permitted to claim refunds / credits in respect of any transaction between or amongst the Transferor Company inter se and the Transferor Company and the Transferee Company. Without prejudice to the generality of Clause 20)i) above, upon the Scheme becoming effective, the Transferee Company shall be permitted to revise, if it becomes necessary, its income tax returns and related withholding tax certificates, including withholding tax certificates relating to transactions between or amongst the Transferor Company inter se and the Transferor Company and the Transferee Company, and to claim refunds, advance tax and withholding tax credits, benefit of credit for minimum alternate tax and carry forward of accumulated losses etc., pursuant to the provisions of this Scheme.
- iii. The withholding tax/ advance tax/ minimum alternate tax, if any, paid by the Transferor Company under the Income Tax Act, 1961 or any other statute in respect of income of the Transferor Company assessable for the period commencing from the Appointed Date shall be deemed to be the tax deducted from/advance tax paid by the Transferee Company and credit for such withholding tax/advance tax/minimum alternate tax shall be allowed to the Transferee Company notwithstanding that certificates or challans for withholding tax/advance tax are in the name of the Transferor Company and not in the name of the Transferee Company.
- iv. Any refund under the Tax Laws received by / due to the Transferor Company consequent to the assessments made on the Transferor Company subsequent to the Appointed Date and for which no credit is taken on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.
- v. Without prejudice to the generality of the above, all exemptions, deductions, benefits, losses, entitlements, incentives, drawbacks, licenses and credits (including but not limited to MAT credit, taxes withheld/ paid in foreign country etc) under the income tax, sales tax, customs duty, excise duty, GST, service tax, VAT, any Central Government/ State Government incentive schemes etc., to which the Transferor Company are/ would be entitled to in terms of the applicable Tax Laws of the Union and State Governments, shall be available to and vest in the Transferee Company.
- vi. The GST paid by the Transferor Company for the period commencing from the Appointed Date shall be deemed to be the GST paid by the Transferee Company and credit for such GST shall be allowed to the Transferee Company notwithstanding that

challans for GST payments are in the name of the Transferor Company and not in the name of the Transferee Company.

- vii. Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, service-tax exemptions, GST exemptions, incentives, concessions and other authorizations of the Transferor Company shall stand transferred by the order of the NCLT to the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the NCLT.
- viii. All tax assessment proceedings/ appeals of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company shall be continued and/or enforced until the Effective Date as desired by the Transferee Company. As and from the Effective Date, the tax proceedings shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

Further, the aforementioned proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of the merger by way of absorption of the Transferor Company by the Transferee Company or anything contained in the Scheme.

## **21. RESOLUTIONS**

Upon the coming into effect of the Scheme and with effect from the Appointed Date, the resolutions, power of attorney, letter of authority, if any, of the Transferor Company which are validly subsisting shall continue to be valid and subsisting and be considered as resolutions, power of attorney, letter of authority of the Transferee Company. If any such resolutions, power of attorney, letter of authority have any monetary limits approved under the provisions of the Act or of any other applicable statutory provisions, then the said limits shall be added to the limits, if any, under the like resolutions, power of attorney, letter of authority passed by the Transferee Company.

Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of Section 181 of the Act shall be deemed, without any further act or deed, to have been enhanced by the aggregate limits of the Transferor Company which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

## **22. DISSOLUTION OF THE TRANSFEROR COMPANY**

Upon the coming into effect of this Scheme, the Transferor Company shall stand dissolved without winding-up without any further act or deed.

## **23. CONDITIONS PRECEDENT**

- a. The effectiveness of the Scheme is conditional upon and subject to:
  - i. this Scheme being approved by the respective requisite majorities of the various classes of shareholders of the Transferor Company and the Transferee Company if

required under the Act and the requisite orders of the Tribunal of Relevant Jurisdiction being obtained;

- ii. The certified copy of the order of the Tribunal of Relevant Jurisdiction under Sections 230 to 232 and other applicable provisions of the Act sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai by the Transferee Company and with the Registrar of Companies, Bengaluru, Karnataka by Transferor Company;
  - iii. such other approvals and sanctions as may be required under Applicable Law in respect of this Scheme being obtained.
- b. On the approval of this Scheme by the shareholders of the Transferor Company and the Transferee Company, if required, such shareholders shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the merger set out in this Scheme, related matters and this Scheme itself.

#### **24. APPLICATIONS**

The Transferee Company and the Transferor Company, if required, shall, with all reasonable dispatch, make applications/ petitions to the National Company Law Tribunal of Relevant Jurisdiction under Section 230 to 232 and other applicable provisions, of the Act, for sanctioning of this Scheme.

The Transferor Company shall take all necessary steps for sanctioning of this Scheme and for its dissolution without winding up, and apply for and obtain such other approvals, if any, required under the law.

#### **25. MODIFICATIONS OR AMENDMENTS TO THE SCHEME**

- a) Subject to approval of the tribunal, the Transferor Company and the Transferee Company, through their respective Board of Directors, may assent from time to time on behalf of all the persons concerned to any modifications or amendments or additions to this Scheme subject to any conditions or limitations which the Tribunal and/or any other competent authorities, if any, under the law may deem fit and approve of or impose and which the Transferor Company and the Transferee Company may in their discretion deem fit and may resolve all doubts or difficulties that may arise for carrying out this Scheme and do and execute all acts, deeds, matters and things necessary for bringing this Scheme into effect. The aforesaid powers of the Transferor Company and the Transferee Company may be exercised by their respective Boards of Directors, a Committee of the concerned Board or any Director, authorized in that behalf by the concerned Board of Directors (hereinafter referred to as the 'delegate').
- b) For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the delegate of the Transferor Company or the Transferee Company may give and is hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties in the same manner as if the same were specifically incorporated in this Scheme.

## 26. Costs, Charges and Expenses

All costs, charges, taxes, including stamp duties, levies and all other expenses, if any (save as expressly otherwise agreed) of the Transferor Company and the Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company.

### SCHEDULE A Description of immovable properties

Sr. No.	Description of the immovable properties	Detailed Address of the Land	Area of Plot in sq. mtr.	Plot is bounded as follows:			
				North	East	West	South
	column1	Column2	Column3	Column4			
1	Plant 1 –Land as described in coloumn -2 together with the buildings and structures standing thereon and plant and machineries embedded or affixed thereto	Land known as Plot No 9C, Bommasandra Industrial Area, situated in Survey No. 168 of Hebbagodi Village, AttibeleHobli, Anekal Taluk, Bangalore-560099	8,086	Road	Plot No 9-B	Plot No 9-D	Private Property
2	Plant 2 - Land as described in coloumn -2 together with the buildings and structures standing thereon and plant and machineries embedded or affixed thereto	Land known as Plot No. 98-L & 98-M of Jigani Industrial Area, 2nd Phase, situated in Survey No. Parts of 109, 110, 111 and 112 of Jigani Village, JiganiHobli, Anekal Taluk, Bangalore-562106	22,162	Plot No 98-K	Road	Plot No 98A & private Property	Private Property
3	Plant 3 - Land as described in coloumn -2 together with the buildings and structures standing	Land known as No. 7C, Attibele Industrial Area situated in Survey No. Parts of 57, 114 and 116 of Lehhangur Village,	3,773	Plot no 7-B	Plot No 7-A	Road	Road

Sr. No.	Description of the immovable properties	Detailed Address of the Land	Area of Plot in sq. mtr.	Plot is bounded as follows:			
				North	East	West	South
	column1	Column2	Column3	Column4			
	thereon and plant and machineries embedded or affixed thereto	AttibeleHobli, Anekal Taluk, Bangalore-562107					
4	Plant 4 - Land as described in coloumn -2 together with the buildings and structures standing thereon and plant and machineries embedded or affixed thereto	Land known as Door No.1/178 situated in SF No. 273/2, 274/1B, 275/1B, Malumachampatti Village, Coimbatore - 641021	11,311	Private Property	Private property	SF.No-273/1,274/1A	Road
5	Plant 5 - Land as described in coloumn -2 together with the buildings and structures standing thereon and plant and machineries embedded or affixed thereto	Land known as Door No.1/178 situated in SF No. 276, 274/2, 268, Malumachampatti Village, Coimbatore District, Coimbatore South Taluk	577.62	Private Property	Road	SF.No-275/1B, 274/1B, 273/2	Sf.No. 275/2B
6	Plant 5 - Land as described in coloumn -2 together with the buildings and structures standing thereon and plant and machineries embedded or affixed thereto	Land known as Plot No-29, Khasra No. Part of 152, 127, 138, 139, 140, 141, 142, 145, 146, 147, 148, Industrial Park-IV, Begampur Village, Tehsil & Dist. Haridwar, Utrakhand - 249409	8,097.2	24M wide road	Private property	12M wide road	Private Property

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF MAHINDRA CIE AUTOMOTIVE LIMITED EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO, SPECIFYING ANY SPECIAL VALUATION DIFFICULTY**

**1. Background:**

The Scheme of Amalgamation among Bill Forge Private Limited (Transferor Company) and Mahindra CIE Automotive Limited (the Company or Transferee Company) and their respective shareholders ('the Scheme') was approved unanimously by the Board of Directors of the Company at its meeting held on 25<sup>th</sup> September, 2018. The Scheme seeks to amalgamate and consolidate the business of Bill Forge Private Limited ("Transferor Company") with that of Mahindra CIE Automotive Limited ("Transferee Company") which is a wholly owned subsidiary of the Transferee Company. The Board of Directors of the Transferor Company and the Transferee Company (together referred to as the "Amalgamating Companies") have resolved that the merger by way of absorption of the Transferor Company into the Transferee Company would be in the interests of all the stakeholders of the Amalgamating Companies, as it would result in increased operational efficiencies, bring economies of scale and result in synergetic integration of businesses presently being carried on by the Amalgamating Companies

The Board of Directors of the Company, while approving the Scheme, had considered the effect of amalgamation on shareholders, key managerial personnel, promoters and non-promoters shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulty and adopted this report.

**2. The share exchange ratio, specifying and special valuation difficulty**

The Transferor Company is wholly owned subsidiary of the Transferee Company, hence no shares of the Transferee Company shall be issued and allotted in respect of shares held by the Transferee Company or its nominees in the Transferor Company, pursuant to the Scheme of Arrangement and hence Scheme of Arrangement does not provide for any share exchange ratio and as no share exchange is involved, there exist no special difficulties in share valuation.

**3. Effect of Scheme of Arrangement on each class of Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders.**

The effect of the proposed merger on various stakeholders of the Company is as following:

a. **Shareholders including Promoter and Non-Promoter Shareholders**

The merger will result in enhanced shareholder value by improved financial structure and cash, increased assets base and stronger revenue and profitability including dividend paying ability;

The Scheme of Arrangement will not have any effect on the shareholding of the promoter and non-promoter members of the Transferee Company as the shareholders of the Transferee Company will continue to remain beneficial owners of the Transferee Company in the same proportion in which they hold shares in Transferee Company prior to merger. There will be no change in their shareholding in the Transferee Company pursuant to the terms of the Scheme of Merger. However, the equity shares held by the Transferee Company and/or its nominees, being promoter members, in Transferor Company shall stand cancelled and extinguished without any further act, deed or instrument as an integral part of the Scheme of Merger.

Thus, there will be no adverse effect of the Scheme on the Equity Shareholders (the only class of shareholders), Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Transferee Company.

b. **Directors, Key Managerial Personnel and their Relatives**

The Directors and KMP's of the Transferor Company shall cease to hold the post of Directors and KMP's after dissolution of the Transferor Company on and from the effective date of the Scheme of Arrangement without having any adverse effect on them. However, if any such director or KMP is a director or KMP of the Transferee Company, such director or KMP will continue to hold his/her office in the Transferee Company.

c. **Employees:**

The Scheme provides specific clause that employees of Transferor Company would become employees of the Transferee Company on same terms and conditions and which shall not be less favorable than those on which they are engaged by Bill Forge and without any interruption of or break in service and the merger would not result in any retrenchment of the employees (other than in normal course of business). Further from all the labour law (including gratuity) perspective, the period of services would be deemed to be continuous post merger

d. **Government dues and creditors (whether secured and unsecured) :**

The scheme provides that all debts and liabilities of Transferor Company including all secured and unsecured debts, liabilities, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon, that would be outstanding as on the effective date, shall become debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to Transferor Company and the Transferee Company shall meet, discharge and satisfy the same. Further, with respect to secured creditors, the scheme specifically provides that terms of the arrangement remain unaffected and also the securities that are provided for loans remain unaffected even after the merger.

e. **On-going litigation** :

The Scheme provides that all the suits, actions, and other proceedings including legal and taxation proceedings that are outstanding as on effective date shall be continued and/ or enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company

Thus, the scheme provides adequate clauses to address the concern of various stakeholders associated with the Amalgamating Companies and also extend the hands of the Amalgamating Companies to contribute to the welfare of the Society.

**For Mahindra CIE Automotive Limited**

Sd/-

**Krishnan Shankar**

**Company Secretary and Head – Legal**

ICSI Membership Number – F3482

**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BILL FORGE PRIVATE LIMITED EXPLAINING EFFECT OF THE SCHEME ON EACH CLASS EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS, NON-PROMOTER SHAREHOLDERS LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO, SPECIFYING ANY SPECIAL VALUATION DIFFICULTY**

**1. Background:**

The Scheme of Amalgamation among Bill Forge Private Limited (Transferor Company) and Mahindra CIE Automotive Limited (the Company or Transferee Company) and their respective shareholders ('the Scheme') was approved unanimously by the Board of Directors of the Company at its meeting held on 25<sup>th</sup> September, 2018. The Scheme seeks to amalgamate and consolidate the business of Bill Forge Private Limited ("Transferor Company") with that of Mahindra CIE Automotive Limited ("Transferee Company") which is a wholly owned subsidiary of the Transferee Company. The Board of Directors of the Transferor Company and the Transferee Company (together referred to as the "Amalgamating Companies") have resolved that the merger by way of absorption of the Transferor Company into the Transferee Company would be in the interests of all the stakeholders of the Amalgamating Companies, as it would result in increased operational efficiencies, bring economies of scale and result in synergetic integration of businesses presently being carried on by the Amalgamating Companies

The Board of Directors of the Company, while approving the Scheme, had considered the effect of amalgamation on shareholders, key managerial personnel, promoters and non-promoters shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulty and adopted this report.

**2. The share exchange ratio, specifying and special valuation difficulty**

The Transferor Company is wholly owned subsidiary of the Transferee Company, hence no shares of the Transferee Company shall be issued and allotted in respect of shares held by the Transferee Company or its nominees in the Transferor Company, pursuant to the Scheme of Arrangement and hence Scheme of Arrangement does not provide for any share exchange ratio and as no share exchange is involved, there exist no special difficulties in share valuation.

**3. Effect of Scheme of Arrangement on each class of Shareholders, Key Managerial Personnel, Promoter and Non-Promoter Shareholders.**

The effect of the proposed merger on various stakeholders of the Company is as following:

a. **Shareholders including Promoter and Non-Promoter Shareholders**

The merger will result in enhanced shareholder value by improved financial structure and cash, increased assets base and stronger revenue and profitability including dividend paying ability;

The Scheme of Arrangement will not have any effect on the shareholding of the promoter and non-promoter members of the Transferee Company as the shareholders of the Transferee Company will continue to remain beneficial owners of the Transferee Company in the same proportion in which they hold shares in Transferee Company prior to merger. There will be no change in their shareholding in the Transferee Company pursuant to the terms of the Scheme of Merger. However, the equity shares held by the Transferee Company and/or its nominees, being promoter members, in Transferor Company shall stand cancelled and extinguished without any further act, deed or instrument as an integral part of the Scheme of Merger.

Thus, there will be no adverse effect of the Scheme on the Equity Shareholders (the only class of shareholders), Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Transferee Company.

b. **Directors, Key Managerial Personnel and their Relatives**

The Directors and KMP's of the Transferor Company shall cease to hold the post of Directors and KMP's after dissolution of the Transferor Company on and from the effective date of the Scheme of Arrangement without having any adverse effect on them. However, if any such director or KMP is a director or KMP of the Transferee Company, such director or KMP will continue to hold his/her office in the Transferee Company.

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The Scheme provides specific clause that employees of Transferor Company would become employees of the Transferee Company on same terms and conditions and which shall not be less favorable than those on which they are engaged by Bill Forge and without any interruption of or break in service and the merger would not result in any retrenchment of the employees (other than in normal course of business). Further from all the labour law (including gratuity) perspective, the period of services would be deemed to be continuous post merger

d. **Government dues and creditors (whether secured and unsecured) :**

The scheme provides that all debts and liabilities of Transferor Company including all secured and unsecured debts, liabilities, duties and obligations of the Transferor Company along with any charge, encumbrance, lien or security thereon, that would be outstanding as on the effective date, shall become debts, liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to Transferor Company and the Transferee Company shall meet, discharge and satisfy the same. Further, with respect to secured creditors, the scheme specifically provides that terms of the arrangement remain unaffected and also the securities that are provided for loans remain unaffected even after the merger.

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The Scheme provides that all the suits, actions, and other proceedings including legal and taxation proceedings that are outstanding as on effective date shall be continued and/ or enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company

Thus, the scheme provides adequate clauses to address the concern of various stakeholders associated with the Amalgamating Companies and also extend the hands of the Amalgamating Companies to contribute to the welfare of the Society.

**For Bill Forge Private Limited**

**Ravindra K.  
Executive Director**

MAHINDRA CIE AUTOMOTIVE LIMITED

Regd. Office : Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400 018.

CIN: L27100MH1999PLC121285

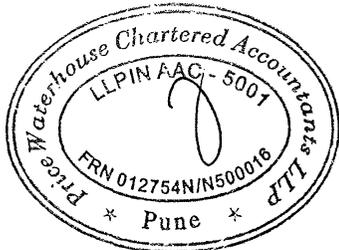
Tel: +91 2135 663300 Fax: +91 2135 663407

Website: www.mahindracie.com E-mail: mcie.investors@mahindracie.com

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2018.

Rs. In Lakhs

Part-I Particulars		STANDALONE					
		Quarter Ended			Six Months Ended		Year Ended
		June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017	December 31, 2017
		Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
I	Revenue from operations	64,995.56	61,188.26	50,374.91	126,183.82	101,622.88	206,333.00
II	Other Income	519.29	514.47	425.80	1,033.76	717.11	1,268.58
III	Total Revenue (I+II)	65,514.85	61,702.73	50,800.71	127,217.58	102,339.99	207,601.58
IV	Expenses						
a)	Cost of materials consumed	36,806.55	34,178.83	23,898.47	70,985.38	49,109.01	105,222.63
b)	Changes in stock of finished goods, work-in process	(935.62)	(728.72)	(937.45)	(1,664.34)	(891.40)	(1,264.87)
c)	Employee benefit expense	7,190.91	6,737.55	5,662.75	13,928.46	11,326.68	24,250.25
d)	Finance costs	78.95	76.26	184.16	155.21	439.27	982.16
e)	Depreciation and amortisation expenses	1,841.19	1,884.71	1,822.94	3,725.90	3,534.46	7,592.54
f)	Excise Duty on Sales	-	-	5,423.48	-	10,266.35	10,266.35
g)	Other expenses	13,779.86	13,587.91	12,056.59	27,367.77	23,229.37	48,383.55
	Total Expenses (IV)	58,761.84	55,736.54	48,110.94	114,498.38	97,013.74	195,432.61
V	Profit before exceptional items and tax (III-IV)	6,753.01	5,966.19	2,689.77	12,719.20	5,326.25	12,168.97
VI	Exceptional item (Refer Note 5)	-	-	-	-	-	689.69
VII	Profit before tax (V-VI)	6,753.01	5,966.19	2,689.77	12,719.20	5,326.25	11,479.28
VIII	Tax expense						
1)	Current tax	2,293.13	1,896.30	729.79	4,189.43	1,990.07	5,317.15
2)	Deferred tax	74.53	213.10	195.32	287.63	(92.40)	(767.44)
	Total tax expense (VIII)	2,367.66	2,109.40	925.11	4,477.06	1,897.67	4,549.71
IX	Profit after tax (VII-VIII)	4,385.35	3,856.79	1,764.66	8,242.14	3,428.58	6,929.57
X	Other Comprehensive income						
A	i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(74.65)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	25.83
B	i) Items that may be reclassified to profit or loss	-	-	-	-	-	-
	ii) Income tax relating to items that may be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income	-	-	-	-	-	(48.82)
XI	Total comprehensive income for the period (IX+X)	4,385.35	3,856.79	1,764.66	8,242.14	3,428.58	6,880.75
	Earnings per equity share face value ₹ 10 each						
1)	Basic	1.16	1.02	0.47	2.18	0.91	1.83
2)	Diluted	1.16	1.02	0.47	2.17	0.91	1.83



**Mahindra CIE Automotive Limited**

Regd. Office : Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400 018.

CIN: L27100MH1999PLC121285

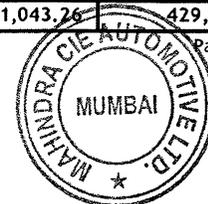
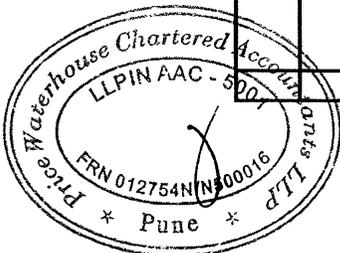
Tel: +91 2135 663300 Fax: +91 2135 663407

Website: www.mahindrachie.com E-mail: mcie.investors@mahindra.com

Statement of Assets & Liabilities

Rs. In Lakhs

Particulars			STANDALONE	
			As at June 30,2018	As at Dec 31,2017
			Un Audited	Audited
<b>A</b>		<b>ASSETS</b>		
	<b>1</b>	<b>Non-current assets</b>		
		a) Property, Plant and Equipment	55,819.28	56,481.43
		b) Capital work-in-progress	3,689.70	2,528.01
		c) Goodwill	3,909.50	3,909.50
		d) Other Intangible assets (other than goodwill)	711.95	731.65
		e) Financial Assets		
		I) Investments in subsidiaries	270,359.50	270,359.50
		II) Investments in others	3.26	0.26
		f) Income Tax Asset (Net)	3,136.44	2,697.94
		g) Other non-current assets	10,806.01	9,376.33
		<b>Total Non - Current Assets</b>	<b>348,435.64</b>	<b>346,084.62</b>
	<b>2</b>	<b>Current assets</b>		
		a) Inventories	22,746.90	17,276.96
		b) Financial Assets		
		i) Investments	8,226.15	5,145.15
		ii) Trade receivables	40,848.64	32,934.82
		iii) Cash and cash equivalents	2,978.20	1,920.93
		iv) Bank balances other than (iii) above	400.86	421.34
		c) Other current assets	7,406.87	25,625.12
		<b>Total Current Assets</b>	<b>82,607.62</b>	<b>83,324.32</b>
		<b>Total Assets (1+2)</b>	<b>431,043.26</b>	<b>429,408.94</b>
<b>B</b>		<b>EQUITY AND LIABILITIES</b>		
	<b>1</b>	<b>Equity</b>		
		a) Equity Share capital	37,866.21	37,836.72
		b) Other Equity		
		i) Share premium	151,790.51	151,426.43
		ii) Other reserves	168,882.46	160,698.48
		<b>Total equity (I+II)</b>	<b>358,539.18</b>	<b>349,961.63</b>
		<b>LIABILITIES</b>		
	<b>2</b>	<b>Non-current liabilities</b>		
		a) Provision	4,761.17	4,632.71
		b) Deferred tax liabilities (Net)	2,447.86	2,169.47
		c) Other non-current liabilities	179.37	462.25
		<b>Total Non - Current Liabilities</b>	<b>7,388.40</b>	<b>7,264.43</b>
	<b>3</b>	<b>Current liabilities</b>		
		a) Financial Liabilities		
		i) Borrowings	11,969.62	10,139.43
		ii) Trade payables	36,498.66	31,150.43
		iii) Other financial liabilities (other than those specified in (b) below)	1,629.09	1,618.59
		b) Provisions	1,123.94	1,001.03
		c) Current Tax Liabilities (Net)	1,822.51	-
		d) Other current liabilities	12,071.86	28,273.40
		<b>Total Current Liabilities</b>	<b>65,115.68</b>	<b>72,182.88</b>
		<b>Total Equity and Liabilities (1+2+3)</b>	<b>431,043.26</b>	<b>429,408.94</b>



MAHINDRA CIE AUTOMOTIVE LIMITED

Regd. Office : Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400 018.

CIN: L27100MH1999PLC121285

Tel: +91 2135 663300 Fax: +91 2135 663407

Website: www.mahindracie.com E-mail: mcie.investors@mahindracie.com

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2018.

Notes:

- 1 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IndAS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- 2 The Company has investment of Rs. 69,742.51 Lakhs in Mahindra Forgings Europe AG (MFE AG), Germany. After the significant decline in demand due to economic downturn in Europe and some onetime costs due to one plant closure, MFE AG results got impacted in 2015 and 2016. Actions initiated by the management team have shown significant improvement in results for 2017 and 2018. In view of this and the expected improvements, the Company is of the view that, there is no diminution in the Company's investments in MFE AG. The auditors while taking note of the actions initiated by the management, have mentioned this as a "Matter of Emphasis" in their report.
- 3 Pursuant to the Order of Honble National Company Law Tribunal, Mumbai, dated December 13, 2017, four of the Company's subsidiaries, namely, Mahindra Forgings International Limited (MFIL), Mahindra Forgings Global Limited (MFGL), Mahindra Gears & Transmission Private Limited (MGTPPL) and Crest Geartech Private Limited (Crest Geartech) ("Transferor Companies") merged with the Company with effect from July 1, 2017 (being the appointed date as per the Scheme of Amalgamation). Consequently, the Company has accounted for the merger with effect from July 1, 2017, hence, the results for the quarter and six months ended June 30, 2018 are not comparable with those of the quarter and six months ended June, 30, 2017.
- 4 Revenue from Operations for the quarter and six months ended June 30, 2017 and year ended December 31, 2017 includes excise duty which is discontinued w.e.f July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS 18, Revenue, GST is not included in Revenue from Operations. In view of the aforesaid restructuring of Indirect taxes, Revenue from Operations for the quarter and six months ended June 30, 2018 are not comparable.

(Rs. In Lakhs)

Particulars	STANDALONE					
	Quarter Ended			Six Months Ended		Year Ended
	June 30, 2018	March 31, 2018	June 30, 2017	June 30, 2018	June 30, 2017	December 31, 2017
Revenue from Operations	64,995.56	61,188.26	50,374.91	126,183.82	101,622.88	206,333.00
Less: Excise duty	-	-	5,423.48	-	10,266.35	10,266.35
Revenue from Operations (Net of Excise duty)	64,995.56	61,188.26	44,951.43	126,183.82	91,356.53	196,066.65

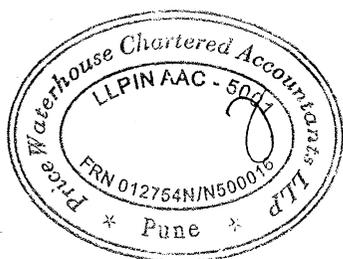
- 5 The exceptional item pertains to Voluntary Retirement Schemes.
- 6 The Company manufactures automotive components and is of the view that it constitutes a single business segment in accordance with IndAS 108 "Operating Segments" notified pursuant to Companies (Accounting Standard) Rules, 2015.
- 7 The above results have been subjected to Limited Review by the auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on July 18, 2018.
- 8 Previous period figures have been regrouped / reclassified, wherever necessary to conform to the current period classification.

For and on behalf of the Board of Directors,

Executive Director

Date : July 18, 2018

Place : Pune



# Price Waterhouse Chartered Accountants LLP

The Board of Directors  
Mahindra CIE Automotive Limited  
Mahindra Towers,  
P.K. Kurne Chowk, Worli,  
Mumbai - 400018

1. We have reviewed the unaudited financial results of Mahindra CIE Automotive Limited (the "Company") for the quarter ended June 30, 2018 which are included in the accompanying "Statement of Standalone Unaudited Results for the Quarter and Six months ended June 30, 2018 and the statement of assets and liabilities as on that date" together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 2 of the Statement, regarding no impairment in the value of investment by the Management in the Company's wholly owned subsidiary namely Mahindra Forging Europe, AG aggregating to Rs. 69,742.51 lakhs in view of the reasons stated therein.

Our conclusion is not qualified in respect of the matter stated in paragraph 5 above.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Jeetendra Mirchandani  
Partner  
Membership Number 48125

Pune  
July 18, 2018

Price Waterhouse Chartered Accountants LLP, 7th Floor, Tower A - Wing 1, Business Bay, Airport Road  
Yerwada, Pune - 411 006  
T: +91 (20) 41004444, F: +91 (20) 41006161

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

**BILL FORGE PRIVATE LIMITED**  
**PROVISIONAL BALANCE SHEET AS AT JUNE 30, 2018**

(₹ in Million)

Particulars		Note No.	As at June 30, 2018	As at December 31, 2017
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	4	2,244.03	2,119.53
	(b) Capital work-in-progress		57.81	45.13
	(c) Other intangible assets	5	11.03	11.34
	(d) Financial assets			
	(i) Investment	6	4.41	4.49
	(ii) Other financial assets	7	7.78	7.78
	(e) Other non-current assets	8	182.20	159.01
	(f) Current tax assets	36	-	15.02
	(g) Deferred tax assets (Net)	36	173.50	173.49
	<b>Total non-current assets</b>		<b>2,680.76</b>	<b>2,535.79</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	9	1,305.71	1,205.42
	(b) Financial assets			
	(i) Trade receivables	10	1,602.85	1,342.87
	(ii) Cash and cash equivalents	11	15.25	72.71
	(iii) Other financial assets	7	886.58	686.33
	(c) Other current assets	8	169.74	244.36
	<b>Total current assets</b>		<b>3,980.12</b>	<b>3,551.69</b>
	<b>Total assets (1+2)</b>		<b>6,660.88</b>	<b>6,087.48</b>
<b>1</b>	<b>Equity</b>			
	(a) Equity share capital	12	11.71	11.71
	(b) Other equity	13	3,866.85	3,442.55
	<b>Total equity (I+II)</b>		<b>3,878.56</b>	<b>3,454.26</b>
	<b>Liabilities</b>			
<b>2</b>	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	-	-
	(b) Provisions	14	700.81	690.98
	(c) Deferred tax liabilities (Net)			
	<b>Total non-current liabilities</b>		<b>700.81</b>	<b>690.98</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	15	500.00	400.00
	(ii) Trade payables	16	1,392.83	1,271.06
	(iii) Other financial liabilities	17	63.63	44.29
	(c) Current Tax Liabilities (Net)		54.38	56.99
	(b) Provisions	14	11.94	6.09
	(c) Other current liabilities	18	58.73	163.80
	<b>Total current liabilities</b>		<b>2,081.50</b>	<b>1,942.23</b>
	<b>Total equity and liabilities (1+2+3)</b>		<b>6,660.88</b>	<b>6,087.48</b>

The accompanying notes are integral part of the financial statements



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ANIL HARIDASS  
MANAGING DIRECTOR

HARI KRISHNAN  
JT. MANAGING DIRECTOR

Place : Bangalore

Date : 5<sup>TH</sup> OCTOBER, 2018

**BILL FORGE PRIVATE LIMITED**  
**PROVISIONAL STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED JUNE 30, 2018**

(₹ in Million)

Particulars	Note No.	For the Period ended June 30, 2018	For the year ended December 31, 2017
I Revenue from operations	19	4,089.01	7,245.23
II Other income	20	64.47	36.33
III Total income (I + II)		4,153.48	7,281.56
IV Expenses			
(a) Cost of materials consumed	21-a	1,513.55	2,346.75
(b) Changes in stock of finished goods, work-in-progress and stock-in-trade	21-b	(124.29)	(23.73)
(c) Excise duty		-	327.89
(d) Employee benefit expense	22	462.75	824.24
(e) Finance costs	23	14.37	38.74
(f) Depreciation and amortisation expense	24	169.95	318.02
(g) Other expenses	25	1,497.99	2,481.49
Total expenses (IV)		3,534.31	6,313.40
V Profit before tax (III- IV)		619.16	968.16
VI Income Tax expense			
(a) Current tax expense		194.86	349.58
(b) Deferred tax		-	(8.57)
Total tax expense		194.86	341.01
VII Profit for the period (V-VI)		424.30	627.15
VIII Other comprehensive income			
A (i) Items that may be reclassified to profit or loss			
(e) Transfer of actuarial adjustments from P&L to OCI		-	-
(b) Tax impact on the Others (actuarial losses)		-	-
(c) Remeasurement of Post employment Benefit Obligations	13	-	(2.79)
(ii) Income tax on items that may not be reclassified to profit or loss		-	0.97
IX Total other comprehensive income for the period [A(i-ii) + B(i-ii)]		-	(1.82)
X Total comprehensive income for the period (VIII + IX)		424.30	625.32
XI Earnings/ (Loss) per equity share :			
Earnings Per Share of Rs 10 each (Basic and Diluted)		362.28	536.44



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

ANIL HARIDASS  
MANAGING DIRECTOR

HARI KRISHNAN  
JT. MANAGING DIRECTOR

Place : Bangalore

Date : 5<sup>TH</sup> OCTOBER, 2018

**BILL FORGE PRIVATE LIMITED**  
**PROVISIONAL CASH FLOW STATEMENT FOR THE PERIOD ENDED JUNE 30, 2018**

(₹ In Million)

Particulars	For the period ended June 30, 2018	For the year ended December 31, 2017
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax	619.16	968.16
Adjustments to reconcile profit before tax to net cash flows:		
Loss / (Gain) on disposal of property, plant and equipment	(0.29)	1.47
Depreciation of property, plant and equipment	167.68	313.13
Amortisation of intangible assets	2.27	4.89
Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss		
Finance costs recognised in profit or loss	14.37	38.74
Interest Income	(22.96)	(25.82)
Unwinding of Interest on Security Deposit		(0.76)
Dividened income		-
Investment written off/provision		0.97
Unrealised Foreign Exchange (Loss) / Gain		(1.75)
<b>Operating Profit / (Loss) before working capital changes</b>	<b>780.23</b>	<b>1,299.03</b>
Changes In Operating assets and Liabilities:		
Adjustments for (increase)/decrease in operating assets		
- (Increase) / Decrease Inventories	(100.28)	(29.41)
- (Increase) / Decrease Trade receivables	(259.98)	(178.01)
- (Increase) / Decrease Other financial assets	(125.62)	(0.76)
Other non-current assets	(23.19)	
- (Increase) / Decrease Other assets	15.02	(115.30)
Adjustments for Increase/(decrease) in operating liabilities		
- Increase / (Decrease) Provisions	15.67	1.88
- Increase / (Decrease) Trade Payables	121.77	327.90
- Increase / (Decrease) Other financial liabilities	16.73	0.61
- Increase / (Decrease) Other liabilities	(105.07)	126.26
Cash generated from operations	<b>335.28</b>	<b>1,432.20</b>
Income taxes paid	(194.86)	(285.92)
<b>Net cash flows from operating activities (A)</b>	<b>140.42</b>	<b>1,146.28</b>
<b>B. Cash Flow from Investing activities :</b>		
Loans given to Subsidiary / Holding Companies	-	(993.42)
Repayment of loans given to Subsidiary / Holding Companies		562.65
Purchase for property, plant and equipment including capital work in progress	(307.51)	(620.62)
Interest received	22.96	26.69
Proceed from sale of property, plant and equipment	0.99	12.51
Investment in equity instruments	0.08	(1.38)
Dividend received		-
<b>Net cash flows used in by investing activities (B)</b>	<b>(283.48)</b>	<b>(1,013.57)</b>
<b>C. Cash Flow from Financing activities :</b>		
Proceeds from Borrowings	100.00	-
Repayment of Borrowings		(39.62)
Interest paid	(14.37)	(38.74)
<b>Net cash from/(used) from financing activities (C)</b>	<b>85.63</b>	<b>(78.36)</b>
<b>Net Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(57.43)</b>	<b>54.35</b>
Cash and cash equivalents at the beginning of the year	72.71	17.96
Effect of exchange rate fluctuation in cash or cash equivalent		0.40
Cash and cash equivalents at the period end	15.27	72.71
Cash and cash equivalents at the end of the period (Refer Note - 11)	15.25	72.71



FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**ANIL HARI DASS**  
 MANAGING DIRECTOR

**HARI KRISHNAN**  
 JT. MANAGING DIRECTOR

Place : Bangalore

Date : 5<sup>TH</sup> OCTOBER, 2018

**BILL FORGE PRIVATE LIMITED**

**NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018**

**Note - 9: Inventories**

Particulars	₹ in Million	
	As at June 30, 2018	As at December 31, 2017
<b>Inventories (lower of cost and net realisable value)</b>		
Raw materials	222.07	283.77
Work-in-progress	480.09	411.14
Finished goods	302.05	246.70
Stores and spares	301.50	263.81
<b>Total</b>	<b>1,305.71</b>	<b>1,205.42</b>
<b>Included above, goods-in-transit:</b>		
Finished goods	204.04	204.92
<b>Total</b>	<b>204.04</b>	<b>204.92</b>

**Amounts recognised in Profit or Loss**

Write down of inventories to Net realisable value amounted to Rs. 1.39 million (Previous year Rs. 5.14 million). These were recognised as an expense during the year and included in changes in values of inventories of Work in progress and finished goods in statement of Profit and loss account.

**Note - 10: Trade receivables**

Particulars	₹ in Million	
	As at June 30, 2018	As at December 31, 2017
<b>Unsecured, considered good</b>		
Trade receivables	1,591.83	1,340.17
Other Trade receivables		
Receivable from Related Parties (refer note 30)	11.03	2.70
Less:- Allowance for doubtful debts		-
<b>Total</b>	<b>1,602.85</b>	<b>1,342.87</b>

**Note - 11: Cash and cash equivalents**

Particulars	₹ In Million	
	As at June 30, 2018	As at December 31, 2017
(a) Cash on hand	0.52	0.68
(b) Balances with banks		
In current accounts	2.36	45.25
In Exchange Earners' Foreign Currency Accounts	12.37	24.23
(c) Other Bank Balance		
In Earmarked deposits		-
(d) Cheques on Hand		2.55
<b>Total</b>	<b>15.25</b>	<b>72.71</b>



**BILL FORGE PRIVATE LIMITED**  
**NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018**

**Note - 12: Equity share capital**

Particulars	As at June 30, 2018		As at December 31, 2017	
	No. of shares	Amount	Amount	No. of shares
<b>Authorised share capital:</b>				
Equity Shares of Rs. 10/- each, with voting rights	2.40	24.00	2.40	24.00
Compulsory Convertible Preference Shares of Rs. 10/- each	0.25	25.00	0.25	25.00
		-	-	-
<b>Issued, subscribed and fully paid:</b>				
Equity Shares of Rs. 10/- each,	1.17	11.71	1.17	11.71
<b>Total</b>	<b>1.17</b>	<b>11.71</b>	<b>1.17</b>	<b>11.71</b>

**(i) Reconciliation of the number of shares outstanding at the beginning and at the end of the period.**

Particulars	Opening Balance	Fresh Issue	Conversion	Closing Balance
<b>(a) Equity shares with voting rights</b>				
For the period ended June 30, 2018				
No. of Shares	1	-	-	1
Amount	12	-	-	12
For the year ended December 31, 2017				
No. of shares	1	-	-	1
Amount	12	-	-	12

**(ii) 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.

**(iii) Shares of Company held by holding / Ultimate holding company :**

Particulars	As at June 30, 2018	As at December 31, 2017
<b>Equity shares with voting rights</b>		
No of Shares		
Mahindra CIE Automotive Limited and its nominees (Holding Company from October 26, 2016)	1	1



**BILL FORGE PRIVATE LIMITED**

**NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018**

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

Class of shares / Name of shareholder	As at June 30, 2018		As at December 31, 2017	
	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 Mahindra CIE Automotive Limited and its nominees	1	100%	11,71,207	100%

**Note - 13: Other equity**

Particulars	Reserves and surplus (Refer Note 14)						Total other equity
	Capital reserve	Securities premium reserve	General reserve	Capital redemption Reserve	Retained earnings	Revaluation surplus	
Balance as at April 1, 2016	44.87	1,345.44	38.01	1.61	990.00	18.98	2,438.91
Profit for the period ended December 31, 2016	-	-	-	-	382.56	-	382.56
Items of other comprehensive income recognised directly in retained earnings - Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(4.24)	-	(4.24)
<b>Balance as at December 31, 2016</b>	<b>44.87</b>	<b>1,345.44</b>	<b>38.01</b>	<b>1.61</b>	<b>1,368.32</b>	<b>18.98</b>	<b>2,817.23</b>
Balance as at January 1, 2017	44.87	1,345.44	38.01	1.61	1,368.32	18.98	2,817.23
Profit for the period ended December 31, 2017	-	-	-	-	627.14	-	627.14
Items of other comprehensive income recognised directly in retained earnings - Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	(1.82)	-	(1.82)
<b>Balance as at December 31, 2017</b>	<b>44.87</b>	<b>1,345.44</b>	<b>38.01</b>	<b>1.61</b>	<b>1,993.64</b>	<b>18.98</b>	<b>3,442.55</b>
Balance as at January 1, 2018	44.87	1,345.44	38.01	1.61	1,993.64	18.98	3,442.55
Profit for the period ended June 30, 2018	-	-	-	-	424.30	-	424.30
Items of other comprehensive Income recognised directly in retained earnings - Remeasurements of post-employment benefit obligation, net of tax	-	-	-	-	-	-	-
<b>Balance as at June 30, 2018</b>	<b>44.87</b>	<b>1,345.44</b>	<b>38.01</b>	<b>1.61</b>	<b>2,417.94</b>	<b>18.98</b>	<b>3,866.85</b>

**Nature and purpose of Reserves**

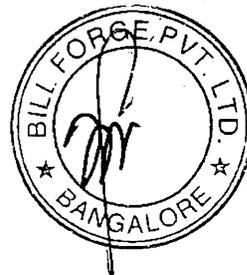
Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the law.

Capital reserve is the profit earned by the company through special transaction that is not available for distributing as dividend to shareholders.

The General Reserve comprises of retained earnings of the Company which are kept aside out of the Company's profits to meet future (known or unknown) obligations. The General reserve is a free reserve which can be utilised for any purpose after fulfilling certain conditions.

Capital redemption reserve was created at the time of buyback of shares in past. This reserve is not available for distribution.

Revaluation surplus: The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

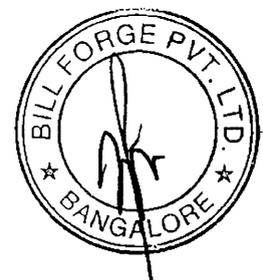


**BILL FORGE PRIVATE LIMITED****NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018****Note - 14: Provisions**

Particulars	(₹ in Million)	
	As at June 30, 2018	As at December 31, 2017
<b>Non - Current</b>		
Provision for employee benefits	-	
Provision for compensated absence	(11.94)	23.20
Provision for Litigation	-	667.79
<b>Total</b>	<b>(11.94)</b>	<b>690.98</b>
<b>Current</b>		
Provision for employee benefits		
Provision for compensated absence	11.94	6.09
<b>Total</b>	<b>11.94</b>	<b>6.09</b>

**Note - 15: Current borrowings**

Particulars		
	As at June 30, 2018	As at December 31, 2017
<b>Current borrowings</b>		
<b>Unsecured borrowings</b>		
From Banks	500.00	400.00
From Other Parties	-	-
<b>Total</b>	<b>500.00</b>	<b>400.00</b>



**BILL FORGE PRIVATE LIMITED**

**NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018**

**Note - 16: Current Trade payables**

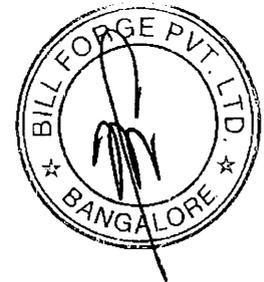
Particulars	(₹ in Million)	
	As at June 30, 2018	As at December 31, 2017
Trade payable for goods & services		
(i) Total payables	1,388.95	1,228.28
(ii) Total payables to related parties	-	13.94
(iii) Total payables to micro enterprise and small enterprise	3.88	28.84
<b>Total</b>	<b>1,392.83</b>	<b>1,271.06</b>

**Note - 17: Other Financial Liabilities**

Particulars		
	As at June 30, 2018	As at December 31, 2017
<b>Other financial liabilities measured at amortised cost</b>		
Capital Creditors	63.63	43.04
Interest payable to micro enterprise and small enterprises	-	1.25
<b>Total</b>	<b>63.63</b>	<b>44.29</b>

**Note - 18: Other current liabilities**

Particulars		
	As at June 30, 2018	As at December 31, 2017
a. Advances received from customers	-	4.93
b. Other advance received	9.54	9.54
c. Statutory dues		
- taxes payable (other than income taxes)	13.30	14.15
- taxes payable (GST)	35.89	134.98
d. Security deposit	-	0.20
<b>Total</b>	<b>58.73</b>	<b>163.80</b>



**BILL FORGE PRIVATE LIMITED**  
**NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018**

**Note - 19: Revenue from operations**

		(₹ in Million)	
Particulars	For the Period ended June 30, 2018	For the Year ended December 31, 2017	
(a) Sale of Products (Including excise duties)	3,904.10	6,928.24	
(b) Sale of Services	5.00	20.52	
(c) Other operating Revenue			
- Export Incentive	45.35	0.00	
- Scrap Sales	134.56	296.47	
<b>Total Revenue from Continuing Operations</b>	<b>4,089.01</b>	<b>7,245.23</b>	

**Note - 20: Other Income**

Particulars	For the Period ended June 30, 2018	For the Year ended December 31, 2017
(a) Interest income	22.96	25.82
(b) Unwinding of discount on security deposits	-	0.76
(c) Miscellaneous income	0.39	2.91
(d) Net gain on sales of property, plant and equipment	-	-
(e) Dividend income	-	-
(g) Net loss / (gain) on foreign currency transactions (other than considered as finance costs)	41.13	6.84
<b>Total</b>	<b>64.47</b>	<b>36.33</b>

**Note - 21(a): Cost of Material consumed**

Particulars	For the Period ended June 30, 2018	For the Year ended December 31, 2017
Raw Material at the beginning of the year	283.77	183.13
Add : Purchases	1,452	2,447.39
	1,736	2,630.52
Less: Raw Material at the end of the year	222	283.77
<b>Cost of materials consumed</b>	<b>1,514</b>	<b>2,346.75</b>

**Note - 21(b): Accretion / Decretion of stock of finished goods and work in progress**

Particulars	For the Period ended June 30, 2018	For the Year ended December 31, 2017
<b>Opening Stock</b>	<b>657.84</b>	<b>634.11</b>
Work-in-progress	411.14	392.26
Finished goods	246.70	241.85
<b>Closing Stock</b>	<b>782.13</b>	<b>657.84</b>
Work-in-progress	480.09	411.14
Finished goods	302.05	246.70
<b>Net (accretion) / decretion</b>	<b>(124.29)</b>	<b>(23.73)</b>

**Note - 22: Employee benefits expense**

Particulars	For the Period ended June 30, 2018	For the Year ended December 31, 2017
(a) Salaries and wages	394.82	680.32
(b) Contribution to provident and other funds	20.87	49.33
(c) Staff welfare expenses	38.75	71.18
(d) Gratuity	5.18	9.47
(e) Leave compensation	3.13	13.94
<b>Total</b>	<b>462.75</b>	<b>824.24</b>

**Note - 23: Finance cost**

Particulars	For the Period ended June 30, 2018	For the Year ended December 31, 2017
(a) Interest expense	14.37	38.74
<b>Total</b>	<b>14.37</b>	<b>38.74</b>



**BILL FORGE PRIVATE LIMITED**
**NOTES TO THE PROVISIONAL FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2018**
**Note - 24: Depreciation and Amortisation**

(₹ in Million )

Particulars	For the Period ended June 30, 2018	For the Year ended December 31, 2017
(a) Depreciation (Refer Note 4)	167.68	313.13
(b) Amortisation (Refer Note 5)	2.27	4.89
<b>Total</b>	<b>169.95</b>	<b>318.02</b>

**Note - 25: Other expenses**

Particulars	For the Period ended June 30, 2018	For the Year ended December 31, 2017
Consumption of Stores and Spares	382.12	720.42
Power, fuel, water & oil consumed	182.48	307.25
Freight and handling charges	105.46	184.31
Rent including lease rentals	34.94	53.14
Repairs and maintenance - Buildings	0.12	0.47
Repairs and maintenance - Machinery	41.66	76.56
Repairs and maintenance - Others	7.45	15.51
Rates and taxes	2.27	6.19
Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013	-	11.27
Insurance charges	4.22	6.09
Subcontracting cost	412.53	723.27
Net loss / (gain) on foreign currency transactions net off Derivative gain/loss (other than considered as finance costs)	-	-
Provision for doubtful debts and advances	-	-
Corporate Distribution Expenses	30.77	-
Legal and other professional costs	46.47	54.42
Payments to auditors (Refer Note (i) below)	1.80	1.80
Advertisement, promotion and selling expenses	50.70	92.71
Cash discount allowed	-	-
Travelling expenses	14.22	36.40
Communication expenses	2.41	5.37
Cost of service-outsourced	149.47	143.74
Printing charges	5.35	8.51
Security charges	14.36	27.08
Net Loss on sales of Property, Plant and Equipment	(0.29)	1.47
Other general expenses	1.90	5.51
Impairment loss of financial assets-Global DMCC	-	-
<b>Total</b>	<b>1,490.42</b>	<b>2,481.49</b>

**Note (i) Auditors Remuneration**

<b>Payment to Auditors (excluding service tax)</b>		
For Audit	0.95	0.95
For Tax Audit	0.45	0.45
For Other services	0.10	0.10
For Reimbursement of expenses	0.30	0.30
	<b>1.80</b>	<b>1.80</b>

