

FORM A

Covering letter of the annual audit report for the Financial Year 2014-15 to be filed with the Stock Exchange pursuant to Clause 31(a) of Listing Agreement

Sr. No.	Particulars	Details
1	Name of the Company	Mahindra CIE Automotive Limited
2	Annual financial statements for the year ended	31 st March, 2015
3	Type of Audit observation	Matter of emphasis (Please refer to Note X - Financial Statements)
4	Frequency of observation	Appearing for third time

For B. K. Khare & Co.,
Chartered Accountants
Firm Regn No: 105102W

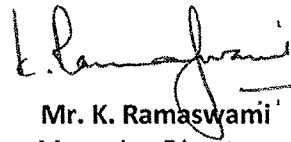
For Mahindra CIE Automotive Limited



Himanshu Chapsey
Partner
Membership No. 105731



Mr. Daljit Mirchandani
Audit Committee
Chairman



Mr. K. Ramaswami
Managing Director



Mr. Sanjay Joglekar
Chief Finance Officer

Mumbai, May 11, 2015



MAHINDRA CIE AUTOMOTIVE LTD



ANNUAL REPORT 2014 - 15



FORGINGS



STAMPINGS



GEARS



CASTINGS



MAGNETICS



COMPOSITES

Mahindra
SYSTEMS

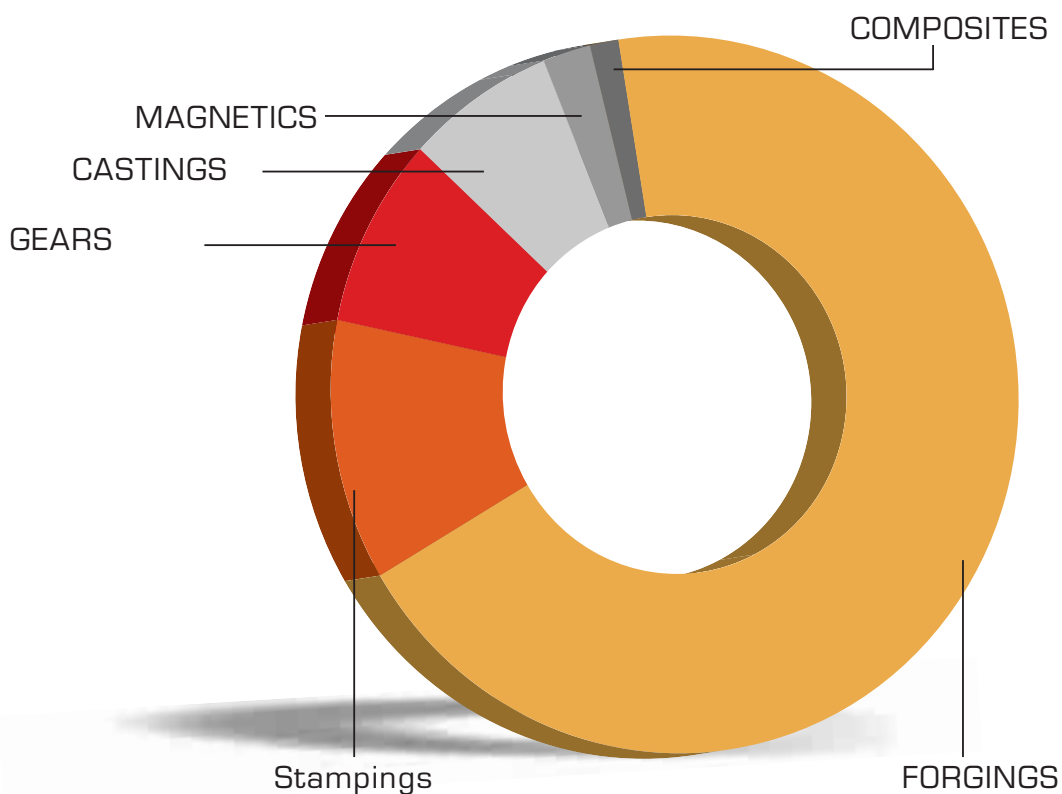
Mahindra CIE

Contents

Chairman's Note	01
Products & Applications	02
Board of Directors	04
Directors' Report	05
Management Discussion & Analysis	40
Report on Corporate Governance	50
Auditors' Certificate on Corporate Governance	67
Auditors' Report on Standalone Financial Statements	68
Balance Sheet (Standalone)	72
Statement of Profit & Loss (Standalone)	73
Cash Flow Statement (Standalone)	74
Notes forming part of Standalone Financial Statements	76
Auditors' Report on Consolidated Financial Statements	104
Balance Sheet (Consolidated)	108
Statement of Profit & Loss (Consolidated)	109
Cash Flow Statement (Consolidated)	110
Notes forming part of Consolidated Financial Statements	112

Mahindra CIE Business Overview

Mahindra CIE is a multi-technology automotive components supplier listed on Stock Exchanges in India. We are an alliance between the CIE group which holds the majority stake and the Mahindra group which also has a significant stake.





Dear Shareholders,

In June, 2013 we had announced a strategic alliance between Mahindra & Mahindra Limited, India (M&M) and CIE Automotive S.A., Spain (CIE). The Mahindra - CIE Alliance has been effected on 10 December 2014, after all the regulatory steps required have been fulfilled with relevant papers being filed with the Registrar of Companies in India. Under this alliance, CIE has taken a majority position in M&M's auto component companies in Europe and India which were part of the erstwhile Systech sector of M&M. These companies were merged in or became subsidiaries of Mahindra CIE as part of this alliance. M&M has in turn acquired a significant stake in CIE and has become its second largest shareholder.

Both M&M and CIE have communicated that the respective stakes in each other's business are less important than the vision of what can be collectively achieved while staying true to the values that have brought both so far. There is an identity of shared values between CIE and Mahindra around their people and their leadership which continues to engender mutual trust.

The markets have rewarded this bold step with more than doubling of the CIE share price and a near quintupling of the Mahindra CIE share price since the deal was announced. The increase of market cap to €1.8bn and \$1.3bn respectively is only one measure of the strategic importance of this alliance.

We are presenting the financial results of Mahindra CIE as a consolidated entity in this annual report. It is a satisfying moment for all of us. It is especially so for members of the Mahindra CIE team whose perseverance in getting such a complex alliance operationalised is praiseworthy.

This financial year has seen Mahindra CIE make steady progress. We have managed to turnaround the European operations, with the help of the CIE team bringing in more focus and their trademark rigor to the process. The Indian operations which are suffering from a slowing market have concentrated on maintaining profitability.

Mahindra CIE has defined a two phased strategy. In the first phase financial consolidation takes priority while the second will focus on growth, both organic and inorganic. The financial consolidation is on track and we have started to embark on our growth plans.

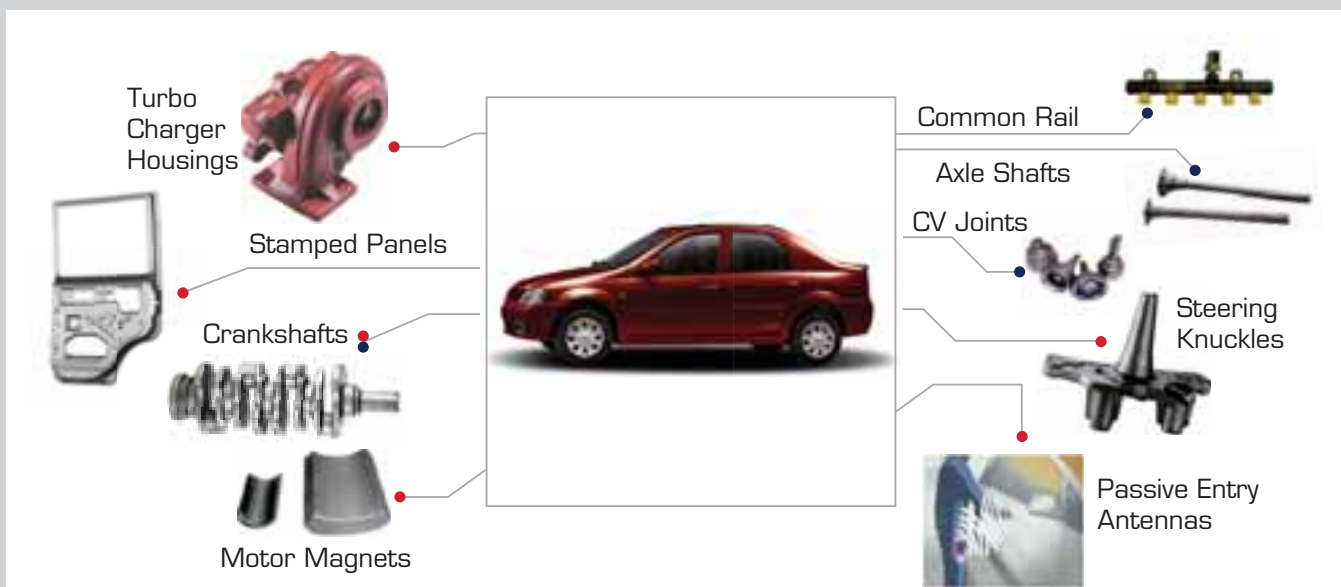
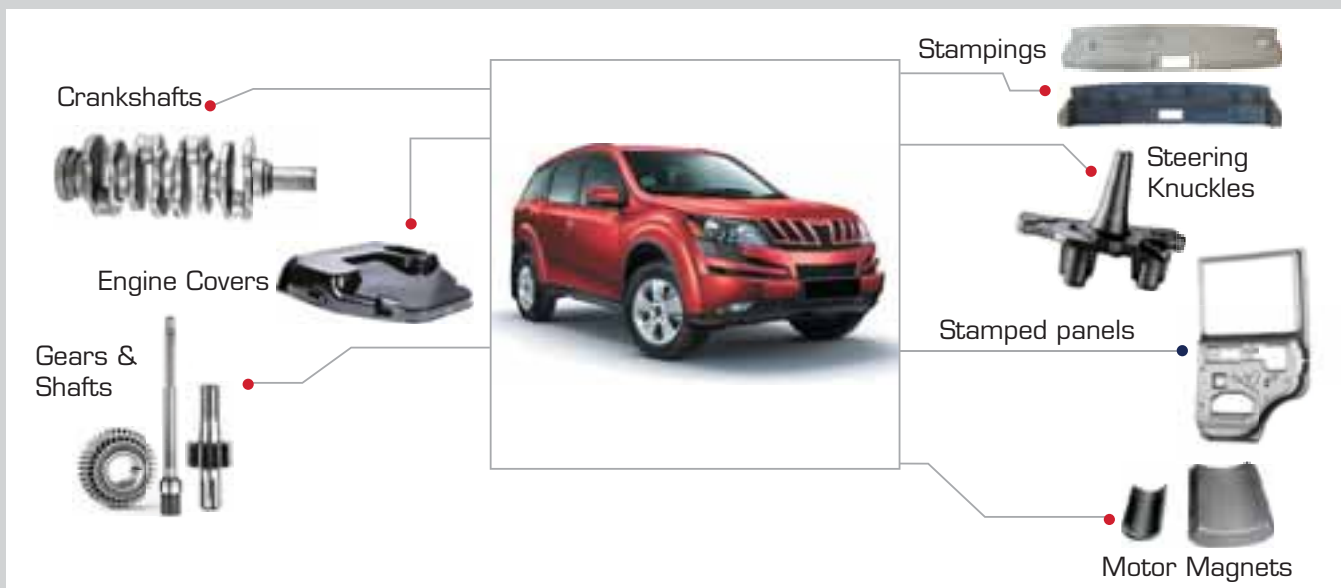
Thank you for the trust reposed in us and for being invested in Mahindra CIE.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Hemant Luthra', with a small horizontal line underneath.

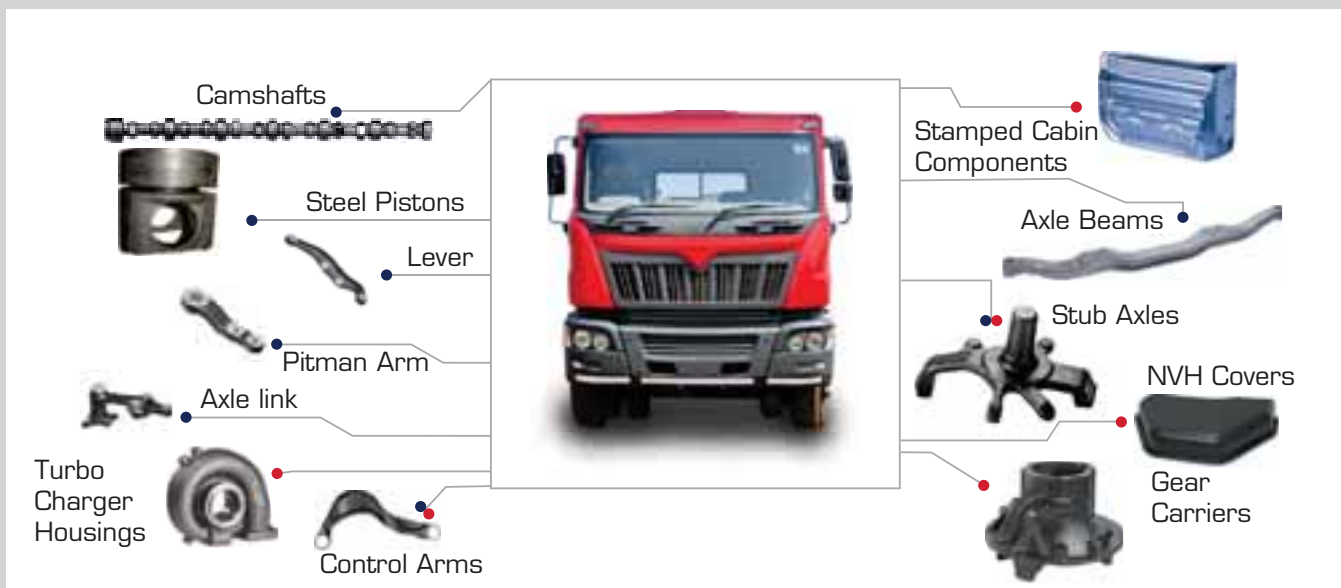
Hemant Luthra

Chairman, Mahindra CIE



● INDIA

● EUROPE



● INDIA

● EUROPE

Board of Directors

Mr. Hemant Luthra - Chairman
Mr. K. Ramaswami - Managing Director
Mr. Antonio Maria Pradera Jauregui
Mr. Daljit Mirchandani
Mr. Dhananjay Mungale
Mr. Jesus Maria Herrera Barandiaran
Mr. Jose Sabino Velasco Ibanez
Mr. Juan Maria Bilbao Ugarriza
Mr. Manoj Maheshwari
Mrs. Neelam Deo
Mr. Pedro Jesus Echegaray Larrea
Mr. Shriprakash Shukla
Mr. Suhail A. Nathani
Mr. Zhooben Dosabhoj Bhiwandiwal

Chief Financial Officer

Mr. Sanjay Joglekar

Company Secretary & Head Legal

Mr. Krishnan Shankar

Committees of the Board

Audit Committee

Mr. Daljit Mirchandani - Chairman
Mr. Dhananjay Mungale
Mr. Manoj Maheshwari
Mr. Jose Sabino Velasco Ibanez

Nomination and Remuneration Committee

Mr. Manoj Maheshwari - Chairman
Mr. Daljit Mirchandani
Mr. Hemant Luthra
Mr. Jesus Maria Herrera Barandiaran

Stakeholders' Relationship Committee

Mr. Dhananjay Mungale - Chairman
Mr. Daljit Mirchandani

Corporate Social Responsibility Committee

Mr. Daljit Mirchandani – Chairman
Mr. Dhananjay Mungale
Mr. Hemant Luthra

• **Auditors**

B. K. Khare & Co. Chartered Accountants
706/708, Sharda Chambers,
Mumbai - 400 020

• **Bankers**

State Bank of India
Axis Bank Limited
Bank of Baroda
IDBI Bank Limited
Saraswat Co.Op. Bank Limited
HDFC Bank Limited
ICICI Bank Limited

• **Registrar and Share Transfer Agents**

Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot 31 & 32,
Financial District, Gachibowli,
Hyderabad, 500032
Website : www.karvy.com
E-mail : support@karvy.com
inward.ris@karvy.com

DIRECTORS' REPORT

To,
The Members,
Mahindra CIE Automotive Limited

Your Directors present the 16th Annual Report of the Company together with the audited financial statements of your Company for the Financial Year ended 31st March, 2015.

A. FINANCIAL HIGHLIGHTS (STANDALONE)#

	(₹ in Million)	
PARTICULARS	2014-15	2013-14
Total Income	16,624.8	3,929.9
Profit before Interest, Depreciation, Exceptional Items and tax	1,531.8	587.8
Less : Depreciation	688.7	282.9
Profit before Interest, Exceptional Items and tax	843.1	304.9
Less : Interest and Finance cost	140.4	37.3
Profit before Exceptional Items and Tax	702.7	267.6
Less: Exceptional items	-	-
Profit before tax	702.7	267.6
Profit for the year	776.7	179.7
Balance of Profit & Loss Account brought forward losses from earlier years	(655.0)	(834.7)
Adjustments related to merger & prior period depreciation	1,618.8	-
Profit / (Loss) carried to Balance Sheet	1,740.5	(655.0)

Financials

During the year under review your Company registered a total income of ₹ 16,624.8 Million as against ₹ 3,929.9 Million in the previous year and Profit before Interest, Depreciation, Exceptional items and tax of ₹1,531.8 Million as against ₹ 587.8 Million in the previous year. The net profit for the year stood at ₹776.7 Million as against a net profit of ₹ 179.7 Million over the previous year.

Consequent to the effectiveness of the Integrated Scheme and Composites Scheme of Amalgamation results for the Financial Year ended 31st March, 2015 include the results of the amalgamated companies and hence are not comparable to those of the prior periods/ year which do not include the results of the amalgamated companies.

Dividend

Your Directors do not recommend any dividend for the year.

Transfer to Reserves

The Company has not transferred any amount of profits to reserves.

B. OPERATIONAL HIGHLIGHTS

MCIE India:

Your Company has focused on increasing Plant efficiency and developing value added components to mitigate the effect of declining volumes in its addressable market segments. Majority of MCIE 's plants are located in the state of Maharashtra (around Pune and in Nashik) where power tariffs have increased in FY15.

The forgings and castings verticals have significant power costs and they have launched projects to improve efficiency in the usage of power. With the help of CIE, the different verticals of the India operations are developing new products and exploring entry into 'Western OEMs' in India.

Mahindra Forgings Europe (MFE):

MFE has followed a two phase strategy to achieve a turnaround in profitability. In the first phase, your company focused on cost reduction by improving productivity, reducing headcount and overtime. Most of this has been achieved and profitability is back on track.

Under the second phase of restructuring, the management has focused on further improvement in operational efficiencies by optimizing manufacturing locations and product portfolio wherein it has decided to close Jeco-Jellinghaus GMBH's operations in a phased manner over next 6 months by shifting machines & equipment to other manufacturing locations of MFE and outsourcing most of the machining operations. No loss of revenue is expected. The management expects that this exercise will improve overall operational efficiencies at MFE.

CIE Forgings Europe (CIEF):

CIEF's EBITDA margins are in line with the consolidated margins of the CIE group worldwide. The strategic focus is to maintain profitability at these plants while growing with the market.

Metalcastello (MC):

Metalcastello supplies mainly to the off road market which has seen a steady drop in volumes over the last few years leading to a drop in EBITDA%. A restructuring program involving headcount reduction and inventory write off has been implemented, leading to significant improvement in EBITDA margins.

Gears India:

The focus is on increasing operational efficiencies and developing new customers and machining facility.

C. SCHEME OF MERGER

The Board of Directors of the Company had, at its meeting held on June 15, 2013, approved (a) the scheme of amalgamation of Mahindra Hinoday Industries Limited ("MHIL"), Mahindra UGINE Steel Company Limited ("MUSCO"), Mahindra Gears International Limited ("MGIL"), Mahindra Investments (India) Private Limited ("MIPL") and Participaciones Internacionales Autometal Tres, S.L. ("PIA 3") with Mahindra CIE Automotive Limited (the Company or MCIE) (the Integrated Scheme) AND (b) the scheme of amalgamation of Mahindra Composites Limited ("MCL") with the Company ("Composites Scheme") (The Integrated Scheme and the Composites Scheme are together referred to as the "Schemes" and MUSCO, MGIL, MIPL, PIA3 and MCL are together referred to as "Transferor Companies").

Securities and Exchange Board of India ("SEBI") vide its observation letters dated 7th March, 2014 had conveyed its comments on the draft Integrated Scheme and the draft Composites Scheme to the BSE Limited ("BSE"). Pursuant to the SEBI letters, the BSE and the National Stock Exchange of India limited ("NSE") vide their Observation letters both dated 7th March 2014 had conveyed their respective no-objections to file the Integrated Scheme and the Composites Scheme with

the Hon'ble High Court, subject to certain conditions specified therein.

Court Convened Meetings for approval of the Schemes

Approval of the members was sought for each of the Integrated Scheme and the Composites Scheme, pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956, at the separate meetings of the members held on 5th June, 2014, convened as per the directions of the Hon'ble High Court of Judicature at Bombay, received vide its orders, both dated 2nd May, 2014.

The Schemes were approved by requisite majority of shareholders attending and voting at the respective meetings.

Postal Ballot for Approval of the Schemes

In terms of SEBI circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with circular number CIR/CFD/DIL/8/2013 dated May 21, 2013 ("SEBI Circulars"), the Company has obtained approval of the public shareholders of the Company to each of the Integrated Scheme and the Composites Scheme through postal ballot and e-voting process.

Thereafter the Company filed petition seeking sanction of the Hon'ble High Court of Judicature of Bombay for each of the Integrated Scheme and the Composites Scheme.

The Hon'ble High Court of Judicature of Bombay approved the Integrated Scheme and the Composites Scheme on October 31, 2014 and an authenticated copy of each of the said orders were received by the Company on November 11, 2014.

However, the effectiveness of the Schemes was subject to certain conditions precedent as provided in the respective Scheme.

The Company and transferor Companies had complied with all such Conditions Precedents and the certified copies of the respective court orders approving the Integrated Scheme and Composites Scheme were filed with the Registrar of Companies on December 10, 2014, the date on which schemes became effective.

Pursuant thereto the said Transferor Companies stand dissolved without winding-up with effect from the effective date and entire business of the Transferor Companies has been transferred to and vested in the Company with effect from the appointed date which is October 1, 2013.

D. CHANGES IN SHARE CAPITAL AND ISSUE OF SHARES

Pursuant to the Integrated Scheme and the Composites Scheme, on 2nd January, 2015, the Company has issued and allotted 229,330,519 equity shares of ₹ 10/- each fully paid-up to the Shareholders of Transferor Companies.

The above allotment also includes 6,536 equity shares, arising out of the consolidation of fractional entitlements, which were allotted to KPM Business Solutions Private Limited, being the trustee nominated by the Company. The Trustee have sold said shares in the open market at the prevailing market prices and transferred the net proceeds thereof to the Company, for distributing the same to the Shareholders in proportion to their respective fractional entitlements. The Company has paid the fractional entitlements (after deduction of applicable taxes and other expenses incurred) through NEFT/RTGS to those fraction holders, whose bank account details were registered and dispatched the warrants to remaining fractional holders in February, 2015.

Further, in addition to the above, in terms of the Composites Scheme 945 equity shares of ₹ 10/- each were issued and kept in abeyance against the 1050 equity shares kept in abeyance by MCL, the Transferor Company under the Composites Scheme.

During the year ended 31st March, 2015, the Company has allotted 1,305,277 equity shares of face value of ₹ 10/- each, pursuant to exercise of options under the Company's Employee Stock Option Scheme.

Pursuant to the above, as on 31st March, 2015 the issued capital of the Company was increased to ₹ 3,229,772,070 and subscribed and paid-up equity capital increased to ₹ 3,229,762,620/-.

Changes in Promoters Shareholding

Mahindra and Mahindra Limited ("M&M") and Participaciones Internacionales Autometal, Dos S.L ("PIA2") the promoters the Company were also shareholders in certain Transferor Companies.

Further, Prudential Management and Services Pvt. Ltd. (Prudential) which was holding shares in certain Transferor Companies became part of Promoter Group of the Company.

Pursuant to the Schemes, 98,735,844 equity shares, 64,975,298 equity shares and 4,784,068 equity shares of ₹ 10 each were issued and allotted to PIA2, M&M and Prudential respectively.

As on 31st March, 2015 PIA2 held 171,767,537 equity shares in the Company representing 53.18% of the paid up equity capital and M&M held 65,271,407 representing 20.21% of the paid up equity capital and Prudential held 4,784,068 equity shares in the Company representing 1.48% of the paid up equity capital of the Company.

Employees' Stock Option Scheme

Employees' Stock Option Scheme (ESOS) was formulated by the Remuneration/Compensation committee of directors of the Company and was approved by the shareholders at the Annual General Meeting of the Company held on 25th July, 2007. The Scheme has been effective from 26th October, 2007 and shall continue to be effective till terminated by Remuneration / Compensation Committee (now Nomination and Remuneration Committee).

The ESOS was amended vide special resolutions passed by the Shareholders in the 9th Annual General Meeting held on 29th July, 2008 and further amended by special resolutions passed by the Shareholders in the 12th Annual General Meeting held on 2nd August, 2011.

During the year, pursuant to the Integrated Scheme and the Composites Scheme of Amalgamation, the Board of Directors of the Company amended the ESOS on 12th December, 2014, incorporating suitable clauses to grant the Options to the Eligible employees of MUSCO and MCL who were holding Stock Options under the respective Schemes of MUSCO and MCL (now amalgamated and merged with the Company).

The exercise price payable for options granted by the Company to the Eligible Employees of MUSCO and MCL were adjusted so that the total exercise price payable by such Eligible Employees under the respective Stock Option Scheme of Transferor Companies is equivalent to the exercise payable for the options granted by the Company.

Total number of equity shares that can be issued under ESOS, pursuant to exercise of options was increased to 4,620,796. The increase of 227,307 was pertaining to the equivalent number of options granted to eligible employees of MUSCO and MCL, based on the respective share swap ratio provided under schemes in lieu of the outstanding stock options held by such employees under their respective employee stock option schemes, where each option conferring on the employee a right to get one equity share of ₹10/- each of the Company.

Voting rights on the shares issued to employees under the ESOS are either exercised by them directly or through their appointed proxy.

No employee has been issued stock options during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.

The ESOS is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The certificate issued by the Statutory Auditors of the Company to the effect that the Scheme has been implemented in accordance with the said Regulations and the resolution passed by the members will be placed before the shareholders at the ensuing Annual General Meeting.

The information that a company is required to disclose, in relation to ESOS under the Companies Act, 2013, and the details of the ESOS being implemented, as specified by SEBI under Clause 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 is uploaded on the website of the Company at <http://mahindraforgings.com/investor-zone/investor-relation.html>.

The information is also provided in the Note No. XXVI (3) of the Notes to Financial Statements.

E. SUBSIDIARY COMPANIES

At the beginning of the Financial Year the Company has subsidiaries namely Mahindra Forgings International Limited, Mauritius, Mahindra Forgings Global Limited, Mauritius, Stokes Group Limited, U.K., Mahindra Forgings Europe AG, Jeco Jellinghaus GmbH, Stokes Forgings Ltd., Stokes Forgings Dudley Ltd., Gesenkschmiede Schneider, Germany, Falkenroth Umformtechnik GmbH, Germany, Schoneweiss & Co. GmbH, Germany

During the year, consequent to the merger, Mahindra Gear & Transmissions Private Limited (MGTP), India, Mahindra Gears Global Limited (MGGL), Mauritius and CIE Galfor S.A. (Galfor), Spain became subsidiaries of the Company and Metalcastello SpA, Italy (MC) (subsidiary of MGGL), CIE Legazpi S.A., Spain (subsidiary of Galfor) and UAB CIE LT Forge, Lithuania (subsidiary of Galfor) and Crest Geartech Private Limited, India (subsidiary of MC) became step subsidiaries of the Company.

None of the subsidiaries have been liquidated or sold during the year.

No operating subsidiary of the Company is yet to commence operations as at end of the year.

The performance and financial position of each of the subsidiaries included in the consolidated financial statement is given in the Management Discussion and Analysis Report attached to the Board's Report.

Further, as required under Section 129(3) of the Companies Act, 2013 read with the Rules, a statement containing the salient features of the financial statement of the subsidiaries in

prescribed form AOC-1 is attached to the Financial Statements.

The Consolidated Financial Statements of the Company and its subsidiaries, as required under Section 134(1) of the Act, prepared in accordance with Accounting Standard AS 21 forms a part of the Annual Report

In accordance with Section 136 of the Act, the separate accounts in respect of each of the Subsidiaries are uploaded on the website of the Company and copies of the same shall be provided to shareholders of the Company on receipt of request for such copies.

F. MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis of financial condition and results of operations along-with performance and financial position of each of the subsidiaries is provided in the Management Discussion and Analysis Report which forms part of the Annual Report.

G. BOARD OF DIRECTORS AND COMMITTEES

Directors

During the year under review, the Board, on recommendation of Nomination and Remuneration Committee, appointed Mr. Zoooben Bhiwandiwalwa as an Additional Director on 29th July, 2014 who was confirmed as Director at the Annual General Meeting held on 29th September, 2014.

The Board, on recommendation of Nomination and Remuneration Committee, proposed to members the appointments of Mr. Daljit Mirchandani, (DIN: 00022951), Mr. Manoj Maheshwari (DIN: 00012341), Mr. Dhananjay Mungale (DIN: 00007563), Mr. Jose Ramon Berecibar Mutiozabal (DIN: 06704914), Mr. Jose Sabino Velasco Ibanez (DIN: 06704932), Mr. Juan Maria Bilbao (DIN: 06963805) and Ms. Neelam Deo (DIN: 02817083) as Independent Directors of the Company. The members at the Annual General Meeting held on 29th September, 2014 approved their appointment as Independent Directors for a term of five years with effect from that date.

The Board, on recommendation of Nomination and Remuneration Committee approved re-appointment of Mr. K. Ramaswami as Managing Director of the Company for a further period of three years with effect from 4th October, 2014 and approved his remuneration.

Mr. Jose Ramon Berecibar Mutiozabal (DIN: 06704914) resigned as Independent Director on 15th October, 2014. Thereafter Mr. Jose Ramon Berecibar Mutiozabal (DIN: 06704914) was appointed as an Additional Director (Non-executive non-Independent) who resigned as Director with effect from 31st March, 2015.

The Board, on recommendation of Nomination and Remuneration Committee, appointed Mr. Pedro Echegaray as an Additional Director on 21st October, 2014 and also approved his appointment and remuneration as Executive Director for a period of three years.

Further on recommendation of Nomination and Remuneration Committee, Mr. Suhail Nathani (DIN: 01089938) was appointed as Independent Director, at the meeting of Board held on 12th December, 2014, to fill-up the casual vacancy caused by the resignation of Mr. Jose Ramon Berecibar Mutiozabal. In the same meeting Mr. Jose Ramon Berecibar Mutiozabal (DIN: 06704914) was also appointed as an Additional Director (non-independent) of the Company w.e.f. 12th December, 2014.

The Board at its Meeting held on 11th February, 2015, on recommendation of Nomination and Remuneration Committee, approved appointment of Mr. Hemant Luthra as Executive Chairman and his remuneration for a period of three years with effect from 1st April, 2015.

Mr. Shriprakash Shukla (DIN: 00007418) was appointed as Additional Director of the Company in the Board Meeting on 27th March, 2014 w.e.f. 1st April, 2015. Pursuant to Section 160 of the Companies Act, 2013 the Company has received notice in writing from a member signifying the intention of the member to propose his candidature for the office of Director of the Company along with the deposit of one lakh rupees.

Mr. Jose Ramon Berecibar Mutiozabal ceased as director w.e.f. 31st March, 2015 consequent to his resignation from the Board.

On 27th March, 2015, the Shareholders of the Company through postal ballot, inter-alia, approved –

- The Appointment of Mr. Suhail Nathani (DIN: 01089938) as an Independent Director of the Company for five consecutive years commencing from 12th December, 2014;
- Regularised the appointment of Mr. Pedro Jesus Echegaray Larrea as Director of the Company
- The Appointment and Remuneration of Mr. Pedro Jesus Echegaray Larrea (DIN: 06713892) as Whole-time Director (Executive Director) of the Company for a period of three years w.e.f. 21st October, 2014; and
- The Appointment and Remuneration of Mr. Hemant Luthra (DIN: 00231420) as a Whole-time Director (Executive Chairman) of the Company for a period of 3 (three) years w.e.f. 1st April, 2015.
- The Appointment and Remuneration of Mr. K. Ramaswami as Managing Director of the Company for a period of 3 (three) years w.e.f. 4th October, 2014.

Further Mr. Antonio Maria Pradera Jauregui and Mr. Zhooben Bhiwandiwala, Directors on the Board, are liable to retire by rotation at the ensuing general meeting, pursuant provisions of Section 152 of the Act, and Articles of Association of the Company and offered themselves for re-appointment.

Detailed profile of the Directors seeking re-appointment alongwith other details as may be required are provided in the Corporate Governance Report which forms part of the Annual Report.

The Company has received declarations from each of the Independent Directors confirming that they meet the criteria of Independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and also in the Clause 49(II)(B) of the Listing Agreement.

Meetings of Board of Directors

The calendar of the Board/ Committee Meetings and the Annual General Meeting are circulated to the Directors in advance to enable them to plan their schedule for effective participation at the respective meetings. Additional Board Meetings are convened by giving appropriate notice to address business exigencies. At times certain decisions are taken by the Board/ Committee through circular resolutions.

The Board of Directors of the Company met eight times during the Financial Year ended 31st March, 2015, viz. 29th April, 2014, two meetings held on 29th July, 2014, 29th September, 2014, 21st October, 2014, 12th December, 2014, 11th February, 2015 and

27th March, 2015. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Details of attendance of meetings of the Board, its Committees and the AGM are included in the Report on Corporate Governance, which forms part of this Annual Report.

Meeting of Independent Directors

The Independent Directors met once during the year under review. The Meeting was conducted in an informal manner without the presence of the Non-Independent Directors and members of management

Performance Evaluation of the Board

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the individual directors as well as the evaluation of the working of its Committees.

The Company has formulated a Policy for performance evaluation of the Board as a whole, Individual Directors, Committees which also includes feedback to the Chairman.

A questionnaire, based on criteria approved by the Committee, for evaluation of performance of Board, Committees of Board and Individual director was prepared. The Board on recommendation of the Nomination and Remuneration Committee, approved to obtain the feedback of all the Directors on the said Questionnaire through electronic platform. An Independent Agency was appointed to provide the electronic platform. Web link of the electronic platform along-with username and passwords of respective board members for accessing such platform was forwarded by the Independent Agency.

The Board Members provided their feedback on the standard questionnaire through the electronic platform. The members were also able to give qualitative feedback apart from the standard questionnaire.

The reports of feedback received from all Directors on performance evaluation of individual directors were shared with respective Directors and Chairman of the Nomination Committee. Nomination and Remuneration Committee evaluated the performance of all individual directors based on the feedback so received.

The report of the feedback received from all the Directors on performance evaluation of Board and Committees of Board were shared with the Chairman of the Company. The Board on the basis of feedback so received evaluated performance of its own and Committees of Board. Performance Evaluation of the Chairman of the Company was also carried out by the Independent Directors of the Company, taking into account feedback of all the Directors including the Executive and Non-executive Directors.

Familiarisation Programme for Independent Directors

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are given in the Report on Corporate Governance and the same are also available on the website of the Company at the link: <http://mahindraforgings.com/investor-zone/investor-relation/governance.html>

Policy on Appointment and Remuneration

In accordance with the provisions of Section 134(3)(e) of the Companies Act, 2013 (“the Act”) read with Section 178(2) of the Act and Clause 49 of the Listing Agreement, the Company has formulated following policies which inter alia, includes the criteria for determining qualifications, positive attributes and independence of Directors.

- i. A policy on Appointment of Directors and Senior Management and succession planning for orderly succession to the Board and the Senior Management,
- ii. A policy on remuneration of Directors, Key Managerial Personnel and other employees of the Company

The extract of the above policies are annexed as **Annexure VII & VIII** respectively and forms part of this Report.

Committees of the Board

Your Company has duly constituted the Committees required under the Companies Act, 2013 read with applicable Rules made thereunder and the Listing Agreement.

The Board of Directors of the Company has formed an Audit Committee which consist of the Independent Directors namely Mr. Daljit Mirchandani as the Chairman, Mr. Jose Sabino Velasco Ibanez, Mr. Manoj Maheshwari and Mr. Dhananjay Mungale. All the recommendations of the Audit Committee were accepted by the Board during the year under review.

The other Committees of the Board are:

- i) Nomination and Remuneration Committee
- ii) Stakeholders' Relationship Committee
- iii) Corporate Social Responsibility Committee
- iv) Allotment Committee

The details with respect to the composition, powers, roles, terms of reference, Meetings held and attendance of the members at such Meetings of the relevant Committees are provided in the Report on Corporate Governance of the Company which forms part of this Annual Report.

Directors' Responsibility Statement

Pursuant to Sub-Section (5) of Section 134 of the Companies Act, 2013, your Directors, based on the representation received from the Operating Management, and after due enquiry, confirm that :

- (a) in the preparation of the annual accounts for the Financial Year ended 31st March 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year 2014-15 and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts for the

Financial Year ended 31st March 2015 on a going concern basis;

- (e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

H. GOVERNANCE

Report on Corporate Governance

Your Company's philosophy on Corporate Governance sets the goal of achieving the highest level of transparency, accountability in all its dealings with the stakeholders, employees and the government. The practice of responsible governance has enabled your Company to achieve sustainable growth, while meeting the aspirations of its stakeholder's and societal expectations. A report on Corporate Governance along with a Certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

Vigil Mechanism / Whistle Blower Policy

The Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for Directors and Employees to report their genuine concerns.

Your Company has formulated a policy known as “Whistle Blower Policy/ (Vigil) Mechanism” pursuant to Section 177 of the Companies Act, 2014 read with Clause 49 of the Listing Agreement which provides a mechanism for employees and directors of the Company to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism also provide for adequate safeguards against victimisation of director(s)/ employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The details of such Policy is explained in the Corporate Governance Report and has been uploaded on the website of the Company; <http://mahindraforgings.com/investor-zone/investor-relation/governance.html>

Risk Management Policy

In terms of the requirement of the Act, the Company has developed and implemented the Risk Management Policy and the Audit Committee of the Board reviews the same periodically. Your Company has also established procedures to periodically place before the Board, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate the Risks.

Brief of the Policy and important element of risk which may threaten the existence of the Company are provided in the Management Discussion and Analysis Report.

Internal financial controls

Your Company has in place adequate internal financial controls commensurate with the size, scale and complexity of its operations. Review of the internal financial controls environment of the Company was undertaken during the year which covered verification of entity level control, process level control and IT controls, identification, assessment and definition of key business processes and analysis of risk control matrices, etc.

Reasonable Financial Controls are operative for all the business activities of the Company and no material weakness in the design or operation of any control was observed. The internal financial controls with reference to the Financial Statements are commensurate with the size and nature of business of the Company.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working and endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has put in place a 'policy on Sexual Harassment' with aim to redress sexual harassment instances, to create mechanism on redressal of such issues at workplace and sensitises employees on how to report such offences to the committee or to a senior executive.

During the year 1 complaint was reported and the same was resolved as per the provisions of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No Complaints were pending as at the end of the Financial Year under review.

I. EMPLOYEES

Key Managerial Personnel

The Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee at its meeting held on 29th April, 2014, appointed Mr. K. Jayaprakash as Chief Financial Officer of the Company. Post the Schemes of amalgamation became effective he ceased to be Key Managerial Personnel of the Company with effect from 12th December, 2014 and on the recommendation of Nomination and Remuneration Committee re-designated him as Chief Financial Officer of the Forgings, Castings and Magnetics Products Divisions of the Company.

Thereafter, the Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee and the Audit Committee appointed Mr. Sanjay Joglekar as Chief Financial Officer of the Company with effect from 12th December, 2014.

Further the Board appointed Mr. Romesh Kaul as Chief Executive – Composites Division and Mr. Ajit Lele as Chief Executive – Stamping Division with effect from 12th December, 2014

Mr. Ajit Lele retired at the end of Financial Year and ceased to be Key Managerial Personnel.

Mr. Krishnan Shankar continues to be Company Secretary and Head – Legal of the Company.

Particulars of Employees

As required under Section 197(12) of the Act and Rule 5 of Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014 the ratio of the remuneration of each director to the median remuneration of employees of the Company and other details as prescribed therein are provided as **Annexure V** to this Report.

The Company has employees who were in receipt of remuneration not less than ₹ 60,00,000/- per annum during the year ended 31st March, 2015 or employee who were employed for a part of

the Financial Year and were in receipt of remuneration of not less than ₹ 5,00,000/- per month during any part of the said year or employees who were employed throughout the Financial Year or part thereof. Statement of Particulars of such employees is provided as **Annexure VI** to this report

The Companies do not have employees who were employed throughout the Financial Year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

Industrial Relations

Industrial Relations generally remained cordial and harmonious throughout the year.

The Management Discussion and Analysis Report give an overview of the developments in Human Resources/Industrial Relations during the year.

J. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security are given is provided in the note no. X & XIII of the notes to the Financial Statements.

K. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business, accordingly, the disclosures pursuant to Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014, in Form AOC-2 is not applicable.

L. PUBLIC DEPOSITS AND LOANS/ADVANCES

Your Company has not accepted any deposits from the public or its employees during the year under review.

Mahindra UGINE Steel Company Limited (MUSCO), merged with the Company with effect from 10th December, 2014. During the year an amount of ₹ 87,725 in the aggregate, consisting of matured fixed deposits and interest pertaining to MUSCO which remained unpaid or unclaimed for a period of seven years has been duly transferred to Investor Education and Protection Fund. As on 31st March 2015 there were no unpaid or unclaimed matured deposits and interest thereon.

The Company has not made any loans and advances in the nature of loans to subsidiaries and associates and no loans and advances in the nature of loans were given where there is no repayment schedule or repayment beyond seven years or no interest or interest below Section 186 of the Companies Act, 2013, hence disclosure pursuant to Clause 32 of the Listing Agreement not required.

M. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the integrated Scheme and the Composites scheme Mahindra UGINE Steel Company Limited (MUSCO) and Mahindra Composites Limited (MCL) merged with the Company during the year under review. Both MUSCO and MCL had unclaimed

dividends which are now transferred in the Books of the Company. Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of said unpaid and unclaimed amounts now lying with the Company on the website of the Company at <http://mahindraforgings.com/investor-zone/others/documents.html>

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Pursuant to the provisions of Section 205C of the Companies Act, 1956 and Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, MUSCO, which is now merged with the Company, had transferred an amount of ₹ 5,52,413 being unclaimed dividend for Financial Year ended on 31st March 2007 to the IEPF, no claim lies against the Company in respect of these dividends.

N. SUSTAINABILITY

Your Company's vision on sustainability is "Continuously improve our capability by integrating environmental, social, and economic aspects in operations for creating better tomorrow than today". In line with its vision the Company has identified and implemented various projects for reduction in waste, energy and GHG emissions, to achieve the targets set under its Sustainability Road map.

Awareness on sustainability

Awareness about the need and the ways to drive sustainable business practices among all stakeholders is key to perpetual growth. The Company continues its initiatives to generate this awareness among employees who are the most important internal stakeholders of the organisation. This awareness campaign was taken to the external stakeholders, suppliers and vendors.

Safety, Health and Environment Performance

Your Company has a Safety, Occupational Health and Environmental (SH&E) policy on occupational health, safety and environmental protection through which every employee is made responsible for the observance of the measures designed to prevent accidents, damage to occupational health and avoidable environmental pollutants.

Safety and Health

The Safety Committee of the Company meets periodically to review the status of safety issues and reporting of accidents, if any. Various initiatives such as emergency mock drills and advanced fire protection system for improving the Safety have been taken. Common Guarantee Safety Scheme (CGSP) has been initiated as a step forward to focus on safety.

Safety week and Fire Service day are being celebrated. Safety Audits/Inspection along with Safety awareness training on safety is conducted.

Your Company's plant continues to improve their well being of all its personnel by organising Occupational Health Examination Camps, Periodic Health Check-ups etc.

Environmental Initiatives

Since the last few years, your Company has been focusing external certifications for achieving world class environmental standards.

All plants of the Company except Zaheerabad Plant are certified

for EHSMS certification using ISO 14001 and BS OHSAS 18001 standards. The OHSAS system aims to eliminate or minimise risk to employees and other interested parties who may be exposed to Occupational Safety risks in the Company. Sustainable development is promoted through sharing of best practices in the fields of Safety, Occupational Health & Environment.

The highlights of different initiatives taken by the Company at its various Plants for health, safety, environment and sustainability are as under:

- Safety – Incident status, safe workplace, awareness and stakeholder engagement were areas of focus this year at our plants. Noteworthy, is that in most of our plants no incidents were reported. Plants have made significant improvement in reducing non reportable and first aid injuries, by focusing on specific areas of operations to remove the occurrence of such incidents in the future. Your company is expanding the activities related to safety training and is including the other stakeholders as a responsible organization.
- Resource Consumption - Specific energy and water consumption at your company has reduced variably across our plants. The Plants have made consistent progress in waste to wealth, water conservation, rain water harvesting, energy saving and social development projects.
- Standards and Certifications - All our plants are certified individually for OHSMS and EMS by agencies of international repute.
- Green Infrastructure - Noteworthy for your Company is that, we have developed a state of the art new facility at Zaheerabad for Stampings, which is now commercially operational, wherein, green building principles have been incorporated right from the design stage.

Corporate Social Responsibility (CSR)

Your Company has constituted a CSR Committee in accordance with Section 135 of the Companies Act, 2013, it has developed and implemented the policy on Corporate Social Responsibility.

Further, your Company encourages its employees to participate in the Employee Social Options (ESOPs) program, to drive positive change in society, through Health checkup camps, tree plantation, vocational guidance to school children in the nearby schools etc.

During the year under review, the employees of your Company participated in various education and health related programs in local communities.

As part of its initiatives under CSR the Company has further undertaken projects in the areas of Rural Development, Infrastructure, Education, Health and Water. These projects are in accordance with Schedule VII of the Companies Act, 2013.

The Company was required to spent an amount of ₹ 4.94million towards CSR during the Financial Year. Accordingly Company has undertaken various CSR projects in and around the villages where plants of the Company are located. Total expenditure planned on these projects was above ₹ 5 Million. Few of the projects like Developing garden on Gram Panchayat land, Lake Cleaning & Tree Plantation and Tar Road Project are under progress and will be completed during the Financial Year commencing from 1st April 2015. Pursuant to the provisions of the Companies Act, 2013 the Company shall ensure that it spends, in every Financial Year, at least 2% of its average net profits calculated as per the provisions of the Act, made during

the 3 immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The CSR Policy of the Company is hosted on the Company's website at <http://mahindraforgings.com/investor-zone/investor-relation/governance.html> and a brief outline of the CSR Policy and the CSR initiatives undertaken by the Company during the year as prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as "Annexure I".

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The particulars relating to energy conservation, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rule, 2014 are provided in Annexure IV to this Report.

O. EXTRACT OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return as at 31st March, 2015 forms part of this report as **Annexure II**.

P. AUDITORS

Statutory Auditors

Messrs. B. K. Khare & Co., Chartered Accountants, Mumbai (Firm Registration No. 105102W) the Statutory Auditors of the Company hold office till the conclusion of the forthcoming Annual General Meeting (AGM) and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint Messrs. B. K. Khare & Co., as the Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the next AGM.

As required under the provisions of Section 139(1) of the Companies Act, 2013 the Company has received a written consent from Messrs. B. K. Khare & Co., Chartered Accountants to their re-appointment and a certificate, to the effect that their re-appointment, if made, would be in accordance with the Companies Act, 2013 and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013 read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that they are not disqualified for re-appointment. .

The Auditors' Report does not contain any qualification, reservation or adverse remark and notes thereto are self explanatory and does not require any explanations.

Secretarial Audit Report

The Board has appointed Mr. Sachin Bhagwat, Practising Company Secretary, Pune as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2014-15. Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. In

accordance with the provisions of Sub-section (1) of Section 204, the Secretarial Audit Report for the Financial Year 2014-15 is appended to this Report as **Annexure III**.

The report does not contain any qualification, reservation or adverse remark and notes thereto are self explanatory and does not require any explanations.

Cost Audit Report

Messrs. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, (Firm Registration Number 000030) conducted the audit of Cost Accounting Records maintained by the Company for the Financial Year 2013-14 and submitted their report to the Central Government, Ministry of Corporate Affairs, New Delhi.

The Board of Directors upon recommendation of the Audit Committee, appointed Messrs. Dhananjay V. Joshi & Associates, Cost Accountants, Pune as the Cost Auditors of the Company to conduct the Audit of the Cost Accounting Records maintained by the Company for the Financial Year commencing from 1st April, 2015. The Cost Auditors shall forward their report to the Central Government, Ministry of Corporate Affairs, New Delhi for the Financial Year 2014-15 within the prescribed time.

It is proposed to re-appoint Messrs. Dhananjay V. Joshi & Associates, Cost Accountants, Pune as the Cost Auditors of the Company to conduct the Audit of the Cost Accounting Records maintained by for Company for the Financial Year commencing from 1st April, 2015. As required under the provisions of Section 148 of the Act read with rules made thereunder, the Company has obtained a written confirmation from M/s. Dhananjay V. Joshi & Associates to the effect that they are eligible for reappointment as Cost Auditors under the said Sections. The Audit Committee has also received a certificate from the Cost Auditor certifying their independence and arm's length relationship with the Company.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditor is placed before the Members in the ensuing Annual General Meeting for their ratification.

Q. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

During the Financial Year 2014-15, there are no significant and material orders passed by the regulators or courts or tribunals that would impact the going concern status of the Company and its future operations.

Acknowledgement

Your Directors wish to place on record their sincere appreciation to the Bankers of the Company, Company's customers, vendors and investors for their continued support during the year.

The Directors also wish to place on record their appreciation for the dedication and contribution made by employees at all levels and look forward to their support in future as well.

For and on behalf of the Board

**Hemant Luthra
Chairman
DIN: 00231420**

**Date: 27th July 2015
Place: Mumbai**

ANNEXURE- I

THE ANNUAL REPORT ON CSR ACTIVITIES

<p>1) Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs</p>	<p>Corporate Social Responsibility (CSR) has been an integral part of the way Mahindra CIE Automotive Limited, (MCIE or the Company) has been doing business since inception. MCIE is committed to its social responsibilities and takes initiatives to serve the society as a good corporate citizen.</p> <p>The objective of the CSR policy is to -</p> <ul style="list-style-type: none"> Promote a unified and strategic approach to CSR across the Company by incorporating under one umbrella the diverse range of activities, select constituencies and causes to work for, thereby ensuring a high social impact. Ensure an increased commitment at all levels in the organisation, by encouraging employees to participate in the Company's CSR and give back to society in an organised manner through the employee volunteering programme called ESOPs. <p>The Company will focus its CSR activities on the surrounding villages in and around Company offices and plants in the domains of Rural Development, Conservation of Natural Resources, education, health and environment. The Company may also make contributions to Nanhi Kali and any other similar projects of Mahindra group, funds set up by which qualifies the criteria as per CSR Rules and the relevant provisions of the Companies Act 2013.</p> <p>During the year the Company has undertaken various CSR Projects which includes the following:</p> <ol style="list-style-type: none"> Developing Garden on Gram Panchayat land for Village Community. Village Lake Cleaning & Beautification.Tar Road project in Urse Construction of Crematorium Maintenance of Class Room Boards at various Schools Tree plantation at different places <p>The CSR policy has been uploaded on the website of the Company at http://mahindraforgings.com/investor-zone/investor-relation/governance.html</p>																
<p>2) The Composition of the CSR Committee</p>	<table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Name of the Director</th> <th>Category</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mr. Daljit Mirchandani</td> <td>Independent Director</td> <td>Chairman</td> </tr> <tr> <td>2</td> <td>Mr. Dhananjay Mungale</td> <td>Independent Director</td> <td>Member</td> </tr> <tr> <td>3</td> <td>Mr. Hemant Luthra</td> <td>Executive Chairman</td> <td>Member</td> </tr> </tbody> </table>	Sr. No.	Name of the Director	Category	Designation	1	Mr. Daljit Mirchandani	Independent Director	Chairman	2	Mr. Dhananjay Mungale	Independent Director	Member	3	Mr. Hemant Luthra	Executive Chairman	Member
Sr. No.	Name of the Director	Category	Designation														
1	Mr. Daljit Mirchandani	Independent Director	Chairman														
2	Mr. Dhananjay Mungale	Independent Director	Member														
3	Mr. Hemant Luthra	Executive Chairman	Member														
<p>3) Average net profit of the company for last three financial years</p>	<p>₹ 247.07 million</p>																
<p>4) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)</p>	<p>₹ 4.94 million</p>																
<p>5) Details of CSR spent during the financial year</p>	<p>As under:</p>																
<ul style="list-style-type: none"> Total amount spent during the Financial Year 	<p>₹ 3.56 million</p>																
<ul style="list-style-type: none"> Amount unspent , if any 	<p>₹ 1.38 million</p>																
<ul style="list-style-type: none"> Manner in which the amount spent during the Financial Year is detailed below 	<p>CSR Activities as stated below:</p>																

(₹ In Million)							
Sr. No	CSR Project or Activity Identified	Sector in which the Project Is proposed	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project / program-wise	Amount spent on the project or programs Sub-heads: (1) Direct expenditure on projects or program-wise (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent : Direct or through implementing agency
1	Developing Garden on Gram Panchayat Land for Village Community	Rural Development Projects	Local Area at Village Ambethan Near Forgings Plant, Chakan District: Pune State: Maharashtra	1.600	0.00	0.00	Direct through a Contractor
2	Village Lake Cleaning & Tree Plantation Beautification	Rural Development Projects and Conservation of Natural Resources	Local Area at Village Ambethan Near Forgings Plant, Chakan District: Pune State: Maharashtra	0.500	0.00	0.00	Direct through a Contractor
3	Tar Road Project	Rural Development Projects	Local Area at Village Urse Near Foundry Plant, Urse Tal:- Maval District: Pune State: Maharashtra	2,500	1.960	1.960	Direct through a Contractor
4	Construction of crematorium	Rural Development Projects	Local area at : Kanhe village, District: Pune State: Maharashtra	0.513	0.710	0.710	Direct through a Contractor
5	Infrastructure improvement at school and providing Educational assistance to students	Education	Local Area at 1) Kanhe village, District: Pune State: Maharashtra 2) Wadiwale village, District: Pune State: Maharashtra 3) other places near at Pune	0.240	0.250	0.250	Direct
6	Tree Plantation	Environment	Local Area at 1) Kanhe village, District: Pune State: Maharashtra 2) Other local places near Pune	0.291	0.150	0.150	Direct
7	Sex/ health education to school students, Cleaning of Village, Dustbin Distribution, "No tobacco" awareness	Promotion of Health Care	Local Area at Pune, State: Maharashtra	0.086	0.086	0.086	Direct
8	Distribution of Desk in School for Sitting of Students	Education	Local Area at Nashik, Maharashtra State	0.006	0.009	0.009	Direct

(₹ In Million)							
Sr. No	CSR Project or Activity Identified	Sector in which the Project Is proposed	Projects or programs 1) Local area or other 2) Specify the State and district where projects or programs was undertaken	Amount Outlay (budget) project / program-wise	Amount spent on the project or programs Sub-heads: (1) Direct expenditure on projects or program-wise (2) Overheads	Cumulative expenditure up to the reporting period	Amount Spent : Direct or through implementing agency
9	Infrastructure improvement at school and providing educational assistance and Activities Like Drawing/Sports/ Quiz for students of nearby school and giving them appreciation certificates/prizes	Education	Local Area at Rudrapur & Pantnagar, Udhamsingh district, Uttarakhand State	0.069	0.050	0.050	Direct
10	Employees Social Option Plans	Promotion of Education, promoting preventive health care and sanitation, ensuring environmental sustainability.	Local Area at Pune, Maharashtra	0.078	0.215	0.215	Direct
11	Cataract Operations, Blood donation camp	Promoting Health Care	1) MCIE, Kanhe plant, Pune district & Maharashtra State 2) Nashik, Maharashtra State 3) Rudrapur & Pantnagar, Udhamsingh district, Uttarakhand State	0.081	0.133	0.133	Direct
	Total			5.964	3.563	3.563	

6) Reasons for not spending full amount

The Company was required to spend an amount of ₹ 4.94 million towards CSR during the Financial Year. Accordingly Company has undertaken various CSR projects in and around the villages where plants of the Company are located. Total expenditure planned on these projects was above ₹ 5 Million. Few of the projects like Developing garden on Gram Panchayat land, Lake Cleaning & Tree Plantation and Tar Road Project are under progress and will be completed during the Financial Year commencing from 1st April 2015.

The CSR Committee hereby confirms that, the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

K. Ramaswami
Managing Director

Daljit Mirchandani
Chairman CSR Committee

Date : 27th July 2015

Place : Mumbai

Annexure II

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L27100MH1999PLC121285
2.	Registration Date	13/08/1999
3.	Name of the Company	Mahindra CIE Automotive Limited
4.	Category/Sub-category of the Company	Public Company Limited by Shares
5.	Address of the Registered office & contact details	Mahindra Towers, P.K.Kurne Chowk, Worli, Mumbai – 400018 Tel: +91 22 24901441 Fax: +91 22 24915890 www.mahindra-cie.com mcie.investors@mahindracie.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Pvt. Ltd. Karvy Selenium Tower B, Plot number 31 & 32 Financial District Gachibowli Hyderabad 500 008 India P : +91 040 6716 1500 einward.ris@karvy.com www.karvycomputershare.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Forgings	25910 & 25920	22.52
2.	Castings	25910	25.02
3.	Stampings	25910	40.51

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	NAME & ADDRESS OF THE COMPANY	CIL/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD *	APPLICABLE SECTION
1.	* CIE Automotive S.A. Calle Alameda Mazarredo 69, 8º piso, Bilbao	NA	Ultimate Holding	53.18	Section 2(46)
2.	** CIE BERRIZ, S.L. Poligono Ind Okango S/N, Berriz, 48240 Spain	N.A.	Holding Company	53.18	Section 2(46)
3.	*** Participaciones Internacionales Autometal, S.L.U. Calle Iparraguirre 34, Bilbao, 48011 Spain	NA	Holding Company	53.18	Section 2(46)
4.	Participaciones Internacionales Autometal, Dos S.L (PIA 2) Alameda Mazarredo NO 69, 80, 48009, Bilbao, Spain	NA	Holding	53.18	Section 2(46)
5.	Mahindra Gears & Transmissions Private Limited Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018	U29130MH2004PTC168150	Subsidiary	76.67	Section 2(87)

Sr. No.	NAME & ADDRESS OF THE COMPANY	CIL/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD *	APPLICABLE SECTION
6.	Mahindra Forgings International Limited IFS Court, Twenty Eight , Cybercity, Ebene, Republic of Mauritius	NA	Subsidiary	100.00	Section 2(87)
7.	Mahindra Forgings Global Limited IFS Court, Twenty Eight , Cybercity, Ebene, Republic of Mauritius	NA	Subsidiary	100.00	Section 2(87)
8.	Stokes Group Limited Cochrane Road, Holly Hall, Dudley, West Midlands, DY2 0SE	NA	Subsidiary	100.00	Section 2(87)
9.	Mahindra Gear Global Limited IFS Court, Twenty Eight , Cybercity, Ebene, Republic of Mauritius	NA	Subsidiary	100.00	Section 2(87)
10.	# Mahindra Forgings Europe AG Ulmer Street 112, 73431 Aalen, Germany	NA	Subsidiary	100.00	Section 2(87)
11.	## Jeco Jellinghaus GmbH Feldstrae,30,De 58285, Gevelsberg- Germany	NA	Subsidiary	100.00	Section 2(87)
12.	§ Metalcastello S.p.A. Via Don Fornasini, 12, 40030 Castel Di Casio (Bologna)	NA	Subsidiary	100.00	Section 2(87)
13.	Ω Stokes Forgings Ltd. Cochrane Road, Holly Hall, Dudley West Midlands, DY2 0SE	NA	Subsidiary	100.00	Section 2(87)
14.	Ω Stokes Forgings Dudley Ltd. Cochrane Road, Holly Hall, Dudley West Midlands, DY2 0SE	NA	Subsidiary	100.00	Section 2(87)
15.	## Gesenkschmiede Schneider GmbH, Ulmer StraBe 112, 73431 Alen, Germany	NA	Subsidiary	100.00	Section 2(87)
16.	## Falkenroth Umformtechnik GmbH Asenbach 1, 58579 Schalksmuhle, Gernany	NA	Subsidiary	100.00	Section 2(87)
17.	## Schoneweiss & Co. GmbH Delsterner Strasse 170 , DE 58091 Hagen Germany	NA	Subsidiary	100.00	Section 2(87)
18.	§§ Crest Geartech Private Limited 12/7, Mathura Road, Faridabad, Haryana - 121 003.	U74899DL1994PTC060305	Subsidiary	100.00	Section 2(87)
19.	^CIE Legazpi S.A. C/ Urola, 10, 20230 Legazpi, (Guipúzkoa), España	NA	Subsidiary	100.00	Section 2(87)
20.	^UAB CIE LT Forge Stoties G 12, 4520 Marijampolė. Lituania	NA	Subsidiary	100.00	Section 2(87)
21.	CIE Galfor S.A. P.I. San Cibrao das Viñas, Calle 2, 3 32901 Orense. España	NA	Subsidiary	100.00	Section 2(87)

* Percentage holding in Subsidiaries represents aggregate percentage of shares held by the Company and/or its subsidiaries.

+ CIE Automotive S.A. is the ultimate holding company which holds shares of the Company through its wholly owned step down subsidiaries.

++ subsidiary of CIE Automotive S.A.

+++ subsidiary of CIE BERRIZ, S.L

subsidiary of Mahindra Forgings International Limited

subsidiary of Mahindra Forgings Europe AG

§ subsidiary of Mahindra Gears Global Limited

§§ subsidiary of Metalcastello Italy

Ω subsidiary of Stokes Group Limited

^ subsidiary of CIE Galfor S.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (1-04-2014)				No. of Shares held at the end of the year (31-03-2015)				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	296,109	0	296,109	0.32	65,271,407	0	65,271,407	20.21	19.89
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other: Promoter Group Company	0	0	0	0.00	4,784,068	0	4,784,068	1.48	1.48
Sub-total (A) (1)	296,109	0	296,109	0.32	70,055,475	0	70,055,475	21.69	21.37
(2) Foreign									0.00
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0	0.00
c) Bodies Corp.	73,031,693	0	73,031,693	79.09	171,767,537	0	171,767,537	53.18	-25.91
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2)	73,031,693	0	73,031,693	79.09	171,767,537	0	171,767,537	53.18	-25.91
Total shareholding of Promoters (A) = (A)(1)+(A)(2)	73,327,802	0	73,327,802	79.41	241,823,012	0	241,823,012	74.87	-4.54
B Public Shareholding									0.00
1) Institutions									0.00
a) Mutual Funds / UTI	3,693,493	3,200	3,696,693	4.00	16,793,080	28,236	16,821,316	5.21	1.21
b) Banks / FI	9,372	25	9,397	0.01	72,033	1,465	73,498	0.02	0.01
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	4,369,507	1,704	4,371,211	1.35	0.00
g) FII's	3,145,175	0	3,145,175	3.41	15,873,963	15,903	15,889,866	4.92	1.51
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	6,848,040	3,225	6,851,265	7.42	37,108,583	47,308	37,155,891	11.50	4.08
2) Non-Institutions									0.00
a) Bodies Corp.									0.00
i) Indian	3,936,254	10,229	3,946,483	4.27	8,271,525	104,910	8,376,435	2.59	-1.68
ii) Overseas	1,198,063	0	1,198,063	1.30	0	2,840	2,840	0.00	-1.30
b) Individuals									0.00
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,160,732	370,188	4,530,920	4.91	14,113,998	210,447	16,218,477	5.02	0.11

Category of Shareholders	No. of Shares held at the beginning of the year (1-04-2014)				No. of Shares held at the end of the year (31-03-2015)				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,894,783	63,500	1,958,283	2.12	17,530,858	292,740	17,823,598	5.52	3.40
c) Others (specify)									
Non Resident Indians	409,767	31,709	441,476	0.48	1,057,489	48,013	1,105,502	0.34	-0.14
Trust	0	0	0	0.00	1,055	0	1,055	0.00	0.00
Foreign Bodies	0	0	0	0.00	0	0	0	0.00	-1.30
Foreign Nationals	22,250	0	22,250	0.02	206,484	0	206,484	0.06	0.04
Clearing Members	63,924	0	63,924	0.07	262,968	0	262,968	0.08	0.01
Sub-total (B)(2)	11,685,773	475,626	12,161,399	13.17	41,444,377	2,552,982	43,997,359	13.62	0.45
Total Public Shareholding (B)=(B)(1)+ (B)(2)	18,533,813	478,851	19,012,664	20.59	78,552,960	2,600,290	81,153,250	25.13	4.54
C Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	91,861,615	478,851	92,340,466	100.00	320,375,972	2,600,290	322,976,262	100.00	0.00

B) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Participaciones Internacionales Autometal, Dos S.L	73,031,693	79.09	0.00	171,767,537	53.18	0.00	(25.91)
2	Mahindra & Mahindra Limited	296,109	0.32	0.00	65,271,407	20.21	0.00	19.89
	Total	73,327,802	79.41	0.00	237,038,944	73.39	0.00	(6.02)

C) Change in Promoters' Shareholding (please specify, if there is no change)

Name of the Promoter	Shareholding at the beginning of the year (1/4/2014)		Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease				Cumulative shareholding during the year		At the end of the year (31/03/2015)	
	No of Shares	% of total shares of the Company	Increase / Decrease	Reasons for change	No. Of shares increasing/ decreased	Date of change in shareholding D/M/Y	No. of shares	% of total shares of the Company	No. of Shares	% of Shares held
Participaciones Internacionales Autometal, Dos S.L	73,031,693	79.09	Increase	Allotment pursuant to scheme of amalgamation	98,735,844	2/01/2015	171,767,537	53.18	171,767,537	53.18
Mahindra & Mahindra Limited	296,109	0.32	Increase	Allotment pursuant to scheme of amalgamation	64,975,298	2/01/2015	65,271,407	20.21	65,271,407	20.21

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

For each of the Top 10 Shareholders		Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year	
Sr. No.	Name of the Share Holder	No of Shares	% of total shares of the Company	Reasons for change	Date of change in shareholding D/M/Y@	No. of shares increasing/ decreased	No of Shares	% of total Shares of the Company
1	Nainesh Trading And Consultancy LLP	1,831,624	1.98	Market Trade	07/11/2014	(27,215)	1,804,409	1.93
					14/11/2014	(51,000)	1,753,409	1.88
					21/11/2014	(186,574)	1,566,835	1.68
					28/11/2014	(5,000)	1,561,835	1.67
					12/12/2014	(25,000)	1,536,835	1.64
					09/01/2015	(22,100)	1,514,735	1.62
					16/01/2015	(95,000)	1,419,735	0.44
					23/01/2015	(10,238)	1,409,497	0.44
	At the end of the year	31/03/2015	0	1,409,497	0.44			
2	Sundaram Mutual Fund A/C Sundaram Select Midcap	1,564,642	1.69	Market Trade	11/04/2014	207,132	1,771,774	1.92
					25/04/2014	455,334	2,227,108	2.41
					23/05/2014	90,862	2,317,970	2.51
					30/06/2014	335,835	2,653,805	2.87
					11/07/2014	(178,308)	2,475,497	2.68
					18/07/2014	(191,847)	2,283,650	2.47
					25/07/2014	(283,650)	2,000,000	2.16
					12/12/2014	(26,626)	1,973,374	2.13
					19/12/2014	(132,324)	1,841,050	1.99
					31/12/2014	(90,900)	1,750,150	1.87
					02/01/2015	2,718,578	4,468,728	1.38
					16/01/2015	(42,356)	4,426,372	1.37
					30/01/2015	12,000	4,438,372	1.37
					06/03/2015	42,600	4,480,972	1.39
27/03/2015	210,000	4,690,972	1.45					
	At the end of the year	31/03/2015	-	4,690,972	1.45			
3	Blackrock India Equities Fund (Mauritius) Limited #	1,531,902	1.66	Market Trade	11/04/2014	120,000	1,651,902	1.79
					18/04/2014	50,000	1,701,902	1.84
					16/05/2014	100,000	1,801,902	1.95
					05/09/2014	(50,000)	1,751,902	1.89
					19/09/2014	(75,000)	1,676,902	1.81
					19/12/2014	(189,568)	1,487,334	1.59
					13/03/2015	(450,000)	1,037,334	1.11
	At the end of the year	31/03/2015	-	1,037,334	1.11			
4	Elephant Capital 1 Limited #	787,943	0.85	Market Trade	11/04/2014	(787,943)	-	-
					At the end of the year	31/03/2015	-	-
5	National Westminster Bank PLC as depository of first state indian subcontinent fund a sub fund of first state investments ICVC #	775,303	0.84	Market Trade	04/04/2014	(334,199)	441,104	0.48
					11/04/2014	(441,104)	-	-
					At the end of the year	31/03/2015	-	-
6	First State Investments (Hongkong) Limited A/C first state Indian Subcontinent Fund #	691,177	0.75	Market Trade	18/04/2014	(691,177)	-	-
					At the end of the year	31/03/2015	-	-

For each of the Top 10 Shareholders		Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year	
Sr. No.	Name of the Share Holder	No of Shares	% of total shares of the Company	Reasons for change	Date of change in shareholding D/M/Y@	No. of shares increasing/ decreased	No of Shares	% of total Shares of the Company
7	DSP Blackrock Opportunities Fund #	534,755	0.58	Market Trade	18/04/2014	(100,000)	434,755	0.47
					25/04/2014	(23,515)	411,240	0.45
					04/07/2014	(50,000)	361,240	0.39
					19/09/2014	(25,000)	336,240	0.36
					17/10/2014	8,455	344,695	0.37
					05/12/2014	(17,488)	327,207	0.35
					30/01/2015	(18,556)	308,651	0.33
					06/02/2015	(24,942)	283,709	0.30
					13/02/2015	(71,244)	212,465	0.23
				06/03/2015	(212,465)	-	0.00	
	At the end of the year	31/03/2015	-	-	0.00			
8	Puneet Makar #	484,535	0.52	Market Trade	11/04/2014	(38,211)	446,324	0.48
					18/04/2014	(36,789)	409,535	0.44
					30/06/2014	(200,000)	209,535	0.23
					04/07/2014	(97,000)	112,535	0.12
					11/07/2014	(75,000)	37,535	0.04
				At the end of the year	31/03/2015	-	37,535	0.04
9	Amforge Industries Limited #	432,619	0.47	Market Trade	11/07/2014	(17,500)	415,119	0.45
					05/09/2014	(50,000)	365,119	0.39
					19/09/2014	(35,431)	329,688	0.36
					30/09/2014	(47,236)	282,452	0.30
					21/11/2014	(77,875)	204,577	0.22
					28/11/2014	(1,072)	203,505	0.22
				12/12/2014	(25,000)	178,505	0.19	
At the end of the year	31/03/2015	-	178,505	0.19				
10	Thomas Korner Verwaltungs Gmbh #	410,120	0.44	Market Trade	01/02/2015	430,289	20,169	0.02
					01/09/2015	4,365	24,534	0.03
					16/01/2015	(24,534)	-	0.00
				At the end of the year	31/03/2015	-	-	0.00
11	Prudential Management And Services Pvt Ltd *	-	0.00	Allotment pursuant to Amalgamation	02/01/2015	4,784,068	4,784,068	1.37
				Market Trade	31/03/2015	-	4,784,068	1.48
12	Government of Singapore *	-	0.00	Market Trade	23/01/2015	6,113,134	6,113,134	1.89
					30/01/2015	101,935	6,215,069	1.93
				At the end of the year	31/03/2015	-	6,215,069	1.93
13	Life Insurance Corporation of India *	-	0.00	Allotment pursuant to Amalgamation	02/01/2015	4,369,507	4,369,507	4.68
				At the end of the year	31/03/2015	-	4,369,507	4.68
14	Girdharilal Agrawal *	-	0.00	Market Trade	11/07/2014	10	10	0
				Allotment pursuant to Amalgamation	02/01/2015	4,174,965	4,174,975	1.29
				Market Trade	23/01/2015	(199,749)	3,975,226	1.23
				Market Trade	30/01/2015	(7,645)	3,967,581	1.23
				At the end of the year	31/03/2015	-	3,967,581	1.23
15	Monetary Authority of Singapore *	-	0.00	Market Trade	23/01/2015	1,886,866	1,886,866	0.57
					30/01/2015	31,464	1,918,330	0.51
					06/02/2015	(84,283)	1,834,047	
				At the end of the year	31/03/2015	-	1,834,047	0.57
16	ICICI Prudential Midcap Fund *	-	0.00	Market Trade	23/01/2015	1,612,880	1,612,880	0.50
				At the end of the year	31/03/2015	-	1,612,880	0.50

For each of the Top 10 Shareholders		Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year	
Sr. No.	Name of the Share Holder	No of Shares	% of total shares of the Company	Reasons for change	Date of change in shareholding D/M/Y@	No. of shares increasing/ decreased	No of Shares	% of total Shares of the Company
17	ICICI Prudential Tax Plan *	-	0.00	Market Trade	23/01/2015	1,450,000	1,450,000	1.57
				At the end of the year	31/03/2015	-	1,450,000	0.00
18	Sundaram Mutual Fund A/C Sundaram Tax Saver (open-ended) Fund *	-	0.00	Allotment pursuant to Amalagamation	02/01/2015	1,332,900	1,332,900	1.44
				At the end of the year	31/03/2015	-	1,332,900	1.44

Figures in bracket indicate sale of shares.

@ Based on the beneficiary positions as at end of the each week except in case of allotment of shares pursuant to amalgamation.

Ceased to be in the list of top ten shareholders as on 31st March, 2015. The same is reflected above since the shareholders was one of the top ten shareholders as on 1st April, 2014.

* Not in the list of top ten shareholders as on 1st April, 2014 the same has been reflected above since the shareholders was one of the top ten shareholders as on 31st March, 2015.

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director / KMP	Shareholding at the beginning of the year		Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease			Cumulative Shareholding during the year	
		No of Shares at the beginning of the year (01/04/2014)	% of Shares held as on beginning of the year (01/04/2014)	Reasons for change	Date of change in Shareholding D/M/Y	Increase / Decrease in Shareholding	Cumulative Holding	% of total Shares of the Company
1.	Hemant Luthra	1,000	0.00	ESOP Allotment	29/07/2014	50,000	51,000	0.06
				Allotment pursuant to scheme of amalgamation	02/01/2015	194,273	244,273	0.26
				Closing balance	31/03/2015	-	244,273	0.08
2.	Ramaswami K	26,167	0.03	Market Sale	02/05/2014	(26,000)	167	0.00
				ESOP Allotment	29/07/2014	75,000	75,167	0.08
				Market Sale	22/09/2014	(25,000)	50,167	0.05
				ESOP Allotment	27/03/2015	75,000	125,167	0.04
				Closing balance	31/03/2015	-	125,167	0.04
3.	Zhooben Bhiwandiwala	-	-	ESOP Allotment	29/07/2014	17,500	17,500	0.02
				Closing balance	31/03/2015	-	17,500	0.02
4.	Daljit Mirchandani	-	-	ESOP Allotment	29/04/2014	11,250	11,250	0.01
				ESOP Allotment	29/09/2014	2,500	13,750	0.01
				Closing balance	31/03/2015	-	13,750	0.01
5.	Sanjay Vasant Joglekar	49,361	0.05	ESOP Allotment	29/07/2014	22,664	72,025	0.08
				ESOP Allotment	29/09/2014	12,500	84,525	0.09
				Allotment pursuant to scheme of amalgamation	02/01/2015	1,789	86,314	0.09
				Closing balance	31/03/2015	-	86,314	0.09
6.	Romesh Kaul	4,361	0.00	Market Sale	05/09/2014	(4,361)	-	0.00
				ESOP Allotment	29/09/2014	12,500	12,500	0.01
				Closing balance	31/03/2015	-	12,500	0.01
7.	Krishnan Shankar	2008	0.00	ESOP Allotment	29/04/2014	1,500	3,508	0.00
				Market Sale	24/06/2014	(3,508)	0	0.00
				ESOP Allotment	29/07/2014	13,000	13,000	0.02
				Market Sale	09/09/2014	(13,000)	0	0.00
				ESOP Allotment	29/09/2014	28,787	28,787	0.03
				Market Sale	30/12/2014	(6,772)	22,015	0.03
				ESOP Allotment	27/03/2015	228	22,243	0.01
				Closing balance	31/03/2015	-	22,243	0.01

Figures in bracket indicate sale of shares.

F) Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In Million)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	0.8	761.5	-	762.2
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
iv) Loans devolved on the company through amalgamation of companies	675.0	126.5	-	801.6
Total (i+ii+iii+iv)	675.8	888.0	-	1,563.8
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-
* Reduction	348.4	49.1	-	397.5
* set off of loan from the amalgamating company	-	591.3	-	591.3
Net Change	(348.4)	(640.4)	-	(988.8)
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	327.4	247.6	-	575.0
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.1	0.2	-	0.3
Total (i+ii+iii)	327.5	247.8	-	575.3

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Million)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		K . Ramaswami (1 st April 2014 to 31 st March 2015)	Pedro Echegaray (21 st October, 2014 to 31 st March 2015)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.8	4.3	12.1
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.0	6.1	6.1
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.0	0.0	0.0
2	Stock Option	10.8	0.0	10.8
3	Sweat Equity	0.0	0.0	0.0
4	Commission - as % of profit - others, specify	0.0	0.0	0.0
5	Others, please specify			
	Bonus	12.1	0.0	12.1
	Contribution to Funds	0.2	0.2	0.4
	Total (A)	30.9	10.6	41.5
	Ceiling as per the Act	10% of the Net Profit equivalent to ₹ 85.10 Million with respect to the ceiling for the Company applicable for the Financial Year covered by this Report		

B. Remuneration to other directors

(₹ in Million)

Sr. No.	Particulars of Remuneration	Independent Directors								Total Amount
		Mr. Daljit Mirchandani	Mr. Dhananjay Mungale	Mr. Manoj Maheshwari	Mrs. Neelam Deo	Mr. Suhail A. Nathani	Mr. Juan Maria Bilbao Ugarriza	Mr. Jose Sabino Velasco Ibanez	Mr. Jose Ramon Berecibar Mutiozabal	
1	Independent Directors									
	Fee for attending board committee meetings	0.33	0.22	0.20	0.12	0.15	0.10	0.13	0.05	1.31
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	0.33	0.22	0.20	0.12	0.15	0.10	0.13	0.05	1.31
2		Other Non-Executive Directors								Total Amount
	Name of other Non-Executive Directors	Mr. Hemant Luthra	Mr. Zhooben Dosabhoy Bhiwandiwala	Mr. Shriprakash Shukla	Mr. Antonio Maria Pradera Jauregui	Mr. Jesus Maria Herrera Barandiaran				
	Fee for attending board committee meetings	-	-	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-
	Total (B)=(1+2)	0.33	0.22	0.20	0.12	0.15				1.31
	Total Managerial Remuneration (A+B)									42.81
	Overall Ceiling as per the Act	₹ 1 Lac sitting fees for each meeting of Board or Committee thereof being ceiling for the Company applicable for the Financial Year covered by this Report								

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Million)

Particulars of Remuneration	Key Managerial Personnel					Total
	CEO - Composite Division (Mr. Romesh Kaul)- 12 th Dec 2014 to 31 st March 2015	CEO - Stamping Division (Mr. Ajit Lele) 12 th Dec 2014 to 31 st March 2015	CFO (Mr. K. Jayaprakash) 29 th April 2014 to 11 th Dec 2014	CFO (Mr. Sanjay Joglekar) 12 th Dec 2014 to 31 st March 2015	Company Secretary (Mr. Krishnan Shankar) - 01 st Apr 2014 to 31 st March 2015	
Gross salary						
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.5	3.5	4.4	3.3	2.7	16.4
(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	-	-	0.0	0.0	0.4
(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
Stock Option	-	-	-	-	4.5	4.5
Sweat Equity	-	-	-	-	-	-
Commission - as % of profit - others, specify	-	-	-	-	-	-
Others, please specify (Bonus)	-	-	-	12.1	-	12.5
Contribution to Fund	0.1	-	0.1	0.1	-	0.3
Total	3.0	3.5	4.5	15.5	7.2	34.1

XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment/ compounding of offences for the breach of any sections of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

For and on behalf of the Board

Hemant Luthra
Chairman
DIN: 00231420

 Date: 27th July 2015

Place: Mumbai

Annexure III

SECRETARIAL AUDIT REPORT For the financial year ended March 31, 2015

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Mahindra CIE Automotive Limited
Mahindra Towers, P. K. Kurne Chowk
Worli
Mumbai 400 018

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahindra CIE Automotive Limited. (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the regulations and bye-laws framed thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings;;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit period)
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and with effect from 28 October 2014, The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company)

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no law was applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India. (Not applicable to the Company during the audit period)
- (ii) Listing Agreements entered into by the Company with BSE Ltd. and the National Stock Exchange of India Ltd.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period Mahindra Hinoday Industries Limited, Mahindra UGINE Steel Company Limited, Mahindra Gears International Limited, Mahindra Investments (India) Private Limited, Participaciones Internacionales Autometal TRES, S.L. and Mahindra Composites Limited amalgamated with the Company. The Scheme of Amalgamation became effective on 10 December 2014 with effect from 1 October 2013.

Place : Pune
Date : 7 May 2015

Signature

Sachin Bhagwat

ACS: 10189

CP: 6029

Annexure IV

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo Section 134(3) (m) of Rule 8(3) of Companies (Accounts) Rules, 2014

(a) Conservation of energy

Sr. No.	Particulars Required	Forging Plant	Stamping Plants	Composites Plant	Foundry Plant	Magnetic Plant
(i)	the steps taken or impact on conservation of energy	<ol style="list-style-type: none"> Boosters for compressors have been installed to reduce power consumed. Cycle time reduction in Production shop to reduce Power consumed per ton. Replaced normal lighting with LED lamps in common utilities areas like Street, parking to reduce power consumption Introduced right induction coils as per the billet sizes to optimize on the Power consumed in heating the Billets. 	<ol style="list-style-type: none"> Energy audit conducted by third party. Actions taken for elimination of air pipe leakages. Use of LED and CFL bulbs in office lightings. Sensors for stopping machines remaining idle after set frequency. 	<ol style="list-style-type: none"> Cycle time reduction in Production shop to reduce Power consumed per ton. Replaced normal lighting with LED lamps in common utilities areas like Street, parking to reduce power consumption Introduced oil heating for 2000MT, 500 MT Press and running all press in row . 	<ol style="list-style-type: none"> Power factor maintained at Unity, by replacing energy efficient capacitors. Compressed air leak test introduced as a fortnightly check, to identify and correct leak Compressors re-arranged to reduce no-load running. Installation of VFDs for water pump, started. (3 VFDs installed) Interlocking of Dust collectors & Fume extractors with main equipment. Replaced conventional lighting with induction lighting R&D efforts on Induction heating of Shell Corebox (Trial Successful) 	<ol style="list-style-type: none"> Air leak survey done by professional agency, leaks plugged. Reduced No of compressors Extended use of VFDs for presses & Vacuum pumps Heat recovery system for magnet drying On - Off timers for settling tans Significant cycle time reduction using technology inputs on magnet presses. Breakthrough productivity increase by load increase & push speed increase in sintering
(ii)	the steps taken by the company for utilizing alternate sources of energy	<ol style="list-style-type: none"> As a part of Sustainability initiatives , technical feasibility study is being done to Run few departments with solar energy. 	do not have alternate source of energy	<ol style="list-style-type: none"> As a part of Sustainability initiatives, technical feasibility study is being done to Run few departments with solar energy storage energy. In winter and rainy season minimum use of ductable AC . 	Wind mill energy 2MW per month being consumed;	None

Sr. No.	Particulars Required	Forging Plant	Stamping Plants	Composites Plant	Foundry Plant	Magnetic Plant
(iii)	the capital investment on energy conservation equipments	1. Capital Investments were made on right sized Induction Heater coils for right sized billet and coil coupling. 2. Replaced ordinary light lamps with LED lights in MCD and internal streets.	Installation of variable frequency drive on presses, installation of magnetic induction lamps in factory shed at Kanhe and Zaheerabad. Waste heat recovery system installation and Oven Heat recovery system installed at Rurdrapur Total investment of Rs 6.8 mn.	No such Investment taken place as of now, but planned to go for solar batteries for utility areas of consumption.	1. Approx 1 mn on VFDs and capacitors. 2. Approx 0.5 mn on Induction heating of core box.	Rs 1 mn

(b) Technology absorption

Sr. No.	Particulars Required	Forging Plant	Stamping Plants	Composites Plant	Foundry Plant	Magnetic Plant
(i)	the efforts made towards technology absorption	(i) the efforts made towards technology absorption; 1. Reduce Roll machine with Automation was installed on 6300T press. 2. Investment made towards crankshaft Balancing machine.	No new technology being adopted	(i) the efforts made towards technology absorption; 1. Reduce Roll machine with Automation was installed on 2500T press. 2. Investment made towards injection moulding press.	do not have Technology absorption	Efforts made to create new material grade variant named MHF 6G based on already available know how. Offered and commercialised import substitution for customers
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	1. Introduction of Automated Reduce roll machine has lead to yield improvement. 2. Introduction of crankshaft balancing machine will reduce rejection at customer end. 3. Value addition and Value Engineering in Product improvement proposals to customer have increased share of Business.	No new technology being adopted	1. Value addition and Value Engineering in Product improvement proposals to customer have increased share of Business. 2. Low cost formulation designed for all OEM considering all Quality factors and International Standards	do not have Technology absorption	1. Several products for 2wheeler related magnets developed for import substitution benefit for customer 2. VAVE project for 2 significant products enabled cost reduction for major customer in Automotive
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)		No new technology being adopted	do not have Technology absorption for Energy factor is concern	do not have Technology absorption	None

Sr. No.	Particulars Required	Forging Plant	Stamping Plants	Composites Plant	Foundry Plant	Magnetic Plant
	(a) the details of technology imported	1. Automated Reduce Roll machine on one of the presses has been imported from China.	no new technology being adopted	Composites Plant has planned technology tie up, to update/upgrade the Injection grade DMC knowledge base in the Company on the grounds of changing need of customer and gaining market share. The proposal is focused on Injection moulding DMC but can be extended to other business opportunities in the future. MCL Board has approved the proposal in principle and requested CAPEX committee for detailed study of the proposal in order to finalize the same. First meeting of CAPEX committee was held on 1st Feb, 2013 and in series last on 12th March, 2013.	do not have Technology absorption	None
	(a) the details of technology imported	1. Automated Reduce Roll machine on one of the presses has been imported from China.	no new technology being adopted	Composites Plant has planned technology tie up, to update/upgrade the Injection grade DMC knowledge base in the company on the grounds of changing need of customer and gaining market share. The proposal is focused on Injection moulding DMC but can be extended to other business opportunities in the future. MCL Board has approved the proposal in principle and requested CAPEX committee for detailed study of the proposal in order to finalize the same. First meeting of CAPEX committee was held on 1st Feb, 2013 and in series last on 12th March, 2013.	do not have Technology absorption	None
	(b) the year of import;	2014	no new technology being adopted	1st Feb, 2013 and in series last on 12th March, 2013, Still it is continuing & expenses is under CWIP	do not have Technology absorption	None

Sr. No.	Particulars Required	Forging Plant	Stamping Plants	Composites Plant	Foundry Plant	Magnetic Plant
	(c) whether the technology been fully absorbed	Yes, the technology has been fully absorbed.	no new technology being adopted	Yes , the technology has been fully absorbed.	do not have Technology absorption	None
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable	Not Applicable	Not Applicable	Not Applicable	None
(iv)	the expenditure incurred on Research and Development	Not Applicable	Not Applicable	₹ 2.38 Million	Not Applicable	

(c) Foreign exchange earnings and Outgo

Particulars with regard to Foreign Exchange Earnings and outgo are given in note number XIX and XXV of Notes to Financial Statements

For and on behalf of the Board

Hemant Luthra
Chairman
DIN: 00231420

Date: 27th July 2015

Place: Mumbai

Annexure V

Section 197(12) of the Act and Rule 5 of Companies (Appointment and Remuneration of Managerial Remuneration) Rules, 2014

The ratio of the remuneration of each director to the median remuneration of employees of the company for the financial year	Name of Director/KMP	Designation	the ratio of the remuneration of each director to the median remuneration of employees	
			Excluding Stock Options of the Company exercised during the year,	Including Stock Options of the Company exercised, if any during the year,
	* Mr. Hemant Luthra	Chairman	NIL	Nil
	Mr. K. Ramaswami	Managing Director	92.20x	141.81x
	Mr. Pedro Jesus Echegaray Larrea	Executive Director	48.28x	N.A.
	* Mr. Antonio Maria Pradera Jauregui	Director	NIL	N.A.
	* Mr. Jesus Maria Herrera Barandiaran	Director	NIL	N.A.
	* Mr. Zhooben Bhiwandiwala	Director	NIL	Nil
	@ Mr. Daljit Mirchandani	Independent Director	1.52 x	NIL
	@ Mr. Dhananjay Mungale	Independent Director	1.02x	NIL
	@ Mr. Manoj Maheshwari	Independent Director	0.92 x	NIL
	@ Mrs. Neelam Deo	Independent Director	0.53 x	NIL
	@ Mr. Juan Maria Bilbao Ugarriza	Independent Director	0.46 x	NIL
	@ Mr. Jose Sabino Velasco Ibanez	Independent Director	0.61 x	NIL
	@ Mr. Suhail Nathani	Independent Director	0.69 x	NIL
	@* Mr. Jose Ramon Berecibar Mutiozabal	Independent Director (Till 15 th October, 2015) Non-Executive Non-Independent (12 th December to 31 st March, 2015)	0.24 x	NIL
	* Non-Executive Non-Independent Directors neither receive any remuneration from the Company nor paid any sitting fees for attending the meetings.			
	@ Non-Executive Independent Directors were not paid any remuneration except the sitting fees for attending meeting of Board and committees thereof.			
The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Name of Director/KMP	Designation	% increase in Remuneration #	
	Mr. K. Ramaswami	Managing Director	319.66	
	** Mr. Pedro Jesus Echegaray Larrea	Executive Director	N.A.	
	\$ Mr. Romesh Kaul	Chief Executive – Composites Division	N.A.	
	\$ Mr. Ajit Lele	Chief Executive – Stampings Division	N.A.	
	\$ Mr. Sanjay Joglekar	Chief Financial Officer	N.A.	
	Mr. Krishnan Shankar	Company Secretary	2.60	
	\$ Appointed with effect from 12 th December, 2014, hence not applicable			
	** Appointed as an Executive Director with effect from 21 st October, 2014, hence not applicable			
	# % increase in remuneration is on the basis of remuneration paid / payable and perquisites (including performance pay, if any) excluding value of perquisite pursuant to exercise of options during the Financial Year 2013-14 and Financial Year 2014-15.			
	Note			
	Non-Executive Non Independent Directors do not receive any remuneration from the Company, hence not applicable.			
	Non-Executive Independent Directors do not receive any remuneration from the Company except sitting fees for attending meeting of Board and committees thereof, hence not applicable.			
The percentage increase in the median remuneration of employees in the financial year	14.00% increase in median employee remuneration.			
	Note: For calculating median employee remuneration employees who were in employment for the whole of the Financial Year 2013-14 and Financial Year 2014-15 are only considered.			

The number of permanent employees on the rolls of company as on 31 st March, 2015	2890		
The explanation on the relationship between average increase in remuneration and company performance	The increase in the Remuneration is in line with the performance of the Company, market trends and Industry outlook. On an average, employees received an annual increase of 10.93%. The individual increment varied from 4% to 10% in case of Executives and from 7.81% to 27.96% in case of junior Officers based on individual performance. Consequent to the effectiveness of the Integrated Scheme and Composites Scheme of Amalgamation results for the Financial Year ended 31 st March, 2015 include the results of the amalgamated companies and hence are not comparable to those of the prior periods/ year which do not include the results of the amalgamated companies.		
Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	The Key Managerial Personnel were paid approximately 7.32% in aggregate of the Profit Before Tax during the Financial Year 2014-15.		
Variations in the market capitalisation of the company	As on 31 st March 2015	As on 31 st March 2014	
	₹ 69,875.9 Million	₹ 6,897.8 Million	
Price earnings ratio as at the closing date of the current financial year and previous financial year	89.77	38.31	
<i>Source: Closing prices of BSE as on respective financial year end.</i>			
Percentage increase or decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	The Company had not made any initial public offer or further issue of shares to public. The initial listing of shares was made pursuant to the Scheme of Demerger with Amforge Industries Limited in the year 2006. Further, the Company has made a Qualified Institutional Placement, Private Placement and issued shares pursuant to Scheme of Amalgamation or pursuant to Exercise of options under employees stock options scheme. Hence the same is not applicable.		
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	For employees other than Managerial Personnel who were in employment for the whole of Financial Year 2013-14 and Financial Year 2014-15, the average increase is 10.93%. (excluding exercise of any options) Average increase in salaries (excluding exercise of any options) of Managerial Personnel who were in employment for the whole of Financial Year 2013-14 and Financial Year 2014-15 is 161.13%.		
Comparison of the remuneration of each of the Key Managerial Personnel against the performance of the company;	Name of Director/KMP	Designation	% of remuneration to Profit Before Tax for F.Y. 2014-15
	Mr. K. Ramaswami	Managing Director	2.59
	§ Mr. Pedro Echegaray	Executive Director	N.A.
	Mr. Krishnan Shankar	Company Secretary	0.35
	§ Mr. Romesh Kaul	Chief Executive – Composites Division	N.A.
	§ Mr. Sanjay Joglekar	Chief Financial Officer	N.A.
	§ Mr. Ajit Lele	Chief Executive – Stampings Division	N.A.
§ Appointed for part of the Financial Year 2014-15 i.e. w.e.f. 12 th December 2014, hence not applicable.			
The key parameters for any variable component of remuneration availed by the directors;	The key parameters for the variable component of remuneration availed by the Directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee in accordance with the Remuneration Policy for Directors. The Performance Pay of the Managing Director is aggregate of Individual Key Result Areas and Company's Key Performance Indicators.		

The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year; and	Not Applicable, as Company has no employees drawing remuneration in excess of the highest paid director.
Affirmation that the remuneration is as per the remuneration policy of the company	The remuneration paid/payable is as per the Policy on Remuneration of Directors and Remuneration Policy for Key Managerial Personnel and Employees of the Company.

Notes:

- The remuneration paid / payable to an employee and the perquisite values (excluding the perquisite value of ESOPs exercised unless otherwise specified) are considered as remuneration for all the above calculations.
- The calculations are based on Employees who were on the rolls of the Company for the whole of the Financial Year 2013-14 and Financial Year 2014-15.

For and on behalf of the Board

Hemant Luthra
Chairman
DIN: 00231420

Date: 27th July 2015
Place: Mumbai

Annexure VI

Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name	Designation/ Nature of Duties	Remuneration paid / payable (Excludes perquisite value pursuant to exercise of ESOPs) (in ₹)	Perquisite value of the ESOPs exercised during the year, if any (in ₹)	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	Mr. K. Ramaswami	Managing Director	20,143,728	10,839,375	B.E., MBA	38	61	04-10-2011	Sundram Fasteners Ltd.
2	Mr. Pedro Echeagaray	Representative of CIE (till 20 th October, 2014) Executive Director (w.e.f. 21 st October, 2014)	28,722,403	Nil	Mechanical Engineer and MBA	35	57	08-10-2013	Head of Forging and Machining Division of Autometal Brasil
3	Mr. Ajit Lele*	CEO- Stamping Division	3,463,371	Nil	B.Tech Mechanical Engineer PGDM	38	64	12-12-2014	Mahindra and Mahindra Limited
4	Mr. Romesh Kaul*	Chief Executive – Composites Division	2,983,800	Nil	M. Tech, B.E.	34	58	12-12-2014	Mahindra and Mahindra Limited
5	Mr. Vikas Chandra Sinha*	Vice President - Strategy	1,950,789	Nil	MBA, BE	22	42	10-12-2014	Mahindra and Mahindra Limited
6	Mr. Sanjay Joglekar*	Chief Financial Officer	15,514,173	Nil	Chartered Accountant	35	59	12-12-2014	Mahindra and Mahindra Limited
7	Mr. Advait Halbe	Head - Marketing	2,497,703	5,015,272	DME, Diploma in Automotive Engineering	31	50	16-08-2005	ZF Steering Gears India Ltd.
8	Mr. Shankar Urolagin	Head - Engineering & Tool Room	2,458,618	4,790,743	BE (Mech)	23	48	13-06-2007	Vcube Forge (I) Ltd.
9	Mr. Vijay Deogaonkar	Head - Manufacturing	2,606,504	5,909,888	DME	26	50	31-05-2005	Bhart Forge Ltd.
10	Mr. U. M. Harikumar	Head - New Product Development	2,615,083	4,009,939	DME, Advanced Diploma in Forge Technology	26	51	04-03-2010	Kalyani Forge Ltd.
11	Mr. Krishnan Shankar	Company Secretary & Head Legal	2,688,281	4,460,972	CS, LLB	37	63	01-09-2006	Deepak Fertilisers and Petrochemicals Corporation Ltd.

* Employed for part of the financial year.

Notes:

- All appointments are / were non-contractual.
- None of the above employees is related to any Director of the Company.
- The Company has no employee who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% percent of the equity shares of the company.

For and on behalf of the Board

Date: 27th July 2015
Place: Mumbai

Hemant Luthra
Chairman
DIN: 00231420

Annexure VII

POLICY ON REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Purpose

This Policy sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra CIE Automotive Limited.

Policy Statement

We have a defined Compensation policy for employees of each of the business divisions of the Company and for Directors, Key Managerial Personnel including the Chairman. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the industry while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

In order to effectively implement this, we should also build our Compensation structure by regular benchmarking over the years with relevant players across the industry we operate in.

NON-EXECUTIVE INCLUDING INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise and submit its recommendations to the Board. The NRC, while making its recommendation, shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and Clause 49 of the Listing Agreement with Stock Exchanges and such other factors as the NRC may consider deem fit. On recommendation of the NRC, the Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Executive Directors

The remuneration to Executive Chairman, Managing Director and Executive Director(s) shall be recommended by NRC to the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and Shareholders. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the NRC based on their performance.

Key Managerial Personnel (Excluding Managing Director and Executive Directors) (KMPs)

Pursuant to the provisions of Section 203 of the Companies Act 2013 the Board shall approve the remuneration of KMP at the time of their appointment on recommendation of the Nomination and Remuneration Committee. Remuneration of KMPs shall consist of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board on recommendation of the Nomination and Remuneration Committee. The terms of remuneration of Chief Financial Officer (CFO) shall also be approved by the Audit Committee.,

The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their Qualifications, Experience, Roles and Responsibilities.

The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Senior Management Personnel's and other Employees

We should follow a differential approach in choosing the comparator basket for benchmarking, depending upon the level in the organization:

- a. For all employees from Operational to Executive Band, we should benchmark with a set of comparators from the same industry.
- b. For Strategic band and above, we should have a position-based approach and the comparator basket may include benchmarks from across relevant industries.

We have a CTC (Cost to Company) concept which includes a fixed component (Guaranteed Pay) and a variable component (Performance pay). The percentage of the variable component increases with increasing hierarchy levels, as we believe employees at higher positions have a far greater impact and influence on the overall business result. The CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- Performance
- Potential
- Criticality
- Longevity in grade

Remuneration for the new employees other than KMPs will be decided by the HR of the respective divisions/plant as the case may be, in consultation with the concerned head of the Division, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

Components of CTC includes basic Pay and /or Additional Basic Pay (Fixed Pay), Contribution to PF, Gratuity, Allowances such as House Rent Allowance, Conveyance Allowance / Car Allowance, Supplementary Allowance (not reckoned for PF), Education Allowance, Medical Reimbursement / Allowance, Company Leased Vehicle, Car maintenance, Drivers Salary, Leave Travel Allowance and Statutory Bonus.

Performance Pay depend on the Position at which such employee is appointed, the established practices and procedures of each of the divisions and shall be approved by the Chief Executive of respective Divisions.

Allowances/perquisites payable to an employee and the categories of allowances / perquisites allowable, shall depend on the Position at which such employee is appointed the established practices and procedures of each of the divisions and shall be approved by the Chief Executive of respective Divisions on recommendation of HR Head of respective division/plant, as the case may be.

The performance pay money amount awarded to an Individual executive is a function of his own performance and the business performance of the Company/Division as per the weightage given in the table below. The amount of performance pay assumed in the CTC shall be at 60% of the maximum entitlement of an employee at 100% performance level. Actual payout will depend on Individuals performance and the years's business performance.

The Company may also grant Stock Options to the Employees and Directors (other than Independent Directors and Promoter) in accordance with the ESOP Scheme of the Company and subject to the compliance of the applicable statutes and regulations.

For and on behalf of the Board

Hemant Luthra
Chairman
DIN: 00231420

Date: 27th July 2015
Place: Mumbai

Annexure VIII

POLICY ON APPOINTMENT OF DIRECTORS AND SENIOR MANAGEMENT AND SUCCESSION PLANNING FOR ORDERLY SUCCESSION TO THE BOARD AND THE SENIOR MANAGEMENT

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“**Board**” means Board of Directors of the Company.

“**Company**” means Mahindra CIE Automotive Limited.

“**Committee(s)**” means Committees of the Board for the time being in force.

“**Employee**” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

“**HR**” means the Human Resource department of respective divisions/plants the Company, as the context may require.

“**Key Managerial Personnel**” (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole time Director (WTD)
- (ii) Chief Financial Officer (CFO); and
- (iii) Company Secretary (CS).

“**Nomination and Remuneration Committee**” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“**Senior Management**” means personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

- Subject to the provisions of Companies Act, 2013, Clause 49 of the Listing Agreement and Articles of Association of the Company, the NRC reviews and assesses Board composition and recommends the appointment of new Directors. In evaluating the suitability of individual Board member, the NRC shall take into account the following criteria regarding qualifications, positive attributes and independence of director:
 1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
 2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making
 3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors
- Based on recommendation of the NRC, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member after obtaining his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

REMOVAL OF DIRECTORS

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non - adherence to the applicable policies of the company, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the compliance of the applicable statutory provisions.

SENIOR MANAGEMENT PERSONNEL

NRC has laid down the criteria for identification of persons who may be appointed in the Senior Management which includes the qualification, skills and experience of the candidate for the responsibility the position shall carry.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Chairman and/or Managing Director or Executive Director based on the business need and the suitability of the candidate in accordance with the criteria laid down. The details of the appointment made and the personnel removed shall be presented to the NRC.

II. SUCCESSION PLANNING

Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Company to ensure the implementation of the strategic business plans of the Company.

Board:

The successors for the Independent Directors shall be identified by NRC through the sources as the NRC may deem fit. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later, unless the Board decides not to fill-up the vacancy.

The successors for the Executive Director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit.

The NRC will review the proposed appointments giving due consideration for the expertise and other criteria required for the successor and submit its recommendations to the Board.

Senior Management Personnel:

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent. It will ensure replacements for key job incumbents in KMPs and senior management positions in the organization.

The Company should identify Hi-pots and critical positions. Successors should be mapped for these positions at the following levels :

1. Emergency successor
2. Ready now
3. Ready in 1 to 2 years
4. Ready in 2 to 5 years

in order to ensure talent readiness as per a ladder approach.

Policy Statement

The Talent Management framework of MCIE should address three basic issues :

- 1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them – by developing them internally or through lateral induction from outside?
- 2) For critical positions, what is the succession pipeline?
- 3) What are the individual development plans for individuals both in the succession pipeline as well as others?

The framework should lay down an architecture and processes to address these questions using the **3E** approach :

- a) **Experience** i.e. both long and short-term assignments. This has 70% weightage
- b) **Exposure** i.e. coaching and mentoring – 20% weightage
- c) **Education** i.e. learning and development initiatives – 10% weightage

The Talent Management process is applicable to all employees.

For and on behalf of the Board

Date: 27th July 2015
Place: Mumbai

Hemant Luthra
Chairman
DIN: 00231420

Management Discussion and Analysis

Background

Mahindra CIE Automotive Limited ('Mahindra CIE' or 'MCIE' or 'the Company') is an auto components supplier with presence in many technologies viz. forgings, castings, stampings, magnetic products and composites. It was formed as a result of partnership between Mahindra Group ("M&M") of India and CIE Automotive S.A of Spain ("CIE"). As a part of this partnership, CIE took a majority stake in the automotive component companies of the Mahindra Group and were part of the Systech sector of the Mahindra Group. All these companies were brought under MCIE, some merged and some have become subsidiaries, along with the three forgings plants of CIE in Europe. MCIE has been listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) but known earlier as Mahindra Forgings Limited and has 323 million shares listed, including 230 million shares allotted in January 2015 – post merger.

Both Mahindra and CIE recognise that the automotive components business is becoming more and more global and consolidated. Global OEMs are demanding that suppliers follow them throughout the globe. The need to meet changing customer requirements and ever more stringent emission and safety norms is nudging OEMs to partner more and more with their suppliers. Global reach and a business model derisked across geographies, products and customers are now key success factors in the automotive component industry. By joining hands, the alliance has created the 75th largest automotive component company in the world (Source: Automotive News, June 16th 2014). CIE has gained entry into Asia – a key automotive market it had limited presence in, while Mahindra now has access to a global supplier for its automotive & tractor businesses.

Mahindra – CIE Partnership

Mahindra Systech, a sector of the Mahindra Group, was formed in 2004 with the vision of building an automotive supplier that would span multiple global markets and offer a variety of automotive products. The sector between the years 2006-08 embarked on a series of acquisitions in the area of forgings, castings & gears in India and Europe. By end of FY13, it accounted for approximately INR 40000 Million / EUR 575 Million / USD 750 M in sales across the following business lines and companies [In FY13, Euro/Rs: 70, USD/ ₹: 54]

Business Line	Company Name(s)
Forgings	Mahindra Forgings Ltd (MFL) (later known as Mahindra CIE Automotive Limited), Mahindra Forgings Europe, Gesenkschmiede Schneider GmbH (GSA), Schoeneweiss & Co. GmbH., Falkenroth Umformtechnik GmbH, Jeco-Jellinghaus GmbH, Stokes Group Ltd. [Note: Mahindra Forgings Europe, GSA, Schoeneweiss, Falkenroth, Jeco & Stokes have been collectively referred as 'Mahindra Forgings Europe' in our earlier annual reports]
Castings	Mahindra Hinoday Industries Limited (MHIL)
Gears	Mahindra Gears and Transmissions Private Limited (MGTPPL) , Metalcastello S.p.A.
Stampings	Mahindra Ugine Steel Company Limited (MUSCO)
Magnetic Products	Mahindra Hinoday Industries Limited (MHIL)
Composites	Mahindra Composites Limited (MCL)

On 15 June 2013, M&M announced a Global Alliance with CIE, a global automotive supplier with over 60 manufacturing facilities in 15 countries covering Europe, Brazil, North America and Asia with product lines which include processes such as forging, machining, aluminum casting, stamping, plastic, iron casting and painting.

The alliance was executed completely in December, 2014 and has led to the formation of a single publicly-listed entity in India that includes all of the Mahindra Systech's automotive component businesses as well as CIE's European forgings business. CIE has assumed a majority stake in this company, named Mahindra CIE Automotive Limited and M&M remains a significant minority shareholder in this Company. However, as part of Mahindra group's commitment to building a global automotive supplier, it has also taken a significant stake in CIE becoming its second largest shareholder and is represented on CIE's Board of Directors and Executive Committee.

The alliance/ deal was completed in two steps:

Step 1:

- In October 2013, CIE – through one of its subsidiaries - purchased controlling stakes in MFL, MCL and MHIL and became a majority shareholder after the closure of Open Offer at MFL & MCL.
- M&M purchased a stake of 13.5% in CIE.
- Effective 29th November 2013, Mahindra Forgings Limited was renamed as Mahindra CIE Automotive Limited.

Step 2:

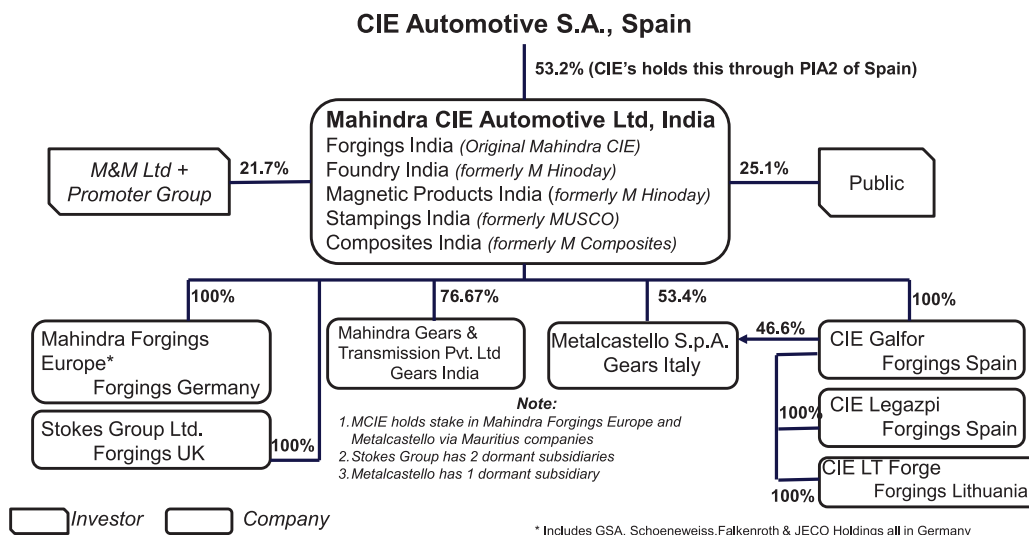
MUSCO, MHIL, PIA3 (which held CIE Galfor S.A., CIE Legazpi S.A. & CIE LT Forge) and Mahindra Investments (India) Private Limited (which held MGTPPL) and Mahindra Gears International Limited (which held Metalcastello) merged into MCIE through an integrated scheme of amalgamation. MCL amalgamated into MCIE through a separate scheme of amalgamation. This was completed by December 2014 after all regulatory approvals and formalities were completed. MCIE started trading as a merged entity on the stock exchange in January 2015.

After the merger, MCIE is a large listed India based auto-component multinational as shown in the Exhibit 1 below:

Exhibit 1: Mahindra CIE Automotive Ltd. Structure

Mahindra CIE: Alliance of CIE + M&M

Definition of Standalone and Consolidated



The list of subsidiaries of Mahindra CIE Automotive and their ownership interest is provided in Exhibit 2.

Exhibit 2: Mahindra CIE Automotive Ltd. Subsidiary Companies

Subsidiary Companies Information				
Sr. No.	Name of the Subsidiary	Proportion of Ownership Interest	Remarks	
1	Stokes Group Limited	100%		
2	Stokes Forgings Dudley Limited *	100%		
3	Stokes Forgings Limited *	100%		
4	Mahindra Forgings International Limited #	100%	Collectively known as 'Mahindra Forgings Europe'	
5	Mahindra Forgings Europe AG	100%		
6	Jeco Jellinghaus GmbH	100%		
7	Gesensschmiede Schneider GmbH	100%		
8	Falkenroth Umformtechnik GmbH	100%		
9	Schonoeweiss & Co GmbH	100%		
10	Mahindra Forgings Global Limited #	100%		
11	Mahindra Gears & Transmissions Private Limited	76.67%		
12	Mahindra Grears Global Limited	100%		Collectively known as 'Metalcastello'
13	Metalcastello S.p.A.	100%		
14	Crest Geartech Private Limited *	100%		
15	CIE Galfor S.A.	100%	Collectively known as 'CIE Forgings'	
16	UAB CIE LT Forge	100%		
17	CIE LEGAZPI S.A.	100%		

Please note : * - T hese are dormant companies

- T hese are Mauritius holding companies

CIE is present across many product lines like forgings, castings, stampings, machining, plastics and aluminium in Europe, USA, Mexico, Brazil, Russia & China. As part of the partnership, CIE's three forging plants in Europe have been brought under MCIE since there is a small product overlap between these plants and Mahindra Systech's forgings operations in Europe. There is no overlap between MCIE and any of CIE's other facilities. This step ensures that there is no conflict of interest between MCIE and CIE.

CIE has an excellent track record of profitability. Its EBITDA margin is consistently at about 13% for the last 5 years on account of its unique business model focused on operational efficiency, low corporate costs and customer & product diversification. CIE with its vast experience in Europe is also in a position to provide an impetus to Systech's European businesses.

MCIE Overview

A brief description of the key businesses of MCIE follows:

MCIE Standalone

MCIE (Standalone) has been formed by the merger of all India based businesses of the companies constituting Mahindra Systech with the exception of MGTPL. It consists of the following business divisions in India.

Forgings, India: It was the India based business of the pre merger Mahindra CIE, which was a forgings company with operations in India & Europe. It focuses on design, development & machining of **forged crankshafts and steering knuckles primarily for cars & Utility Vehicles**. Its main customers are M&M, Tata Motors and Maruti Suzuki. It has one manufacturing location at Chakan near Pune in India.

Foundry, India: Originally the foundry division of MHIL. It manufactures ductile iron castings. It focuses on design, development & machining of **cast crankshafts, turbocharger housings and axle & transmission parts**. It serves a diverse range of automotive segments viz. cars & utility vehicles, commercial vehicles, tractors and construction equipment. A significant portion of its revenues is exported. It has one manufacturing location at Urse near Pune in India.

Magnetic Products, India: Originally the magnetic products division of MHIL. Its key products are **magnets, ferrite cores, magnetic assemblies and magnetic products** manufactured using powder metallurgy and sintering processes, primarily used in cars and two wheelers. This division is also moving up the value chain to manufacture assemblies and products that use ferrite cores like induction cook tops and magnetic induction lighting. It supplies to a very diversified range of customers both in India and globally. A large part of its revenues is exported. It has one manufacturing location at Pune in India.

Stampings, India: Originally the stampings business of MUSCO. This division caters to the car & utility vehicle segments of the automotive industry with a wide range of **stamped products like skin and non skin panels, chassis reinforcements, cross members, engine components etc**. It has production units located at Kanhe near Pune, Nashik, Rudrapur & Pantnagar (both in the state of Uttarakhand) and Zaheerbad in the state of Telangana. All units are located near important automotive clusters in India. M&M and Tata Motors are the key customers of this division.

Composites, India: Originally known as Mahindra Composites Limited. This division produces **glass based composites in the form of sheet moulding compound (SMC) and dough moulding compound (DMC)**. It produces SMC/DMC compounds and sells them largely to Electrical Switchgear OEMs and their moulding vendors. The Company itself moulds a portion of these compounds to produce automotive components and own products like 'Electra' (insulated electric boxes) and 'Sarovar' (water tanks). The division has two manufacturing units both near Pune.

MCIE Subsidiaries

Mahindra Forgings Europe, Germany & UK (MFE): As explained earlier, this consists of four companies in Germany spread across six locations and one company in UK. The UK facility accounts for 10% of overall revenues of this subsidiary. The German operations are a **full range provider of forging parts for trucks while being one of the top axle beam manufacturers in the world. The operations in UK focus on near net forgings for the car market**. A significant portion of the product portfolio consists of value added products like complex and machined forgings. MFE is significantly dependent on four large commercial vehicle manufacturers in Europe which together account for ~40% of revenues. It has mitigated this dependence by having a much diversified spectrum of components.

CIE Forgings Europe (CIEF): This subsidiary has three facilities – two in Spain and one in Lithuania. It manufactures forgings largely for the passenger car OEMs and suppliers. It mainly supplies complex forging products like **crankshafts, constant velocity joints and common rail forgings** in unmachined state.

Mahindra Gears & Transmission Pvt. Ltd., India (MGTPL): It manufactures **gears and shafts** largely for the off road segment including tractors and construction equipment companies. Increasingly it is supplying to the car & utility vehicle manufacturers who have started to outsource gears. It operates out of two locations in India – Rajkot in Gujarat and a new Greenfield facility in Pune. A significant portion of its revenues is exported.

Metalcastello, Italy (MC): It manufactures **gears, shafts, crown wheel pinion sets, ring gears, timing gears and welded components** largely for tractor, construction equipment, truck and defence OEMs and suppliers in Europe and Asia. Its facilities are located near Bologne in Italy, and has some exports to the USA.

MCIE today is a large diversified auto-components company with presence across many processes/ product lines, geographies and customers. It manufactures parts, not systems and aggregates, but these parts are complex and value added thus differentiating it from other 'tier 2 part' companies. Some of these complex parts are crankshafts & common rail forgings, turbocharger housings, crown wheel pinion gears etc. It should also be noted that MCIE is focused on the automotive market – cars, utility vehicles, commercial vehicles & tractors. A summary of MCIE operations is presented in Exhibit 3.

Exhibit 3: MCIE – Lines of Business

Verticals	Geography	Main Products	Focus Areas	Key Customers	FY 15 Revenue (INR)
Forgings Division	India	Crankshafts - As forged and machined, Stub Axles -As forged and machined	Passenger & Utility Vehicles and Tractors	M&M, Maruti Suzuki India Limited, Tata Motors	3,700 Million
Mahindra Forgings Europe	Europe	Forged and Machined parts, Front Axle Beams and Steel Pistons	Heavy Commercial Vehicles	Daimler AG, Scania, Man, DAF, KS, Mahle, ZF, KION, Linde, AGCO	19,507 Million
CIE Forgings	Europe	Forged steel parts for Industrial Vehicles and Crankshafts, Common Rail, Stubs, Tulips for passenger cars	Passenger Vehicles	VW, BMW, Mercedes, Audi, Reanult, Fiat	14,891 Million
Stampings					
Stampings Division	India	Sheet Metal Stampings, Components and Assemblies	Passenger & Utility Vehicles	M&M, Tata Motors	6,654 Million
Castings					
Castings Division	India	Turbocharger Housings, Axle & Transmission Parts	Passenger & Utility Vehicles, Construction Equipment & Earthmoving , Tractors and Tier 1, Exports	M&M, Hyundai, John Deere, JCB, Cummins Turbo	4,112 Million
Magnetic Products					
Magnetic Products Division	India	Soft and Hard Magnets, Magnetic Induction Lighting	Tier 1 of Passenger & Utility Vehicles, Two Wheelers, Exports	Denso, Varroc, Lucas TVS, Nippon Electricals, Bajaj Auto	1,207 Million
Composites					
Composites Division	India	Compounds, Components, and Products	Electrical Switchgear, Auto Components	L&T Switchgear, M&M, Volvo Eicher	752 Million
Gears					
Mahindra Gears and Transmissions	India	Engine Gears, Timing Gears, Transmission Gears, Transmission Drive Shafts	Passenger & Utility Vehicles, Tractors, Exports	M&M, Turner, Eaton, NHFI, Turk Tractor (CNH)	1,382 Million
Metalcastello	Europe	Engine Gears, Transmission Drive shafts, Crown Wheel Pinion	Tractors, Construction & Earthmoving Equipment, Exports	John Deere, Eaton, CNH	3,494 Million

Note: Exchange rate taken as 1 EUR = 67.66 INR and 1 GBP = 92.56 INR

Industry Outlook & Structure: Caution Ahead

The world economy grew by 3.4% and a sense of optimism seems to be returning globally.

Europe

According to the European Commission's winter forecast, the economies of all European Union member states are expected to grow again this year, for the first time since the financial crisis in 2008-09. Growth in 2015 is expected to rise to 1.5% for the EU as a whole. This is attributed to the short term effect of lower oil prices and the sustained effort from ECB to reduce the decline in inflation expectations.

In the automotive markets of Europe, MCIE operates largely in the commercial vehicle and passenger vehicle segments. MFE is dependent on the truck segment especially heavy trucks while CIEF operates in the car segment

Commercial Vehicles

Period	F15	F14	Change
FY	1,907,518	1,752,757	8.8%
Q4	502,123	443,246	13.3%
Q3	496,399	481,143	3.2%
Q2	439,834	398,095	10.5%
Q1	489,162	430,255	8.3%

As per the European Automobile Manufacturers Association (ACEA), the commercial vehicle registrations in Europe in FY15 have shown a healthy growth with Q4FY15 recording high growth figures. However, registrations of heavy trucks, which is a major segment for MCIE in Europe, has not followed the general trend of the European truck market and declined approximately by 5% in FY 14-15 compared to the previous year. The commercial vehicle industry is expected to grow as a whole for at least the first half of the coming year as contributing factors like oil prices and conducive monetary policies remain favorable.

In the medium term, we expect the truck market to experience growth, though it is expected to remain susceptible to fluctuations. Technologically, light-weighting of components continues to remain an important requirement and suppliers are expected to develop capabilities around it.

Data from ACEA shows that with 5.6% growth posted in 2014, new car registrations in Europe increased for the first time since 2007 after having been on the decline for six consecutive years. There was steady growth in all four quarters of FY15 and this augurs well for the coming year. In line with various forecasts we expect the growth in the EU passenger car markets to be steady though moderated due to the mix of favourable and unfavourable factors.

India

Economic growth in India is showing signs of a steady growth after the earlier phase of uncertainty. The economic reforms by the current government and the growth friendly approach to governance has effected a positive outlook on the prospects of the Indian economy.

The long term prospects of the economy are considered to be improving from an overall favourable outlook to a positive outlook, which is evidenced by the upgrade in the sovereign ratings of the country's economy. In the medium term the economic growth is seen to be accelerating due to the government's push for economic strengthening activities like infrastructure spending and fast tracking approvals of mega-projects.

MCIE's main target segments in India are passenger car & utility vehicle as well as the tractor segments. Data from the Society of Indian Automobile Manufacturers (SIAM) shows that though the UV segment started off the year with almost 14.5% and 25.3% growth in Q1 and Q2 F15 respectively, they have comparatively moderated to 1.7% and 7.1% growth in Q3 and Q4 F15 respectively. Thus, in the Financial Year 2014-15, the cumulative UV production has grown by ~12% compared to the previous year. The production of passenger cars has grown steadily by 2% in Q1, 2% in Q2, 5.3% in Q3 and 8% in Q4 resulting in a moderate overall growth in FY 14-15 by 4% compared to the previous year. Thus in our addressable market, cumulative Passenger Car & Utility Vehicle production has grown moderately by ~6% in FY15.

Leading auto industry analyst Crisil (refer research reports published on cars & UVs on 27 March 2015 and on CVs on 9 April 2105), expects the auto industry to build on it's growth trajectory in FY 2015-16, due to lower than expected inflation and reduced crude oil prices. In line with this we expect a moderated growth in the coming year in our target segments.

Period	F15	F14	Change
FY	612,994	696,801	-12.00%
Q4	111,359	165,461	-32.70%
Q3	137,824	181,561	-24.10%
Q2	182,386	174,858	4.30%
Q1	181,425	174,921	3.70%

The cumulative Tractor industry production has however shown a definitive drop by about 16% compared to the corresponding period in the previous year (source: Tractor Manufacturers Association TMA). The quarterwise performance of the tractor industry steadily worsened in FY15 with Q1FY15 recording a growth 3.7% over Q1FY14 but these sharply declined to -33% in Q4FY15 compared to the corresponding quarter in FY14. These were largely due to the losses suffered by farmers due to unseasonal rains and hence the dampened sentiment as evidenced by shrinking agricultural credit. We believe that the tractor market has bottomed out and expect it to make a modest recovery in the next few quarters. The tractor market is expected to grow moderately; depending on a normal monsoon, in line with Crisil's forecast.

M&M and Tata Motors have traditionally been our key customers and their cumulative performance did not keep pace with market trends in FY15. The cumulative no. of vehicles (inclusive of tractors) produced by these two companies declined by 11% in FY15 (Source: SIAM, TMA). Their performance vis-a-vis the market though has improved from Q1FY15 to Q4FY15. With introduction of new models and uptake increasing in recently launched models we expect this positive trend to continue in the next few quarters.

Passenger Vehicles

Period	F15	F14	Change
FY	12,823,855	12,105,705	5.9%
Q4	3,527,407	3,245,846	8.7%
Q3	2,978,052	2,849,250	45%
Q2	2,946,579	2,795,482	5.4%
Q1	3,371,817	3,215,127	4.6%

Human Resources and Industrial Relations Climate

India

The automotive cluster centered around Pune in India, where majority of the Company's plants are located, is experiencing competition among industrial units to attract and retain managerial talent and thus the availability of skilled and unskilled manpower is becoming a key issue. Improving the quality of manpower is also an issue the entire industry is grappling with. Employee Relations in the Pune region is becoming challenging as the new generation of workmen being more demanding in their expectations however relationship between the management and workers' union continued to remain cordial.

The Human Resources policies of your company are comprehensive and based on the best of the prevailing HR practices. The performance evaluation and management process continues to be the backbone of all HR activities and is based on an appropriate goal-setting process. The Company continues with its well established practice of obtaining employees opinions by conducting 'Workmen Engagement Survey' through an independent third party. As on 31st March, 2015 there were 2727 employees on the rolls of MCIE in India and 411 employees on the rolls of Mahindra Gears & Transmissions Pvt. Ltd.

Pursuant to the provisions of 'The Sexual Harrassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013' ("the Act") and Rules framed thereunder, the Company has introduced a policy on Sexual Harrassment and taken necessary steps to ensure compliance with the Act. One complaint was received under the Act by the Company during the Financial Year ended on 31st March, 2015 and it was satisfactorily dealt with as per the provisions of the law.

Europe

Mahindra Forgings Europe (MFE): As on 31st March 2015, there were 1309 employees on the rolls of the Company, compared to 1517 employees as on 31st March 2014. Furthermore, it has been decided to close Jeco-Jellinghaus GMBH (Jeco) located at Gevelsberg, one of the six locations of MFE since it was facing continuous pressure on its margins. Jeco will be closed in a phased manner during calendar year 2015, and the equipment and production will be shifted to other locations of MFE within Germany. The announcement of the closure of Jeco, which will approximately affect 160 jobs was made to employee representatives on 27th Feb 2015. Your company continues to maintain harmonious relations with its employees.

CIE Forgings (CIEF): 786 people work at CIE Galfor S.A., CIE Legazpi S.A. & CIE LT Forge on the rolls of the Company as on 31st March 2015.

Metalcastello (MC): As on 31st March 2015, there were 240 employees on the rolls of the company as compared to 284 as of 31st March 2014. Your company continues to maintain harmonious relations with its employees.

Strategy and Operational Performance

MCIE has different strategic issues & responses in its constituent businesses viz. MCIE India (MCIE Standalone plus Mahindra Gears & Transmissions Pvt. Ltd., India); Mahindra Forgings Europe (MFE); Metalcastello (MC) and CIE Forgings Europe (CIEF).

MCIE India

Most of the India businesses are operationally sound. In the last few years, there has been a lot of focus on improving operational efficiencies and reducing breakeven volumes. CIE recognises this fact and there has been no change in management after the CIE-Mahindra Alliance. At the same time, CIE has deputed a senior person who is also on the board of MCIE to facilitate integration and new product development.

With M&M and Tata Motors being key customers, growth has been a challenge in the recent past. MCIE's key customers are cautiously optimistic of future growth. The long term growth story of the Indian automotive market remains intact and long term growth expectations are high.

Your Company has focused on increasing **Plant efficiency and developing value added components** to mitigate the effect of low volumes. Majority of MCIE's plants are located in the state of Maharashtra (around Pune and in Nashik) where power tariffs have increased in FY15. The forgings and castings verticals have significant power costs and they have launched projects to improve efficiency in the usage of power. With the help of CIE, the different verticals of the India operations are developing new products, and will pursue business with western OEMS in India such as VW, Renault, GM and Ford where CIE in Europe has a strong presence.

Thus the approach has been to focus on improving plant operations and gaining an enhanced customer focus as well as new products.

Mahindra Forgings Europe (MFE):

MFE has been facing operational issues for the last few quarters. CIE with a rich history of turning around companies in Western Europe were able to apply their experience to MFE. A two phase strategy focused on a turnaround in profitability has been followed at MFE:

Phase I (Oct13 to Dec14):

- CIE appointed a dedicated 'Turnaround' Management Team consisting of CEO and 4-5 technical experts
- The focus of this phase was on cost reduction
 - Improve operational efficiency by reducing cycle times, increasing die life and improving process flow and layout.
 - Availing of electricity subsidy from the government to reduce power cost.
 - Price negotiation on select parts.
 - Outsource low-value-adding services.
 - Reduce temporary workers and minimize overtime costs
- Turnaround in profitability has been significantly achieved

Phase II (Jan15 onwards):

- The turnaround team has been replaced by a dedicated 'Forging' Management Team under the guidance of CIE's global forgings head
- The strategic approach is to improve profitability by optimising product-process-location combination.

In F15 MFE had a revenue of INR 19,507 Million and PAT of INR 69 Million at an exchange rate of 1 EUR = 67.66 INR and 1 GBP = 92.56 INR.

CIE Forgings Europe (CIEF):

CIEF has been consistently profitable over the last few years and its EBITDA margins are in line with the consolidated margins of the CIE group worldwide. The strategic focus is to maintain profitability at these plants while growing with the market.

In F15 CIEF had a revenue of INR 14,891 Million and PAT of INR 1,049 Million at an exchange rate of 1 EUR = 67.66 INR.

Metalcastello (MC)

MC is operationally good but a steady drop in volumes over the last few years has led to a drop in EBITDA%. As part of your Company's response to the decline in volumes, a restructuring program involving headcount reduction and inventory write off has been implemented and has entailed one time costs adding to the decline in EBITDA%. The Off Road market has declined in the last few years and the trend continues. MC is focused on improving volumes and margins by the following :

- Reduce Cost & Capex – headcount reduction, increased productivity, insourcing of some operations, purchasing synergies with CIE, inventory optimisation & dropping of unprofitable parts
- Explore new customers in existing segments – Agricultural, Earthmoving & Defence
- Enter new market segments – Automotive, Marine

In F15 MC had a revenue of INR 3,494 Million and PAT of INR (643) Million at an exchange rate of 1 EUR = 67.66 INR.

To summarise, the Company has adopted a strong and proactive strategy that is focused on exploiting the growth opportunity in India, consolidating profitability in Europe and exploiting synergies with other companies in the CIE group. Such an integrated approach gives your Company a unique edge in the market place.

Strategy Roadmap

MCIE overall strategy is divided in two phases: Phase 1 (2014-17) focuses on financial consolidation while Phase 2 (2017 onwards) will focus on growth.

Financial Performance

The F15 financial performance of the merged entity is presented below. Consequent to the merger, results for the Financial Year ended March 31, 2015 for both the standalone and consolidated entities for the year ended March 31, 2015 include the results of the amalgamated companies and hence are not comparable to those of the prior periods/ year which do not include the results of the amalgamated companies.

The standalone & consolidated profit and loss account for Mahindra CIE for 2013-14 (FY 14) and 2014-15 (FY15) is given in the table below:-

MCIE's abridged P&L Statement for Financial Year 2014-15

(₹ Million)

Sr. No.	Particulars	Standalone		Consolidated	
		Year Ended		Year Ended	
		31-3-2015	31-3-2014	31-3-2015	31-3-2014
		Audited	Audited	Audited	Audited
1	Income from operations				
	(a) Net sales (Net of Excise duty)	16,177.4	3,848.4	55,387.8	25,757.7
	(b) Other operating income	248.0	17.0	311.2	150.0
	Total Income from operation (net)	16,425.4	3,865.4	55,699.0	25,907.7
2	Expenses				
	(a) Cost of material consumed	9,020.3	2,002.8	25,418.3	10,802.0
	(b) Change of inventories of finished goods and work-in progress	(3.3)	29.1	189.8	(154.5)
	(c) Employee benefit expenses	1,884.5	345.1	11,866.9	7,297.8
	(d) Depreciation and amortisation expenses	688.7	282.9	2,375.0	1,199.9
	(e) Other Expenses	4,191.5	965.1	13,821.5	6,875.8
	Total Expenses	15,781.7	3,625.0	53,671.5	26,021.0
3	Profit (loss) from operation before other income finance cost and exceptional items (1 - 2)	643.7	240.4	2,027.5	(113.3)
4	Other Income	199.4	64.5	429.1	127.7
5	Profit / (Loss) from ordinary activities before finance cost and exceptional items (3 + 4)	843.1	304.9	2,456.6	14.4
6	Finance cost	140.4	37.3	1,196.5	628.2
7	Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)	702.7	267.6	1,260.1	(613.8)
8	Exceptional items	-	-	2,261.0	83.2
9	Profit/(Loss) from ordinary activities before tax (7-8)	702.7	267.6	(1,000.9)	(697.0)
10	Current Tax	136.2	53.1	198.9	61.6
	(Less): Mat Credit entitlement	(115.8)	(53.1)	(67.8)	(53.1)
	Prior year Tax	(167.2)	-		7.7
	Deferred Tax (Credit) / Charge	72.8	87.9	(350.4)	101.8
11	Net Profit/(Loss) from ordinary activities after tax(9-10)	776.7	179.7	(781.6)	(814.9)
12	Net Profit / (Loss) for the period	776.7	179.7	(781.6)	(814.9)
13	Minority Interest				
14	Net Profit / (Loss) after taxes, Minority Interest				
15	Paid -Up equity share capital	3,229.8	923.4	3,229.8	923.4
	(Face value of ₹ 10 per equity share)				
16	Reserve excluding revaluation reserve as per balance sheet of previous accounting year	19,855.5	8,391.7	15,635.4	5,637.0
17	Earning per share (after extraordinary items) (of ₹ 10 /- each) (Not annualised)				
	(a) Basic (Refer Note)	2.41	1.95	(2.42)	(8.88)
	(b) Diluted (Refer Note)	2.41	1.95	(2.42)	(8.87)

Information for our Indian and Overseas operations are summarized in the table below.

Segment-wise results for 2014-15

(₹ million)

Sr. No.	Particulars	Year Ended	
		31-3-2015	31-3-2014
1	Segment Revenue		
	a) Indian	19,058.7	4,089.1
	b) Overseas	37,999.8	22,042.4
	Total	57,058.5	26,131.5
	Less: Inter Segment Revenue	1,359.5	223.8
	Net Sales/Income from Operations	55,699.0	25,907.7
2.	Segment Profit/(Loss) before tax and interest from		
	a) Indian	831.1	53.6
	b) Overseas	(693.5)	(143.9)
	Total	137.6	(90.3)
	Less:		
	(i) Un-allocable expenditure	1,196.5	606.7
	(ii) Un-allocable Income	58.0	-
	Total Profit before Tax	(1000.9)	(697.0)
3.	Capital Employed		
	(Segment Assets - Segment Liabilities)		
	a) Indian	8,499.5	1,147.3
	b) Overseas	10,520.8	4,176.4
	Total	19,020.3	5,323.7

Synergies with Parents

CIE group is a group specialised in providing automotive components and sub-assemblies to the global automotive industry, working with complementary technologies and a number of different associated processes.

With the active involvement of the CIE group, MCIE intends to achieve the following synergies:

1. Introduce CIE products and customers in India.
2. Gain Market Share in India with CIE's global customers like Renault, Ford, VW etc.
3. Enter new technologies in India in which CIE has a global presence viz. Aluminium, Painting, and Plastics.
4. Improve operational efficiencies in India by using CIE's expertise and enhancing the product offerings.
5. Continue the turnaround at Mahindra Forgings Europe and Metalcastello

Opportunities

Globally, CIE Automotive is focusing on growth in emerging markets like Mexico, India & the ASEAN region. MCIE will lead this growth strategy in Asia.

The demand for the auto components is directly related to the uptake by OEM's. By all estimates the Indian auto industry will continue to grow, even though there has been a slowdown in the growth in recent quarters. The Indian auto components industry is thus well poised to achieve strong growth in the near term. The drive towards localization by many foreign car manufacturers in India, also presents an opportunity for Indian Auto component manufacturers. According to the Auto Components Manufacturers Association (ACMA), the Indian auto components industry is likely to grow to US\$ 115 billion by 2020 (refer presentation titled "Indian Automotive Industry: Status" on the ACMA website). The share of the auto components industry in the country's GDP is likely to increase to 3.60% by 2020, up from 2.40% in FY12. Given good long term demand prospects in the domestic market and with India emerging as a favored low-cost sourcing destination, auto component manufacturers are likely to invest in increasing production capacities and technological capabilities.

The ASEAN region is also becoming a major focus for automotive investment. Global OEMs, especially from Japan, see this region as a focus of their global strategies. Governments of the ASEAN region are pushing hard to make the automotive industry a key part of their developmental strategies. They are increasingly offering tax breaks and incentives for 'Green Cars'.

While Europe continues to exhibit uncertainty regarding market growth, MCIE's European operations have the opportunity to use CIE's expertise to significantly improve their profitability.

Risks and Concerns

The business has a specific set of risk characteristics which are managed through an internal risk management practice. These risks are as follows:

- Slowdown in India: The growth in the Indian auto market has been lower than expected
 - Your company is exploring new products & markets as a counter
- Impact of uncertainty in the Eurozone: Europe facing uncertain economic environment
 - Your company is monitoring the situation so that corrective actions are immediately taken in response to any demand movements
- Integration: Cultural differences during integration of MCIE with CIE system
 - CIE chose to invest in MCIE businesses as there was cultural similarity and the risk of cultural mismatch is low
- Technological changes: Lighter weight auto components and greater usage of Aluminium and Plastics may substitute our products
 - Your company is innovating around lighter weight components and newer materials. To illustrate, MCIE has developed lighter crankshafts and friction welded steel pistons in the last few years.
- Ability to service debt: High debt subject to financial covenants.
 - Your company forecasts business plans which are then closely monitored.

Internal Control Systems and their Adequacy

In the opinion of the Management, MCIE has an adequate internal audit and control systems to ensure that all transactions are authorised, recorded and reported correctly. The internal control systems comprise extensive internal and statutory audits. The Corporate Governance practices instituted by the Company are discussed in detail in the chapter on Corporate Governance which forms part of the Annual Report.

Looking Ahead

Uncertainty in the current economic environment means that the focus of your Company will be consolidating profitability and cash flow. The Company also recognizes the long term trend towards growth especially in Asia and will continue to look out for and evaluate growth opportunities in this region.

Cautionary Statement

Certain statements in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those express or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

Corporate Governance is based on preserving core beliefs and ethical business conduct while maintaining a strong commitment to maximise long-term shareholder value. Your Company is focussed towards bringing transparency in all its dealings, adhering to well-defined corporate values and leveraging the corporate resources for long-term value creation.

Your Company is committed to moulding Corporate Governance practices in line with its core values, beliefs and ethics. Your Company believes in attainment of highest levels of transparency in all facets of its operations and maintains an unwavering focus on imbibing good Corporate Governance practices.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement of the Stock Exchanges. As a Company which believes in implementing Corporate Governance practices that go beyond meeting the letter of law, your Company has comprehensively adopted practices mandated in the Clause 49.

This chapter, along with the report on Management Discussion and Analysis and Additional Shareholders Information indicates the Company's compliance with the provisions of Clause 49 of Listing Agreement during the year under review.

Board of Directors

The composition of the Board is in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, as amended from time to time. The Board has an optimum combination of Executive and Non-Executive Directors with one Woman Director and not less than fifty percent of the Board of Directors comprising Non-Executive Independent directors. The Chairman of the Company was Non-executive till 31st March, 2015 and appointed as Executive Director of the Company with effect from 1st April, 2015.

The Management of the Company is entrusted in the hands of Key Management Personnel, headed by the Chairman, who operate under the supervision and control of the Board. The Board reviews and approves strategy and oversees the results of Management to ensure that the long term objectives of enhancing stakeholders' value are achieved. The ultimate parent, CIE Automotive S.A. provides continuous guidance by active involvement of its Global CEO who is also on the Board of the Company.

Mr. K. Ramaswami is the Managing Director and Mr. Pedro Jesus Echegaray Larrea, is Executive Director of the Company (w.e.f. 21st October, 2014) and draws remuneration from it. Mr. Hemant Luthra, Non-Executive Chairman of the Company upto 31st March, 2015 was in full time employment of Mahindra & Mahindra Limited (M&M), Promoter of the Company and drew remuneration from it. Mr. Luthra is appointed as Executive Chairman with effect from 1st April, 2015. Mr. Antonio Maria Pradera Jáuregui and Mr. Jesus Maria Herrera Barandiaran are Non-Independent Non-Executive Directors who are in whole time employment of CIE Automotive S.A., the ultimate parent company. Mr. Zhooben Bhiwandiwalla is Non-Independent Non-Executive Director who is in whole time employment of Mahindra & Mahindra Limited, Promoter of the Company.

The remaining seven Non-Executive Directors are Independent Directors and are professionals, with expertise and experience in technical, general corporate management, finance, banking, legal and other allied fields which enables them to contribute effectively to the Company in their capacity as Independent Directors.

Apart from reimbursement of expenses incurred in the discharge of their duties and the remuneration that these Directors would be entitled to under the Companies Act, 2013 as Non-Executive Directors, none of these Directors has any other material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its Senior Management or its Subsidiaries and Associates which in their judgment would affect their independence. The Directors of the Company are not inter-se related to each other.

The Senior Management have made disclosures to the Board confirming that there are no material, financial and/or commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

Composition of the Board

As on 31st March, 2015, the Company's Board comprised of Fourteen Directors including the Managing Director. The Chairman was a Non-Executive Director (upto 31st March, 2015) and a professional Director in his individual capacity.

During the year under review, the Board had appointed Mr. Zhooben Bhiwandiwalla as an Additional Director on 29th July, 2014 who was appointed as Director at the Annual General Meeting held on 29th September, 2014.

The Board, on recommendation of Nomination and Remuneration Committee, proposed to members the appointments of Mr. Daljit Mirchandani, (DIN: 00022951), Mr. Manoj Maheshwari (DIN: 00012341), Mr. Dhananjay Mungale (DIN: 00007563), Mr. Jose Ramon Berecibar Mutiozabal (DIN: 06704914), Mr. Jose Sabino Velasco Ibanez (DIN: 06704932), Mr. Juan Maria Bilbao (DIN: 06963805) and Mrs. Neelam Deo (DIN: 02817083) as Independent Directors of the Company. The members at the Annual General Meeting held on 29th September, 2014 approved their appointment as Independent Directors for a term of five years with effect from that date.

Mr. Jose Ramon Berecibar Mutiozabal (DIN: 06704914) resigned as Independent Director on 15th October, 2014. Thereafter Mr. Jose Ramon Berecibar Mutiozabal (DIN: 06704914) was appointed as an Additional Director (Non-executive non-Independent) who resigned as Director with effect from 31st March, 2015.

Mr. Suhail Nathani was appointed as an Independent Director on 12th December, 2014 to fill-up the casual vacancy caused by the resignation of Mr. Jose Ramon Berecibar Mutiozabal. Mr. Nathani's appointment was approved by the shareholders of the Company on 27th March, 2015 by means of Postal Ballot.

Mr. Hemant Luthra was appointed as the Executive Chairman of the Company with effect from 1st April, 2015.

Mr. Shriprakash Shukla was appointed as an Additional Director of the Company w.e.f. 1st April, 2015.

The Company have issued formal letters of appointment to all the independent directors in the manner as provided in the Companies Act, 2013 and the terms and conditions of appointment are hosted on the website of the company at <http://mahindraforgings.com/investor-zone/investor-relation/governance.html>.

Currently, the Company's Board comprises of fourteen Directors including the Managing Director. The names and categories of Directors, the number of Directorships and Committee positions held by them in the companies are given in Table 1 below. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement), across all the companies in which he is a Director. Neither any Director is acting as Independent Director in more than seven listed companies nor any Whole-time Director is acting as Independent Director in more than three listed companies.

Table 1: Composition of the Board of Directors

Directors	Category \$	Total number of Committee memberships @@ of public companies as on 31 st March, 2015	Total number of Chairmanships of Committees@@ of public companies as on 31 st March, 2015	Total number of Directorships* of public companies as on 31 st March, 2015	Total number of Directorships** of Private companies as on 31 st March, 2015
NON – EXECUTIVE					
Mr. Hemant Luthra	Non-Independent	Nil	1	2	4
Mr. Antonio Maria Pradera Jáuregui	Non-Independent	Nil	Nil	1	0
Mr. Jesus Maria Herrera Barandiaran	Non-Independent	Nil	Nil	1	0
@ Mr. Zhooben Bhiwandiwala	Non-Independent	4	Nil	7	12
Mr. Daljit Mirchandani	Independent	2	1	4	0
Mr. Manoj Maheshwari	Independent	1	2	5	3
Mr. Dhananjay Mungale	Independent	3	2	8	7
# Mr. Jose Ramon Berecibar Mutiozabal	Independent (upto 15 th October 2015) Non-Independent (from 12 th December 2014 to 31 st March, 2015)	Nil	Nil	Nil	Nil
Mr. Jose Sabino Velasco Ibanez	Independent	1	Nil	1	0
Mr. Juan Maria Bilbao Ugarriza	Independent	Nil	Nil	1	0
Mrs. Neelam Deo	Independent	Nil	Nil	1	0
\$\$ Mr. Suhail Nathani	Independent	1	Nil	4	1
EXECUTIVE					
Mr. K. Ramaswami	Managing Director	Nil	Nil	1	0
## Mr. Pedro Jesus Echegaray Larrea	Whole-time Director	Nil	Nil	2	0

\$ PIA2 has nominated Mr. Antonio Maria Pradera Jáuregui, Mr. Jesus Maria Herrera Barandiaran and Mr. Pedro Jesus Echegaray Larrea on the Board of the Company. M&M has nominated Mr. K. Ramaswami, Mr. Zhooben Bhiwandiwala and Mr. S.P. Shukla (w.e.f. 1st April, 2015) on the Board. Mr. Hemant Luthra was nominee of M&M till 31st March, 2015 and became nominee of PIA2 w.e.f. 1st April, 2015 subsequent to his retirement from M&M.

* Excludes Directorships in private limited companies which are not holding or subsidiary companies of a public limited company, foreign companies, companies registered under Section 8 of the Companies Act, 2013, government bodies but includes Additional Directorship and Directorships in Mahindra CIE Automotive Limited.

** Excludes Directorships in public limited companies (including their holding and subsidiary companies), foreign companies, companies registered under Section 8 of the Companies Act, 2013, government bodies and alternate Directorships but includes Additional Directorship.

@@ Committees considered are Audit Committee and Stakeholders' Relationship Committee, including that of Mahindra CIE Automotive Limited.

@ Appointed as Director of the Company w.e.f. 29th July, 2014

\$\$ Appointed as an Independent Director w.e.f. 12th December, 2014 for a period of five years.

Appointed as an Independent Director and ceased to be Independent with effect from 15th October, 2014. Thereafter, he was appointed as Non-executive Non-Independent Director on 12th December, 2014 who resigned from the office of Director w.e.f. 31st March, 2015

Appointed as Whole-time Director (Executive Director) w.e.f. 21st October, 2014.

BOARD PROCEDURE

A detailed Agenda folder is sent to each Director in advance of Board and Committee Meetings. To enable the Board to discharge its responsibilities effectively, the Managing Director, Executive Director and Chief Executives of respective divisions apprise the Board at every meeting on the overall performance of the Company, followed by presentations by other senior executives of the Company. The Board also inter alia reviews strategy and business plans, annual operating and capital expenditure budgets, investment and exposure limits, compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances, if any, review of major legal issues, if any, internal financial controls and financial reporting system, minutes of the Board Meetings of Company's unlisted subsidiary companies, significant transactions and arrangements entered into by the unlisted subsidiary companies, adoption of quarterly/ half-yearly/annual results, significant labour issues, if any, transactions pertaining to purchase/disposal of property, if any, major accounting provisions and write-offs, corporate restructuring, if any, Minutes of Meetings of the Audit and other Committees of the Board and information on recruitment of Officers just below the Board level, including the Company Secretary / Compliance Officer.

NUMBER OF BOARD MEETINGS, ATTENDANCE OF THE DIRECTORS AT MEETINGS OF THE BOARD AND AT THE LAST ANNUAL GENERAL MEETING (AGM).

The Board of Directors met eight times during the year on the following dates – 29th April, 2014, two meetings on 29th July, 2014, 29th September, 2014, 21st October, 2014, 12th December, 2014, 11th February, 2015 and 27th March, 2015. The gap between two meetings was not more than 120 days.

The Fifteenth Annual General Meeting (AGM) was held on 29th September, 2014.

Attendance of the Directors at these meetings is presented in Table 2 below.

Table 2: Number of Meetings and Attendance

Directors	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Hemant Luthra	8	Yes
@ Mr. Zhooben Bhiwandiwala	5	Yes
Mr. Antonio Maria Pradera Jáuregui	3	No
Mr. Jesus Maria Herrera Barandiaran	3	No
Mr Daljit Mirchandani	8	Yes

Directors	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Manoj Maheshwari	5	Yes
Mr. Dhananjay Mungale	7	Yes
* Mr. Jose Ramon Berecibar Mutiozabal	7	Yes
# Mr. Juan Maria Bilbao Ugarriza	2	No
# Mrs. Neelam Deo	4	Yes (Attended as proposed appointee at the AGM)
\$ Mr. Suhail Nathani	3	N.A.
Mr. Jose Sabino Velasco Ibanez	3	No
Mr. K Ramaswami	7	Yes
^ Mr. Pedro Jesus Echegaray Larrea	4	N.A

@ Appointed as Director of the Company w.e.f. 29th July, 2014.

\$ Appointed as an Independent Director w.e.f. 12th December, 2014 for a period of five years.

* Appointed as an Independent Director and ceased to be Independent with effect from 15th October, 2014. Thereafter he was appointed as an Additional Director (Non-executive non-Independent) who resigned as Director with effect from 31st March, 2015.

Appointed as Independent Directors with effect from 29th September, 2014.

^ Appointed as Whole-time Director (Executive Director) with effect from 21st October, 2014.

DIRECTORS SEEKING APPOINTMENT /RE-APPOINTMENT

Mr. Antonio Maria Pradera Jauregui and Mr. Zhooben Bhiwandiwala, retires by rotation and, being eligible, has offered themselves for re-appointment.

Further, the Board at its meeting held on 27th March, 2015, on recommendation of Nomination and Remuneration Committee, appointed Mr. Shriprakash Shukla (DIN: 00007418) as Additional Director with effect from 1st April, 2015. Pursuant to Section 161 of the Companies Act, 2013, Mr. Shriprakash Shukla will hold office up to the date of the ensuing Annual General Meeting of the Company. Pursuant to Section 160 of the Companies Act, 2013 the Company has received notice in writing from a member along-with deposit signifying their intention to propose him for the office of Directors of the Company at the forthcoming Annual General Meeting.

A brief resume of the Directors seeking appointment/re-appointment is given as under;

Table 3: brief resume of the Directors seeking appointment

	Mr. Shriprakash Shukla	Mr. Zhooben Bhiwandiwala	Mr. Antonio Maria Pradera Jauregui
DIN	00007418	00110373	06704890
Age	56	55	59
Education	B.Tech & MBA,	Commerce degree from H.R. College, Mumbai and is a qualified Chartered Accountant.	University Degree in Engineering.
Brief profile including Nature of expertise in specific functional areas;	<p>Mr. Shriprakash Shukla is a Member of the Group Executive Board of Mahindra and Mahindra Limited and as President is responsible for Group Strategy and the Defence Sector. He is also the Chief Brand Officer for the Mahindra Group.</p> <p>Mr. Shukla has over three decades of rich, varied experience in managing large projects & operations. He is a top professional in the field of Automotive Tyres and Information & Communication Technology (ICT) sectors in India. Also, he is widely credited with taking mobile telephony to the masses by setting-up telecom infrastructure in the remotest parts of India.</p> <p>Mr. Shukla has been the recipient of several awards in his field and is regularly invitee to speak at reputed academic and industry fora.</p>	<p>Mr. Bhiwandiwala began his career with Mahindra in 1985. He has dedicated a remarkable 30 years to the Mahindra Group, acquiring wide cross-functional experience across several sectors and playing an active part in finance, legal, HR, marketing, strategy, and other commercial functions. Apart from overseeing the Group's legal division, he also manages Mahindra Partners, a diversified division that oversees new businesses within the Group. Currently, these businesses include Steel Trading and Services, Logistics, Retail, Solar Energy, and Conveyor Systems.</p>	<p>Having started his career in BBV, he has been managing director and afterwards Chairman of the CIE Automotive Group since 1995.</p>
Names of other companies in which the non-executive director holds the directorship * *excludes Directorships in Body Corporates	<p>Mahindra First Choice Services Limited</p> <p>Mahindra Retail Private Limited</p> <p>Bristlecone Limited</p> <p>Defence Land Systems India Limited</p> <p>Mahindra Defence Naval Systems Limited</p> <p>Mahindra Telephonics Integrated Systems Limited</p>	<p>The Indian And Eastern Engineer Company Private Limited</p> <p>Mahindra Intertrade Limited</p> <p>Mahindra Retail Private Limited</p> <p>Mahindra Marine Private Limited</p> <p>Mahindra Logistics Limited</p> <p>Mumbai Mantra Media Limited</p> <p>Ekatra Hospitality Ventures Private Limited</p> <p>Mahindra Holdings Limited</p> <p>Mahindra Defence Naval Systems Private Limited</p> <p>Mahindra Defence Systems Limited</p> <p>Epic Television Networks Private Limited</p> <p>Mahindra Telephonics Integrated Systems Limited</p>	Nil

	Mr. Shriprakash Shukla	Mr. Zhooben Bhiwandiwala	Mr. Antonio Maria Pradera Jauregui
		Script Stories Media Private Limited Cinestaan Digital Private Limited Cinestaan Entertainment Private Limited Cinestaan Film Company Private Limited Mahindra Auto Steel Private Limited Mahindra Tsubaki Conveyor Systems Private Limited	
Names of the other membership of Committees of the non-executive director	Mr. Shukla is a member of Remuneration Committee of Mahindra Telephonics Integrated Systems Limited and Mahindra Defence Naval Systems Private Limited. Further, he is member of audit as well as remuneration committee of Defence Land System India Limited & Mahindra Emirates Vehicle Armouring FZ LLC	Mr. Bhiwandiwala holds chairmanship of CSR Committee of Mahindra Intertrade Limited and member of Mahindra Tsubaki Conveyor Systems Private Limited. He is member of audit committee of Telephonics Integrated Systems Limited, Mahindra Defence Naval Systems Private Limited, Mahindra Retail Private Limited and Mahindra Auto Steel Limited. He is also a member of Nomination and Remuneration Committee of Mahindra Retail Private Limited, Mumbai Mantra Media Limited, Mahindra Defence Systems Limited.	Nil
Shareholding of non-executive directors in the Company	Nil	17,500	Nil

CODES OF CONDUCT

The Board has laid down Codes of Conduct for Board members, Independent Directors and other employees of the Company. These Codes have been posted on the Company's website <http://www.mahindra-cie.com>. All Board Members and Senior Management Personnel have affirmed compliance with these Codes of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.

CEO/CFO CERTIFICATION

As required under Clause 49 IX of the Listing Agreement with the Stock Exchanges, the Managing Director and the Chief Financial Officer of the Company have certified to the Board that Financial Statements for the year ended 31st March, 2015 do not contain any untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified thereunder.

RISK MANAGEMENT

The Company follows well defined and detailed risk management framework. Your Company has established procedures to periodically place before the Board, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate the Risks. The risk management framework adopted by the Company is discussed in detail in the Management Discussion and Analysis chapter of this Annual Report.

COMMITTEES OF THE BOARD OF DIRECTORS

Your Company has constituted Board-level Committees to delegate particular matters relating to the affairs of the Company that require greater and more focussed attention. These Committees prepare the ground-work for decision making and report to the Board.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details regarding the role and composition of these Committees, including the number of meetings held during the Financial Year and the related attendance, are provided below:

a) **Audit Committee**

As on 31st March, 2015, the Audit Committee comprised four non-executive independent Directors namely Mr. Daljit Mirchandani (Chairman), Mr. Jose Sabino Velasco Ibanez, Mr. Manoj Maheshwari and Mr. Dhananjay Mungale. The Chairman of the Audit Committee was present at the last Annual General Meeting to answer queries of shareholders.

All the Members of the Audit Committee have vast experience and knowledge and possess financial/accounting expertise/exposure. The composition of Committee meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Company Secretary is the Secretary to the Committee.

The terms of reference of this Committee are in accordance with the Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory Auditors, the Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet them to discuss their findings, suggestions and other related matters. The Committee is empowered, inter alia, to monitor and review auditor's independence and performance, effectiveness of the audit process, oversight of the Company's financial reporting process and the disclosure of its financial information, reviewing with the management the quarterly and annual financial statements before submission to the Board for approval, examination of the financial statements and the Auditors' Report thereon, approval of transactions of the Company with related parties including subsequent modifications thereof, grant omnibus approvals subject to fulfillment of certain conditions, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk management systems, monitoring the end use of funds raised through public offers, rights issue, preferential issue, etc. The Committee is empowered to review, inter alia, the remuneration payable to Statutory Auditors and to recommend a change in Auditors, if felt necessary. It is also empowered to review Financial Statements and investments of unlisted subsidiary companies, Management Discussion & Analysis of financial condition and results of operations, statement of significant related party transactions. Further, the Committee is also authorised to oversee the functioning of the Whistle Blower Policy/Vigil Mechanism as well as review on a quarterly basis, the report on compliance under SEBI (Prohibition of Insider Trading) Regulations, 2015 given by the Compliance Officer. Generally all items listed in Clause 49 III (D) of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49III (C) and reviews all the information as prescribed in Clause 49 III (E).

The Board of Directors of the Company at its meeting held on 29th April, 2014 revised the terms of reference of the

Audit Committee to bring it in line with the Companies Act, 2013 and revised clause 49 of the listing agreement effective 1st October, 2014 and Mr. Dhananjay Mungale was appointed as a Member of the Committee.

The meetings of the Audit Committee are also attended by the Chairman, Executive Director, Managing Director, Chief Financial Officer, the Statutory Auditors, and the Internal Auditors.

The Committee held 6 meetings during the year 2014-15 on the following dates, i.e. 29th April, 2014, 29th July, 2014, 21st October, 2014, 12th December, 2014, 11th February, 2015 and 27th March, 2015. The time gap between two meetings was less than 120 days. The details are presented in Table 4.

Table 4: Attendance details of Audit Committee

Name of the Member	Position	Status	No. of Meetings Attended
Mr. Daljit Mirchandani	Independent Director	Chairman	6
* Mr. Jose Ramon Berecibar Mutiozabal	Independent Director (upto 15 th October, 2014)	Member (upto 15 th October, 2014)	2
Mr. Jose Sabino Velasco Ibanez	Independent Director	Member	2
Mr. Manoj Maheshwari	Independent Director	Member	4
# Mr. Dhananjay Mungale	Independent Director	Member	4

* ceased to be independent director of the Company w.e.f. 15th October, 2014 hence ceased to be a member of Audit Committee.

appointed as a Member of the Audit Committee w.e.f. 29th April, 2014.

b. **Nomination and Remuneration Committee**

The constitution and the terms of reference of the Nomination and Remuneration Committee are in compliance with the provisions of Section 178(1) of the Companies Act, 2013 and the Listing Agreement.

As on 31st March, 2015, the Nomination and Remuneration Committee comprises of four members with half of them being Independent Directors, including its Chairman namely Mr. Manoj Maheshwari (Chairman), Mr. Daljit Mirchandani, Mr. Jesus Maria Herrera Barandiaran and Mr. Hemant Luthra.

The Company Secretary is the Secretary to the Committee.

The terms of reference of the Nomination and Remuneration Committee inter-alia includes, identification of persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, determining the criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board appointment and

removal of Directors & Key Managerial Personnels, carry out evaluation of every Director's performance and recommend to the Board a policy, relating to the remuneration of directors, key managerial personnel and other employees.

The Committee has also formulated and administers Company's Stock Option Scheme. It also attends to such other matters as may be prescribed from time to time.

The scope of the Committee further includes review and recommend to the Board appointment and remuneration of the Managing Director, Executive Director(s) and Key Managerial Personnel of the Company.

The Committee held seven meetings during FY 2014-15 on the following dates, i.e. 29th April, 2014, 29th July, 2014, 29th September, 2014, 21st October, 2014, 12th December, 2014, 11th February, 2015 and 27th March, 2015. The details are presented in Table 5 below.

Table 5: Attendance details of Remuneration/Compensation Committee

Name of the Member	Position	Status	No. of Meetings Attended
Mr. Manoj Maheshwari	Independent Director	Chairman (from 21 st October, 2014)	2
Mr. Jesus Maria Herrera Barandiaran	Non-Independent Non-Executive Director	Member	2
Mr. Hemant Luthra	Non-Independent Non-Executive Director	Member	6
Mr. Daljit Mirchandani	Independent Director	Member	6
Mr. Jose Ramon Bercibar Mutiozabal	Non-Independent Non-Executive Director	Member (upto 15 th October, 2014)	3

POLICY FOR REMUNERATION OF THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Company have a defined Compensation policy for employees of each of the business divisions of the Company and for Directors including the Managing Director, Executive Director and Key Managerial Personnel. The overall compensation philosophy which guides us is that in order to achieve global leadership and dominance in domestic markets, we need to attract and retain high performers by compensating them at levels that are broadly comparable with the industry while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.

Non-Executive including Independent Directors

The Nomination and Remuneration Committee (NRC) shall decide the basis for determining the compensation, both Fixed and Variable, to the Non Executive Directors, including Independent Directors, whether as commission or otherwise and submit its recommendations to the Board.

Executive Directors:

The remuneration to Executive Chairman, Managing Director and Executive Director(s) is recommended by NRC to the Board. The remuneration consists of both fixed and variable compensation and is paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and Shareholders. While the fixed compensation is determined at the time of their appointment, the variable compensation is determined annually by the NRC based on their performance.

Key Managerial Personnels (Excluding Managing Director and Executive Directors) (KMPs)

Pursuant to the provisions of Section 203 of the Companies Act, 2013 the Board approves the remuneration of KMP at the time of their appointment on recommendation of the Nomination and Remuneration Committee. Remuneration of KMP's consists of both fixed and variable compensation and is paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board on recommendation of the Nomination and Remuneration Committee. The terms of remuneration of Chief Financial Officer (CFO) shall also be approved by the Audit Committee.

The remuneration to directors, KMPs and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Senior Management Personnel's and other Employees

We have a CTC (Cost to Company) concept which includes a fixed component (Guaranteed Pay) and a variable component (Performance pay). The percentage of the variable component increases with increasing hierarchy levels, as we believe employees at higher positions have a far greater impact and influence on the overall business result. The CTC is reviewed once in every year.

Remuneration for the new employees other than KMPs is decided by the HR of the respective divisions/plant as the case may be, in consultation with the concerned head of the Division, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

REMUNERATION / COMPENSATION PAID TO DIRECTORS

Table 6: Details of remuneration paid/payable to the Directors including Managing Director for F.Y. 2014-15

Name of the Director	Sitting Fees * (₹)	Salary and Perquisites (₹)	perquisite value of the ESOPs exercised during the year, if any (₹)	Contribution to Provident and Other Funds ^ (₹)	Performance Linked Incentive (₹)	Total (₹)
Mr. Daljit Mirchandani	332,500	NA	Nil	NA	NA	332,500
Mr. Manoj Maheshwari	200,000	NA	Nil	NA	NA	200,000
Mr. Dhananjay Mungale	222,500	NA	Nil	NA	NA	222,500
~Mr. Jose Ramon Berecibar Mutiozabal	52,500	NA	Nil	NA	NA	52,500
Mr. Jose Sabino Velasco Ibanez	132,500	NA	Nil	NA	NA	132,500
Mr. Juan Maria Bilbao Ugarriza	100,000	NA	Nil	NA	NA	100,000
Ms. Neelam Deo	115,000	NA	Nil	NA	NA	115,000
Mr. Suhail Nathani	150,000	NA	Nil	NA	NA	150,000
K Ramaswami (Managing Director)	NA	7,841,152	10,839,375	181,056	12,121,520	30,983,103
Mr. Pedro Jesus Echegaray Larrea (Executive Director w.e.f 21 st October, 2014)	NA	10,384,858	Nil	163,858	-	10,548,716

* Net of service tax paid on the sitting fees.

^ Aggregate of the Company's contributions to Superannuation Fund, Provident Fund, Gratuity and Privilege Leave Encashment.

~ Ceased to be Non Executive Independent Director of the Company w.e.f. 15th October, 2014.

Non Executive Independent Directors were paid sitting fee of ₹ 7,500/- for every meeting of the Board and ₹ 3,750/- for every meeting of Committees of the Board. The Board on recommendation of the Nomination and Remuneration Committee increased the Sitting fees with effect from 12th December, 2014 as ₹ 50,000/- for every meeting of the Board, ₹ 25,000/- for every meeting of Audit Committee and ₹ 10,000/- for every meeting of other Committees of the Board. The details are presented in Table 3.

The remuneration to the Managing Director and Executive Director is fixed by the the Board of Directors of the Company on recommendation of the Nomination and Remuneration Committee of the Company, and which is subjected to approval of the shareholders of the Company.

The Company did not advance loans to any of its Directors. The appointment of the Managing Director is for a period of three years with effect from 4th October, 2014 to 3rd October, 2017.

Notes:

- Notice period applicable to the Managing Director / Executive Director - three months.
- No severance fees and no commission.
- Performance Pay and Employee Stock Option is the only component of remuneration that is performance-linked. All other components are fixed.

Name of the Director	No. of Options granted in October, 2007@	No. of Options granted in February, 2008@@	No. of Options granted in August, 2008@@@	No. of Options granted in April, 2011@@@@ @	No. of Options granted in January, 2012@@@@ @@	No. of options granted on 12th December, 2014 against the options held in MCL	No. of Ordinary (Equity) Shares held as on 31 st March, 2015
Mr. Hemant Luthra	NIL	200,000	NIL	NIL	Nil	5,220	245,273#
Mr. Zhooben Bhiwandiwala**	8,000	2,000	10,000	15,000	Nil	Nil	17,500#
Mr. Daljit Mirchandani	NA	NA	10,000	15,000	Nil	Nil	13,750#
Mr. K Ramaswami (Managing Director)	NA	NA	NA	NA	300,000	Nil	125,167#

** Appointed as an Additional Director w.e.f. 29th July, 2014.

These shares were allotted pursuant to exercise of Stock Options / pursuant to Integrated and Composites Scheme of Amalgamation.

@ These Options vested in four equal instalments in October 2008, October 2009, October 2010 and October 2011 respectively. These Options can be exercised within five years from the date of vesting of the Options at an Exercise Price ₹ 197/- per share.

@@ These Options vested in four equal instalments in February 2009, February 2010, February 2011 and February 2012 respectively. These Options can be exercised within five years from the date of vesting of the Options at an Exercise Price of ₹ 197/- per share, except for Mr. Hemant Luthra who was granted Options at an exercise price of ₹ 83/- per share.

@@@ These Options vested in four equal instalments in August 2009, August 2010, August 2011 and August 2012 respectively. These Options can be exercised within five years from the date of vesting of the Options at an Exercise Price ₹ 109/- per share.

@@@@ These Options vested in four equal instalments in April 2012, April 2013, April 2014 and April 2015 respectively. These Options can be exercised within five years from the date of vesting of the Options at an Exercise Price ₹ 57/-per share.

@@@@@ These Options vested/ would vest in four equal instalments in January 2013, January 2014, January 2015 and January 2016 respectively. These Options can be exercised within five years from the date of vesting of the Options at an Exercise Price ₹ 44/-per share.

@@@@@@ These Options vested/ would vest in four equal instalments in January 2013, January 2014, January 2015 and January 2016 respectively. These Options can be exercised within five years from the date of vesting of the Options at an Exercise Price ₹ 44/-per share.

c) Stakeholders' Relationship Committee

As on 31st March, 2015 the Stakeholders' Relationship Committee comprises of two directors namely Mr. Dhananjay Mungale (Chairman) and Mr. Daljit Mirchandani, being Non-Executive Independent Directors of the Company. Mr. Krishnan Shankar, Company Secretary & Head – Legal is the Compliance Officer of the Company.

Mr. Jose Ramon Berecibar Mutiozabal ceased to be Independent Director of the Company on 15th October, 2014 hence ceased to be a member of the Committee during the year.

The Committee meets as and when required, to inter alia deal with matters relating to transfer of shares and monitors redressal of complaints from shareholders relating to transfers, non-receipt of balance-sheet etc. With a view to expediting the process of share transfers, the Chairman of the Committee and the Company Secretary are severally authorised to approve of transfers of shares which are up to 5,000 in number.

The Committee met one time on 21st October, 2015.

During the year, 58 complaints were received from shareholders and all the 58 complaints have been resolved to the satisfaction of shareholders.

As on 31st March, 2015 there are no pending complaints pertaining to the year under review. As on date there were no pending share transfers pertaining to the year under review.

d) Allotment Committee

During the year, the Board at its meeting held on 12th December, 2014 formed an Allotment Committee (the Committee) consisting of Mr. K. Ramaswami, Managing Director, Mr. Dhananjay Mungale, Mr. Pedro Jesus Echegaray Larrea and Mr. Daljit Mirchandani for the purpose of issue and allotment of the shares pursuant to the Integrated and Composites Scheme of Amalgamation and to carry out necessary acts, deeds, things in this regard. Accordingly the present member of the committee nominated Mr. Dhananjay Mungale as chairman of the meeting and issued and allotted 229,330,519 (Two Hundred Twenty Nine Million Three Hundred Thirty Thousand Five Hundred Nineteen) equity shares of ₹10/- each as fully paid-up, at its meeting held on 2nd January, 2015. The said committee was formed only with view to carry out aforesaid shares, consequently it ceases to exist.

After the close of Financial Years, the Board at its meeting held on 11th May, 2015, has formed an Allotment Committee comprising four directors namely, Mr. Hemant Luthra, Mr. K. Ramaswami, Mr. Pedro Jesus Echegaray Larrea and Mr. Dhananjay Mungale for the purpose of issue and allotment of shares to Eligible Employees of the Company pursuant to exercise of options granted under the Employees Stock Options Scheme of the Company.

e) Corporate Social Responsibility Committee

During the year under review, the Board has constituted the Corporate Social Responsibility (CSR) Committee on 28th March, 2014. As on 31st March, 2015 the Committee comprises of Mr. Daljit Mirchandani - Chairman, Mr. Hemant Luthra and Mr. Dhananjay Mungale.

The terms of reference of the CSR Committee inter-alia included to formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder, allocate the amount of expenditure to be incurred on CSR activities as enumerated in Schedule VII to the Companies Act, 2013, and monitor the CSR Policy of the Company periodically.

During the year, two meetings of the Committee was held on 29th April 2014 and 12th December, 2014 during the year under review. The details are presented in Table 7.

Table 7: Attendance details of Corporate Social Responsibility Committee

Sr. No.	Name of the committee member	No. of Meetings attended
1	Mr. Daljit Mirchandani - Chairman	2
2	Mr. Hemant Luthra	2
3	Mr. Dhananjay Mungale	2
4	Mr. Jose Ramon Berecibar Mutiozabal	1

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company has adopted a structured programme for orientation of Independent Directors at the time of their joining so as to familiarise them with the Company, its operations,

business, industry and environment in which it functions and the regulatory environment applicable to it. The Company updates the Board Members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take well-informed and timely decisions and contribute significantly to the Company.

A new Director is welcomed to the Board of Directors of the Company by sharing various documents and information of the Company for his/her reference such as brief introduction to the Company and profile of Board of Directors of the Company, Details of various Committees of the Board, Latest Annual Reports, Code of Conduct for Directors, Code of Conduct for Senior Management and Employees, Code for Independent Directors, Code of Conduct for prevention of Insider Trading in Shares of the Company etc.

A detailed Appointment Letter incorporating the role, function, duties and responsibilities, remuneration and performance evaluation process, insurance cover, Code of Conduct and obligations on disclosures, is issued to the Independent Director.

Other Initiatives to update the Directors on a continuing basis:

All Directors are apprised of any changes in the codes or policies of the Company. The Board of Directors has access to the information within the Company which is necessary to enable it to perform their role and responsibilities diligently.

The Company through its Managing Director/Executive Director/ Senior Managerial Personnel makes presentations regularly to the Board, Audit Committee, Nomination and Remuneration Committee or such other Committees, as may be required, covering, inter alia, business environmental scan, the business strategies, operations review, quarterly and annual results, budgets, review of Internal Audit Report and Action Taken Report, statutory compliances, risk management, operations of its subsidiaries, joint venture company etc.

This enables the Directors to get a deeper insight into the operations of the Company and its Subsidiaries. Such presentations also provide an opportunity to the Independent Directors to interact with the Senior Management team of the Company and its Subsidiaries and help them to understand the Company's policies, its long term vision and strategy, business model, operations and such other areas as are relevant from

time to time. Press Releases, disclosures to Stock Exchanges, news and articles related to the Company are circulated to provide updates from time to time.

Thus the Company ensures that there is an adequate mechanism to ensure that the Directors remain familiar with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., and continue to be updated on the state of the Company's affairs and the industry in which it operates.

The familiarisation programme for the Independent Directors has been hosted on the Company's website and can be viewed by visiting the following link:http://mahindraforgings.com/images/pdf/resources/financial_results/2015-2016/familiarisation_programme.pdf

Meeting of Independent Directors

As stipulated by the Code for Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate Meeting of Independent Directors was held during the year to review the performance of Non-Independent Directors and the Board as whole, and the Chairperson of the Company taking into account the views of Executive Directors and Non- Executive Directors. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties. The meeting was conducted to enable Independent Directors to discuss matters relating to Company's affairs and put forth their views without the presence of Non- Independent Directors and members of the Management.

PERFORMANCE EVALUATION OF BOARD, ITS COMMITTEES AND DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The Performance Evaluation of Board, its Committees and Directors has been discussed in detail in the Directors' Report.

General Body Meetings

Table 8 gives the details of the last three years' General Meetings.

Table 8: Annual General Meetings held during the past three years

Year	Date and Venue	Time	Special Resolution(s) passed
2012	31 st July, 2012, Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai – 400 025	3.30 p.m.	1. Appointment and Remuneration of Mr. K. Ramaswami as Managing Director of the Company for a period of three years with effect from 4 th October, 2011 to 3 rd October, 2014. 2. Alteration of the Articles of Association of the Company to incorporate the enabling provisions for participation by Shareholders and Directors in Meetings through electronic mode and servicing of documents by Electronic Mode.
2013	23 rd July, 2013, Kishinchand Chellaram College, Rama Watumull Auditorium, Dinshaw Wacha Road, Churchgate, Mumbai -400 020	4.00 p.m.	Alteration of Articles of Association of the Company for modification of the clause pertaining to increase in Maximum number of Directors of the Company.

Year	Date and Venue	Time	Special Resolution(s) passed
2014	29 th September, 2014, Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai – 400 025.	3.30 p.m.	<ol style="list-style-type: none"> 1. Approval of borrowing limits, under Section 180 (1)(c) of the Companies Act, 2013, not exceeding ₹ 500 crore over and above the aggregate of paid-up capital and free reserves. 2. Approval to mortgage/ charge / hypothecate / encumber any of Company's movable and / or immovable properties, in favour of any Bank(s) or Financial Institutions or Body(ies) Corporate or Person(s), under Section 180 (1)(a) of the Companies Act, 2013, for an amount not exceeding ₹ 500 crore over and above the aggregate of paid-up capital and free reserves.

Postal Ballot

Three resolutions were passed by postal ballot in the year under review details of which are given in Table 9 below.

Table 9: Details of resolutions passed through Postal Ballot during the Financial Year 2014-15:

Date of Board Meeting	Particulars of Resolutions passed	% of Votes in favour of the Resolution	Scrutinizer for conducting the Postal Ballot	Date of Declaration of Result
29 th April, 2014	Approval of the public shareholders of the Company to the Integrated Scheme of Amalgamation	99.99%	Mr. S. N. Ananthasubramanian, Practising Company Secretary.	19 th June, 2014.
29 th April, 2014	Approval of the public shareholders of the Company to the Composites Scheme of Amalgamation	99.99%	Mr. S. N. Ananthasubramanian, Practising Company Secretary.	19 th June, 2014.
11 th February, 2015	1. Special Resolution authorising the Board of Directors of the company to give loans to any of the subsidiaries of the Company, to give guarantee or provide security in connection with a loan made by any person to any of the subsidiaries of the company, to acquire by way of subscription, purchase or otherwise, the securities of any body corporate upto an aggregate amount not exceeding ₹ 25,000,000,000 (Rupees Two Thousand Five Hundred Crore) including the existing loans / guarantees / securities provided or investments made by the Company.	99.218%	Mr. Sachin Bhagwat, Practising Company Secretary.	27 th March, 2015.
	2. Special Resolution approving Related Party Transactions, entered into or to be entered into with Mahindra and Mahindra Limited upto ₹ 12,000,000,000 (Rupees One Thousand Two Hundred Crore) being the maximum value of Transactions per annum with effect from 1 st April, 2014 and every year thereafter.	99.989%		
	3. Special Resolution pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 for alteration of Article 144(5), Article 179, Article 148(2) and Article 148(6) of the Articles of Association of the Company.	99.999%		
	4. Appointment of Mr. Suhail Nathani (DIN: 01089938), as an Independent Director of the Company for 5 (five) consecutive years commencing from 12 th December, 2014.	99.999%		
	5. Appointment of Mr. Pedro Jesus Echegaray Larrea (DIN: 06713892) as a Director liable to retire by rotation.	99.999%		
	6. Approval of Appointment and Remuneration of Mr. Pedro Jesus Echegaray Larrea (DIN: 06713892) as a Whole-time Director (Executive Director) of the Company for a period of 3 (three) years with effect from 21 st October, 2014.	99.999%		

Date of Board Meeting	Particulars of Resolutions passed	% of Votes in favour of the Resolution	Scrutinizer for conducting the Postal Ballot	Date of Declaration of Result
	7. Approval of Appointment and Remuneration of Mr. Hemant Luthra (DIN: 00231420) as a Whole-time Director (Executive Chairman) of the Company for a period of 3 (three) years with effect from 1 st April, 2015.	99.999%		
	8. Approval of appointment and remuneration of Mr. K. Ramaswami (DIN: 00517598) as a Managing Director of the Company for a further period of 3 (Three) years with effect from 4 th October, 2014 to 3 rd October, 2017.	99.999%		

Procedure for Postal Ballot

In compliance with Clause 35B of the Listing Agreement and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the Rules prescribed thereunder, the Company provides electronic voting facility to all its members, to enable them to cast their votes electronically. The Company engages the services of National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL)/Karvy Computershare Private Limited (Karvy), its Registrar and Share Transfer Agent, for the purpose of providing e-voting facility to all its Members.

The Members have the option to vote either by physical ballot or e-voting. The Company dispatches the Postal Ballot Notices and Forms along with postage pre-paid business reply envelopes to its members whose names appear on the Register of Members/list of Beneficiaries as on the cut-off date. The Postal Ballot Notice is sent to Members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's Registrar and Share Transfer Agent (in case of physical shareholding). The Company also publishes notice in the newspapers in English and Marathi languages declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the scrutinizer on or before the close of voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting. The scrutinizer submits his report to/ the Chairman/Managing Director/ Company Secretary, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/Managing Director/Company Secretary as the case may be. The Results and the Report of the Scrutinizer are hosted on the Company's website www.mahindra-cie.com besides being communicated to the Stock Exchanges and Registrar and Share Transfer Agents. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

Resolution proposed to be passed through Postal Ballot

None of the businesses proposed to be transacted in the ensuing Annual General Meeting requires the passing of a Resolution by way of Postal Ballot.

Disclosures

Disclosures of transactions with Related Parties

All related party transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business. During the Financial Year 2014-15, there were no materially significant related party transactions (exceeding 10% of the annual consolidated turnover of the company) by the Company with Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. However, the Company has obtained approval of shareholders by way of Special Resolution passed through Postal Ballot on 27th March, 2015 for the Transactions to be entered into with Mahindra and Mahindra Limited, being a related party and Promoter of the Company, upto ₹ 12,000,000,000 (Twelve Billion) being the maximum value of Transactions per annum with effect from 1st April, 2014 and every year thereafter. Details of related party transactions are presented in Note number XXVI to the Financial Statement for the year ended 31st March, 2015.

As required under Clause 49 of the Listing Agreement, the Company has formulated a policy on dealing with Related Party Transactions and the same is available on the website of the Company at www.mahindra-cie.com. The Audit Committee has granted from time to time, omnibus approval to related party transactions. A statement of all the Related Party Transaction entered into by the Company pursuant to the omnibus approval granted is placed before the meeting of Audit Committee for its review on quarterly basis..

Policy on Materiality of and dealing with Related Party Transactions

The Company has formulated a policy on materiality of and dealing with Related Party Transactions pursuant to the provisions of the Companies Act, 2013 and Listing Agreement. The Policy on Related Party Transactions is hosted on the website of the Company: http://mahindraforgings.com/images/pdf/resources/Governance/Policy_on_Related_Party_Transaction.pdf

Whistle Blower policy

The Company promotes ethical behaviour in all its business activities and has established a vigil mechanism for Directors and Employees to report their genuine concerns.

The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

As per the Whistle Blower Policy implemented by the Company, the Employees are free to report illegal or unethical behaviour, actual or suspected fraud or violation of the Company's Codes of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company. The Whistle Blower Policy provides for protected disclosure and protection to the Whistle Blower. Under the Whistle Blower Policy, the confidentiality of those reporting violation(s) is protected and they are not subject to any discriminatory practices. The Whistle Blower Policy has been appropriately communicated within the Company and has also been hosted on the website of the Company: <http://www.mahindra-cie.com>

No personnel have been denied access to the Audit Committee.

Disclosure of Accounting Treatment in preparation of Financial Statements

Your Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Code for Prevention of Insider Trading

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading for its designated employees, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down Guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions them of the consequences of violations.

Details of non-compliance etc.

Your Company has complied with all the requirements of regulatory authorities. During the last three years there were no instances of non-compliance and no penalty or strictures were imposed on the Company by Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets.

Compliance

Mandatory requirements

The Company is fully compliant with the applicable mandatory requirements of the Clause 49.

Adoption of non-mandatory requirements

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board from time-to-time.

The Company has been a strong believer in good corporate governance and has been adopting the best practices that have evolved over the last two decades.

The Company is compliant with some of the voluntary guidelines and it will always be the Company's endeavour to attain the best practices in corporate governance.

OTHER DISCLOSURES

Ethics/Governance Policies

The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, the Company have adopted various codes and policies to carry out our duties in an ethical manner. Some of these codes and policies are:

1. Code of Conduct for Directors
2. Code of Conduct for Senior Management
3. Familiarisation Program for Independent Directors
4. Whistle Blower Policy (Vigil Mechanism)
5. Policy for determining Material Subsidiaries
6. Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
7. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
8. Code of Conduct for Independent Directors and Terms and Conditions of Appointment

The disclosure in respect of point No. 1 to 8 is given/uploaded on the website of the Company and can be accessed at <http://mahindraforgings.com/investor-zone/investor-relation/governance.html>

Shares held by the Non-Executive Directors

As on 31st March, 2015, Mr. Hemant Luthra held 2,45,273 equity shares, Mr. Daljit Mirchandani held 13,250 equity shares, Mr. Zoooben Bhiwandiwalla held 17,500 equity shares. The Company has granted employees stock options to its Directors details of which are disclosed in Annexure I to the Directors Report. Apart from this, no other Non-Executive Director held any shares or convertible instruments of the Company as on 31st March, 2015.

Subsidiary Companies

The Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any "material non-listed Indian subsidiary" during the year under review. The foreign subsidiaries of the Company function independently, with an adequately empowered supervisory Board of Directors and sufficient resources. However, for more effective governance, the Minutes of Board Meeting of subsidiaries of the Company are placed before the Board of Directors of the Company for its review.

Policy for determining Material Subsidiaries

The Company has formulated a policy for determining 'material' subsidiaries as defined in Clause 49 of the Listing Agreement. This policy has also been hosted on the website of the Company:

http://mahindraforgings.com/images/pdf/resources/Governance/Policy_on_Material_Subsiary.pdf

A subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous Financial Year or if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous Financial Year.

Under this definition, the Company did not have any material subsidiary. However, during the year the Company has not disposed of shares in any of its subsidiaries which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or ceased to exercise of control over any of its Subsidiary.

Means of Communication with Shareholders

The quarterly, half yearly and yearly results are published in Business Standard and Sakal which are national and local dailies respectively. The Company's financial results and official news releases are displayed on the Company's website at www.mahindra-cie.com

Presentations made to institutional investors and analysts, if any, are uploaded on the website of the Company.

Management Discussion and Analysis

Management Discussion and Analysis forms part of the Directors Report and is appearing elsewhere in the Annual Report.

SHAREHOLDER INFORMATION

16th Annual General Meeting

Date : Tuesday, 15th September, 2015
 Time : 11.00 a.m.
 Venue : Rama & Sundri Watumull Auditorium,
 Kishinchand Chellaram College,
 Dinshaw Wacha Road,
 Churchgate, Mumbai – 400 020.

Book Closure

The dates of book closure will be from 9th September, 2015 to 15th September, 2015 inclusive of both days.

Stock Market Data

Table 10: High and Low Price of Company's shares for Financial Year 2014-15 at BSE & NSE

	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April-2014	126.45	74.15	126.50	74.10
May-2014	120.00	102.00	120.40	102.00
June-2014	171.85	110.60	171.90	95.75
July-2014	185.50	149.80	185.50	140.50
August-2014	184.00	151.55	184.00	152.10
September-2014	225.20	167.00	224.90	170.25
October-2014	215.65	163.60	215.40	163.30
November-2014	241.85	179.90	241.80	179.35
December-2014	250.75	197.80	250.80	196.95
January-2015	256.50	205.50	257.00	205.35
February-2015	232.90	202.10	233.00	203.10
March-2015	220.00	184.00	220.65	184.00

Dividend Payment

The Board of Directors of the Company has not recommended dividend for the Financial Year 2014-15.

Financial Year

Financial year covers the period from 1st April to 31st March.

For the year ending 31st March 2016, results will be tentatively announced by

- End July, 2015: First quarter
- End October, 2015: Half yearly
- End January, 2016: Third quarter
- End April, 2016 or May, 2016: Fourth quarter and annual

However the Company is proposing to change its Financial Year from April-March to January-December, which is subject to approval of the Company Law Board. In such event, the calendar stated above may be changed and the current Financial Year shall close on 31st December, 2015 instead of 31st March, 2016.

Registered Office Address:

Mahindra Towers,
 P. K. Kurne Chowk,
 Worli, Mumbai - 400 018.
 Maharashtra

Corporate Identification Number

L27100MH1999PLC121285

Listing

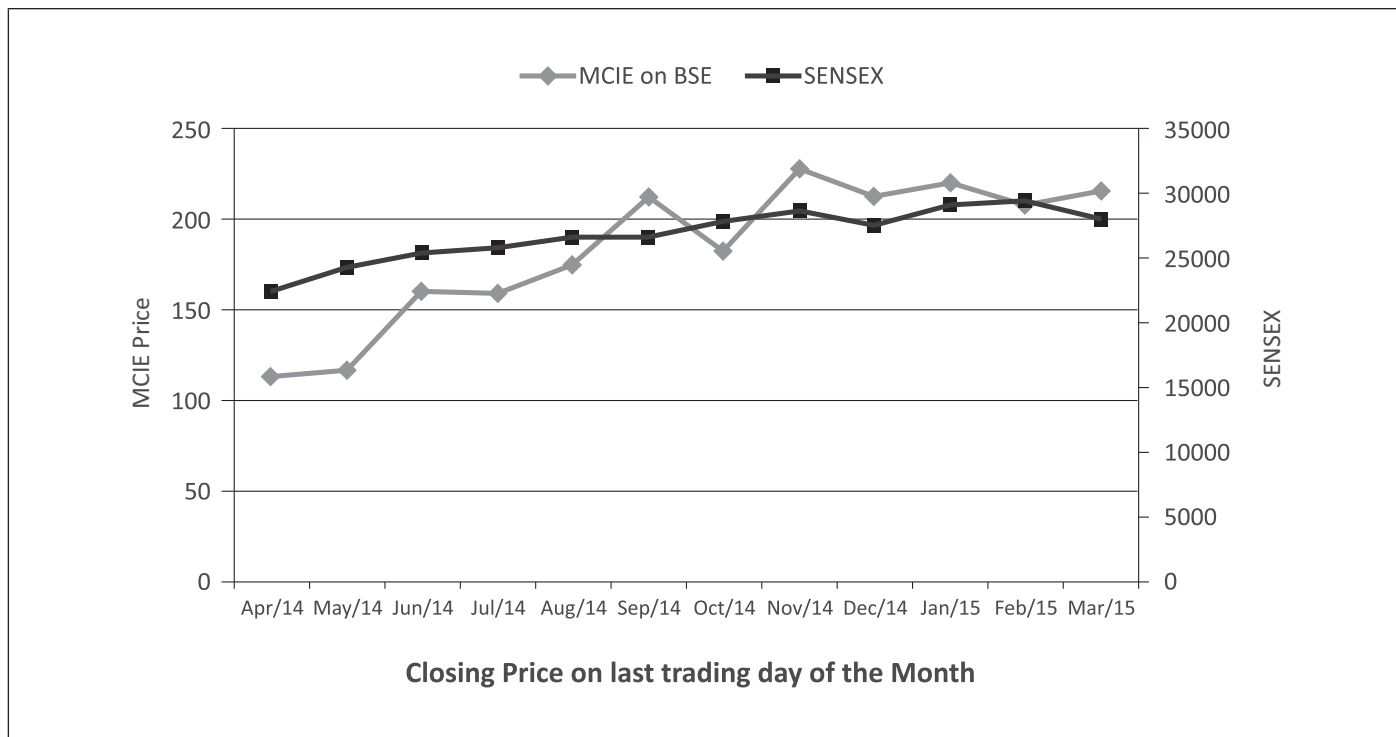
At present, the equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The requisite listing fees have been paid in full to BSE and NSE.

Stock Codes

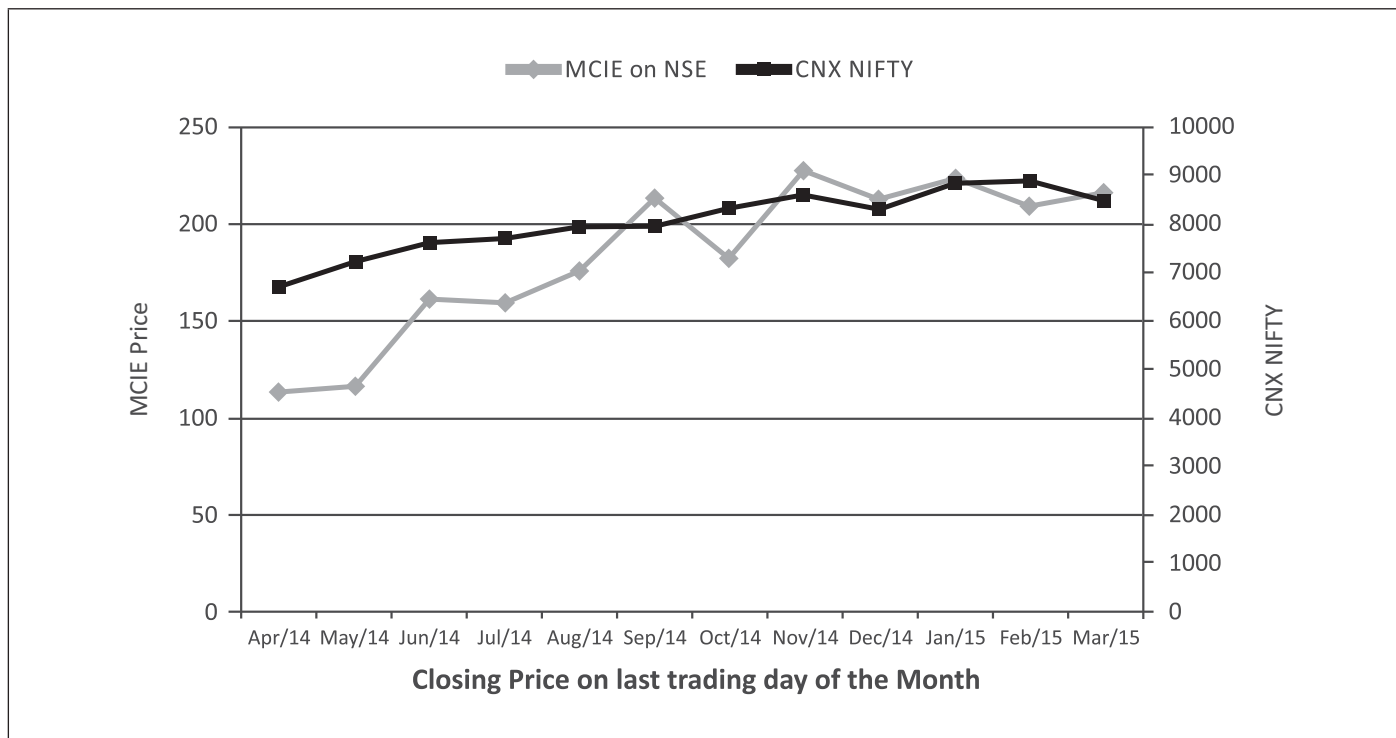
Particulars	Stock Code
BSE Limited (BSE)	532756
National Stock Exchange of India Limited (NSE)	MAHINDCIE
Demat International Security Identification Number (ISIN) in NSDL & CDSL for Equity Shares	INE536H01010

STOCK PERFORMANCE

The performance of the Company's shares relative to the BSE sensitive index (Sensex) is given in the chart below:



The Performance of the Company's shares relative to the NSE Sensitive Index (S&P Nifty Index) is given in the chart below:



Share Transfer System

Trading in equity shares of the Company is permitted only in dematerialised form. Shares sent for transfer in physical form are registered and returned within a period of fifteen days from the date of receipt of the documents, provided the documents are valid and complete in all respects. With a view to expediting the process of share transfers, the Chairman of the Stakeholders' Relationship Committee and the Company Secretary are severally authorised to approve of transfers of shares upto 5,000 in number. The Stakeholders' Relationship Committee meets as and when required to consider the other transfer proposals and attend to Shareholder grievances. Moreover the committee can also approve the transfer of shares through circulation..

Distribution of Shareholding

Table 11: Distribution of shareholding as on 31st March, 2015

Number of shares held	Number of shareholders	% of shareholders	Total shares	% of shareholding
1 to 5000	47,308	85.50	5,219,473	1.62
5001 to 10000	3,699	6.69	2,725,434	0.84
10001 to 20000	2,076	3.75	3,019,425	0.93
20001 to 30000	770	1.39	1,985,040	0.61
30001 to 40000	259	0.47	907,310	0.28
40001 to 50000	216	0.39	983,714	0.31
50001 to 100000	463	0.84	3,287,956	1.02
100001 & above	539	0.97	304,847,910	94.39
Total	55,330	100	322,976,262	100

Shareholding pattern

Table 12: Shareholding pattern as on 31st March, 2015

Category of Shareholders	Number of Equity Shares held	Percentage (%)
Promoter & Promoter group	241,823,012	74.87
Mutual Fund/UTI	16,821,316	5.21
Financial Institutions/Banks	73,498	0.02
Insurance Companies	4,371,211	1.35
Foreign Institutional Investors	15,889,866	4.92
Bodies Corporate	8,376,435	2.59
Resident individuals	34,042,075	10.54
NRIs	1,105,502	0.34
Clearing Members	262,968	0.08
Foreign companies	2,840	0.00
Trusts	1,055	0.00
Foreign Nationals	206,484	0.06
Total	322,976,262	100.00

Dematerialisation of Shares

As on 31st March, 2015, 99.19% of the paid up Equity Capital was held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Trading in the Equity Shares of the Company is permitted only in dematerialised form as per the notification issued by Securities and Exchange Board of India (SEBI).

Outstanding GDRs / ADRs / Warrants or any Convertible Instruments on Conversion date and which likely impact on equity

The Company has no outstanding GDR / ADR / Warrants or any Convertible Instruments.

Plant Locations

Forgings Division:	Gat No. 856 to 860, Chakan Ambethan Road, Tal. Khed, Dist.Pune - 410 501. Maharashtra
Stamping Division:	1. 371, Takwe Road, At & Post Kanhe, Taluka – Maval, Dist – Pune - 412106. 2. D-2 MIDC, Ambad, Nashik – 422 010 3. Maharajpur Road, Village Lalpur, Tehsil – Kichha, Rudrapur, Dist – Udham Singh Nagar – 263 143. 4. Plot No-2, Sector – 11, TATA Vendor Park, IIE SIDCUL, Pantnagar, Rudrapur - 263 153. 5. 35/A, Village Buchinelly, Mahindra Vendor Park, APIIC Industrial Area, Mandal, Zaheerabad, Dist – Medak (Telangana) – 502 228.
Composites Division:	1. 145, Nehru Nagar Road, Off Mumbai-Pune Road, Pimpri, Pune - 411018. 2. 178/B, Mumbai-Goa Highway NH17, Village Sale, Taluka Mangaon, Dist- Raigad - 402112.
Foundry Division:	Gat No. 318, Gaon Urse, Tal. Maval, Pune – 410506
Magnetic Products Division:	‘G’ Block, Bhosari Industrial Estate, Bhosari, Pune – 411026

Address for Correspondence

Shareholders may correspond with the Registrar and Transfer Agents at:

Karvy Computershare Private Limited.

Unit: Mahindra CIE Automotive Limited

“Karvy Selenium” Tower B, Plot No. 31 & 32,

Financial District, Gachibowli,

Hyderabad - 500 032.

Tel. No. + 91 - 40 – 6716 2222

Fax No. + 91 – 40 - 2300 1153

E-mail: support@karvy.com / einward.ris@karvy.com

on all matters relating to transfer/dematerialisation of shares and any other query relating to shares of the Company.

The Company has also designated mcie.investors@mahindracie.com as an exclusive email ID for shareholders for the purpose of registering complaints and the same has been displayed on the Company’s website. The Company is registered in SEBI Complaints Redressal System (SCORES). The investors can send their complaints through SCORES also. For this the investors has to visit <https://www.scores.gov.in>.

Shareholders would have to correspond with the respective Depository Participants for shares held in dematerialised form.

For all investor related matters, Mr. Krishnan Shankar, Company Secretary & Head – Legal can be contacted at: Gat No. 856 to 860, Chakan-Ambethan Road, Taluka: Khed, District : Pune – 410501. Tel No. +91-2135-663307 Fax No. +91–2135-663407 e-mail: shankar.krishnan@mahindracie.com

The Company can also be visited at its website: <http://www.mahindra-cie.com>.

Mumbai, 27th July, 2015.

DECLARATION BY THE MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Members of Mahindra CIE Automotive Limited

I, K. Ramaswami, Managing Director of Mahindra CIE Automotive Limited declare that all the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Codes of Conduct for the year ended 31st March, 2015.

K.Ramaswami
Managing Director

Mumbai, July 27, 2015

CERTIFICATE

To

The Members of Mahindra CIE Automotive Limited

We have examined the compliance of conditions of corporate governance by Mahindra CIE Automotive Limited (“the Company”) for the year ended on March 31, 2015 as stipulated in Clause 49 of the listing agreements of the Company with BSE Limited and National Stock Exchange of India Limited (“the stock exchanges”).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above referred listing agreements.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B. K. Khare & Co.

Chartered Accountants

Firm's Registration Number 105102W

Himanshu Chapsey

Partner

Membership Number 105731

Mumbai, July 27, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra CIE Automotive Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Mahindra CIE Automotive Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, and its profit and cash flows for the year ended on that date.

Emphasis of matter

9. We draw attention to Note X to the financial statements and for the reasons detailed therein, management of the Company does not perceive any permanent diminution in the value of long term investment of ₹ 7,349.3 million in the wholly owned subsidiaries namely Mahindra Forgings Global Limited and Mahindra Forgings International Limited in view of the measures for improving financial performance being taken by the management of the Company.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss and Cash Flow dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors as on March 31, 2015 taken on record

by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014(as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note XXVI to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting

standards, for material foreseeable losses, if any on long-term contracts. The Company did not have any derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Himanshu Chapsey
Partner
Membership Number: 105731

Place: Mumbai
May 11, 2015

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 10 of our report of even date on the financial statements of Mahindra CIE Automotive Limited for the year ended March 31, 2015

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (ii) The Company has a rotational programme for verification of its fixed assets over a period of 3 years. A portion of the fixed assets have been physically verified by the management during the year in accordance with the program. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies reported on such verification have been properly dealt in the books of account.
2. (i) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (ii) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of para 3(iii) of the Order are not applicable to the Company.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 the Act, and the rules framed thereunder.
6. As informed to us, the maintenance of cost records has been prescribed by the Central Government under Section 148(1) of the Companies Act, 2013, in respect of the activities carried on by the Company. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
7. (i) According to the records of the Company, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Excise Duty, Service Tax, Customs Duty, value added tax, and other statutory dues applicable to it.
- (ii) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Excise Duty, Service Tax, Customs Duty and Value Added Tax that were outstanding, at the year-end for a period of more than six months from the date they became payable.
- (iii) According to the information and explanations given to us, dues of income-tax, sales tax, service tax, excise duty, customs duty and work contract tax which have not been deposited on account of any dispute are as follows:

Name of Statute	Nature of dues	₹ in million	Period to which amount relates	Forum where pending
Forgings Division (erstwhile Mahindra CIE Automotive Limited)				
Central Excise Act, 1944	Excise Duty	3.0	2002-03 to 2003-04	CESTAT Mumbai
	Excise Duty	6.1	2002-03 to 2003-04	CESTAT Mumbai
	Excise Duty	8.2	2010-11 to 2012-13	CESTAT Mumbai
	Excise Duty	1.1	2012-13	Additional Commissioner of Central Excise
Stampings Division (erstwhile Mahindra UGINE Steel Company Limited)				
Sales Tax Laws	Sales Tax	30.5	2008-09, 2010-11, 2011-12	Joint Commissioner Appeals
	Sales Tax	96.0	2006-07, 2007-08	Maharashtra Sales Tax Tribunal
Central Excise Act, 1944	Excise Duty	7.1	2012-13	Commissioner Appeals
	Excise Duty	85.3	1999-00	Customs, Excise and Service Tax Appellate Tribunal
	Service Tax	1.8	2010-11 to 2012-13	Commissioner Appeals
	Service Tax	54.8	2008-09 to 2011-12	Customs, Excise and Service Tax Appellate Tribunal
Casting and Magnetic Product Division (erstwhile Mahindra Hinoday Limited)				
Central Excise Act, 1944	Excise Duty	0.01	1999-00	CESTAT
	Excise Duty	0.97	2012-13	CESTAT
	Excise Duty	6.9	2013-14	CESTAT
	Excise Duty	17.7	2014-15	CESTAT
	Service Tax	0.9	2009-10	Commissioner Appeals
	Service Tax	3.3	2010-11 to 2012-13	Commissioner Appeals
	Service Tax	0.9	2013-14	Commissioner Appeals
	Service Tax	1.0	2014-15	Commissioner Appeals
Others	Others	15.3	-	-
Composites Division (erstwhile Mahindra Composites Limited)				
Income Tax Act, 1961	Appeals against Income Tax Claims	2.7	2010-11	Commissioner of Income Tax (Appeals) – Pune
Central Excise Act, 1944	Service Tax	0.5	2009-10	Commissioner of Central Excise and Customs (Appeals) – Mumbai

8. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
9. The Company does not have any accumulated losses at the end of the Financial Year and it has not incurred any cash losses in the current year and in the immediately preceding Financial Year.
10. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not defaulted in repayment of dues to a financial institution, banks or debenture holders.
11. In our opinion, and according to the information and explanation given to us, there is no outstanding guarantee for loans taken by others from banks and financial institutions at balance sheet date.
12. In our opinion and according to the information and explanations given to us the term loans were applied for the purposes for which they were obtained.
13. Based on the audit procedures performed and as per the information and explanations given to us by management, no fraud on or by the Company has been noticed or reported during the year.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Himanshu Chapsey
Partner
Membership Number: 105731

Place: Mumbai
May 11, 2015

Balance Sheet as at March 31, 2015

		(₹ in Million)	
		As at	
	Notes	31-March-15	31-March-14
I	EQUITY & LIABILITIES		
1	SHAREHOLDERS' FUNDS		
	(a) Share Capital	3,229.8	923.4
	(b) Reserves & Surplus	19,855.5	8,391.7
		<u>23,085.3</u>	<u>9,315.1</u>
2	Non- Current Liabilities		
	(a) Long Term Borrowings	223.1	146.1
	(b) Deferred Tax Liability (Net)	174.9	54.6
	(c) Long term provisions	287.7	9.0
		<u>685.7</u>	<u>209.7</u>
3	Current Liabilities		
	(a) Short term borrowings	121.8	592.1
	(b) Trade payables	2,153.5	816.9
	(c) Other current liabilities	1,030.8	133.3
	(d) Short term provisions	275.2	29.8
		<u>3,581.3</u>	<u>1,572.1</u>
	Total	<u>27,352.3</u>	<u>11,096.9</u>
II	ASSETS		
	Non-Current assets		
1	(a) Fixed Assets		
	(i) Tangible assets	5,192.9	1,731.5
	(ii) Intangible assets	21.0	3.9
	(iii) Capital work in progress	897.2	118.0
		<u>6,111.1</u>	<u>1,853.4</u>
	(b) Non-Current investments	15,280.5	7,552.8
	(c) Long term loans and advances	1,030.5	93.4
		<u>22,422.1</u>	<u>9,499.6</u>
2	Current assets		
	(a) Current Investment	493.1	556.5
	(b) Inventories	1,524.8	443.5
	(c) Trade receivables	2,306.8	493.2
	(d) Cash and bank balances	177.7	60.5
	(e) Short term loans and advances	381.2	42.7
	(f) Other Current Assets	46.6	0.9
		<u>4,930.2</u>	<u>1,597.3</u>
	Total	<u>27,352.3</u>	<u>11,096.9</u>

Significant accounting policies.

The accompanying notes are an integral part of the financial statements.

As per our Report of even date
For **B.K. Khare & Company**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Chapsey
Partner
Membership No. 105731

Mumbai, May 11, 2015

For & on behalf of the Board of Directors of Mahindra CIE Automotive Limited

Hemant Luthra
Chairman

Pedro Echegaray
Executive Director

Zhooben Bhiwandiwala
Director

Krishnan Shankar
Company Secretary & Head Legal

K.Ramaswami
Managing Director

Daljit Mirchandani
Director

Sanjay Joglekar
Chief Financial Officer

Statement of Profit & Loss for the year ended March 31, 2015

(₹ in Million)

	Notes	31-March-15	31-March-14
I. Revenue from operations	XVIII	18,096.6	4,319.8
Less: Excise duty		1,671.2	454.4
Net revenue from operations		16,425.4	3,865.4
II. Other Income	XIX	199.4	64.5
III. Total Revenue (I+II)		16,624.8	3,929.9
IV. EXPENDITURE :			
Cost of materials consumed	XX	9,020.3	2,002.8
(Increase)/Decrease in finished/ WIP stock	XXI	(3.3)	29.1
Employee benefits expense	XXII	1,884.5	345.1
Finance costs	XXIII	140.4	37.3
Depreciation and amortisation expense	XXIV	688.7	282.9
Other expenses	XXV	4,191.5	965.1
Total expenses		15,922.1	3,662.3
V. Profit before tax (III - IV)		702.70	267.6
VI. Tax charge/ (credit)			
Current Tax		136.2	53.1
Prior Year Tax		(167.2)	-
MAT Credit entitlement		(115.8)	(53.1)
Deferred Tax charge		72.8	87.9
VII Profit after tax		776.7	179.7
VIII Earnings per equity share of face value of ₹ 10 each:			
Basic and diluted	XXVI (6)	2.41	1.95

Significant accounting policies.

The accompanying notes are an integral part of the financial statements.

As per our Report of even date
For **B.K. Khare & Company**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Chapsey
Partner
Membership No. 105731

Mumbai, May 11, 2015

For & on behalf of the Board of Directors of Mahindra CIE Automotive Limited

Hemant Luthra
Chairman

Pedro Echegaray
Executive Director

Zhooben Bhiwandiwalla
Director

Krishnan Shankar
Company Secretary & Head Legal

K.Ramaswami
Managing Director

Daljit Mirchandani
Director

Sanjay Joglekar
Chief Financial Officer

Cash Flow Statement for the year ended March 31, 2015

Particulars	(₹ in Million)	
	As at	
	31-March-15	31-March-14
Profit before Tax	702.7	267.6
Add: Adjustment for		
Depreciation and Amortisation Expenses including ESOS	688.7	273.4
Provision for doubtful debts / write off's	135.2	(10.8)
Miscellaneous balances Write Backs	(35.2)	-
Interest Expenses	140.4	37.3
Loss on sale of Fixed Assets / Assets written off	-	1.4
Unrealised foreign exchange loss/(Profit)	1.0	-
Expense on Employee Stock Option Plan	1.8	-
Amortisation of investment in WPCL	2.4	0.8
Sub Total	1,637.0	569.7
Less: Adjustment for		
Interest / Dividend Income	84.9	25.8
Profit on sale of Investments	2.4	-
Profit on sale of assets	42.6	2.3
Sub Total	129.9	28.1
Operating Profit before Working Capital Change	1,507.1	541.6
Movement in		
Trade & other Receivables	107.7	(36.7)
Inventories	(19.4)	23.7
Liabilities & Provisions	(227.7)	(32.6)
Sub Total	(139.4)	(45.6)
Cash Generated from Operations	1,367.7	496.0
Income Tax Refund/(Paid)	(202.7)	(57.6)
Net cash flow from operating activities	1,165.0	438.4
Cash Flow from Investing Activities		
Purchase of Fixed Assets	(806.2)	(74.2)
Sale of Fixed Assets	64.4	1.1
Change in Non-current investments	-	-
Purchase of Investments		
In Mutual Fund	(3,155.8)	(1,842.5)
In Subsidiary company		(591.3)
Sale of Investment		
In Mutual Fund	3,291.4	1,679.1
Profit on sale of Investment		-
Interest/ Dividend Received	84.9	25.8
Net Cash from Investing Activities	(521.3)	(802.0)

Cash Flow Statement for the year ended March 31, 2015 (Contd.)

Particulars	(₹ in Million)	
	As at	
	31-March-15	31-March-14
Cash Flow from Financing Activities		
Term Loans repayment	(1,095.4)	(16.1)
Proceeds from borrowings	482.9	
Issue of Share Capital including Share Premium	86.6	8.5
Short Term Loans from Banks	(222.9)	(139.5)
Interest Paid	(144.2)	(37.3)
Long term loans and advances		591.3
Net Cash from Financing Activities	<u>(893.0)</u>	<u>406.9</u>
Net (Decrease)/ Increase in Cash or Cash Equivalents	(249.3)	43.3
Opening Cash and Cash equivalents	53.2	9.9
Opening Cash and Cash equivalents - From Merging Companies	373.8	
Closing Cash and Cash equivalents	177.7	53.2

Notes :

- The Cash Flow has been prepared under the "Indirect method" as set out in the Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
- Cash and Cash equivalents represents cash and bank balances only
- Pursuant to the Scheme/s of Amalgamation between Mahindra Ugine Steel Company Limited (MUSCO), Mahindra Hinoday Industries Limited (MHIL), Mahindra Gears International Limited (MGIL), Mahindra Investment India Private Limited (MIPL), Participaciones Internacionales Autometal Tres S.L.(PIA3) and Mahindra Composites Limited (MCL) (collectively "the amalgamating companies") as sanctioned by the Honourable High Court of Bombay vide its order dated Oct, 31, 2014, the entire assets and liabilities, duties and obligations of the amalgamating companies was transferred to and vested in the Company, from Oct 1, 2013 (the appointed date) at the values indicated below:

This arrangement is a non cash transaction

	(₹ Million)
Loan Funds	3,775.2
Other Liabilities	2,806.6
Fixed Assets (Net)	4,117.9
Investments	8,977.8
Other Assets	4,656.0

This arrangement is a non cash transaction

Significant accounting policies.

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For **B.K. Khare & Company**

Chartered Accountants

Firm Registration No. 105102W

Himanshu Chapsey

Partner

Membership No. 105731

Mumbai, May 11, 2015

For & on behalf of the Board of Directors of Mahindra CIE Automotive Limited

Hemant Luthra

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Director

Krishnan Shankar

Company Secretary & Head Legal

K.Ramaswami

Managing Director

Daljit Mirchandani

Director

Sanjay Joglekar

Chief Financial Officer

Notes to the financial statements for the year ended March 31, 2015

Significant Accounting Policies:

1 Method of Accounting

The financial statements are prepared under the historical cost convention and on the accrual basis of accounting in accordance with generally accepted accounting principles in India, and the accounting standards applicable under the Sec 133 of the Companies Act, 2013 ("the Act") read with paragraph 7 of the Companies Accounts Rules, 2014 (as amended) and the relevant provisions of the Act as applicable.

All assets & liabilities have been classified as current & non – current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III of the Act.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

2 Use of Estimates

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported period. Differences between the actual results and estimates are recognised in the period in which the results are known / materialise.

3 Fixed Assets and Depreciation

- a) All Fixed Assets are stated at cost less depreciation. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.
- b) When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of accounts and resultant profit (including capital profit) or loss, if any, is reflected in the statement of Profit and Loss.
- c) Free hold land is stated at cost.
- d) Depreciation on assets is calculated on Straight Line Method as per Sch II of the Companies Act, 2013 except for certain items of plant and machinery, where the estimated useful life of assets has been taken based on technical assessment of the lives of such assets.

4 Intangible Assets

- a) Intangible Assets except software are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.
- b) Software expenditure incurred is amortised over three Financial Years, equally, commencing from the year in which the software is installed.

5 Investments

Investments held as long-term investments are stated at cost comprising of acquisition and incidental expenses less other than temporary diminution in value thereof, if any.

Investments other than long-term investments are classified as current investments and valued at lower of cost or net realizable value.

6 Inventories

Inventories of finished goods and work in progress and dies are valued at cost or net realizable value, whichever is lower. Raw material, stores & spares are valued on moving weighted average method.

In case of Work in Process & Finished Goods, cost includes material cost, labour, and appropriate manufacturing overheads & excise duty in the case of finished goods.

7 Foreign Currency Transactions

- a) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realised gains and losses and also exchange differences arising on translation at year end exchange rates of monetary assets and monetary liabilities outstanding at the end of the year are recognized in the statement of Profit and Loss.
- b) Exchange difference arising on payment of liabilities for purchase of fixed assets from outside India and year end conversion of such liabilities are charged / credited to the statement of Profit and Loss.
- c) In case of forward exchange contracts entered as hedge transactions, the premium or discount arising at the inception of forward exchange contract is amortized as income or expense over the life of the contract. Exchange differences are recognized as an income or expense in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or expiry of such forward exchange contract is recognized as income or expense for the period.

Notes to the financial statements for the year ended March 31, 2015

- d) Exchange differences arising on a monetary item, forming part of a net investment in a Non Integral Foreign Operation is accumulated in Foreign Currency Translation Reserve.

8 Revenue Recognition

Sales of products and services are recognised when the products are dispatched or services rendered which coincide with transfer of risk and rewards. Sales are exclusive of sales tax and net of sales return and trade discounts.

Interest income is accounted on an accrual / time proportionate basis at contractual rates.

Dividend Income is recognized when the right to receive the same is established.

Export Incentives are recognised on accrual basis and to the extent of certainty of realisation of ultimate collection.

9 Retirement Benefits

Retirement Benefits in respect of gratuity and leave encashment at retirement / cessation are provided for based on actuarial valuations, as at the Balance Sheet date, made by independent actuaries.

- a) Defined Contribution Plans-

Company's contribution paid / payable during the year to Provident Fund and Labour Welfare Fund are recognised in the statement of Profit and loss.

- b) Defined Benefit Plan –

Company's liabilities towards gratuity, leave encashment are determined using the Projected Unit credit Method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service cost are recognised on straight line basis over the average period until the amended benefits become vested. Actuarial gain and losses are recognised immediately in the Statement of Profit and loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation. Company's liability towards gratuity is funded by way of Group Gratuity cum assurance policy with Life Insurance Corporation of India.

- c) Expenses incurred towards voluntary retirement scheme are charged off in the statement of profit and loss.

10 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised up to the date when such qualifying assets are ready for intended use. Other borrowing costs are recognised as expense in the period in which they are incurred.

11 Taxation

Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using the tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognised unless in the management judgment, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized except in case of deferred tax assets arising from brought forward tax losses wherein deferred tax assets is only recognized when there is virtual certainty.

12 Impairment of Assets

The carrying amount of cash generating units / assets is reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

13 Provisions and Contingent Liabilities

Provisions are recognised in accounts in respect of present probable obligations, the amount of which can be reliably estimated. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company

Notes to the financial statements for the year ended March 31, 2015

Note I Share capital

	As at		(₹ in Million)
	31-March-15	31-March-14	
A Authorised			
395,000,000 (PY 122,000,000) equity shares of ₹ 10/- each	3,950.0	1,220.0	
29,658,916 (PY 14,820,206) 4% Non cumulative redeemable non convertible preference shares of ₹ 31/- each	919.4	459.4	
	<u>4,869.4</u>	<u>1,679.4</u>	
B Issued			
322,977,207(PY 92,340,466) equity shares of ₹10/- each fully paid-up)	3,229.8	923.4	
	<u>3,229.8</u>	<u>923.4</u>	
C Subscribed and paid-up			
322,976,262, (PY 92,340,466 equity shares of ₹10/- each fully paid-up)	3,229.8	923.4	
Total (Equity)	<u>3,229.8</u>	<u>923.4</u>	

	31-March-15		31-March-14	
	No. of shares	Amount ₹ in Million	No. of shares	Amount ₹ in Million
Balance as at the beginning of the year	92,340,466	923.4	92,173,306	921.7
Add: issued under the Employees Stock Option Scheme (on exercise of options)	1,305,277	13.1	167,160	1.7
Issued pursuant to scheme of merger [Refer Note XXVI (4)]	229,331,464	-	-	-
Less: Shares issued and kept in abeyance (see below)	945	-	-	-
	<u>229,330,519</u>	<u>2,293.3</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>322,976,262</u>	<u>3,229.8</u>	<u>92,340,466</u>	<u>923.4</u>

Note:

Mahindra Composites Limited which was merged with the company had issued 1050 equity shares and not allotted the same to the shareholders. Based on the swap ratio the Company has issued 945 equity shares and not allotted the same and the same has been kept in abeyance.

Rights, preferences and restrictions attached to the shares

Equity shares:

The Company has one class of equity shares having a par value of ₹ 10/- per equity share held.

Each shareholder is eligible for one vote per share.

If any dividend is proposed by the board of directors, then the same is subject to approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend.

On liquidation the equity shareholders are eligible to receive the residual value of assets of the company in the proportion of their shareholding in the company after all secured and unsecured creditors of the company are paid off.

Notes to the financial statements for the year ended March 31, 2015

Shares held by the holding company and their subsidiaries and associates and shares held by each shareholder holding more than 5% shares in the Company

	As at	
	31-March-15	31-March-14
Equity shares	No. of shares	No. of shares
Participaciones Internacionales Autometal, DOS S.L (PIA2) (Holding Company since October 4, 2013)	171,767,537	73,031,693
	53.18%	79.09%
Mahindra & Mahindra Limited (M&M) (Holding company till October 3, 2013)	65,271,407	296,109
	20.21%	0.32%

i) PIA2 is 100% subsidiary of CIE Automotive SA ("CIE") a company incorporated in Spain (the ultimate holding company of the Company)

CIE is an associate of M&M which holds a beneficial interest of 12.44% of CIE.

Other than as indicated above there are no shareholders each holding more than 5 % of the shares in the Company

ii) Shares reserved for issue under options [See Note XXVI(3)]

iii) As described above, the Company has issued 229,331,464 equity shares of face value of ₹ 10 each pursuant to merger (See note XXVI (4)) as fully paid up without payment being received in cash.

Note II Reserve and surplus

	As at	
	31-March-15	31-March-14
	(₹ in Million)	
A Capital Reserve		
Balance at the beginning of the year	-	-
Add :		
Addition on account of amalgamation as at Oct 1, 2013 [Refer Note XXVI(4)]	6,386.3	-
Balance at the end of the year	<u>6,386.3</u>	<u>-</u>
B Capital Redemption Reserve		
Balance at the beginning of the Year	-	-
Add :		
Addition on account of amalgamation as at Oct 1, 2013 [Refer Note XXVI(4)]	164.6	-
Balance at the end of the year	<u>164.6</u>	<u>-</u>
C Securities Premium Reserve		
Balance at the beginning of the year	3,040.3	3,031.8
Add:-		
Received upon issue of shares to employees under Employees Stock Option Scheme ("ESOP")	99.1	8.5
Addition on account of amalgamation as at Oct 1, 2013 [Refer Note XXVI(4)]	1,810.4	-
Balance at the end of the year	<u>4,949.8</u>	<u>3,040.3</u>

Notes to the financial statements for the year ended March 31, 2015

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
D	Employee Stock Option Outstanding		
	Options granted till date	54.2	65.4
	Add : Options granted during the year	-	-
	Deferred employee compensation expenses	1.4	4.4
	Granted to employees of merging companies [See Note XXI(4)]	1.0	-
	Less :		
	Forfeiture of options	(1.9)	(13.9)
	Options exercised during the year	(26.8)	(1.7)
	Balance at the end of the year	<u>27.9</u>	<u>54.2</u>
E	General Reserve		
	Balance at the beginning of the year	5,767.1	5,767.1
	Addition on account of amalgamation as at Oct 1, 2013 [Refer Note XXVI(4)]	768.7	-
	Balance at the end of the year	<u>6,535.8</u>	<u>5,767.1</u>
F	Foreign exchange fluctuation reserve		
	Balance at the beginning of the year	185.1	67.2
	Add: Foreign exchange gain / (loss) on investment in subsidiary	(134.5)	117.9
	Balance at the end of the year	<u>50.6</u>	<u>185.1</u>
G	Surplus / (Deficit) in the statement of profit and loss		
	Balance at the beginning of the year	(655.0)	(834.7)
	Depreciation adjustment for prior period (Net of Tax) (refer Note IX)	(53.0)	-
	Addition on account of amalgamation as at Oct 1, 2013 [Refer Note XXVI(4)]	(240.1)	-
	Profit of the amalgamating companies during the period Oct 1, 2013 to Mar 31, 2014	1,911.9	-
	Profit for the year	<u>776.7</u>	<u>179.7</u>
	Balance at the end of the year	<u>1,740.5</u>	<u>(655.0)</u>
	Total	<u><u>19,855.5</u></u>	<u><u>8,391.7</u></u>

Notes to the financial statements for the year ended March 31, 2015

Note III Long-Term Borrowings

	(₹ in Million)	
	Non- Current	
	As at	
	31-March-15	31-March-14
(A) Secured Loans		
Term Loan from Banks (refer Notes below)	46.0	-
(B) Unsecured Loans		
Deferred Payment Liabilities		
Sales Tax Deferral (refer Note below)	166.3	146.1
Loans from Related Party		
Foreign Currency loan [Euro 160,000 (PY Nil)] from CIE	10.8	-
Total	223.1	146.1

Note:

- (a) Terms loans from banks comprise of loans pertaining to the castings and magnetic product divisions (erstwhile Mahindra Hinoday Industries Limited) of the company and the composites division (erstwhile Mahindra Composites Limited) acquired in amalgamation.
- (b) The loans pertaining to composite division is repayable in equal quarterly installments commencing from November 2012 till November 2016.
The loan carries an interest rate of 12.50% p.a. and is secured by a first charge on the current and future immediate assets of the Pimpri and Mangaon factories and a second pari passu charge on the moveable assets of division
- (c) The loans pertaining to castings division is repayable in monthly installments commencing from April 2012 till September 2017.
The loan carries an interest rate of Base Rate plus 1.40 % p.a. and is secured by a first charge on Urse and Bhosari units of the Company.
- (d) Sales Tax deferral loan is payable in annual installments commencing from 2009 - 2010 to 2020 - 2021.
- (e) Loan from CIE Automotive SA has devolved on the company due to the merger of Mahindra Gears International Limited. The same is subject to approval from Reserve Bank of India and classified as Long term.

Note IV Long-term Provisions

	(₹ in Million)	
	Non- Current	
	As at	
	31-March-15	31-March-14
Provision for Employee benefits		
Funded		
Provision for Gratuity (Gross)	212.9	20.8
Less: Gratuity Fund Assets with Trust / LIC	180.8	20.8
Provision for Gratuity (Net)	32.1	-
Provision for compensated absences (refer Sch XXII)	122.0	9.0
Provision for Voluntary Retirement Scheme (VRS)	16.8	-
Provision Others (Water charges)	116.8	-
Total	287.7	9.0

Notes to the financial statements for the year ended March 31, 2015

Movement in provisions during the year is summarised below

	(₹ in Million)	
	VRS	Water Charges*
Balance as at the beginning of the year	-	-
Acquired on amalgamation [Refer Note XXVI (4)]	32.5	36.8
Less: Paid during the period October 2013 to March 2014	5.6	-
Less: Paid during the year	11.1	-
Provided during the year	1.0	80.0
Balance at the end of the year	<u>16.8</u>	<u>116.8</u>

* Refer Note No. XXVI (A) (1) (iii)

Note V Short- Term Borrowings

	(₹ in Million)	
	As at	
	31-March-15	31-March-14
(A) Secured		
1 Loans repayable on demand from Banks (Secured against 1 st charge on movable assets and 2 nd charge on immovable assets)	121.8	0.8
2 Other Loans - (Loan from Merging company See Note below)	-	591.3
Total	<u>121.8</u>	<u>592.1</u>

Note:

The Company had received a loan from Mahindra Ugine Steel Limited ("MUSCO") in the previous year. The loan was set off post merger of MUSCO with the Company.

Note VI Trade Payables

	(₹ in Million)	
	As at	
	31-March-15	31-March-14
Acceptances	237.3	78.6
Trade Payables - Micro & Small Enterprises (refer Note below)	12.6	3.2
Others	1,903.6	735.1
Total	<u>2,153.5</u>	<u>816.9</u>

Micro & Small Enterprises

The identification of suppliers as micro and small enterprises covered under the "Micro Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the supplier to the company.

Total outstanding due to Micro and Small Enterprises, which were outstanding for more than stipulated period are given below.

	(₹ in Million)	
	As at	
	31-March-15	31-March-14
Dues remaining unpaid as at 31 st March		
Principal	12.6	3.2
Interest for the current year	0.2	0.2
Interest paid in terms of Section 16 of the Act	NIL	NIL
Amount of interest due and payable for the period of delay in payment made beyond the appointed day during the year	1.1	0.9
Amount of interest accrued and remaining unpaid as at 31 st March	<u>2.7</u>	<u>1.5</u>
Total	<u>16.6</u>	<u>5.8</u>

Notes to the financial statements for the year ended March 31, 2015

Note VII Other current liabilities

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
1	Current maturity of long term debt		
	i) Sales Tax deferral Loan	70.5	24.1
	ii) Loan from banks	159.6	-
2	Interest accrued but not due	0.3	29.9
3	Unclaimed Dividend	2.0	-
4	Unclaimed Fixed Deposit and Interest	-	-
5	Provision for redemption of preference shares	4.1	4.5
6	Amount payable for fractional shares	0.6	-
7	Advance from customers	105.5	4.6
8	Statutory Dues payable	72.7	18.8
9	Provision for other current employee benefits	180.9	40.0
10	Creditors for capital expenditure	86.2	9.7
11	Deposit Received	20.6	-
12	Others	327.8	1.7
Total		1,030.8	133.3

Note VIII Short term provisions

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
Employee benefits:			
1	Provision for Gratuity (Refer Note XXII)	44.1	13.5
2	Provision of compensated absences	20.6	3.0
3	VRS Payable	10.7	-
4	Stamp Duty Payable	199.8	13.3
Total		275.2	29.8

Movement in provisions during the year is summarised below

		(₹ in Million)	
		As at	
		31-March-15	
		VRS	Stamp Duty payable
Balance as at the beginning of the year		-	13.3
Provision on account of amalgamation [Refer Note XXVI (4)]		12.6	199.8
Less: Paid during the period Oct 2013 to Mar 2014		2.0	-
Less: Paid during the year		-	13.3
Provided during the year		-	-
Balance at the end of the year		10.6	199.8

Notes to the financial statements for the year ended March 31, 2015

Note: IX Fixed Asset Schedule

(₹ in Million)

Asset Category	GROSS BLOCK				DEPRECIATION				Net Block As at 31-March-15				
	Opening Gross Block As at 1-April-14	Additions during the year	Deletions during the year	Adjustments	Closing Gross Block As at 31-March-15	Depreciation during the year	Additions on account of Merger	Opening Accumulated Depreciation As at 1-April-14		Impact due to Sch. II Companies Act, 2013 carried to Reserves	Deletions during the year	Adjustments	Closing Accumulated Depreciation As at 31-March-15
A) Tangible Assets													
Land													
Freehold	3.8	310.9	-	-	314.7	-	-	-	-	-	-	-	314.7
Leasehold	-	350.3	-	-	350.3	-	37.4	-	-	-	-	43.4	306.9
Building	441.1	1,088.9	40.2	21.6	1,548.6	-	262.7	99.2	20.2	4.5	-	445.9	1,102.7
Plant & Machinery	3,029.8	5,013.4	219.0	10.6	8,251.6	-	2,587.8	1,686.2	47.3	9.4	-	4,888.7	3,362.9
Furniture & Fittings	31.8	51.8	1.0	0.6	83.5	(0.5)	27.4	12.8	1.4	0.6	(0.2)	51.4	32.1
Cars & Vehicles	14.3	29.7	19.0	9.2	53.8	-	15.7	3.3	0.3	5.7	-	19.6	34.2
Office Equipment	9.1	34.6	1.4	-	45.6	0.5	18.0	2.3	6.9	-	0.2	33.2	12.4
Computers and EDP equipment	25.6	48.4	23.8	0.1	85.2	(12.5)	39.3	20.2	3.2	0.1	(8.7)	58.2	27.0
Sub Total	3,555.5	6,928.0	304.4	42.1	10,733.3	(12.5)	2,988.3	1,824.0	79.3	20.3	(8.7)	5,540.4	5,192.9
B) Intangible Assets													
Software Expenses	41.4	51.3	15.5	-	120.7	12.5	41.9	37.5	0.8	-	8.7	99.7	21.0
Sub Total	41.4	51.3	15.5	-	120.7	12.5	41.9	37.5	0.8	-	8.7	99.7	21.0
C) Capital Work in Progress													
Sub Total	-	-	-	-	-	-	-	-	-	-	-	-	897.2
Gross Total	3,596.9	6,979.3	319.9	42.1	10,854.0	-	3,030.2	1,861.5	80.1	20.3	-	5,640.1	6,111.1

The Company has revised depreciation rates on its fixed assets effective April 1, 2014 in accordance with requirements of schedule II of Companies Act 2013 ("the Act").

The remaining useful life has been revised by adopting the standard useful life as per Companies Act, 2013 except for certain items of plant & machinery, where the estimated useful life of assets has been taken based on technical assessment of the lives of such assets. The carrying amount of the plant and machinery as on April 1, 2014 is depreciated over the revised remaining useful life. Where the useful life of an asset is completed as at April 1, 2014, the written down value has been charged directly to reserves:

As a result of these changes :

- (a) The company has reviewed the useful life of the plant and machinery and the depreciation charge for the year ended March 31, 2015 has been higher by ₹ 9.5 Million.
- (b) Retained earnings have been debited by ₹ 53.0 Million (net of the related deferred tax) in respect of assets whose remaining life on April 1, 2014 is reduced to NIL.

Assets Category	Gross Block			Depreciation			Net Block As at 31-March-14	
	Opening Gross Block As at 1-April-13	Additions during the year	Deletions during the year	Closing Gross Block As at 31-March-14	Opening Accumulated Depreciation As at 1-April-13	Depreciation during the year		Deletions during the year
A: Tangible Assets								
Land	3.8	-	-	3.8	-	-	-	3.8
Buildings	441.0	0.1	-	441.1	85.3	13.9	-	99.2
Plant & Equipment	2,945.1	84.7	-	3,029.8	1,426.7	259.5	-	1,686.2
Furniture & Fittings	31.7	0.1	-	31.8	10.8	2.0	-	12.8
Office Equipment	8.7	0.4	-	9.1	1.9	0.4	-	2.3
Cars & Vehicles	15.0	3.4	4.1	14.3	3.5	1.3	1.5	3.3
Computers	24.4	1.2	-	25.6	18.3	1.9	-	20.2
Sub Total : A	3,469.7	89.9	4.1	3,555.5	1,546.5	279.0	1.5	1,824.0
B: Intangible Assets								
Software	40.6	0.8	-	41.4	33.6	3.9	-	37.5
Sub Total : B	40.6	0.8	-	41.4	33.6	3.9	-	37.5
C: Capital Work In Progress								
Sub Total : C	-	-	-	-	-	-	-	-
Total (A+B+C)	3,510.3	90.7	4.1	3,596.9	1,580.1	282.9	1.5	1,861.5
								118.0
								118.0
								1,853.4

Notes to the financial statements for the year ended March 31, 2015

Note : X Non Current Investment

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
Non Trade			
Investment (unquoted investment valued at cost unless otherwise stated)			
1	2,550 (PY 50) fully paid up equity shares of ₹ 10 each in The Saraswat Co-operative Bank Limited(Previous year 50 equity shares) *	-	-
2	2,653,455 (PY 884,485) Class "A" equity shares of ₹ 10 each in Sai Wardha Power Company Limited (refer Note 1 below)	26.5	8.8
3	3,346,545 (PY 1,115,515) Class "A" redeemable preference shares of ₹10 each in Sai Wardha Power Company Limited (refer Note 1 below)	33.5	11.2
Trade investment valued at cost unless otherwise stated			
Shares (Unquoted)			
Subsidiary companies - Equity Shares			
4	15,465,310 (PY 15,465,310) equity shares of GBP 0.10 each in Stokes Group Limited (refer Note 2 below)	901.9	901.9
5	33,849,836 (PY 33,849,836) equity shares of Euro 1 each in Mahindra Forgings Global Limited (refer Note 3 below)	1,963.9	1,963.9
6	79,910,001 (PY 72,910,001) equity shares of Euro 1 each in Mahindra Forgings International Limited (refer Note 3 below)	4,827.2	4,827.2
7	11,586,361 (PY Nil) Equity Shares of ₹10 each in Mahindra Gears & Transmissions Private Limited	793.7	-
8	60,000,000 (PY Nil) Equity Shares of Euro 1 each in CIE Galfor S.A., Spain	5,088.6	-
9	22,935,949 (PY Nil) Equity Shares of Euro 1 each in Mahindra Gears Global Limited	1,945.2	-
Investment in - Subsidiary companies - Preference Shares			
Subsidiary companies			
10	9,000,000 (PY 9,000,000) 11% Non Cumulative Redeemable preference shares of Euro 1 each in Mahindra Forgings International Limited (redeemable after 7 years) (refer Note 3 below)	558.3	558.3
Aggregate amount of unquoted investment		16,138.8	8,271.3
Less: Aggregate provision for diminution in value of unquoted investment			
Stokes Group Limited		(901.9)	(901.9)
Sai Wardha Power Company Limited		(7.0)	(1.6)
Add / (Less): Exchange rate fluctuation reserve / provision		50.6	185.0
Total		15,280.5	7,552.8
* Amount is less than ₹ 50,000			

Note:

- Investment in Sai Wardha Power Company Limited entitles the company to obtain energy equivalent of 15MW (PY 5 MW) from the Group Captive Power Plant. This investment would be amortised over a period of 25 years. The preference shares carry a coupon rate of 0.01% per annum of the face value and is redeemable on expiry of 25 years.
- The Company's subsidiary, Stokes Group Limited, UK had incurred losses and the net-worth of the said subsidiary company has eroded during the earlier year and accordingly the Company has in earlier years recognised a provision for diminution in the value of the investment of ₹ 901.86 million representing the entire value of investment.
- The Company has invested in Mahindra Forgings Europe AG (MFE AG), Germany through its wholly owned subsidiaries in Mauritius namely Mahindra Forgings International Limited (MFIL) and Mahindra Forgings Global Limited (MFGL). The management has initiated actions to improve operating efficiencies and combined with the expertise of CIE's European Technical Team expects improvement in performance. The results have been encouraging and profitability of MFE AG has improved substantially compared to the previous year.

Notes to the financial statements for the year ended March 31, 2015

Note : XI Current Investment

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
Current Investment			
Investment in Mutual Funds			
1	Nil Units (PY17,397.568) SBI premiere liquid fund-Regular plan- Growth	-	35.0
2	Nil Units (PY 737,867.363) ICIC Prudential Money Market Regular Plan Growth	-	131.0
3	829,401.967 Units (PY Nil) ICICI Prudential Money Market Fund- Regular Plan Dividend	83.0	-
4	2,694,128Units in ICICI Prudential Interval Fund III Quarterly Interval Fund Growth	40.0	-
5	Nil Units (PY 1,508,894.564) Sundaram Money Fund Regular Growth	-	40.7
6	4,495,358.046 Units (PY Nil) Sundaram Money Regular Fund Dividend	45.4	-
7	Nil Units (PY 1,613,180.280) HDFC Liquid Fund - Growth	-	40.8
8	5,611,848.046 Units (PY Nil) HDFC Liquid Fund Dividend	57.2	-
9	Nil Units (PY 87,588.339) HSBC Cash Fund - Growth	-	112.0
10	83,899.629 Units (PY Nil) HSBC Cash Fund Dividend	83.9	-
11	Nil Units (PY 35,634,988) Axis Mutual Fund - Growth (CF-GP)	-	50.6
12	34,113.686 Units (PY Nil)Axis Liquid Fund Dividend	34.1	-
13	Nil Units (PY 83,661.004) Taurus Mutual Fund - Existing Plan - Super Institutional Growth	-	115.8
14	91,415.168 Units (PY Nil) Taurus Liquid Fund Existing Plan - Super Institutional Dividend	91.4	-
15	Nil Units (PY 17,405.959) L&T Liquid Fund Growth	-	30.6
16	57,477.898 Units (PY Nil) L&T Liquid Fund Dividend	58.1	-
Total		493.1	556.5
Market value unquoted investment		493.7	557.1

Note XII Deferred Tax Liability (Net)

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
Deferred Tax Liability			
1	Difference between book and tax depreciation (A)	412.7	135.2
Total deferred Tax liability (A)		412.7	135.2
Deferred Tax Assets			
1	On unabsorbed depreciation	43.1	58.6
2	On other timing differences (viz. expenses allowable on payment, provision for doubtful debts, expenses allowable over a period of time etc.)	194.7	22.0
Total deferred Tax assets (B)		237.8	80.6
Deferred Tax Liability (Net) (A-B)		174.9	54.6

Notes to the financial statements for the year ended March 31, 2015

Note XIII Loans and advances

		(₹ in Million)			
		Non Current		Current	
		As at		As at	
		31-March-15	31-March-14	31-March-15	31-March-14
1	Capital advances				
	Unsecured, Considered Good	90.6	2.6	-	-
		<u>90.6</u>	<u>2.6</u>	<u>-</u>	<u>-</u>
2	Security deposits				
	Unsecured, Considered Good	304.4	6.8	-	-
		<u>304.4</u>	<u>6.8</u>	<u>-</u>	<u>-</u>
3	Advances				
a)	Advances to Sundry Creditors				
	Unsecured, Considered Good	-	-	197.4	7.9
	Doubtful	-	-	5.4	2.0
	Less: Provision for doubtful advances	-	-	(5.4)	(2.0)
b)	Advance Income Tax (Net of provision for tax)	538.4	27.2	-	-
c)	MAT credit entitlement	97.1	53.1	-	-
d)	Prepaid Expenses	-	-	34.2	10.4
e)	Loans to employee	-	-	-	-
f)	Balance with / refund due from statutory / Government authorities	-	3.7	149.3	23.6
g)	Others	-	-	0.3	0.8
		<u>635.5</u>	<u>84.0</u>	<u>381.2</u>	<u>42.7</u>
	Total	<u>1,030.5</u>	<u>93.4</u>	<u>381.2</u>	<u>42.7</u>

Note XIV Other Current Assets

		As at	
		31-March-15	31-March-14
1	Interest receivable	1.3	0.9
2	Export Duty Drawback receivable	45.3	-
		<u>46.6</u>	<u>0.9</u>
	Total	<u>46.6</u>	<u>0.9</u>

Note XV Inventories

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
1	Raw materials (includes Goods in Transit ₹ 25.55 Million (PY ₹ Nil))	314.2	70.2
2	Work-in-progress	397.4	225.2
3	Finished goods [includes Goods in Transit ₹ 68.83 Million (PY ₹ 21.96 Million)]	412.6	35.7
4	Stores and Spares	254.0	76.1
5	Loose tools and Dies	146.6	36.3
		<u>1,524.8</u>	<u>443.5</u>
	Total	<u>1,524.8</u>	<u>443.5</u>

Notes to the financial statements for the year ended March 31, 2015

Note : XVI Trade Receivables

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
1	Trade Receivables outstanding for more than six months from the date they are due for payment		
a)	Unsecured, considered good	31.4	4.4
b)	Doubtful	224.6	1.1
c)	Less: Allowance for trade receivables	224.6	1.1
		<u>31.4</u>	<u>4.4</u>
2	Other Trade Receivables outstanding for less than six months from the date they are due for payment		
	Unsecured, considered good	2,275.4	488.8
		<u>2,275.4</u>	<u>488.8</u>
	Total	<u><u>2,306.8</u></u>	<u><u>493.2</u></u>

Note : XVII Cash & Bank balances

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
A	Cash & Cash Equivalents		
	Balances with the Banks		
	On current account in Banks (refer Note below)	148.3	49.7
	Cheques in hand	6.3	3.3
	Cash on hand	1.0	0.2
		<u>155.6</u>	<u>53.2</u>
B	Other Bank Balances		
	Margin money deposits		
	Deposit with original maturity more than 3 months and less than 12 months	22.1	7.3
		<u>22.1</u>	<u>7.3</u>
	Total	<u><u>177.7</u></u>	<u><u>60.5</u></u>

Note:

Earmarked balance out of the above is ₹ 4.7 Million for redemption of preference shares, fractional shares and unclaimed fixed deposits (PY ₹ 4.5 Million for redemption of preference shares)

Notes to the financial statements for the year ended March 31, 2015

Note : XVIII Revenue from operations

	(₹ in Million)	
	For the year ended	
	31-March-15	31-March-14
Revenue from -		
a) Sale of finished goods- Automotive parts	16,662.8	3,966.6
b) Other operating revenues		
i) Sale of Scrap	1,185.8	336.2
ii) Sale of Dies & Moulds	110.2	10.6
iii) Export Incentives	85.8	2.9
iv) Other Operating income	52.0	3.5
Revenue from operations (Gross)	<u>18,096.6</u>	<u>4,319.8</u>
Less: Excise Duty	1,671.2	454.4
Revenue from operations (Net)	<u><u>16,425.4</u></u>	<u><u>3,865.4</u></u>

Note : XIX Other Income

	(₹ in Million)	
	For the year ended	
	31-March-15	31-March-14
a) Interest Received		
i) Interest on bank deposit	29.1	0.7
ii) Interest on ICD given to subsidiary company	-	5.7
iii) Interest others	0.4	-
b) Discount Received	13.6	2.9
c) Dividend Received		
i) Subsidiary	2.4	-
ii) Mutual Fund	53.0	19.3
d) Profit on Sale of Investments	2.5	2.3
e) Profit on Sale of Fixed Assets	42.6	-
f) Exchange Gain	8.6	22.8
g) Write Back Of Doubtful Debts	-	10.8
h) Miscellaneous Income	47.2	-
Total	<u><u>199.4</u></u>	<u><u>64.5</u></u>

Earnings in Foreign Exchange

Particulars	(₹ in Million)	
	For the year ended	
	31-March-15	31-March-14
FOB Value of Exports	1760.6	245.4
Total	<u><u>1760.6</u></u>	<u><u>245.4</u></u>

Notes to the financial statements for the year ended March 31, 2015

Note : XX Raw Material consumed

	(₹ in Million)	
	For the year ended	
	31-March-15	31-March-14
Inventory at the beginning of the year	70.2	71.0
Inventory at the beginning of the year of the merging companies	260.0	-
Add: Purchases (Net)	9,004.3	2,002.0
Less: inventory at the end of the year	314.2	70.2
Cost of material consumed	<u>9,020.3</u>	<u>2,002.8</u>

Details of Raw Materials Consumed

	(₹ in Million)	
	For the year ended	
Particulars	31-March-15	31-March-14
a) Alloy & Non Alloy Steel	1,860.8	2,002.8
b) Ferrous Scrap, Moly & other material	1,533.6	-
c) Steel sheets, components & Paints	4,791.4	-
d) Other Materials	834.5	-
Total	<u>9,020.3</u>	<u>2,002.8</u>

Value of Raw Material Consumed

Particulars	For the year ended			
	31-March-15		31-March-14	
	(₹ in Million)	%	(₹ in Million)	%
a) Indigenous	8,254.3	91.51	2,002.6	99.99
b) Imported	766.0	8.49	0.2	0.00
Total	<u>9,020.3</u>	<u>100.00</u>	<u>2,002.8</u>	<u>100.00</u>

Note : XXI (Increase) / decrease in inventories

	(₹ in Million)	
	For the year ended	
	31-March-15	31-March-14
(Increase) / Decrease in stocks		
A Stock at the beginning of the year:		
Work in Progress	225.2	261.3
Work in Progress of the merging companies as at April 1, 2014	206.4	-
Finished Products	35.7	28.7
Finished Products of the merging companies as at April 1, 2014	339.4	-
Total (A)	<u>806.7</u>	<u>290.0</u>
B		
Less: Closing Stock of		
Work in Progress	397.4	225.2
Finished Products	412.6	35.7
Total (B)	<u>810.0</u>	<u>260.9</u>
(Increase) / Decrease in Stock	<u>(3.3)</u>	<u>29.1</u>

Turnover, Opening and Closing stock

	(₹ in Million)	
	31-March-15	31-March-14
Turnover	14,991.7	3,515.6
Opening stock	35.7	28.8
Opening stock of Merging companies	339.4	-
Closing stock	412.6	35.7

Notes to the financial statements for the year ended March 31, 2015

Note : XXII Employee Benefit Expenses

		(₹ in Million)	
		For the year ended	
		31-March-15	31-March-14
1	Salaries, wages and bonus	1,645.7	313.4
2	Contribution to Provident & other funds	76.1	12.3
3	Gratuity expenses (Net of recovery of ₹7.7 Million (PY Nil))	38.9	6.9
4	Expenses on Employee Stock Option Plan	1.8	(9.5)
5	Staff welfare Expenses	122.0	22.0
Total		1,884.5	345.1

		(₹ in Million)	
		31-March-15	31-March-14
Contribution to Provident and Other Funds			
	Provident Fund	35.8	6.7
	Pension Fund	29.7	4.4
	Labour Welfare Fund	0.2	-
	Deposit Linked Insurance Scheme	2.5	1.2
	Employees State Insurance Scheme	1.6	-
	Superannuation Scheme	6.3	-
Total		76.1	12.3

The following table sets out the status of Gratuity Plans as required under AS 15 (Revised 2005)

		(₹ in Million)	
		31-March-15	31-March-14
Movement in present value of obligation			
	Present value of obligation at the beginning of the year	36.9	28.0
	Present value of obligation of the merging companies	172.3	-
	Interest Cost	17.8	2.2
	Current service cost	22.6	3.8
	Benefits paid	(10.0)	(2.6)
	Actuarial (gain) / loss on obligations	17.4	5.5
	Present value of obligations as at the end of year	257.0	36.9

		(₹ in Million)	
		31-March-15	31-March-14
Movement in the fair value of plan assets as on			
	Fair value of plan assets at the beginning of the year	22.7	23.4
	Fair value of plan assets of the merging companies	122.1	-
	Expected return on plan assets	13.3	1.9
	Contributions	34.6	-
	Benefits paid	(10.0)	(2.6)
	Actuarial gain / (loss) on plan assets	(1.9)	-
	Fair value of plan asset at end of year	180.8	22.7

		(₹ in Million)	
		31-March-15	31-March-14
	Present Value of obligations as at the end of the year	257.0	36.9
	Fair value of plan assets as at the end of the year	180.8	22.7
	Net Asset / (Liability) recognised in balance sheet	(76.2)	(14.2)

Notes to the financial statements for the year ended March 31, 2015

Expenses Recognised in statement of Profit & Loss Account	(₹ in Million)	
	31-March-15	31-March-14
Current Service Cost	22.6	3.8
Interest Cost	17.8	2.2
Expected return on plan assets	(13.2)	(1.9)
Net Actuarial (gain) / Loss recognised in the year	19.4	5.5
Expenses recognised in statement of Profit & Loss	46.6	9.6

Actuarial Assumptions:	(₹ in Million)	
	31-March-15	31-March-14
Discount rate	8.00%	8.00%
Rate of return on plan assets	6.75% To 9.00%	9.25%
Salary escalation	7% to 8.5%	7.00%
Attrition rate	1% to 2%	2% to 5%
Mortality	Indian Assured Lives Mortality (2006-2008) Ultimate	

	(₹ in Million)				
	2015	2014	March 31 2013	2012	2011
Experience adjustments					
On actuarial liability gain / (loss)	(15.3)	(5.5)	(2.6)	0.1	(1.8)
On plan asset gain / (loss)	1.2	0.1	0.3	N.A.*	N.A.*

Details of Compensated absences	(₹ in Million)	
	31-March-15	31-March-14
1 Current Service Cost	14.3	2.2
2 Interest Cost	6.2	0.8
3 Expected return on plan assets	-	-
4 Actuarial Losses / (Gains)	11.6	2.1
5 Total expense	32.1	5.1

Movement in present value of obligation		
1 a) Net Asset / (Liability) at the beginning of the year	(12.0)	(9.9)
b) Net Asset / (Liability) of merging companies	(114.3)	-
2 Employee Expense	(32.1)	(5.1)
3 Employee Contributions	15.9	3.0
4 Net Asset / (Liability) at the end of the year	(142.6)	(12.0)
5 Actual Return on Plan Assets		
Actuarial Assumptions***		

1 Discount Rate	8% per annum	
2 Expected rate of return on plan assets	N.A.	
3 Expected rate of salary increase	7% to 8.5% per annum	8% per annum
4 Mortality Table	Indian Assured Lives Mortality (2006-2008) Ultimate	

*** Estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market

Notes to the financial statements for the year ended March 31, 2015

Note : XXIII Finance Cost

		(₹ in Million)	
		For the year ended	
		31-March-15	31-March-14
1	Interest on term loans and other loans	134.9	32.9
2	Finance charges	5.5	4.4
	Total	140.4	37.3

Note : XXIV Depreciation and amortisation expenses

		(₹ in Million)	
		For the year ended	
		31-March-15	31-March-14
1	Depreciation on tangible assets	681.0	279.0
2	Amortisation of Intangible assets	7.7	3.9
	Total	688.7	282.9

Note : XXV Other Expenses

		(₹ in Million)	
		For the year ended	
		31-March-15	31-March-14
1	Stores consumed	822.0	215.9
2	Tools consumed	164.0	36.3
3	Power and fuel	1,150.7	336.8
4	Subcontracting, Hire & Service Charges	737.8	108.3
5	Rent including lease rentals	18.8	-
6	Repairs and maintenance		
	Buildings	15.3	4.8
	Machinery	195.7	71.1
	Others	110.5	11.5
7	Insurance	25.5	8.1
8	Rates & Taxes	35.4	7.7
9	Packing & Freight outward	429.1	64.3
10	Printing and Stationery	11.4	2.3
11	Postage, Telephone and Communication	12.5	2.8
12	Travelling & Conveyance Expenses	36.7	10.4
13	Legal and Professional Charges	102.9	18.6
14	Provision for doubtful trade receivables	25.6	-
15	Auditors' remuneration	9.9	3.8
16	Service charges	53.9	-
17	Commission paid	1.3	-
18	Bad Debts Written off	1.8	-
19	Advertisement Expenses	2.1	-
20	Director's fees	1.7	0.3
21	Loss / (gain) on Fixed Assets sold / scrapped / written off	-	1.4
22	Provision for diminution in the value of investments	2.4	-
23	Write off of old balances	27.8	-
24	Miscellaneous expenses	173.5	54.5
25	Bank charges	14.7	0.8
26	Discount allowed	4.9	5.4
27	Corporate Social Responsibility Expenses	3.6	-
	Total	4,191.5	965.1

Notes to the financial statements for the year ended March 31, 2015

Value of Stores & Spares Consumed

(₹ in Million)

Particulars	For the year ended			
	31-March-15		31-March-14	
		%		%
Indigenous	800.8	97.4	190.6	88.3
Imported	21.2	2.6	25.3	11.7
Total	822.0	100.0	215.9	100.0

CIF Value of Imports

(₹ in Million)

	For the year ended	
	31-March-15	31-March-14
Raw Material	766.1	-
Stores and Spares	21.2	25.3
Capital Goods	27.9	0.5
Total	815.2	25.8

Expenditure in Foreign Currency

(₹ in Million)

	For the year ended	
	31-March-15	31-March-14
Foreign Travel	2.5	2.0
Rework Charges	16.2	-
Warehouse & Logistics charges	17.5	-
Other Expenses	4.1	2.8
Total	40.3	4.8

(₹ in Million)

	For the year ended	
	31-March-15	31-March-14
Auditors' remuneration includes payment to auditors -		
(a) As statutory auditor	5.5	1.0
(b) For taxation matters	0.8	0.5
(c) For Tax audit fees	0.8	0.1
(d) For other services *	2.4	2.0
(e) For reimbursement of expenses	0.4	0.2
Total	9.9	3.8

*Other Services include - Audit Fees and fees for other services paid to the auditors of the merging companies

Details of Lease

(₹ in Million)

	31-March-15	31-March-14
Rent payable	-	-
Not more than one year	3.9	-
Later than one year but not more than five years	65.0	-

Notes to the financial statements for the year ended March 31, 2015

Note :

1 XXVI Contingent Liabilities

	(₹ in Million)	
	As at 31-March-15	31-March-14
Claims against the company not acknowledged as debts		
a) Income Tax claims against which company has preferred an appeal.	73.8	-
b) Disallowance of certain expenses	157.4	123.8
c) Excise Cases against the Company , appealed by the Company with CESTAT	92.7	-
d) Relating to Cenvat availed on rejected goods	42.6	8.9
e) Interest on Supplementary Invoices	1.0	1.0
f) Show Cause cum Demand Notice pending with the Commissioner of Central Excise	0.7	-
g) Relating to reversal of Cenvat on shortages in inventories	9.2	8.1
h) Service Tax	56.4	-
i) Sales Tax	157.9	-
j) Water Charges (Refer Note Below)	507.4	-
k) Claims against the company not acknowledged as debt: Stamp duty & Others	81.3	-
l) Government Cess on extraction of minor mineral	10.5	-
m) During the previous year/s the Company had extended guarantee to ICICI Bank plc, UK for EURO 5 Million for a loan taken by step down subsidiary Mahindra Forging Europe AG Germany	-	413.0
n) Bill Discounting facilities availed under Bill Marketing Scheme from customers	158.7	49.5
o) The Company had imported capital goods under the Export Promotion Capital Goods (EPCG) scheme, of the Government of India, at concessional rates of duty on an understanding to fulfill quantified exports against future obligation	79.9	161.5

Commitment

Estimated value of contracts remaining to be executed on capital account (net of advances) and not provided for	178.1	23.4
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The Company has an ongoing dispute pertaining to the Stamping Division of the Company (formerly known as Mahindra UGINE Steel Company Limited (MUSCO) with the Irrigation Department (Water Resource Department) in respect of levy of charge for use of water from Patalganga River, for the period from July 1991 to May 2012 for an aggregate amount of ₹ 507.4 Million including penal charge of ₹ 101.9 Million and late fee charge of ₹ 223.1 Million. The Hon'ble Court of Alibag district, before whom the appeal was filed by the Irrigation Department against the Order of the Court of the Civil Judge, Senior Division Panvel, decided the appeal against the Company. Consequently the Company filed an appeal before the Hon'ble High Court of Judicature of Bombay challenging the Order of the Alibag Court. The Hon'ble Bombay High Court has admitted the appeal for the disputed period of July 1991 to March 2001, since for the period April 2001 to May 2012 there has been no agreement in force between the Company and the Irrigation department. As per the directions of the Hon'ble Bombay High Court, the Company has deposited ₹ 28.8 Million with the Hon'ble Bombay High Court, being the demand as per the Irrigation department for the said period of July 1991 to March 2001.

In respect of the demand for period from April 2001 to May 2012, the Company has filed a writ petition before the Hon'ble Bombay High Court. The Hon'ble Bombay High Court, vide Order dated 2nd July, 2012, has admitted the writ petition of the Company in relation to water charges demanded by the Irrigation Department, District - Raigad for the said period. In compliance with the conditions of the Order, the Company has paid an amount of ₹ 233.5 Million with the Irrigation Department, being the arrears of water charges for the period from July 1991 to May 2012 and has also given a bank guarantee towards penal rate charges of ₹ 101.9 Million claimed by the Irrigation Department. The High Court has also allowed the Irrigation Department to withdraw the amount of arrears of ₹ 28.8 Million deposited earlier with it in respect of disputed water charge claim for the period from July 1991 to March 2001. As per the Order, the Company is entitled to pursue the proceedings filed by it before the Hon'ble Bombay High Court and that the State of Maharashtra (Irrigation Department) shall not adopt any coercive steps for recovery of the aforesaid penal rate charges of ₹ 101.9 Million and the late fee of ₹ 223.1 Million.

Notes to the financial statements for the year ended March 31, 2015

2 Related Party Transactions

a) Names of the related parties

Ultimate Holding company

Sr. Name of the Company
No

1 CIE Automotive SA

Holding company

Sr. Name of the Company
No

1 Participaciones Internacionales Autometal, DOS S.L (Holding Company since October 4, 2013)

2 Mahindra & Mahindra Limited (Holding company till 3rd October, 2013) and the investing company in respect of which the Company is an associate w.e.f. December 12, 2014

Fellow Subsidiaries (with whom the company has entered into transactions during the previous year till October 3, 2013)

Sr. No.	Name of the Company	Sr. No.	Name of the Company
1	Mahindra Ugine Steel Company Limited	7	Mahindra Vehicle Manufacturers Limited
2	Mahindra Integrated Business Solutions Private Limited	8	Mahindra Hinoday Industries Limited
3	Mahindra Logistics Limited	9	Defence Land Systems India Private Limited
4	Mahindra Trucks & Buses Limited	10	Mahindra Reva Electric Vehicles Private Limited
5	Mahindra Engineering Services Limited	11	Mahindra Sanyo Special Steels Private Limited
6	Mahindra Conveyor Systems Private Limited		

Fellow Subsidiaries (with whom the company has entered into transactions during the previous year after October 4, 2013)

Sr. Name of the Company
No.

1 Mahindra Hinoday Industries Limited

Subsidiary Companies

Sr. Name of the Company

No.

1 Stokes Group Limited
2 Stokes Forgings Dudley Limited
3 Stokes Forgings Limited
4 Mahindra Forgings International Limited
5 Mahindra Forgings Europe AG
6 Jeco Jellinghaus GmbH
7 Gesenkschmiede Schneider GmbH
8 Falkenroth Umformtechnik GmbH
9 Schonoeweiss & Co GmbH
10 Mahindra Forgings Global Limited
11 Mahindra Gears & Transmissions Private Limited
12 Mahindra Gears Global Limited
13 Metalcastello S.A.
14 Crest Geartech Private Limited
15 CIE Galfor S.A.
16 UAB CIE LT Forge
17 CIE LEGAZPI, S.A.

} Subsidiaries post merger of companies

Key Managerial Personnel

Sr. Name
No

1 Mr. K.Ramaswami
2 Mr. Pedro Echegaray (w.e.f. October 21, 2014)
3 Mr. Sanjay Joglekar (w.e.f. December 12, 2014)
4 Mr. Romesh Kaul (w.e.f. December 12, 2014)
5 Mr. Ajit Lele (w.e.f. December 12, 2014)
6 Mr. K.Jayaprakash (April 29, 2014 to December 11, 2014)
7 Mr. Krishnan Shankar (w.e.f. April 1, 2014 pursuant to Section 2(76) of the Companies Act, 2013)

Designation

Managing Director
Executive Director
C.F.O
Head Composites
Head Stampings
C.F.O
Company Secretary & Head Legal

Notes to the Financial statements for the year ended March 31, 2015

2 b) Transactions with related parties

Nature of Transactions	Ultimate Holding Company	31-March-15				31-March-14				Key Mgmt personnel	
		Holding Company	Subsidiary Company	Step down Subsidiaries	Associate Company *	Key Mgmt personnel	Holding Co. (till 3 rd October 2013)	Fellow subsidiaries (till 3 rd October 2013)	Fellow subsidiaries (after 4 th October 2013)		Subsidiary Company
Sales :											
- Goods		-	112.5	155.9	7,556.0	-	910.6	75.9	-	223.8	-
- Scrap		-	-	-	-	-	-	84.6	-	-	-
- Fixed Assets		-	3.9	-	3.9	-	-	-	-	-	-
Purchases:											
- Raw material / Goods		-	-	-	-	-	-	618.9	0.1	0.2	-
- Capital goods		-	-	-	-	-	-	-	-	-	-
- Services Received		-	1.0	-	40.2	-	-	40.9	-	-	-
- Fixed Assets		-	-	-	64.9	-	-	-	-	-	-
Rent Paid		-	-	-	16.0	-	-	-	-	-	-
Dividend Received		-	2.4	-	-	-	-	-	-	-	-
Interest on ICD received		-	-	-	-	-	-	-	-	-	-
Interest on ICD paid	0.2	-	-	-	-	-	-	-	-	5.4	-
Reimbursement received		-	8.6	-	-	-	-	-	-	0.4	-
Reimbursements paid		-	0.1	-	64.7	-	17.6	-	-	0.1	-
Receivables		-	58.1	-	667.8	-	-	-	-	52.8	-
Payables		-	0.7	-	54.0	-	-	-	-	-	-
Investment in subsidiaries **		-	7,827.5	-	-	-	-	-	-	591.3	-
Inter-corporate loan received	10.8	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposit given		-	-	-	-	-	-	-	-	169.6	-
Inter-corporate Deposit Refunded		-	-	-	-	-	-	-	-	169.6	-
Guarantee given		-	-	-	-	-	-	-	-	413.0	-
Managerial remuneration		-	-	-	-	-	-	-	-	-	4.3

* Transactions with the Associate company is for the full year.

** Investment in subsidiaries is by virtue of merger of companies

Notes to the financial statements for the year ended March 31, 2015

2 c) Significant transactions with Related Parties

Relationship	Name of the Company	Nature of transaction	(₹ in Million)		
			31-March-15	31-March-14	
Investing Company in respect of which the Company is an associate	Mahindra & Mahindra Limited	Sales – Products	7,556.0	-	
		Rent	16.0	-	
		Service Charges Paid	40.2	-	
		Reimbursement of Expenses	64.7	-	
		Receivables	667.8	-	
		Payables	54.0	-	
		Fixed Asset Purchase	3.9	-	
		Fixed assets	64.9	-	
		Sales – Products	-	910.6	
Holding company (till Oct 3, 2013)	Mahindra & Mahindra Limited	Reimbursement of Expenses	-	17.6	
		Sales – Products	-	910.6	
Fellow Subsidiaries (till Oct 3, 2013)	Mahindra Sanyo Special Steels Private Limited	Scrap sales	-	84.6	
		Purchases- Raw material	-	618.9	
		Sales – Products	-	69.2	
		Sales – Products	-	5.2	
		Scrap sales	-	-	
		Tool Sales	-	1.2	
	Mahindra Vehicle Manufacturers Limited	Mahindra Trucks & Buses Ltd. (formerly known as Mahindra Navistar Automotives Limited)	Purchase – Consumables	-	0.1
			Service Charges Paid	-	-
			Sales- Products	-	0.2
			Services Charged Paid	-	0.3
			Service Charges Paid	-	40.6
			Sales - Products	112.5	106.6
Subsidiary Companies	Stokes Group Limited, U.K.	Receivables	37.9	42.3	
		Interest recovered	-	5.4	
		ICD Given	-	169.6	
		ICD Refunded	-	169.6	
		Reimbursement of expenses	-	0.4	
		Receivables	1.3	-	
	Mahindra Forgings International Limited, Mauritius	Mahindra Forgings Global Limited, Mauritius	Payables	0.7	-
			Receivables	1.4	-
			Receivables	4.4	-
			Service Charges Paid	1.0	-
			Reimbursement of Expenses	0.1	-
			Reimbursement received	8.6	-
Mahindra Gears & Transmissions Private Limited, India*	Mahindra Gears Global Limited, Mauritius*	Receivables	13.0	-	
		Fixed assets sold	3.9	-	
		Dividend	2.4	-	
		Guarantee given for Loans availed	-	413.0	
		Sales- Products	155.9	117.2	
		Receivables	-	10.5	
Step Down Subsidiaries	Jeco Jellinghaus GmbH	Purchases - Raw Material	-	0.2	

Notes to the financial statements for the year ended March 31, 2015

Relationship	Name of the Company	Nature of transaction	₹ in Million	
			31-March-15	31-March-14
Key Managerial Personnel	Mr. K. Ramaswami, Managing Director	Remuneration	20.1	4.3
	Mr. Pedro Exhegaray (w.e.f. October 21, 2014)	Remuneration	10.5	-
	Mr. Sanjay Joglekar (from December 12, 2014)	Remuneration	15.5	-
	Mr. Ajit Lele (Dec 12, 2014 to March 31, 2015)	Remuneration	3.5	-
	Mr. Romesh Kaul (from December 12, 2014)	Remuneration	3.0	-
	Mr.K Jayaprakash (from April 29,2014 to December 11,2014)	Remuneration	4.5	-
	Mr.Krishnan Shankar **	Remuneration	2.7	-

* became subsidiaries post merger of companies

** The remuneration of Key Managerial Personnel for the year ended March 31, 2014 does not include the remuneration of Mr. Krishnan Shankar as he has been considered to be a related party w.e.f. April 1, 2014 pursuant to Sec 2(76) of the Companies Act, 2013.

3 Employee Stock Option Scheme

Employees' Stock Option Scheme (ESOS) was formulated by the Remuneration/Compensation committee of directors of the Company and approved by it on 26th October, 2007. This was subject to the authority vested in it by the shareholders at the general meeting of the Company held on 25th July, 2007 in accordance with the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. Under this scheme, each option is entitled to one equity share of ₹10/- each fully paid up and were granted as follows:-

- i) 296,000 options to the employees of the Company at a fixed price of ₹ 197.00 per share on October 26, 2007.
- ii) 391,000 options to the employees of the holding company (M&M) at a fixed price of ₹ 83 per share on February 26, 2008.
- iii) 88,000 and 12,000 options to the directors of the company at a fixed price of ₹ 197.00 per share on October 26, 2007 and February 26, 2008 respectively.
- iv) 250,000 options to the employees of Foreign subsidiaries at a fixed price of ₹ 151.80 per share on May 9, 2008.
- v) 245,000 options to the employees of Foreign subsidiaries at a fixed price of ₹ 102.00 per share on July 29, 2008.
- vi) 500,000 options to the employees of the Company at a fixed price of ₹ 109.00 per share on August 26, 2008.
- vii) 93,000 options to the employees of the Company at fixed price of ₹ 97.06 per share on May 12, 2010.
- viii) 2,000,000 option to the employees of the Company at fixed price of ₹ 57.00 per share on April 1, 2011
- ix) 589,883 option to the employees of the Company at fixed price of ₹ 44.00 per share on January 20, 2012

The equity settled options vest in 4 equal installments on the expiry of 12 months, 24 months, 36 months and 48 months respectively from the date of the grant and are exercisable on specified dates in 4 tranches within a period of 5 years from the date of vesting. The number of options exercisable in each tranche is between the minimum of 100 options and maximum of the options vested, except in case of the last date of exercise, where the employee can exercise all the options vested but not exercised / lapsed till that date.

Consequent to the amalgamation effective October 1, 2013 the Company has issued options to the employees of the amalgamating companies (See Note XXVI (4)) as follows:

206,610 options to the employees of Mahindra Ugine Steel Company Limited (MUSCO)
20,697 options to the employees of Mahindra Composites Limited (MCL)

The above options are also equity settled and the options have the following vesting and exercise periods

Options granted to MUSCO employees - The Options vest one year from the date of the grant and are exercisable on specified dates in 4 tranches within a period of 5 years from the date of each vesting. The eligible employee must exercise a minimum of 50 (Fifty only) Options or Options vested, whichever is lower; and the Options in respect of each tranche may be exercised on the date of vesting or at the end of each year from the date of each vesting, provided that at the end of five (5) years from the date of each vesting (or such extended period as may be decided by the Remuneration Committee), the eligible employee may exercise all Options vested but not exercised by him/her failing which all the unexercised Options shall lapse

Options granted to MCL employees - The options vest over a period of one to three years from the date of grant and are exercisable over a period of five years from the respective dates of vesting.

Notes to the financial statements for the year ended March 31, 2015

The summary of options granted and outstanding at March 31, 2015 are summarised below:

Date of the Tranche	Exercise Price	Options Outstanding as on April,1 2014	Options granted during the year	Options granted on Amalgamation / Merger	Options forfeited during the year	Options Exercised during the year	Options outstanding as at end March 31, 2015	Options vested but not exercised as on March 31, 2015
October 26,2007	197.00	89,250	-		29,750	-	59,500	59,500
February 26,2008	83.00	243,750	-		-	121,250	122,500	122,500
February 26,2008	197.00	7,500	-		2,000	500	5,000	5,000
May 09,2008	151.80	111,475	-		27,869	17,063	66,543	66,543
July 29,2008	102.00	97,940	-		20,798	14,750	62,393	62,393
August 26,2008	109.00	284,000	-		10,750	141,950	131,300	131,300
May 12,2010	97.00	69,000	-		9,250	48,250	11,500	11,500
April 01,2011	57.00	1,345,448	-		60,216	671,020	614,212	269,370
January 20,2012	44.00	340,474	-		1,985	206,594	131,895	27,955
July 31,2009	52.66	-	-	20,697	-	2,250	18,447	18,447
August 18,2006	34.86	-	-	151,940	-	81,650	70,290	70,290
October 25,2007	25.70	-	-	54,670	-	-	54,670	54,670
Weighted Average Price		75.53	-	34.28	111.89	64.90	74.47	84.69

The weighted average remaining contractual life of options outstanding at March 31, 2015 is 3.71 years (PY 5.16 years).

In respect of options granted the accounting value of options (equal to intrinsic value) was treated as form of employee compensation, to be amortised on a straight line basis over the vesting period. Unamortised portion is disclosed under the head Employee Stock Options outstanding in Note II (D) as deferred employee compensation expenses.

The company has adopted the intrinsic value method of accounting for determining compensation cost for its stock based compensation plan which is amortized on a straight line basis over the vesting period. Consequently, salaries, wages, bonus, etc. includes ₹ 1.8 Million (PY 10 Million) being the amortization of deferred employee compensation, after adjusting for reversals on account of options lapsed.

Had the company adopted Fair Value Method in respect of Options granted, the employee compensation cost would have been higher by ₹ 15.8 Million (PY ₹ 8.3 Million), Profit after tax lower by ₹ 10.4 Million (PY ₹ 5.5 Million), and the basic and diluted earnings per share would have been lower by ₹ 0.04 (PY lower by ₹ 0.07)

4. Scheme/s of Amalgamation

The Integrated Scheme of Amalgamation and the Composites Scheme of Amalgamation under Sections 391-395 of the Companies Act, 1956 for the merger of Mahindra UGINE Steel Company Limited (MUSCO), Mahindra Hinoday Industries Limited (MHIL), Mahindra Gears International Limited (MGIL), Mahindra Investment India Private Limited (MIPL), Participaciones Internacionales Autometal Tres S.L.(PIA3) and Mahindra Composites Limited (MCL) (collectively "the amalgamating companies") which are also engaged in a business similar to that of the company were approved by the Honorable High Court of Judicature at Bombay on October 31, 2014. The Schemes came into effect on December 10, 2014, the day on which the order was delivered to the Registrar of Companies, and pursuant thereto the entire business of the amalgamating companies has been transferred to and vested in the Company with effect from the appointed date of October 1, 2013.

The Board of Directors at its meeting held on December 12, 2014 approved the issue of equity shares to the shareholders of the Amalgamating companies as on December 24, 2014, the record date for the purpose and constituted an Allotment Committee for working out the modalities of allotment.

The Allotment committee at the meeting held on January 2, 2015 approved the issue of 229,331,464 equity shares to the shareholders of the Amalgamating companies representing their entire share capital.

Further the committee approved the allotment of 229,330,519 equity shares thereby increasing the total number of shares issued.

MCL, the transferor company had kept allotment of 1,050 equity shares in abeyance. Consequently the Allotment committee, kept in abeyance the allotment of 945 equity shares in line with the SWAP ratio.

Consequent to the issue of the equity shares the promoter and promoter group held 74.87% of the paid up capital of the Company.

Notes to the financial statements for the year ended March 31, 2015

Consequent to the merger becoming effective, the entire undertaking of the amalgamating companies has vested with the Company with effect from Oct 1, 2013.

In accordance with Accounting Standard (AS) 14 – Accounting for Amalgamations issued by the Institute of Chartered Accountants of India the merger has been accounted for under the pooling of interests method and all the assets, liabilities and reserves of the amalgamating companies have been recorded in the books of the Company at their carrying amounts on the appointed date.

For giving effect to the merger the financial statements of the MUSCO, MHIL, MGIL, MIPL, PIA3 and MCL audited by the auditors of those companies at the appointed date and for the period from the appointed date to March 31, 2014 have been considered. In accordance with AS 14, the difference between the amount recorded as share capital issued and the share capital of the amalgamating companies has been adjusted in the reserves by the Company.

In terms of the Scheme/s the appointed date being October 1 2013, the net profit and other changes in reserves of the amalgamating companies during the period from October 1, 2013 to March 31, 2014 aggregating to ₹ 1911.9 Million has been added to the surplus in the Profit & Loss account in the books of the Company.

Pursuant to the Scheme/s of amalgamation, the title deeds to the immovable properties pertaining to the amalgamating companies are pending for transfer in the name of the Company. Further the Company has initiated the name change formalities to transfer the title in respect of other properties and contracts.

Consequent to the merger, Mahindra Gear & Transmissions Private Limited (MGTPL), India, Mahindra Gears Global Limited (MGGL), Mauritius and CIE Galfor SA (Galfor), Spain became subsidiaries of the company and Metalcastello SpA, Italy (MC) (subsidiary of MGGL), CIE Legazpi S.A., Spain (subsidiary of Galfor) and UAB CIE LT Forge, Lithuania (subsidiary of Galfor) and Crest Geartech Private Limited, India (subsidiary of MC) became step subsidiaries of the company.

The merger has resulted in transfer of assets and liabilities in accordance with the terms of the scheme/ s and the following are the summarised values:

Particulars	(₹ in Million)
Fixed Assets (Net)	4,032.8
Capital Work in Progress	85.1
Non-Current Investments	8,977.8
Inventories	1,155.2
Trade Receivables	1,819.9
Cash and Bank balances	173.1
Loans and Advances (Long Term & Short Term)	1,507.8
Trade Payables	(1,764.2)
Liabilities and provisions (Long Term & Short Term)	(928.7)
Long Term and Short Term borrowings	(3,775.2)
Deferred Tax Liabilities	(113.7)
Net Asset	<u>11,169.9</u>
Shares issued pursuant to Scheme of Amalgamation	2,293.3
Additions to the Reserves	8,876.6

5 Corporate Social Responsibility (CSR)

The Company was required to spend the sum of ₹ 4.9 Million as part of the CSR during the year. The details of actual expense is as under

	(Rs in Million)		
	In Cash	Yet to be paid in Cash	Total
(i) Construction of assets.	-	-	-
(ii) On the purpose other than (i)above	1.6	2.0	3.6

Notes to the financial statements for the year ended March 31, 2015

6 Earnings per Share:

	31-March-15	31-March-14
Profit / (Loss) as per the statement of Profit & Loss (₹ in Million)	776.7	179.2
Weighted Average Number of equity shares outstanding during the year		
No. of shares for Basic earnings per share	322,426,319	92,244,081
No of shares for Diluted earnings per share	322,898,737	92,380,548
Basic & Diluted Earnings per equity share of face value ₹ 10/- (₹)	2.41	1.95
7 The operations of the Company comprise a single business and geographical segment, ie automotive components manufactured in India.		
8 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.		

Significant accounting policies.

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For **B.K. Khare & Company**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Chapsey
Partner
Membership No. 105731

Mumbai, May 11, 2015

For & on behalf of the Board of Directors of Mahindra CIE Automotive Limited

Hemant Luthra
Chairman

Pedro Echegaray
Executive Director

Zhooben Bhiwandiwala
Director

Krishnan Shankar
Company Secretary & Head Legal

K.Ramaswami
Managing Director

Daljit Mirchandani
Director

Sanjay Joglekar
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Mahindra CIE Automotive Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of Mahindra CIE Automotive Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries are referred to as "the Group"), comprising the Consolidated Balance Sheet as at March 31, 2015, and the Consolidated Statements of Profit and Loss and Cash Flow for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the preparation of the Consolidated Financial Statements by the directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

4. While conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit

evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to paragraph 10 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at March 31, 2015, and its consolidated loss and consolidated cash flows for the year ended on that date.

Emphasis of matter

9. We draw attention to Note No. XXXI(7) of the Consolidated Financial Statements and for the reasons detailed therein, the management of the Holding Company does not perceive any impairment in the value of Goodwill of ₹ 7,020 million arising on consolidation of the subsidiaries in view of the measures for improving financial performance being taken by the management of the Holding Company.

Our opinion is not modified in respect of this matter.

Other Matters

10. We did not audit the financial statements of 17 subsidiaries whose financial statements (before consolidation adjustments) reflect total assets of ₹36,168.2 million at March 31, 2015, total revenues of ₹39,888.9 million and net cash outflows amounting to ₹1,304.6 million for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these

subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors. Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (the "Order"), based on the comments in our report of the Holding Company and in the auditor's report of the subsidiary company incorporated in India ("Indian subsidiary"), we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the Consolidated Financial Statements;
 - b. in our opinion proper books of account as required by law relating to preparation of the Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;
 - c. the consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
 - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e. on the basis of written representations received from the directors of the Holding Company as on

March 31, 2015 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary company, incorporated in India, none of the directors of the aforesaid companies, is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group in accordance with the generally accepted accounting practice – Refer Note XXVII to the Consolidated Financial Statements.
 - ii. The Group did not have any long-term contracts for which there were any material foreseeable losses. Provision has been made in the Consolidated Financial Statements as required under the applicable law or accounting standards, for material foreseeable losses, if any, on derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. Based on the auditor's report of the Indian subsidiary there were no amounts which were required to be transferred to the said fund.

For **B. K. Khare & Co.**
Chartered Accountants
Firm's Registration Number 105102W

Himanshu Chapsey
Partner
Membership Number: 105731

Mumbai
May 11, 2015

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 11 of our report of even date on the Consolidated Financial Statements of Mahindra CIE Automotive Limited for the year ended March 31, 2015.

1. Based on the comments in our report of the Holding Company and in the auditor's report of the Indian subsidiary, we report that
 - (i) The aforesaid companies have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (ii) The aforesaid companies have a rotational programme for verification of its fixed assets over a period of 3 years, which in the opinion of the respective auditors' is reasonable having regard to the size of the Company and the nature of its assets. A portion of the fixed assets have been physically verified by the managements of the respective companies during the year in accordance with the abovementioned program. The discrepancies reported on such verification have been properly dealt in the books of account.
2. Based on the comments in our report of the Holding Company and in the auditor's report of the Indian subsidiary, we report that
 - (i) The management of the aforesaid companies have conducted physical verification of inventory at reasonable intervals during the year except in the case of the Indian subsidiary's inventories lying at third party locations and goods in transit, for which confirmations have been obtained by the management of the subsidiary.
 - (ii) The procedures of physical verification of inventory followed by the management by the respective companies are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (iii) The aforesaid companies are maintaining proper records of inventory and no material discrepancies as compared to the book records were noticed on physical verification of inventory.
3. Based on the comments in our report of the Holding Company and in the auditor's report of the Indian subsidiary, we report that the aforesaid companies have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of para 3(iii) of the Order are not applicable to the aforesaid companies.
4. Based on the comments in our report of the Holding Company and in the auditor's report of the Indian subsidiary and according to the information and explanations given to us, and in the case of the Indian subsidiary having regard to the explanation gathered by the auditors of that subsidiary that some of the items purchased are of special nature and suitable sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the aforesaid companies and the nature of their businesses, for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
5. Based on the comments in our report of the Holding Company and according to the information and explanations given to us, the Holding Company has not accepted any deposits to which the directives issued by the Reserve Bank of India and provisions of Sections 73 - 76 the Act, and the rules framed thereunder apply. Based on the report of the auditors of the Indian subsidiary we report that having regard to the nature of the Indian subsidiary's business/activities/results during the year, the provision of clause 3(v) of the Order are not applicable to the Indian subsidiary.
6. Based on the comments in our report of the Holding Company and in the Auditor's Report of the Indian subsidiary and according to the information and explanations given to us we report that the Holding Company and the Indian subsidiary have prima facie maintained the cost records prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and the Rules framed thereunder in respect of the activities carried on by the aforesaid companies. The respective auditors' have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. Based on the comments in our report of the Holding Company and in the auditor's report of the Indian subsidiary and according to the information and explanations given to us
 - (i) The aforesaid companies are generally regular in depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Excise Duty, Service Tax, Customs Duty, Value added tax, and other statutory dues applicable to it.
 - (ii) There were no undisputed amounts payable by the aforesaid companies in respect of Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth Tax, Excise Duty, Service Tax, Customs Duty and Value Added Tax that were outstanding, at the year-end for a period of more than six months from the date they became payable except in the case of the Indian subsidiary wherein the Area Enforcement Officer has raised a demand of ₹ 0.3 million (including interest) for the 2007-09 for alleged deliberate reduction by the subsidiary of wages of the employees to reduce the provident fund liability which is contested by the subsidiary.
 - (iii) Dues of income-tax, sales tax, service tax, excise duty, customs duty and work contract tax which have not been deposited on account of any dispute are as follows:

Name of Statute	Nature of dues	₹ in Million	Period to which amount relates	Forum where pending
Forgings Division (erstwhile Mahindra CIE Automotive Limited)				
Central Excise Act, 1944	Excise Duty	3.0	2002-03 to 2003-04	CESTAT Mumbai
	Excise Duty	6.1	2002-03 to 2003-04	CESTAT Mumbai
	Excise Duty	8.2	2010-11 to 2012-13	CESTAT Mumbai
	Excise Duty	1.1	2012-13	Additional Commissioner of Central Excise
Stampings Division (erstwhile Mahindra UGINE Steel Company Limited)				
Sales Tax Laws	Sales Tax	30.5	2008-09, 2010-11, 2011-12	Joint Commissioner Appeals
	Sales Tax	96.0	2006-07, 2007-08	Maharashtra Sales Tax Tribunal
Central Excise Act, 1944	Excise Duty	7.1	2012-13	Commissioner Appeals
	Excise Duty	85.3	1999-00	Customs, Excise and Service Tax Appellate Tribunal
	Service Tax	1.8	2010-11 to 2012-13	Commissioner Appeals
	Service Tax	54.8	2008-09 to 2011-12	Customs, Excise and Service Tax Appellate Tribunal
Castings and Magnetic Product Division (erstwhile Mahindra Hinoday Industries Limited)				
Central Excise Act, 1944	Excise Duty	0.01	1999-00	CESTAT
	Excise Duty	0.97	2012-13	CESTAT
	Excise Duty	6.9	2013-14	CESTAT
	Excise Duty	17.7	2014-15	CESTAT
	Service Tax	0.9	2009-10	Commissioner Appeals
	Service Tax	3.3	2010-11 to 2012-13	Commissioner Appeals
	Service Tax	0.9	2013-14	Commissioner Appeals
	Service Tax	1.0	2014-15	Commissioner Appeals
Others	Others	15.3	-	-
Composites Division (erstwhile Mahindra Composites Limited)				
Income Tax Act, 1961	Appeals against Income Tax Claims	2.7	2010-11	Commissioner of Income Tax (Appeals) – Pune
Central Excise Act, 1944	Service Tax	0.5	2009-10	Commissioner of Central Excise and Customs (Appeals) – Mumbai
Subsidiary				
Income tax law	Income Tax	0.8	A.Y. 2012-13	Dy. Commissioner of Income Tax

8. Based on the comments in our report of the Holding Company and according to the information and explanations given to us there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. Based on the auditor's report of the Indian subsidiary there were no amounts which were required to be transferred to the said fund.
9. The Group's accumulated losses at the end of the financial exceed fifty percent of its net worth. The Group has not incurred any cash losses in the current and in the immediately preceding Financial Year.
10. Based on the comments in our report of the Holding Company and in the auditor's report of the Indian subsidiary and according to the information and explanations given to us and based on the documents and records produced before us, the aforesaid companies have not defaulted in repayment of dues to a financial institution, banks or debenture holders.
11. Based on the comments in our report of the Holding Company and in the auditor's report of the Indian subsidiary, there are no outstanding guarantees for loans taken by others from banks and financial institutions at balance sheet date.
12. Based on the comments in our report of the Holding Company and in the auditor's report of the Indian subsidiary and according to the information and explanations given to us, the term loans were applied for the purposes for which they were obtained.
13. Based on the comments in our report of the Holding Company and in the auditor's report of the Indian subsidiary and as per the information and explanations given to us by management, no fraud by the Holding Company and its Indian subsidiary has been noticed or reported during the year.

For **B. K. Khare & Co.**

Chartered Accountants

Firm's Registration Number 105102W

Himanshu Chapsey

Partner

Membership Number: 105731

Mumbai

May 11, 2015

Consolidated Balance Sheet as at March 31, 2015

		(₹ in Million)	
		As at	
	Notes	31-March-15	31-March-14
I	EQUITY & LIABILITIES		
1	SHAREHOLDERS' FUNDS		
	(a) Share Capital	3,229.8	923.4
	(b) Reserves & Surplus	15,635.4	5,637.0
		<u>18,865.2</u>	<u>6,560.4</u>
2	Minority Interest	155.1	-
		<u>19,020.3</u>	<u>6,560.4</u>
3	Non- Current Liabilities		
	(a) Long term borrowings	14,229.2	3,157.5
	(b) Deferred tax liability	333.1	142.1
	(c) Long term liabilities	53.6	30.5
	(d) Long term provisions	2,361.9	1,859.1
		<u>16,977.8</u>	<u>5,189.2</u>
4	Current Liabilities		
	(a) Short term borrowings	953.8	3,642.2
	(b) Trade payables	10,476.8	2,720.1
	(c) Other current liabilities	2,183.0	2,009.1
	(d) Short term provisions	227.4	131.6
		<u>13,841.0</u>	<u>8,503.0</u>
	Total	<u>49,839.1</u>	<u>20,252.6</u>
II	ASSETS		
	Non-current assets		
1	(a) Fixed Assets		
	(i) Tangible assets	14,746.5	6,080.9
	(ii) Intangible assets	110.4	26.0
	(iii) Goodwill on Consolidation	16,380.7	6,006.5
	(iv) Capital work in progress	1,263.3	290.8
		<u>32,500.9</u>	<u>12,404.2</u>
	(b) Non-current investments	76.9	21.8
	(c) Deferred tax assets	1,307.3	741.9
	(d) Long term loans and advances	2,121.4	93.5
	(e) Other Non Current Assets	25.9	-
		<u>36,032.4</u>	<u>13,261.4</u>
2	Current assets		
	(a) Current investments	493.3	556.5
	(b) Inventories	6,849.6	3,682.5
	(c) Trade receivables	4,225.1	1,609.5
	(d) Cash and Bank balances	892.7	435.9
	(e) Short term loans and advances	615.9	705.9
	(f) Other Current Assets	730.1	0.9
		<u>13,806.7</u>	<u>6,991.2</u>
	Total	<u>49,839.1</u>	<u>20,252.6</u>

Significant accounting policies (XXXI(2))

The accompanying notes are an integral part of the financial statements (I to XXXI)

As per our Report of even date

For **B.K. Khare & Company**

Chartered Accountants

Firm Registration No. 105102W

Himanshu Chapsey

Partner

Membership No. 105731

Mumbai, May 11, 2015

For & on behalf of the Board of Directors of Mahindra CIE Automotive Limited

Hemant Luthra

Chairman

Pedro Echegaray

Executive Director

Zhooben Bhiwandiwala

Director

Krishnan Shankar

Company Secretary & Head Legal

K.Ramaswami

Managing Director

Daljit Mirchandani

Director

Sanjay Joglekar

Chief Financial Officer

Consolidated Statement of Profit & Loss for the year ended March 31, 2015

(₹ in Million)

	Note	Year ended	
		31-March-15	31-March-14
I. Revenue from operations	XVII	57,455.9	26,362.1
Less: Excise duty		1,756.9	454.4
Net revenue from operations		55,699.0	25,907.7
II. Other Income	XVIII	429.1	127.7
III. Total Revenue (I+II)		56,128.1	26,035.4
IV. EXPENDITURE :			
Cost of materials consumed	XIX	25,418.3	10,802.0
Changes in Inventories of finished goods/WIP/stock in trade	XX	189.8	(154.5)
Employee benefits expense	XXI	11,866.8	7,297.8
Finance costs	XXII	1,196.5	628.2
Depreciation and amortisation expense	XXIII	2,375.0	1,199.9
Other expenses	XXIV	13,821.6	6,875.8
Total Expenses		54,868.0	26,649.2
V. Profit/(Loss) before exceptional items and tax (III-IV)		1,260.1	(613.8)
VI. Exceptional Items (Expense)	XXV	2,261.0	83.2
VII. Loss before tax (V - VI)		(1,000.9)	(697.0)
VIII Less : Tax charge/(credit)			
- Current tax		366.0	61.6
- MAT Credit entitlement		(67.8)	(53.2)
		298.2	8.4
- Prior year tax charge/(credit)		(167.1)	7.7
- Deferred tax charge/(credit)		(350.4)	101.8
IX. Loss after Tax (VII - VIII)		(781.6)	(814.9)
X. Loss per equity share:			
(1) Basic	XXXI (8)	(2.42)	(8.88)
(2) Diluted		(2.42)	(8.87)

Significant accounting policies (XXXI(2))

The accompanying notes are an integral part of the financial statements (I to XXXI)

As per our Report of even date
For **B.K. Khare & Company**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Chapsey
Partner
Membership No. 105731

Mumbai, May 11, 2015

For & on behalf of the Board of Directors of Mahindra CIE Automotive Limited

Hemant Luthra
Chairman

Pedro Echegaray
Executive Director

Zhooben Bhiwandiwalla
Director

Krishnan Shankar
Company Secretary & Head Legal

K.Ramaswami
Managing Director

Daljit Mirchandani
Director

Sanjay Joglekar
Chief Financial Officer

Consolidated Cash Flow Statement for the year ended March 31, 2015

(₹ in Million)

	As at	
	31-March-15	31-March-14
(Loss) before tax as per consolidated statement of profit & loss account.	(1,000.9)	(697.0)
Add: Adjustment for	-	-
Depreciation and Amortisation Expenses	2,375.0	1,190.4
Provision for doubtful debts / write off's	70.3	-
Provision for Pensions	369.2	-
Impairment of Goodwill	1,650.0	-
Interest Expenses	1,196.5	628.2
Amortisation of Investments in WPCL	2.4	0.8
Loss on sale of Fixed Assets (Net)	-	37.8
Expense on Employee Stock Option Plan	1.8	-
Currency Translation Adjustments	10.9	-
Sub Total	4,675.2	1,160.2
Less: Adjustment for		
Interest / Dividend Income	101.8	20.5
Profit on sale of Investment	2.5	2.3
Profit on sale of Fixed Assets	29.5	-
Provision written back	-	13.9
Unrealised foreign exchange gain	10.4	160.9
Sub Total	144.2	197.5
Operating Profit before Working Capital Change	4,531.0	962.7
Movement in		
Trade & other Receivables	1,050.0	563.9
Inventories	528.6	(659.5)
Liabilities & Provisions	(2,681.4)	1,311.0
Sub Total	(1,102.8)	1,215.4
Cash Generated from Operations	3,428.2	2,178.1
Income Tax Refund/(Paid)	(205.6)	(68.0)
Net cash flow from operating activities	3,222.6	2,110.1
Cash Flow from Investing Activities		
Purchase of Fixed Assets (Net of Advances)	(2,146.3)	(759.7)
Sale of Fixed Assets	68.9	27.1
Purchase of Investments	(3,155.8)	(1,843.0)
Sale of Investments	3,291.4	1,679.1
Interest/ Dividend Received	101.9	20.5
Net Cash from Investing Activities	(1,839.9)	(876.0)

Consolidated Cash Flow Statement for the year ended March 31, 2015 (Contd.)

	(₹ in Million)	
	As at	
	31-March-15	31-March-14
Cash Flow from Financing Activities		
Term Loans (repayment) / received	(1,803.3)	(361.9)
Issue of Share Capital	86.7	8.5
Interest Paid	(1,220.0)	(810.2)
Net Cash from Financing Activities	<u>(2,936.6)</u>	<u>(1,163.6)</u>
Net (Decrease)/ Increase in Cash or Cash Equivalents	<u>(1,553.9)</u>	<u>70.5</u>
Opening Cash and Cash equivalents	435.9	365.4
Opening Cash and Cash equivalents - Merging companies	2,008.9	-
Closing Cash and Cash equivalents	890.9	435.9

Notes :

1. The Cash Flow has been prepared under the "Indirect method" as set out in Accounting Standard 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India
2. Cash and cash equivalents represents cash and bank balances only. Balances with bank in the form of deposits ₹ 1.8 Mio not considered in cash and Cash Equivalents (Refer Note XVI)
3. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification/ disclosure

Significant accounting policies (XXXI(2))

The accompanying notes are an integral part of the financial statements (I to XXXI)

As per our Report of even date

For **B.K. Khare & Company**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Chapsey
Partner
Membership No. 105731

Mumbai, May 11, 2015

For & on behalf of the Board of Directors of Mahindra CIE Automotive Limited

Hemant Luthra
Chairman

Pedro Echegaray
Executive Director

Zhooben Bhiwandiwalla
Director

Krishnan Shankar
Company Secretary & Head Legal

K.Ramaswami
Managing Director

Daljit Mirchandani
Director

Sanjay Joglekar
Chief Financial Officer

Notes to Consolidated financial statements for the year ended March 31, 2015

Note I Share capital

	(₹ in Million)	
	As at	
	31-March-15	31-March-14
A Authorised :		
395,000,000 (PY 122,000,000) equity shares of ₹ 10 each	3,950.0	1,220.0
29,658,916 (PY 14,820,206) 4% Non cumulative redeemable non convertible preference shares of ₹ 31 each	919.4	459.4
Total	4,869.4	1,679.4
B Issued:		
322,977,207 (PY 92,340,466) equity shares of ₹10 each fully paid-up	3,229.8	923.4
	3,229.8	923.4
C Subscribed and paid-up:		
322,976,262 (PY 92,340,466) equity shares of ₹10 each fully paid-up	3,229.8	923.4
	3,229.8	923.4
Total (Equity)	3,229.8	923.4

Movement in share capital

	As at		As at	
	31-March-15		31-March-14	
	No. of shares	Amount ₹ in Million	No. of shares	Amount ₹ in Million
Balance as at the beginning of the year	92,340,466	923.4	92,173,306	921.7
Add: issued under the company employees stock option ("ESOP") scheme (on exercise of options)	1,305,277	13.1	167,160	1.7
Issued pursuant to scheme of merger [Refer note XXXI (6)]	229,331,464			
Less: Shares issued and kept in abeyance (Note 1)	945			
	229,330,519	2,293.3	-	-
Balance at the end of the year	322,976,262	3,229.8	92,340,466	923.4

Note 1: Mahindra Composites Limited, which was merged with the Company, had issued 1,050 equity shares and not allotted the same to the shareholders. Based on the swap ratio, the Company has issued 945 equity shares and not allotted the same and has kept the same in abeyance.

Rights, preferences and restriction attached to shares

Equity shares:

The company has one class of equity shares having a par value of ₹ 10 per equity share held.

Each shareholder is eligible for one vote per share.

If any dividend is proposed by the board of directors, then the same is subject to approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend.

On liquidation the equity shareholders are eligible to receive the residual value of assets of the company in the proportion of their shareholding in the company after all secured and unsecured creditors of the company are paid off

Shares held by the holding company and their subsidiaries and associates and shares held by each shareholder holding more than 5% shares in the Company

	As at	
	31-March-15	31-March-14
	No. of shares	No. of shares
Equity shares		
Participaciones Internacionales Autometal, DOS S.L (Holding Company since October 4, 2013)	171,767,537	73,031,693
	53.18%	79.09%
Mahindra & Mahindra Limited (Holding company till October 3, 2013)	65,271,407	296,109
	20.21%	0.32%

i PIA2 is a 100% subsidiary of CIE Automotive SA ("CIE"), a company incorporated in Spain (the ultimate holding company of the Company) CIE is an associate of M&M which holds a beneficial interest of 12.44% in CIE. Other than as indicated above there are no shareholders each holding more than 5% of the shares in the Company

ii Shares reserved for issue under options- [See Note XXXI(3)]

iii As described above, the Company has issued 229,331,464 equity shares of face value of ₹ 10 each pursuant to amalgamation [See note XXXI (6)] fully paid up without payment being received in cash.

Notes to Consolidated financial statements for the year ended March 31, 2015

Note II Reserves and surplus

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
A	Capital Reserve		
	Balance at the beginning of the year	1,191.3	1,191.3
	Add :		
	Addition on account of amalgamation as at October 1, 2013 [Refer Note XXXI(6)]	6,386.3	-
	Balance at the end of the year	<u>7,577.6</u>	<u>1,191.3</u>
B	Capital Redemption Reserve		
	Balance at the beginning of the year		
	Add :		
	Addition on account of amalgamation as at October 1, 2013 [Refer Note XXXI(6)]	164.6	-
	Balance at the end of the period	<u>164.6</u>	<u>-</u>
C	Securities Premium Reserve		
	Balance at the beginning of the year	3,040.3	3,031.8
	Add:-		
	Received upon issue of shares to employees under ESOP scheme on exercise of options	99.1	8.5
	Addition on account of amalgamation as at October 1,2013 [Refer Note XXXI(6)]	1,810.4	-
	Balance at the end of the year	<u>4,949.8</u>	<u>3,040.3</u>
D	Employee stock option outstanding		
	Option granted till date	54.3	65.4
	Add : Options granted during the year		
	Deferred employee compensation expenses	1.4	4.4
	Granted to employees of merging companies [See Note XXXI (6)]	1.0	-
	Less :		
	Forfeiture of options	(1.9)	(13.9)
	Options exercised during the year	(26.9)	(1.6)
	Balance at the end of the year	<u>27.9</u>	<u>54.3</u>
E	General Reserve		
	Balance at the beginning of the year	5,767.1	5,767.1
	Add:		
	Addition on account of amalgamation as at October 1,2013 [Refer Note XXXI(6)].	768.7	-
	Balance at the end of the year	<u>6,535.8</u>	<u>5,767.1</u>
F	Foreign exchange fluctuation reserve		
	Balance at the beginning of the year	(381.9)	(214.0)
	Add: Foreign exchange gain/(loss) on investment in subsidiary	(125.9)	(167.9)
	Balance at the end of the year	<u>(507.8)</u>	<u>(381.9)</u>
G	Surplus/(Deficit)in statement of profit and loss		
	Balance at the beginning of the year	(4,034.1)	(3,219.2)
	Depreciation adjustment [Refer Note X]]	(53.0)	-
	Addition on account of amalgamation as at October 1,2013 [Refer Note No XXXI(6)]	1,911.9	-
	Profit of amalgamating companies during the period October 1, 2013 to March 31, 2014	(156.6)	-
	Profit/(loss) for the year	(780.7)	(814.9)
	Balance at the end of the year	<u>(3,112.5)</u>	<u>(4,034.1)</u>
	Total	<u><u>15,635.4</u></u>	<u><u>5,637.0</u></u>
Loss for the year attributable to the owners of the parent and minority interest is summarised below			
	Attributable to owners of the parent	(780.7)	-
	Minority interest	(0.9)	-
	Closing Minority Interest	<u>(781.6)</u>	<u>-</u>

The minority interest at March 31, 2015 includes ₹ 156.0 million taken over on amalgamation.

Notes to Consolidated financial statements for the year ended March 31, 2015

Note III Long - term borrowings

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
(A) Secured Loans			
	Term loans From Banks (Refer Note below)		
	- Foreign currency Loans	5,177.3	1,300.8
	- Rupee Term Loans	282.7	-
		<u>5,460.0</u>	<u>1,300.8</u>
(B) Unsecured Loans			
1.	Sales Tax Deferral	166.4	146.0
2.	Foreign Currency Term Loans	2,069.0	13.4
3.	Loans from Related Parties (Refer Note XXXI-5(b))	5,406.6	1,697.3
4.	Other loans	1,127.2	-
		<u>8,769.2</u>	<u>1,856.7</u>
	Total	<u>14,229.2</u>	<u>3,157.5</u>

Note: Secured borrowings are secured by pari passu charge on immovable properties of entities of the Group which have taken the loans, both present and future, subject to certain exclusions and guarantee by parent company in some cases and are also secured by pari passu charge on the moveable properties of certain entities including movable machinery, machinery spares, tools and accessories both present and future.

The borrowings carry varying rates of interests ranging from 1.2% to 12.5% and have maturity starting from 2015 to and ending 2021.

Note IV Other Long term liabilities

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
1	Others	53.6	30.5
	Total	<u>53.6</u>	<u>30.5</u>

Note V Long term provisions:

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
1	Provision for Employee benefits		
	Provision for Gratuity	29.2	-
	Provision for Pension Fund- Non funded (Refer Note XXI)	1,868.0	1,850.1
	Provision for Other Employee Termination Indemnities	209.1	-
	Provision for compensated absences	122.0	9.0
	Provision for voluntary retirement scheme (VRS) - (Refer Note below)	16.8	-
2	Water charges - (Refer Note XXVI-2(iv) and Note below)	116.8	-
	Total	<u>2,361.9</u>	<u>1,859.1</u>

Movement in provisions during the year is summarised below:

		(₹ in Million)	
		VRS	Others (Water Charges)
	Balance as at the beginning of the year	-	-
	Acquired on amalgamation [Refer Note XXXI (6)]	32.6	36.8
	Less:Paid during the period October 2013 to March 2014	2.5	-
	Less:Paid during the year	13.3	-
	Provided during the year	-	80.0
	Financial Charges for Actuarial Valuation	-	-
	Actuarial (Gains)/Losses	-	-
	Use of the year	-	-
	Benefits paid	-	-
	Balance at the end of the year	<u>16.8</u>	<u>116.8</u>

Notes to Consolidated financial statements for the year ended March 31, 2015

Note VI Short- Term Borrowings

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
1	Secured from Banks - Rupee Loans repayable on demand (Secured against 1st charge on movable assets and 2 nd charge on immovable assets of the Company) -Foreign Currency Loans	266.2	0.8
2	Unsecured - Loans from Related Parties (Refer Note XXXI-5(b)) - Other Loans	6.1	7.2
		-	591.3
	Total	953.8	3,642.2

Note VII Trade Payables

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
	Trade Payables		
	Acceptances	237.3	78.6
	Trade Payables - Micro & Small Enterprises (Refer Note XXVIII)	12.6	3.2
	Others	10,226.9	2,638.3
	Total	10,476.8	2,720.1

Note VIII Other current liabilities

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
1	Current maturity of long term loans		
	i) - Loans in Foreign currency from Banks	6.7	517.2
	ii) - Rupee Term Loans from Banks and Financial Institutions	230.8	-
	iii) - Sales Tax deferral	70.5	24.1
		308.0	541.3
2	Provision for current employee benefits	187.6	780.8
3	Interest Accrued but not due	6.9	29.9
4	Interest Accrued but due	-	0.6
5	Salary & Wages Payable	1,103.8	656.5
6	Excise and Service Tax Payable	52.8	-
7	TDS/TCS Payable	297.9	-
8	VAT Payables	47.3	-
9	Payable on purchases of Fixed Assets	30.0	-
10	Advance received for Scrap customers	109.4	-
11	Trade Deposits/ Security Dep. / Adv received against HP/Lease Agreements	20.6	-
12	Provision for Other liabilities	18.7	-
		1,875.0	1,467.8
	Total	2,183.0	2,009.1

Note IX Short term provision

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
1	Employee benefits		
	Provision for Gratuity	44.1	13.5
	Provision of Earned leave encashment	20.6	3.0
	Provision - for partial retirement	87.1	-
2	Others		
	Provision - Others	-	15.1
	Provision for Warranties (Refer Note XXIX)	75.6	100.0
	Total	227.4	131.6

Notes to Consolidated financial statements for the year ended March 31, 2015

Note: X Fixed Asset Schedule for the period ended March 31, 2015

(₹ in Million)

Asset Category	GROSS BLOCK						DEPRECIATION						NET BLOCK			
	Opening Gross Block As at April 1, 2014	Additions by virtue of Merger	Additions during the year	Deletions during the year	Adjustments	Closing Gross Block As at March 31, 2015	Opening Accumulated Depreciation As at April 1, 2014	Additions by virtue of Merger	Depreciation during the year	Impact due to Sch. II Companies Act, 2013 carried to Reserves	Deletions during the year	Adjustments	Impairment (Refer Note XXV)	Closing Accumulated Depreciation As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets																
Land																
Freehold	326.2	526.1	-	(4.5)	(58.3)	789.5	-	-	-	-	-	-	-	-	789.5	326.2
Leasehold	-	460.7	-	-	-	460.7	-	38.8	7.2	-	-	-	-	46.0	414.7	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Freehold	3,281.4	2,940.8	112.2	(45.3)	(508.0)	5,781.2	2,167.1	1,072.4	163.6	20.2	(28.1)	(372.6)	-	3,022.5	2,758.7	1,114.3
Leasehold	77.0	-	1.2	-	(5.6)	72.5	33.0	-	7.1	-	-	(2.4)	-	37.7	34.8	44.0
Plant & Equipment	20,487.4	14,147.6	1,487.2	(127.8)	(3,021.1)	32,973.3	16,433.0	7,999.3	1,600.8	58.2	(134.5)	(2,561.6)	-	23,395.3	9,569.7	4,056.7
Office Equipment	253.8	3,680.0	236.4	(19.7)	(39.2)	4,111.4	234.7	3,004.1	208.5	8.0	(19.3)	(37.4)	-	3,398.6	712.8	19.2
Furniture & Fittings	2,335.1	127.0	152.3	(143.4)	(416.9)	2,054.2	1,847.0	80.7	202.1	1.4	(124.4)	(331.7)	-	1,675.0	379.2	488.1
Cars & Vehicles	177.2	46.6	20.4	(11.0)	(29.4)	203.8	158.9	27.8	8.8	0.3	(6.0)	(28.1)	-	161.6	43.9	18.2
Computers and EDP equipment	91.3	100.0	31.4	(1.4)	(24.0)	197.3	77.0	80.0	12.8	4.2	(1.3)	(18.6)	-	154.1	43.2	14.2
Sub Total (A)	27,029.3	22,028.9	2,041.1	(352.9)	(4,102.4)	45,643.9	20,950.7	12,303.1	2,210.8	92.3	(313.6)	(3,352.5)	-	31,890.9	14,746.5	6,080.9
Intangible Assets																
Trademarks	-	90.7	-	-	-	90.7	-	77.4	3.9	-	-	-	-	81.3	9.5	-
Software Expenses	364.7	85.8	21.5	-	(45.9)	426.1	338.7	72.1	24.3	0.8	-	(45.7)	-	390.1	40.6	26.0
Development Expenditure	-	119.1	-	-	-	119.1	-	113.3	2.8	-	-	-	-	116.2	2.9	-
Other Intangible Assets	-	132.6	83.7	-	-	216.3	-	118.7	40.2	-	-	-	-	158.9	57.4	-
Sub Total (B)	364.7	428.2	105.2	-	(45.9)	852.2	338.7	381.5	71.2	0.8	-	(45.7)	-	746.4	110.4	26.0
Goodwill on Consolidation*	6,233.5	13,577.8	-	-	(1,553.5)	18,257.7	227.0	-	-	-	-	-	1,650.0	1,877.0	16,380.7	6,006.5
Sub Total (C)	6,233.5	13,577.8	-	-	(1,553.5)	18,257.7	227.0	-	-	-	-	-	1,650.0	1,877.0	16,380.7	6,006.5
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,263.3	290.7
Sub Total (D)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,263.3	290.7
Gross Total	33,627.5	36,034.9	2,146.3	(352.9)	(5,701.9)	65,753.8	21,516.4	12,684.7	2,281.9	93.1	(313.6)	(3,398.2)	1,650.0	34,514.3	32,500.9	12,404.2

* Goodwill on consolidation is on merger of following Subsidiaries (Refer Note XXXI (7))

1. Mahindra Gears and Transmissions Pvt. Ltd.	281.1
2. CIE Galfor S.A., CIE Legazpi S.A. and UAB CIE LT Forge	8,207.4
3. Metalcastello S.p.A.	5,089.4
Total	13,577.9

Notes to Consolidated financial statements for the year ended March 31, 2015

Asset Category	Gross Block				Depreciation			Net Block
	Opening Gross Block 1-April-13	Addition / Adjustment	Disposal / adjustment	Closing Gross Block 31-March-14	Charge for the year	Disposal / adjustment	Closing Accumulated Depreciation As at 31-March-14	
A: Tangible Assets								
Land	275.0	-	(51.1)	326.2	-	-	-	326.2
Buildings								
- Freehold	2,830.0	0.1	(451.4)	3,281.4	1,786.5	(321.8)	2,167.1	1,114.3
- Leasehold	49.3	17.2	(10.5)	77.0	22.4	(5.0)	33.0	44.0
Plant & Equipment	17,044.9	851.5	(2,630.0)	20,526.4	13,364.6	(2,231.7)	16,469.8	4,056.7
Furniture & Fittings	1,889.1	172.0	(274.0)	2,335.0	1,428.6	(197.9)	1,846.9	488.1
Office Equipment	180.1	2.6	(37.2)	220.0	162.0	(35.1)	200.7	19.2
Cars & Vehicles	162.1	4.9	(10.0)	177.0	141.9	(13.4)	158.8	18.2
Computers	75.1	3.2	(10.2)	88.5	58.0	(8.2)	74.3	14.2
Sub Total : A	22,505.6	1,051.5	(3,474.4)	27,031.5	16,964.0	(2,813.2)	20,950.6	6,080.9
B: Intangible Assets								
Software	312.5	5.0	(47.2)	364.7	271.0	26.4	338.7	26.0
Sub Total : B	312.5	5.0	(47.2)	364.7	271.0	26.4	338.7	26.0
C: Goodwill on Consolidation	6,233.5	-	-	6,233.50	227.0	-	227.0	6,006.5
Sub Total : C	6,233.5	-	-	6,233.5	227.0	-	227.0	6,006.5
D: Capital Work In Progress	-	-	-	-	-	-	-	290.7
Sub Total : D	-	-	-	-	-	-	-	290.7
Total (A+B+C)	29,051.6	1,056.5	(3,521.6)	33,629.7	17,462.0	1,199.8	21,516.2	12,404.2

Notes to Consolidated financial statements for the year ended March 31, 2015

Note : XI Non Current Investment

	(₹ in Million)	
	As at	
	31-March-15	31-March-14
Non Trade, Unquoted investment valued at cost unless otherwise stated		
Equity shares		
2,550 (PY 50) fully paid up equity shares of ₹ 10 each in The Saraswat Co-operative Bank Limited	0.03	-
2,653,455 (P Y 884,485) Class "A" equity shares of ₹ 10 each in Wardha Power Company Limited	26.5	8.8
Other Investment in equity shares	-	3.4
	<u>26.6</u>	<u>12.2</u>
Preference shares (Note 1)		
3,346,545 (PY 1,115,515) Class "A" redeemable preference shares of ₹ 10 each in Wardha Power Company Limited	33.5	11.2
Less:- Aggregate provision for diminution in value of unquoted investment Wardha Power Company Limited	(7.0)	(1.6)
	<u>26.5</u>	<u>9.6</u>
Investments held by subsidiary companies acquired in amalgamation		
Wohnungsbau Aalen GmbH, Aalen, Germany and Aalenar Thermal Mineralbad GmbH & Co. KG, Aalen	2.8	-
Galfor Eolica S.L., Spain	4.2	-
Crest Geartech Pvt. Ltd.	16.8	-
	<u>23.8</u>	<u>-</u>
Total	<u><u>76.9</u></u>	<u><u>21.8</u></u>

Note

- Investment in Wardha Power Company Limited entitles the company to obtain energy equivalent of 5MW from the Group Captive Power Plant. This investment would be amortised over a period of 25 years. These shares will receive restrictive dividend not more than 0.01% of the face value of the equity shares. The preference shares carry a coupon rate of 0.01% per annum of the face value and is redeemable on expiry of 25 years.

Note : XI Current Investment

	(₹ in Million)	
	As at	
	31-March-15	31-March-14
Current Investment		
(Valued at Lower of cost or Net realisable Value)	-	-
Investment in Mutual Funds		
1 Nil Units (PY17,397.568) SBI premiere liquid fund-Regular plan- Growth	-	35.0
2 Nil Units (PY 737,867.363) ICIC Prudential Money Market Regular Plan Growth	-	131.0
3 829,401.967 Units (PY Nil) ICICI Prudential Money Market Fund- Regular Plan Dividend	83.1	-
4 2,694,128Units in ICICI Prudential Interval Fund III Quarterly Interval Fund Growth	40.0	-
5 Nil Units (PY 1,508,894.564) Sundaram Money Fund Regular Growth	-	40.8
6 4,495,358.046 Units (PY Nil) Sundaram Money Regular Fund Dividend	45.4	-
7 Nil Units (PY 1,613,180.280) HDFC Liquid Fund - Growth	-	40.8
8 5,611,848.046 Units (PY Nil) HDFC Liquid Fund Dividend	57.2	-
9 Nil Units (PY 87,588.339) HSBC Cash Fund - Growth	-	112.0
10 83,899.629 Units (PY Nil) HSBC Cash Fund Dividend	84.0	-
11 Nil Units (PY 35,634.988) Axis Mutual Fund - Growth (CF-GP)	-	50.5
12 34,113.686 Units (PY Nil)Axis Liquid Fund Dividend	34.1	-
13 Nil Units (PY 83,661.004) Taurus Mutual Fund - Existing Plan - Super Institutional Growth	-	115.8
14 91,415.168 Units (PY Nil) Taurus Liquid Fund Existing Plan - Super Institutional Dividend	91.4	-
15 Nil Units (PY 17,405.959) L&T Liquid Fund Growth	-	30.6
16 57,477.898 Units (PY Nil) L&T Liquid Fund Dividend	58.1	-
Total	<u><u>493.3</u></u>	<u><u>556.5</u></u>
Market value of quoted investments	493.9	557.1

Notes to Consolidated financial statements for the year ended March 31, 2015

Note XII Loans and advances

		Non-Current		Current	
		As at		As at	
		31-March-15	31-March-14	31-March-15	31-March-14
1	Capital advances				
	Unsecured, Considered Good	54.6	2.6	-	-
	Doubtful	0.1	-	-	-
	Less: Provision for doubtful capital advances	(0.1)	-	-	-
		<u>54.6</u>	<u>2.6</u>	<u>-</u>	<u>-</u>
2	Security deposits				
	Unsecured, Considered Good	308.2	6.8	-	-
	Doubtful	0.1	-	-	-
	Less: Provision for doubtful Security Deposits	(0.1)	-	-	-
		<u>308.2</u>	<u>6.8</u>	<u>-</u>	<u>-</u>
3	Advances				
a)	Advances to Sundry Creditors				
	Unsecured, Considered Good	1,115.6	-	192.0	667.5
	Doubtful	-	-	7.5	-
	Less: Provision for doubtful advances	-	-	(7.5)	-
b)	Other Claims receivable	4.5	-	-	0.8
c)	Advance Income Tax (Net of provision for taxation)	504.9	80.4	-	-
d)	Prepaid Expenses	-	-	45.0	14.0
e)	Balance with / refund due from statutory/ Government authorities	-	3.7	378.9	23.6
f)	Mat Credit Entitlement	133.6	-	-	-
		<u>1,758.6</u>	<u>84.1</u>	<u>615.9</u>	<u>705.9</u>
	Total	<u><u>2,121.4</u></u>	<u><u>93.5</u></u>	<u><u>615.9</u></u>	<u><u>705.9</u></u>

Note XIII Other Current Assets

		Current	
		As at	
		31-March-15	31-March-14
a)	Interest receivable	56.0	0.9
b)	Others	674.1	-
	Total	<u><u>730.1</u></u>	<u><u>0.9</u></u>

Note XIV Inventories

		As at	
		31-March-15	31-March-14
1	Raw materials [includes Goods in Transit ₹ 25.55 Million (PY ₹Nil)]	1,446.8	705.1
2	Work-in-progress	3,103.7	1,918.5
3	Finished goods [includes Goods in Transit ₹ 68.83 Million (PY ₹ 21.96 Mio.)]	1,453.1	826.5
4	Stores and spares	294.5	108.7
5	Loose tools and dies	551.5	123.7
	Total	<u><u>6,849.6</u></u>	<u><u>3,682.5</u></u>

Notes to Consolidated financial statements for the year ended March 31, 2015

Note : XV Trade Receivables

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
1	Trade Receivables outstanding for more than six months from the date they are due for payment		
	a) Unsecured, considered good	32.0	20.0
	b) Doubtful	328.3	16.7
	Less: Allowance for trade receivables	(328.3)	(16.7)
		<u>32.0</u>	<u>20.0</u>
2	Other Trade Receivables	-	-
	a) Secured, considered good	-	-
	b) Unsecured, considered good	4,193.1	1,589.5
	c) Doubtful	161.1	32.0
	Less: Allowance for trade receivables	(161.1)	(32.0)
		<u>4,193.1</u>	<u>1,589.5</u>
	Total	<u><u>4,225.1</u></u>	<u><u>1,609.5</u></u>

Note : XVI Cash & Bank balances

		(₹ in Million)	
		As at	
		31-March-15	31-March-14
A	Cash & Cash Equivalents		
	Balances with the Bank		
	- On current account in Scheduled Banks	834.8	49.7
	- On current account in Non Scheduled Banks	1.9	360.5
	b) Cheques in Hand	6.3	3.3
	c) Cash on hand	47.9	15.1
		<u>890.9</u>	<u>428.6</u>
B	Other Bank Balances		
	Deposit with original maturity more than 3 months and less than 12 months	1.8	7.3
		<u>1.8</u>	<u>7.3</u>
	Total	<u><u>892.7</u></u>	<u><u>435.9</u></u>

Note : XVII Revenue from operations

		(₹ in Million)	
		Year ended	
		31-March-15	31-March-14
	Revenue from -		
a)	Sale of products	54,775.4	25,090.1
b)	Other operating revenues		
	i) Sale of scrap	2,369.3	1,122.1
	ii) Sale of dies & moulds	110.2	10.6
	iii) Export Incentives	98.2	2.9
	iv) Processing Charges	50.8	16.1
	v) Other Operating Income	52.0	120.3
	Revenue from operations (Gross)	<u>57,455.9</u>	<u>26,362.1</u>
	Less: Excise Duty	1,756.9	454.4
	Revenue from operations (Net)	<u><u>55,699.0</u></u>	<u><u>25,907.7</u></u>

Notes to Consolidated financial statements for the year ended March 31, 2015

Note : XVIII Other Income

	(₹ in Million)	
	Year ended	
	31-March-15	31-March-14
1 Interest Income	46.3	1.2
2 Foreign Exchange gain	110.3	74.6
3 Gain on sale of investments	2.5	2.3
4 Gain on sale of fixed assets	29.5	-
5 Dividend income	55.5	19.3
6 Provision for doubtful debt written back	-	13.9
7 Provision for warranty written back	-	1.1
8 Miscellaneous Income	185.0	15.3
Other Income	<u>429.1</u>	<u>127.7</u>

Note : XIX Cost of Materials consumed

	(₹ in Million)	
	Year ended	
	31-March-15	31-March-14
Inventory at the beginning of the year	705.2	624.5
Add: Inventory of Merging Companies	260.0	-
Add: Inventory of Subsidiaries acquired under merger scheme	536.1	-
Add: Purchases (Net)	<u>25,828.1</u>	<u>10,882.7</u>
Less: Inventory at the end of the year	1,446.8	705.2
Less: Currency Translation adjustments	464.3	-
Cost of Raw material and components consumed	<u>25,418.3</u>	<u>10,802.0</u>

Note : XX (Increase)/ decrease in inventories of finished goods and work in progress

	(₹ in Million)	
	Year ended	
	31-March-15	31-March-14
A Stock at the beginning of the year:		
Work in Progress		
At the beginning of the year	1,918.5	1,701.3
Work in Progress of the merging companies as at April 1, 2014	206.4	-
Work in Progress of subsidiaries acquired under merger scheme	1,600.9	-
Finished Products		
At the beginning of the year	826.5	519.6
Finished Products of the merging companies	339.4	-
Finished Products Produced of subsidiaries acquired under merger scheme	547.8	-
Total (A)	<u>5,439.5</u>	<u>2,220.9</u>
B Less : Stock at the closing of the year		
Work in Progress	3,103.7	1,918.5
Finished Products	1,453.1	826.5
Total (B)	<u>4,556.8</u>	<u>2,745.0</u>
Currency Translation adjustments	692.9	(369.6)
(Increase)/Decrease in Stock	<u>189.8</u>	<u>(154.5)</u>

Notes to Consolidated financial statements for the year ended March 31, 2015

Note : XXI Employee Benefit Expenses

	(₹ in Million)	
	Year ended	
	31-March-15	31-March-14
1 Salaries, wages, bonus, etc	10214.0	6283.0
2 Contribution to Provident & other funds	82.7	53.0
3 Gratuity expenses net of recovery of ₹ 7.7 Million (PY: Nil)	38.9	6.9
4 Expense on Employee Stock Option Plan (Refer Note XXXI-3)	1.8	(9.5)
5 Staff welfare Expenses	1529.5	964.4
Total	11866.8	7297.8

Defined Benefit Plans - as per Actuarial valuation on March 31, 2015

1 Gratuity

	(₹ in Million)	
	Gratuity	
	31-March-15	31-March-14
A. Expense recognised in the Statement of Profit and Loss for the year ended 31st March		
1 Current Service Cost	24.4	3.8
2 Interest Cost	18.6	2.2
3 Expected return on plan assets	(13.9)	(1.9)
4 Actuarial Losses/(Gains)	17.5	5.5
5 Past Service Cost	-	
6 Total expense	46.5	9.6
B. Net Asset / Liability) recognised in the Balance Sheet as at 31st March		
1 Present Value of obligations as at the end of the year	264.4	36.9
2 Fair value of plan assets as at the end of the year	191.1	22.7
3 Net Asset / (Liability) recognised in balance sheet	(73.3)	(14.2)
4 Current Portion of the above	(44.1)	(14.2)
5 Non Current Portion of the above	(29.2)	-
C. Movement in Present Value of Obligation		
1 Present value of obligations at the beginning of the year	36.9	28.0
2 Present value of obligations of the merging companies	172.3	-
3 Present value of obligations of the subsidiaries	6.9	-
4 Interest Cost	18.6	2.2
5 Current service cost	24.4	3.8
6 Actuarial (gain) / loss on Plan assets	15.6	5.5
7 Benefits paid	(10.3)	(2.6)
8 Present value of obligations as at the end of year	264.4	36.9
D. Change in the fair value of the planned assets during the year ended 31st March		
1 Fair value of plan assets at the beginning of the year	22.7	23.4
2 Fair value of plan assets of the merging companies	122.1	-
3 Fair value of plan assets of the subsidiaries	9.8	-
4 Expected return on plan assets	14.0	1.9
5 Contributions	34.7	-
6 Benefits paid	(10.3)	(2.6)
7 Actuarial gain / (loss) on obligations	(1.9)	-
8 Fair value of plan asset at end of year	191.1	22.7
E. Actuarial Assumptions***		
1 Discount rate	8.00%	8.00%
2 Rate of return on assets	6.75% to 9.00%	9.25%
3 Salary escalation	7% to 8.5%	7.00%
4 Attrition rate	1% to 2%	2% to 5%

*** Estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Notes to Consolidated financial statements for the year ended March 31, 2015

2 Unfunded Pension liabilities in respect of certain foreign subsidiaries is as below:

	(₹ in Million)	
	31-March-15	31-March-14
A. Expense recognised in the Statement of Profit and Loss for the year ended 31st March		
1 Current Service Cost	10.2	17.7
2 Interest Cost	49.2	62.4
3 Expected return on plan assets	-	-
4 Actuarial Losses / (Gains)	381.0	30.0
5 Past Service Cost	-	13.2
6 Total expense	440.4	123.3
B. Net Asset / Liability) recognised in the Balance Sheet as at 31st March		
1 Present Value of obligations as at the end of the year	1,867.9	1,850.1
2 Net Asset / (Liability) recognised in balance sheet	(1,867.9)	(1,850.1)
C. Change in the obligations during the year ended 31st March		
1 Present value of obligations at the beginning of the year	1,850.1	1,836.7
2 Adjustments on account of exchange rate variations	(334.4)	-
3 Interest Cost	49.2	62.4
4 Current service cost	10.2	17.7
5 Actuarial (gain) / loss on obligations	381.0	30.0
6 Past Service Costs		13.2
7 Benefits paid	(88.2)	(109.9)
8 Present value of obligations as at the end of year	1,867.9	1,850.1

3 Compensated Absences

	(₹ in Million)	
	31-March-15	31-March-14
1 Current Service Cost	14.3	2.2
2 Interest Cost	6.2	0.8
3 Expected return on plan assets	-	-
4 Actuarial Losses / (Gains)	11.6	2.1
Total expense	<u>32.1</u>	<u>5.1</u>

Reconciliation of Net Assets / (Liability) recognised in the Balance Sheet during the period

1 a) Net Asset / (Liability) at the beginning of the period	(12.0)	(9.9)
b) Net Asset / (Liability) of merging companies	(114.3)	-
2 Employee Expense	(32.1)	(5.1)
3 Employee Contributions	15.9	3.0
4 Net Asset / (Liability) at the end of the period	(142.6)	(12.0)
5 Actual Return on Plan Assets	-	-

Actuarial Assumptions***

1 Discount Rate	8% per annum
2 Expected rate of return on plan assets	N.A.
3 Expected rate of salary increase	7% to 8.5% per annum 8% per annum
4 Mortality Table	Indian Assured Lives Mortality (2006-2008) Ultimate

*** Estimates of future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Notes to Consolidated financial statements for the year ended March 31, 2015

4 Employee Termination Benefits

(₹ in Million)

31-March-15

Balance as at the beginning of the year	
Acquired on amalgamation [Refer Note XXXI (6)]	219.6
Less:Paid during the period October 2013 to Mar 2014	-
Less:Paid during the year	-
Provided during the year	45.8
Financial Charges for Actuarial Valuation	5.7
Actuarial (Gains) / Losses	16.0
Use of the year	(77.9)
Benefits paid	-
Balance at the end of the year	<u>209.2</u>

Note : XXII Finance Cost

(₹ in Million)

	Year ended	
	31-March-15	31-March-14
1 Interest on term loans, bonds and debentures	502.4	68.3
2 Interest on other loans	610.4	555.4
3 Finance charges	83.7	4.5
Total	<u>1,196.5</u>	<u>628.2</u>

Note : XXIII Depreciation and amortisation expenses

(₹ in Million)

	Year ended	
	31-March-15	31-March-14
1 Depreciation on tangible assets	2,303.1	1,173.5
2 Amortisation on Intangible assets	71.9	26.4
Total	<u>2,375.0</u>	<u>1,199.9</u>

Note : XXIV Other Expenses

(₹ in Million)

	Year ended	
	31-March-15	31-March-14
1 Stores consumed	1,347.3	311.0
2 Tools consumed	552.1	444.8
3 Power and fuel	2,949.5	1,928.8
4 Rent including lease rentals	342.3	309.7
5 Rates and taxes	73.8	32.8
6 Insurance	123.4	67.0
7 Repairs and maintenance		
Buildings	97.5	49.8
Machinery	1,626.4	1,053.5
Others	283.2	265.4
8 Postage, Telephone and Communication	72.3	8.5
9 Legal and Professional Charges	353.1	119.2
10 Freight outward	956.1	367.8
11 Travelling & Conveyance Expenses	142.7	59.1
12 Subcontracting, Hire & Service Charges	3,239.5	1,390.0
13 Loss on Sale of Tangible Assets / Scrapped / written off	-	37.8
14 Misc Expenses	1,262.2	376.7
15 Software	125.9	10.9
16 Audit Fee	14.7	8.3
17 Donation	9.3	0.8
18 Bank charges	14.7	0.9
19 Printing & Stationery	16.7	3.7
20 Provision for Doubtful Debts and Advances	70.3	-
21 Bad Debts & Advances written off	1.8	-
22 Sales Promotion and Commission on sales / contracts,etc.	146.8	29.3
Total	<u>13,821.6</u>	<u>6,875.8</u>

Notes to Consolidated financial statements for the year ended March 31, 2015

Note : XXV Exceptional Costs

Particulars	(₹ in Million)	
	Year ended	
	31-March-15	31-March-14
Redundancy costs in subsidiaries	611.0	83.2
Impairment of Goodwill (Refer Note XXXI-7)	1,650.0	-
Total	2,261.0	83.2

The Redundancy costs in subsidiaries pertains to Jeco, Germany for shutting down the operations and transfer entire production and business mainly to Schoneweiss & Co, Germany (₹ 355 Million) and Metalcastello, Italy for reduction in the work force as part of a restructuring and reorganization undertaken in 2014 (₹ 256 million). There are no discontinuing operations as the assets/operations of the entity in Germany are being relocated.

The impairment of Goodwill pertains to the goodwill arising on consolidation of Mahindra Gears Global Limited (MGGL) comprising MGGL and Metalcastello, S.p.A (a subsidiary of Mahindra Gears International Limited which was merged into the Company). The Company has assessed the goodwill attributable to company's merger of Metalcastello S.p.A. Based on the projections going forward the company has accounted for an impairment charge of ₹ 1650.0 Million. The recoverable amount of goodwill is its value in use and 7.07% discount rate has been used in estimating the value in use.

Note : XXVI -Deferred Tax

Particulars	(₹ in Million)	
	Year ended	
	31-March-15	31-March-14
Deferred Tax Liability (Gross)		
On Fiscal Allowances on Fixed Assets	254.7	135.2
On other timing differences	78.4	6.9
	<u>333.1</u>	<u>142.1</u>
Deferred Tax Asset (Gross)		
Unabsorbed depreciation carried forward	40.4	58.6
On other timing differences	1,266.9	683.3
	<u>1,307.3</u>	<u>741.9</u>

Note : XXVII

1 - Contingent Liabilities

Particulars	(₹ in Million)	
	Year ended	
	31-March-15	31-March-14
Claims against the company not acknowledged as debts	-	-
i) Income Tax claims against which company has preferred an appeal	-	-
a) Non Deduction of TDS and interest thereon	73.8	-
b) Disallowance of certain expenses	157.4	123.8
ii) a) Excise Cases against the Company , appealed by the Company with CESTAT	92.7	-
b) Relating to Cenvat availed on rejected goods	42.6	8.9
c) Interest on Supplementary Invoices	1.0	1.0
d) Show Cause cum Demand Notice pending with the Commissioner of Central Excise	0.7	-
e) Relating to reversal of Cenvat on shortages in inventories	9.2	8.1
iii) Bill Discounting facilities availed under Bill Marketing Scheme from customers	158.7	49.5
iv) During the previous year the Company has given guarantee to ICICI Bank plc, UK for EURO 5 Million for a loan taken by step down subsidiary Mahindra Forging Europe AG Germany	-	413.0
v) Guarantee extended by step subsidiary to IKB AG, Dusseldorf amounting to Euro 1.75 Million	-	144.5
	-	-
vi) The Company had imported capital goods under the Export Promotion Capital Goods (EPCG) scheme, of the Government of India, at concessional rates of duty on an understanding to fulfill quantified exports against future obligation	79.9	161.5

Notes to Consolidated financial statements for the year ended March 31, 2015

Note : XXVII (Continued)

1 - Contingent Liabilities (Continued)

Particulars	Year ended	
	31-March-15	31-March-14
vii) Estimated value of contracts remaining to be executed on capital account (net of advances) and not provided for	178.1	23.4
viii) Guarantees issued by banks on company's behalf	91.8	-
ix) Government Cess on extraction of minor mineral	10.5	-
x) Claims against the company not acknowledged as debt: Stamp duty & Others	77.2	-
xi) Service Tax	56.4	-
xii) Sales Tax	157.9	-
xiii) Water Charges [Refer Note 2(i)]	507.4	-
xiv) Stamp duty	4.0	-
xv) (a) Claims against the Mahindra Gears & Transmissions Pvt. Ltd. not acknowledged as debt		
1. Five pending cases before the labour court from the ex-employees seeking reinstatement and full back wages	Amt not ascertainable	Amt not ascertainable
2. Employees Provident Fund and Miscellaneous Provisions Act,1952	2.9	2.9
3. Land Revenue * (Refer note below)	1.3	1.3
xvi) Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for tangible assets	9.7	31.8
	1,713.3	969.6

* Notice of demand dated 06th November, 2008 & further a notice dated 15th January, 2009 from Special Recovery Officer & Executive Magistrate, District Industries Commissioner's office, Rajkot.

Mahindra Gears & Trnasmissions Pvt. Ltd. had bought a property located at plot no.16 of survey no.275/p of village Shapar, Kotada Sanghani, Dist. Rajkot covering an area of 1731-36 Sq. Yards or 1447-50 Sq. Meters from UCO Bank Bardhan Chowk Jamnagar for a consideration of ₹ 14.61 Lacs. UCO bank Jamnagar had become the legal owner of the property through Debt Recovery Tribunal, Ahmedabad, allowing UCO bank to recover the debt by disposing of this property originally belonging to Rachana Chemicals Ltd. "Rachana Chemicals Limited" had mortgaged the said property to UCO Bank Jamnagar against loan taken by them.

While buying this property and subsequent thereto (till receipt of notice dated 6th November'2008)Mahindra Gears & Transmissions Pvt. Ltd. was not aware of any encumbrances against the said property. After receipt of notice dated 6th November'2008, the Company got to know that, District industries commissioner's office also has some dues which was recoverable from "Rachana Chemicals Ltd." and now DIC wants to recover the said amount by disposing off the property, which legally is owned by Mahindra Gears & Transmissions Pvt. Ltd. Company. As per the local land revenue records the name has not been changed to the Company's name.

High court of Gujarat has granted interim relief to Mahindra Gears and Transmissions Private Limited.

2. Other Contingent liabilities

i The Company has an ongoing dispute pertaining to the Stamping Division of the Company (formerly known as MUSCO) with the Irrigation Department (Water Resource Department) in respect of levy of charge for use of water from Patalganga River, for the period from July 1991 to May 2012 for an aggregate amount of ₹ 507.4 Million including penal charge of ₹ 101.9 Million and late fee charge of ₹ 223. 1 Million. The Hon'ble Court of Alibag district, before whom the appeal was filed by the Irrigation Department against the Order of the Court of the Civil Judge, Senior Division Panvel, decided the appeal against the Company. Consequently the Company filed an appeal before the Hon'ble High Court of Judicature of Bombay challenging the Order of the Alibag Court. The Hon'ble Bombay High Court has admitted the appeal for the disputed period of July 1991 to March 2001, since for the period April 2001 to May 2012 there has been no agreement in force between the Company and the Irrigation department. As per the directions of the Hon'ble Bombay High Court, the Company has deposited ₹ 28.8 Million with the Hon'ble Bombay High Court, being the demand as per the Irrigation department for the said period of July 1991 to March 2001.

In respect of the demand for period from April 2001 to May 2012, the Company has filed a writ petition before the Hon'ble Bombay High Court. The Hon'ble Bombay High Court, vide Order dated 2nd July, 2012, has admitted the writ petition of the Company in relation to water charges demanded by the Irrigation Department, District - Raigad for the said period. In compliance with the conditions of the Order, the Company has paid an amount of ₹ 233.5 Million with the Irrigation Department, being the arrears of water charges for the period from July 1991 to May 2012 and has also given a bank guarantee towards penal rate charges of ₹ 101.9 Million claimed by the Irrigation Department. The High Court has also allowed the Irrigation Department to withdraw the amount of arrears of ₹ 28.8 Million deposited earlier with it in respect of disputed water charge claim for the period from July 1991 to March 2001. As per the Order, the Company is entitled

Notes to Consolidated financial statements for the year ended March 31, 2015

to pursue the proceedings filed by it before the Hon'ble Bombay High Court and that the State of Maharashtra (Irrigation Department) shall not adopt any coercive steps for recovery of the aforesaid penal rate charges of ₹ 101.9 Million and the late fee of ₹ 223.1 Million.

Pending the hearing and final disposal of these proceedings and based on the Company's assessment of water charges dues, the aforesaid amount of ₹ 262.3 Million is considered as recoverable. However an amount of ₹ 116.8 Million has been provided for up to March 31, 2015 including ₹ 80 Million during the year based on the management's estimate as to the expected charge on this account.

3 Hire Purchase Contracts and Operating Leases

Hire purchase obligations relate to machinery acquired under these arrangements. The period of the arrangement ranges from 36 to 60 months.

Particulars	(₹ in Million)	
	As at 31-March-15	31-March-14
Net Obligations repayable		
Within one year	333.2	165.2
Between one to five years	241.3	267.1
	-	-
	<u>574.6</u>	<u>432.3</u>

4 Details of Lease - Land and Building

The Group has entered into operating leases for office buildings. These leases range for a period from 36 to 60 months and are renewable either by mutual consent or at the option of the Group as per the terms of the agreements.

Particulars	(₹ in Million)	
	As at 31-March-15	31-March-14
Break up the Lease		
Within one year		
Land and Building	102.4	120.2
Others	-	-
Between one to five years	-	-
Land and Building	524.8	481.0
Others		
	<u>627.2</u>	<u>601.2</u>

Note XXVIII

Micro & Small Enterprises

The identification of suppliers as micro and small enterprises covered under the "Micro Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the supplier to the company.

Total outstanding due to micro and small enterprises, which were outstanding for more than stipulated period are given below.

	(₹ in Million)	
	As at 31-March-15	31-March-14
Dues remaining unpaid as at 31 st March		
Principal	12.6	3.2
Interest for the current year	0.2	0.2
Interest paid in terms of Section 16 of the Act	-	-
Amount of interest due and payable for the period of delay in payment made beyond the appointed day during the year	1.1	0.9
Amount of interest accrued and remaining unpaid as at 31 st March	2.7	1.5
Total	<u>16.6</u>	<u>5.7</u>

Notes to Consolidated financial statements for the year ended March 31, 2015

Note : XXIX

1 Provision for Warranty

	(₹ in Million)	
	As at 31-March-15	31-March-14
Balance as at the beginning of the year	100.0	85.1
Add: Provision made during the year	-	16.0
Less: Utilisation/Reversal during the year	24.4	1.1
	<u>75.6</u>	<u>100.0</u>

Note: XXX

1) Segment Reporting

Particulars	(₹ in Million)							
	Indian		Overseas		Elimination		Consolidated	
	31-March-15	31-March-14	31-March-15	31-March-14	31-March-15	31-March-14	31-March-15	31-March-14
Revenue from Operations	19,456.1	4,319.7	37,999.8	22,042.4	-	-	57,455.9	26,362.1
Less: Excise Duty on Sales	1,756.9	454.4	-	-	-	-	1,756.9	454.4
Net External Revenue	17,699.2	3,865.4	37,999.8	22,042.4	-	-	55,699.0	25,907.7
Inter Segmental Revenue	1,359.5	223.8	-	-	(1,359.5)	(223.8)	-	-
Total	19,058.7	4,089.1	37,999.8	22,042.4	(1,359.5)	(223.8)	55,699.0	25,907.7
Result								
Segmental Result before	831.1	53.6	1,567.5	(60.8)	-	-	2,398.6	(7.2)
Exceptional items								
Exceptional Items allocated to Segments	-	-	2,261.0	83.2	-	-	2,261.0	83.2
Segmental Result after	831.1	53.6	(693.5)	(143.9)	-	-	137.6	(90.3)
Exceptional items								
Unallocated Expenses/ (Income)	-	-	-	-	-	-	58.0	21.6
Operating Profit	-	-	-	-	-	-	195.6	(68.8)
Less: Interest Cost not allocable	-	-	-	-	-	-	1,196.5	628.2
Add: Other Income not allocable	-	-	-	-	-	-	-	-
Profit / (Loss) before tax	-	-	-	-	-	-	(1,000.9)	(697.0)
Less: Tax expense	-	-	-	-	-	-	-	-
- Current tax	-	-	-	-	-	-	298.3	8.4
- Prior year tax	-	-	-	-	-	-	(167.2)	7.7
- Deferred tax	-	-	-	-	-	-	(350.4)	101.8
Profit / (Loss) before prior period adjustments	-	-	-	-	-	-	(781.6)	(814.9)
Less: Adjustments pertaining to previous year	-	-	-	-	-	-	-	-
Profit / (Loss) for the year before	-	-	-	-	-	-	(781.6)	(814.9)
Minority Interests								
Less: Minority Interests	-	-	-	-	-	-	(0.9)	-
Profit /(Loss) carried forward to Balance Sheet	-	-	-	-	-	-	(780.7)	(814.9)
Other Information								
Segment Assets	13598.6	2,874.4	36,240.5	15,999.4	-	-	49,839.1	18,873.8
Segment Liabilities	5099.1	1,727.2	25,719.8	11,822.9	-	-	30,818.9	13,550.1
Capital Expenditure	906.9	70.3	1,239.4	735.6	-	-	2,146.3	805.9
Depreciation and Amortization	770.2	282.9	1,604.9	917.0	-	-	2,375.0	1,199.9
Non Cash Expenditure other than Depreciation	-	-	1,650.0	-	-	-	1,650.0	(8.7)

Notes:

a) Geographical Segment

The group has considered geographical segment as the primary segment for disclosure. The segment has been identified taking into account the organisational structure as well as the different risk and return in these segments. Indian segment comprises of sales of Automotive components by operations situated in India and Overseas segment comprises of sales of Automotive components by outside India operations.

b) Secondary Segment

There is only one business segment i.e. Automotive Components.

Notes on the Consolidated financial statements for year ended March 31, 2015

Note : XXXI

1. Basis of preparation and Principles of Consolidation

The Consolidated Financial Statements relate to Mahindra CIE Automotive Limited (Formerly known as Mahindra Forgings Limited) (the 'Parent Company') and its subsidiary companies (hereinafter referred to as the "Group"). The Consolidated Financial Statements have been prepared under the historical cost convention as a going concern and on accrual basis of accounting in accordance generally accepted accounting principles of India, the accounting standards applicable under Section 133 of the Companies Act, 2013("the Act") read with paragraph 7 of the Companies Accounts Rules, 2014 (as amended) and the relevant provisions of the Companies Act, 2013 as applicable.

The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

The Consolidated Financial Statements have been prepared on the following basis:

(a) Basis of Consolidation :

- i) The financial statements of the Company and its subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances, intra group transactions and unrealised profits or losses have been fully eliminated.
- ii) The difference between the costs of investment in the subsidiaries over the Company's portion of equity of the subsidiary is recognised in the financial statements as Goodwill (excess of investment over equity) or Capital Reserve (excess of equity over investment).
- iii) The difference between the proceeds from disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as of date of disposal is recognised in the Consolidated Profit and Loss Account as profit or loss on disposal of investment in subsidiary.
- iv) Minority Interest in the net assets of consolidated subsidiaries consist of :
 - a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made and
 - b) The minorities' share of movements in equity since the date the parent- subsidiary relationship comes into existence.
- v) The Financial Statements of the subsidiaries are drawn up to March 31, 2015.

The subsidiaries considered in the presentation of these Consolidated Financial Statements are:

Name of the Subsidiary Company	Country of Incorporation	Proportion of ownership interest
		as at 31.03.2015
Mahindra Forgings International Limited	Mauritius	100.00%
Mahindra Forgings Europe AG (Formerly known as Jeco Holding AG)	Germany	100.00%
Gesenkschmine Schneider GmbH	Germany	100.00%
Jeco Jellinghaus GmbH	Germany	100.00%
Falkenroth Umfirntechnik GmbH	Germany	100.00%
Schoneweiss & Co. GmbH -	Germany	100.00%
Mahindra Forgings Global Limited	Mauritius	100.00%
Stokes Group Limited	U.K.	100.00%
Stokes Forgings Dudley Limited	U.K.	100.00%
Stokes Forgings Limited	U.K.	100.00%
Mahindra Gears & Transmissions Private Limited *	India	76.67%
CIE Galfor, S.A *	Spain	100.00%
CIE Legazpi S A*	Spain	100.00%
UAB CIE LT Forge*	Lithuania	100.00%
Mahindra Gears Global Limited*	Mauritius	100.00%
Metalcastello S.p.A*	Italy	100.00%

* These entities have become subsidiaries of the Company on account of the merger (See Note 6)

(b) Goodwill arising on consolidation:

The goodwill recorded in these Consolidated Financial Statements has not been amortised, but instead evaluated for impairment. The Group evaluates for carrying amount of its goodwill whenever events or changes in circumstances indicates that its carrying amount may be impaired, for diminution other than temporary.

Notes on the Consolidated financial statements for year ended March 31, 2015

2. Summary of Significant Accounting Policies:

(A) Operating Cycle:

All assets & liabilities have been classified as current & non – current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III of the Companies Act, 2013. Based on the nature of activities undertaken by the Company and their realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current – non- current classification of assets & liabilities.

(B) Use of Estimates:

The preparation of financial statements in conformity with Generally Accepted Accounting Principles require estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialise.

(C) Fixed Assets:

- (a) (i) All Fixed Assets are stated at cost less depreciation. Cost of acquisition is inclusive of purchase price, levies and any directly attributable cost of bringing the assets to its working condition for the intended use.
- (ii) When an asset is scrapped or otherwise disposed off, the cost and related depreciation are removed from the books of account and resultant profit (including capital profit) or loss, if any, is reflected in the Statement of Profit and Loss.
- (b) (i) Free hold land is stated at cost.
- (ii) Leasehold land is amortised over the period of lease.
- (iii) Depreciation on assets is calculated on Straight Line Method as per Sch II of the Companies Act, 2013 except for certain items of plant and machinery where, the estimated useful life of assets has been taken based on technical assessment of the lives of such assets or on the basis of depreciation rates prescribed by the local laws.

(D) Intangible Assets:

- (a) Intangible Assets except software are initially measured at cost and amortised so as to reflect the pattern in which the asset's economic benefits are consumed.
- (b) Software expenditure incurred is amortised over three Financial Years, equally, commencing from the year in which the software is implemented.

(E) Investments:

Investments held as long-term investments are stated at cost comprising of acquisition and incidental expenses less permanent diminution in value, if any.

Investments other than long-term investments are classified as current investments and valued at cost or fair value whichever is less.

(F) Inventories:

Inventories of finished goods and work in progress and dies are valued at cost or net realizable value, whichever is lower.

Raw material, stores & spares are valued on moving weighted average method.

In case of Work in Process & Finished Goods, cost includes material cost, labour and appropriate manufacturing overheads & Excise Duty in the case of finished goods.

(G) Foreign Currency Transactions:

- (i) Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realised gains and losses and also exchange differences arising on translation at year end exchange rates of monetary assets and monetary liabilities outstanding at the end of the year are recognised in the Statement of Profit and Loss.
- (ii) Exchange difference arising on payment of liabilities for purchase of fixed assets from outside India and year end conversion of such liabilities are charged /credited to the Statement of Profit and Loss.

Notes on the Consolidated financial statements for year ended March 31, 2015

- (iii) In case of forward exchange contracts entered as hedge transactions, the premium or discount arising at the inception of forward exchange contract is amortized as income or expense over the life of the contract. Exchange differences are recognized as an income or expense in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or expiry of such forward exchange contract is recognized as income or expense for the period.
 - (iv) Exchange differences arising on a monetary item, forming part of a net investment in a Non Integral Foreign Operation is accumulated in Foreign Currency Translation Reserve.
- (H) Revenue Recognition:
- (a) Sales of products and services are recognised when the products are dispatched or services rendered which coincide with transfer of risk and rewards. Sales are exclusive of sales tax and net of sales return and trade discounts.
 - (b) Interest income is accounted on an accrual /time proportionate basis at contractual rates.
 - (c) Dividend Income is recognized when the right to receive the same is established.
 - (d) Export Incentives are recognised on accrual basis and to the extent of certainty of realisation of ultimate collection.
- (I) Retirement Benefits:
- Employee Benefits in respect of gratuity and leave en-cashable at retirement/cessation are provided for based on valuations, as at the Balance Sheet date at the year end, made by independent actuaries.
- (a) Defined Contribution Plan
Group's contributions paid/payable during the year to Provident Fund, ESIC and Labour Welfare Fund are recognised in the Profit and Loss Account.
 - (b) Defined Benefit Plan/ Long term compensated absences
Group's liability towards gratuity, compensated absences and pensions are determined by independent actuaries, using the projected unit credit method. Past service costs are recognised on a straight line basis over the average period until the benefits become vested. Actuarial gains and losses are recognised immediately in the statement of Profit and Loss as income or expense. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to the market yields at the Balance Sheet date on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation. Company's liability towards gratuity is funded by way of Group Gratuity cum assurance policy with Life Insurance Corporation of India.
 - (c) Expenses incurred towards voluntary retirement scheme are charged to the expenses in the statement of profit and loss.
- (J) Product Warranty:
- In respect of warranties on sale of certain products, the estimated costs of these warranties are accrued at the time of sale. The estimates for accounting of warranties are reviewed and revisions are made as required.
- (K) Segment Reporting :
- The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segments are identified having regard to the dominant source and nature of risks and returns and internal organisation and management structure.
- Revenues and expenses have been identified to the segments based on their geographical location of assets. Income/ Expenses relating to the enterprise as a whole and not allocable on a reasonable basis to geographical segments are reflected as unallocated corporate income / expenses. Inter-segment transfers are at prices which are generally market led.
- (L) Taxation:
- Current tax is determined as the amount of tax payable in respect of taxable income for the year.
- Deferred tax assets and liabilities are recognized for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using the tax rates enacted or substantively enacted as at the Balance Sheet date. Deferred Tax assets are not recognised unless in the management judgment, there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized except in case of deferred tax assets arising from brought forward tax losses wherein deferred tax assets is only recognized when there is virtual certainty.

Notes on the Consolidated financial statements for year ended March 31, 2015

(M) Impairment of Assets:

The carrying amount of cash generating units/ assets is reviewed at the Balance Sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

(N) Government Grants:

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the statement of profit and loss by equal annual instalments over the expected useful lives of the relevant assets.

Government grants of a revenue nature are credited to the statement of profit and loss account in the same period as the related expenditure.

(O) Hire purchase and leasing commitments:

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the statement of profit and loss over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the statement of profit and loss on a straight line basis over the lease term.

(P) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised up to the date when such qualifying assets are ready for intended use. Other borrowing costs are recognised as expense in the period in which they are incurred.

(Q) Provisions and Contingent Liabilities:

Provisions are recognized in accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

3. Employee Stock Option Scheme (ESOS)

Under Employees' Stock Option Scheme [ESOS], the equity settled options vest in 4 equal instalments on the expiry of 12 months, 24 months, 36 months and 48 months respectively from the date of the grant and are exercisable on specified dates in 4 tranches within a period of 5 years from the date of vesting. The number of options exercisable in each tranche is between the minimum of 100 options and maximum of the options vested, except in case of the last date of exercise, where the employee can exercise all the options vested but not exercised / lapsed till that date.

Consequent to the amalgamation effective October 1, 2013 the Company has issued options to the employees of the amalgamating companies as follows:

206,610 options to the employees of Mahindra UGINE Steel Company Limited (MUSCO)

20,697 options to the employees of Mahindra Composites Limited (MCL)

4. Loans:

Secured borrowings are secured by pari passu charge on immovable properties of entities of the Group which have taken the loans, both present and future, subject to certain exclusions and guarantee by parent company in some cases and are also secured by pari passu charge on the moveable properties of certain entities including movable machinery, machinery spares, tools and accessories both present and future.

Notes on the Consolidated financial statements for year ended March 31, 2015

5 (a) Names of Related Parties

Ultimate Holding company

Sr. No	Name of the Company
1	CIE Automotive SA

Holding company

Sr. No Name of the Company

1	Participaciones Internacionales Autometal, DOS S.L (Holding Company since October 4, 2013)
2	Mahindra & Mahindra Limited (Holding company till 3rd October 2013) and the investing company in respect of which the Company is an associate w.e.f. December 12, 2014.

Names of Related Parties where transactions have taken place during the year

Fellow Subsidiary companies

Sr. No Name of the Company

1	CIE Berriz, S.L.
2	Participaciones Internacionales Autometal, Duos

Key Managerial Personnel

Sr. No	Name	Designation
1	Mr. K.Ramaswami	Managing Director
2	Mr. Pedro Echegaray (w.e.f October 21, 2014)	Executive Director
3	Mr. Sanjay Joglekar(w.e.f. December 12, 2014)	C.F.O
4	Mr. Romesh Kaul (w.e.f December 12, 2014)	Head Composites
5	Mr. Ajit Lele (w.e.f. December 12, 2014)	Head Stampings
6	Mr. K.Jayaprakash (April 29, 2014 to December 11, 2014)	C.F.O
7	Mr. Krishnan Shankar (w.e.f April 1, 2014 pursuant to Sec 2(76) of the Companies Act, 2013)	Company Secretary & Head - Legal

5 b) Transactions with related parties

(₹ in Million)

Nature of Transactions	31-March-15					31-March-14		
	Ultimate Holding Company	Holding Company	Fellow subsidiaries	Associate Company*	Key Mgmt personnel	Holding Co.	Fellow subsidiaries	Key Mgmt personnel
						(till 3 rd Oct 2013)	(till 3 rd Oct 2013)	
Sales :								
-Goods	-	-	-	7,896.9	-	910.6	75.9	-
-Scrap	-	-	-	-	-	-	84.6	-
-Fixed Assets	-	-	-	3.9	-	-	-	-
Purchases:								
-Raw material/ Goods	-	-	-	-	-	-	618.9	-
-Capital goods	-	-	-	-	-	-	-	-
-Services Received	-	-	-	40.2	-	-	40.9	-
-Fixed Assets	-	-	-	64.9	-	-	-	-
Rent Paid	-	-	-	16.0	-	-	-	-
Dividend Received	-	-	-	-	-	-	-	-
Interest on ICD Income	-	-	-	-	-	-	-	-
Interest on ICD Expense	0.2	4.17	6.1	-	-	30.4	-	-
Reimbursement received	-	-	-	-	-	-	-	-
Reimbursements paid	-	-	-	64.7	-	17.6	-	-
Professional Fees	-	-	-	0.1	-	-	-	-
Receivables	-	-	-	667.8	-	-	-	-
Payables	-	-	-	54.0	-	-	-	-
Inter corporate loan received	10.8	2,826.8	1,698.3	-	-	1,697.2	-	-
Inter corporate deposit given	-	-	-	-	-	-	-	-
Inter corporate Deposit repaid	-	(44.80)	-	-	-	-	-	-
Guarantee given	-	-	-	-	-	-	-	-
Managerial remuneration	-	-	-	-	59.8	-	-	4.3

* Transactions with the Associate company is for the full year.

Notes on the Consolidated financial statements for year ended March 31, 2015

5 c) Significant transactions with Related Parties

(₹ in Million)				
Relationship	Name of the Company	Nature of transaction	31-March-15	31-March-14
Investing Company in respect of which the Company is an associate	Mahindra & Mahindra Limited	Sales – Products	7,896.8	-
		Rent	16.0	-
		Service Charges Paid	40.2	-
		Reimbursement of Expenses	64.7	-
		Receivables	667.8	-
		Payables	54.0	-
		Fixed Asset Purchase	3.9	-
		Fixed assets	64.9	-
Holding company (till October 3, 2013)	Mahindra & Mahindra Limited	Sales – Products	-	910.6
Fellow Subsidiaries (till October 3, 2013)	Mahindra Sanyo Special Steels Private Limited	Reimbursement of Expenses	-	17.6
		Scrap sales	-	84.6
	Mahindra Vehicle Manufacturers Limited	Purchases- Raw material	-	618.9
		Sales – Products	-	69.2
	Mahindra Trucks & Buses Ltd. (formerly known as Mahindra Navistar Automotives Limited)	Sales – Products	-	5.2
		Scrap sales	-	-
	Mahindra Hinoday Industries Limited	Tool Sales	-	1.2
		Purchase – Consumables	-	0.1
	Mahindra Engineering Services Limited	Service Charges Paid	-	-
	Mahindra Reva Electric Vehicles Private Limited	Sales- Products	-	0.2
	Mahindra BPO Services Private Limited	Services Charged Paid	-	0.3
Mahindra Logistics Limited	Service Charges Paid	-	40.6	
Holding Company	Participaciones Internacionales Autometal, Duos	Inter Corporate Deposit received	2,826.8	1,697.20
Holding Company	Participaciones Internacionales Autometal, Duos	Inter Corporate Deposit repaid	(44.8)	-
		Interest Expense	(4.2)	30.40
Fellow Subsidiary	CIE Berriz, S.L.	Inter Corporate Deposit received	1,698.3	-
		Interest Expense	6.1	-
Holding Company	Participaciones Internacionales Autometal, Duos	Inter Corporate Deposit outstanding	3,708.4	1,727.70
Fellow Subsidiary	CIE Berriz, S.L.	Inter Corporate Deposit outstanding	1,698.3	-
Key Managerial Personnel	Mr. K. Ramaswami, Managing Director	Remuneration	20.1	4.3
	Mr. Pedro Echegaray (w.e.f. October 21, 2014)	Remuneration	10.5	-
	Mr. Sanjay Joglekar (from December 12, 2014)	Remuneration	15.5	-
	Mr. Ajit Lele (December 12, 2014 to March 31, 2015)	Remuneration	3.5	-
	Mr. Romesh Kaul (from December 12, 2014)	Remuneration	3.0	-
	Mr.K Jayaprakash (from April 29,2014 to December 11,2014)	Remuneration	4.5	-
	Mr.Krishnan Shankar **	Remuneration	2.7	-

** The remuneration of key managerial personnel for the year end March 31, 2014 does not include the remuneration of Mr. Krishnan Shankar as he has been considered to be a related party w.e.f April 1, 2014 pursuant to Sec 2(76) of the Companies Act, 2013.

Notes on the Consolidated financial statements for year ended March 31, 2015

6. The Integrated Scheme of Amalgamation and the Composite Scheme of Amalgamation under Sections 391-395 of the Companies Act 1956 for the merger of Mahindra Ugine Steel Company Limited (MUSCO), Mahindra Hinoday Industries Limited (MHIL), Mahindra Gears International Limited (MGIL), Mahindra Investment India Private Limited (MIPL), Participaciones Internacionales Autometal Tres S.L. (PIA3) and Mahindra Composites Limited (MCL) (collectively "the amalgamating companies") were approved by the Honourable High Court of Judicature at Bombay on October 31, 2014. The Schemes came into effect on December 10, 2014, the day on which the order was filed with the Registrar of Companies, and pursuant thereto the entire business of the amalgamating companies has been transferred to and vested in the Company with effect from the appointed date which is October 1, 2013.

The Board of Directors at its meeting held on Dec 12, 2014 approved the issue of equity shares to the shareholders of the Amalgamating companies as on Dec, 24, 2014, the record date for the purpose and constituted an Allotment Committee for working out the modalities of allotment.

The Allotment committee at the meeting held on Jan 2, 2015 approved the issue of 229,331,464 equity shares to the shareholders of the Amalgamating companies;

Further the committee approved the allotment of 229,330,519 equity shares thereby increasing the total number of shares issued;

MCL, the transferor company had kept allotment of 1050 equity shares in abeyance. Consequently the Allotment committee kept in abeyance the allotment of 945 equity shares in line with the SWAP ratio.

Consequent to the issue of the equity shares, the promoter and promoter group now hold 74.92% of the paid up capital of the Company.

Consequent to the merger becoming effective the entire undertaking of the amalgamating companies has vested with the Company with effect from October 1, 2013.

In accordance with Accounting Standard (AS) 14 – Accounting for Amalgamations issued by the Institute of Chartered Accountants of India the merger has been accounted for under the pooling of interests method and all the assets, liabilities and reserves of the amalgamating companies have been recorded in the books of the Company at their carrying amounts on the appointed date.

For giving effect to the merger the financial statements of MUSCO, MHIL, MGIL, MIPL, PIA3 and MCL audited by the auditors of those companies at the appointed date and for the period from the appointed date to March 31, 2014 have been considered. In accordance with AS 14, the difference between the amount recorded as share capital issued and the share capital of the amalgamating companies has been adjusted in the reserves by the Company.

In terms of the Scheme/s the appointed date being October 1 2013, the net profit and other changes in reserves of the amalgamating companies during the period from October 1 2013 to March 31, 2014 aggregating to ₹ 1,911.9 Million have been added to the Surplus in the Statement of Profit & Loss in the books of the Company.

Pursuant to the Scheme/s of amalgamation, the title deeds to the immovable properties pertaining to the amalgamating companies are pending for transfer in the name of the Company. Further the Company has initiated the name change formalities to transfer the title in respect of other properties and contracts.

Consequent to the merger, Mahindra Gear & Transmissions Private Limited (MGTP), India, Mahindra Gears Global Limited (MGGL), Mauritius and CIE GalforSA (Galfor), Spain became subsidiaries of the company and Metalcastello SpA, Italy (MC) (subsidiary of MGGL), CIE Legazpi S.A., Spain (subsidiary of Galfor) and UAB CIE LT Forge, Lithuania (subsidiary of Galfor) and Crest Geartech Private Limited, India (subsidiary of MC) became step subsidiaries of the company.

The merger has resulted in transfer of assets and liabilities in accordance with the terms of the scheme/ s and the following are the summarised values:

Particulars	(₹ in Million)
Fixed Assets (Net)	4,032.8
Capital Work in Progress	85.1
Non-Current Investments	8,977.8
Inventories	1,155.2
Trade Receivables	1,819.9
Cash and Bank balances	173.1
Loans and Advances (Long Term & Short Term)	1,507.8
Trade Payables	(1,764.2)
Liabilities and provisions (Long Term & Short Term)	(928.7)
Long Term and Short Term borrowings	(3,775.2)
Deferred Tax Liabilities	(113.7)
Net Asset	<u>11,169.9</u>
Shares issued pursuant to Scheme of Amalgamation	2,293.3
Additions to the Reserves	8,876.6

Notes on the Consolidated financial statements for year ended March 31, 2015

7. Goodwill amounting to ₹ 7020.2 Mio arises on consolidation of wholly owned subsidiaries the subsidiaries namely MFGL and MFIL and their step down subsidiaries Mahindra forging Europe AG(MFE AG) and its wholly owned subsidiary companies namely Jeco Jellinghaus GmbH, Schoneweiss & Co GmbH, Gesenkschmine Schneider GmbH and Falkenroth Unfirmtechnik GmbH (collectively referred to as step-down subsidiaries). After the significant decline in demand due to economic downturn in Europe the market demand showed a gradual recovery in the year under consideration. Action initiated by the management such as improving operational efficiencies, close monitoring, improving price realisation and reduction of people , under active guidance and supervision of CIE Automotive S.A, the ultimate parent company, started yielding results which were more visible in Q4, FY 15. Market demand picked up in Q4 FY 15 which coupled with management actions, resulted in a positive net result after successive losses. During the previous year the company invested a further ₹ 621.7 Mio through equity in MFE and its subsidiaries, which helped partly offset the net worth erosion. In view of the improved performance of MFE AG and its subsidiaries, the management is of the view that, there is no impairment of the goodwill.

Consequent to the merger, Goodwill on consolidation has arisen in respect of all the following subsidiaries of the entities which were merged into the Company aggregating ₹ 13,577.8 Million:

- Mahindra Gears & Transmissions Pvt. Ltd.
- CIE Galfor S.A. (Spain)
- CIE Legazpi S.A. (Spain)
- Lithuania Forge (Lithuania)
- Mahindra Gears Global Limited (MGGL), Mauritius,
- Metalcastello S.p.A., (Italy)

8. Earnings per share

	31 March 2015	31 March 2014
Amount used as the numerator- Net Profit / (Loss) ₹ in Million	(781.6)	(819.4)
Weighted Average Number of equity shares outstanding during the year		
No. of shares for Basic earnings per share	322,426,319	92,244,081
No of shares for Diluted earnings per share	322,898,737	92,380,548
Basic Earnings per share (Face Value of ₹ 10 per share) `	(2.42)	(8.88)
Diluted Earnings per share `	(2.42)	(8.87)

In computing the diluted EPS, only potential equity shares that are dilutive and reduce earnings per share are included.

9. Additional information as required under Schedule III to the Companies Act, 2013 of enterprises consolidated as Subsidiary

(₹ in Million)				
	Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
Mahindra CIE Automotive Limited	122.4%	23,085.3	99.4%	776.7
Subsidiaries				
I Indian				
1 Mahindra Gears & Transmissions Private Limited	3.7%	699.0	-0.5%	(3.7)
II Foreign				
1 Mahindra Forgings International Limited	27.9%	5,256.6	-0.2%	(1.5)
2 Stokes Group Limited	-1.0%	(186.9)	18.3%	143.1
3 Stokes Forgings Dudley Limited		-		
4 Stokes Forgings Limited		-		
5 Mahindra Forgings Europe AG (Formerly known as Jeco Holding AG)	-20.3%	(3,830.5)	-40.8%	(318.7)
6 Gesenkschmine Schneider GmbH	8.0%	1,510.2	-16.7%	(130.7)
7 Jeco Jellinghaus GmbH	0.6%	108.7	39.0%	304.7

Notes on the Consolidated financial statements for year ended March 31, 2015

(₹ in Million)

	Net Assets		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount
8 Falkenroth Umfirntechnik GmbH	2.0%	374.2	-66.6%	(520.1)
9 Schoneweiss & Co. GmbH -	6.3%	1,183.2	76.0%	593.6
10 Mahindra Forgings Global Limited	0.0%	(0.3)	-0.2%	(1.8)
11 CIE Galfor, S.A	8.9%	1,670.3	80.6%	629.5
12 CIE Legazpi S A	2.0%	381.5	28.8%	224.8
13 UAB CIE LT Forge	3.3%	630.7	24.9%	194.4
14 Mahindra Gears Global Limited	14.6%	2,760.4	-1.9%	(15.0)
15 Metalcastello S.p.A	-5.2%	(986.7)	-80.4%	(628.1)
16 Minority Interest	-0.8%	(155.1)	-0.1%	(0.9)
17 Inter Company Adjustments	-72.3%	(13,635.6)	-259.5%	(2,027.8)
Total	100.0%	18,865.1	100.0%	(781.6)

Note: Amounts in brackets indicate net liabilities or net losses.

+ Stokes Forgings Dudley Ltd and Stokes Forgings Ltd are dormant companies.

10. Consequent to the merger, results for the year ended March 31, 2015 include the results of the amalgamated companies and hence are not comparable to those of the prior periods/ year which do not include the results of the amalgamated companies.
11. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Significant accounting policies.

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For **B.K. Khare & Company**
Chartered Accountants
Firm Registration No. 105102W

Himanshu Chapsey
Partner
Membership No. 105731

Mumbai, May 11, 2015

For & on behalf of the Board of Directors of Mahindra CIE Automotive Limited

Hemant Luthra
Chairman

Pedro Echegaray
Executive Director

Zhooben Bhiwandiwalla
Director

Krishnan Shankar
Company Secretary & Head Legal

K.Ramaswami
Managing Director

Daljit Mirchandani
Director

Sanjay Joglekar
Chief Financial Officer

Form AOC - 1

Pursuant to proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statements of subsidiaries included in the Consolidated Financial Statements

Sr No	Name of the Subsidiary	Reporting Currency	Exchange Rate	Capital (including Preference Capital)	Reserves & Surplus	Total Assets	Total Liabilities	Investments (excluding investments in subsidiaries)	Gross Turnover	Profit/ (Loss) before Tax	Provision for Tax	Profit/ (Loss) After Tax	Proposed Dividend and Tax thereon	Proportion of Ownership Interest	Proportion of voting power where different	₹ in Million	
1	Stokes Group Limited	GBP	92.56	15.5	(49.7)	817.3	1,004.2	-	1,916.3	143.1	-	143.1	-	100%	100%		
2	Stokes Forgings Dudley Limited ¹	GBP	92.56	-	-	-	-	-	-	-	-	-	-	100%	100%		
3	Stokes Forgings Limited ¹	GBP	92.56	5.6	(5.6)	-	-	-	-	(1.5)	0.0	(1.5)	-	100%	100%		
4	Mahindra Forgings International Limited	EURO	67.66	88.9	(8.0)	5,256.2	(0.4)	-	-	-	-	-	-	100%	100%		
5	Mahindra Forgings Europe AG	EURO	67.66	5.0	(14.2)	974.7	4,805.2	-	61.8	(347.7)	(28.9)	(318.7)	-	100%	100%		
6	Jeco Jellinghaus GmbH	EURO	67.66	5.1	4.2	631.7	523.0	-	2,804.8	304.7	0.0	304.7	-	100%	100%		
7	Gesekschmiede Schneider GmbH	EURO	67.66	12.3	7.2	2,853.4	1,343.1	2.8	7,030.4	(130.7)	0.0	(130.7)	-	100%	100%		
8	Falkenroth Umformtechnik GmbH	EURO	67.66	1.0	1.3	581.3	207.1	-	1,983.5	(520.1)	0.0	(520.1)	-	100%	100%		
9	Schoeneweiss & Co GmbH	EURO	67.66	5.0	1.8	2,704.7	1,521.5	-	6,292.6	360.3	(233.3)	593.6	-	100%	100%		
10	Mahindra Forgings Global Limited	EURO	67.66	33.9	(0.8)	0.1	0.4	-	-	(1.8)	0.0	(1.8)	-	100%	100%		
11	Mahindra Gears & Transmissions Private Limited	INR	1.00	151.1	547.9	1,531.7	832.7	-	1,284.8	1.5	5.2	(3.7)	-	76.67%	76.67%		
12	Mahindra Gear Global Limited	EURO	67.66	43.0	(0.4)	4,465.3	1,705.0	-	0.0	(15.0)	0.0	(15.0)	-	100%	100%		
13	Metacastello s.p.a	EURO	67.66	10.0	1.7	3,831.7	4,818.4	16.8	3,586.3	(652.3)	(24.2)	(628.1)	-	100%	100%		
14	CIE Galfor SA	EURO	67.66	2.5	15.9	7,792.5	6,122.2	4.2	9,214.2	762.7	133.1	629.5	-	100%	100%		
15	UAB CIE LT Forge	EURO	67.66	7.5	2.4	1,154.6	523.8	-	1,630.1	210.4	15.9	194.4	-	100%	100%		
16	CIE LEGAZPI, S.A.	EURO	67.66	2.5	4.5	3,549.7	3,168.2	-	4,083.3	211.6	(13.1)	224.8	-	100%	100%		

Note:

- 1) Stokes Forgings Dudley Ltd and Stokes Forgings Ltd are dormant companies. All other subsidiaries are operational.
- 2) No subsidiaries have been liquidated or sold during the year.

For & on behalf of the Board of Directors of Mahindra CIE Automotive Limited

Hemant Luthra Chairman	K.Ramaswami Managing Director
Pedro Echegaray Executive Director	Daljit Mirchandani Director
Zhooben Bhiwandiwala Director	Sanjay Joglekar Chief Financial Officer

Krishnan Shankar
Company Secretary & Head Legal
Mumbai, May 11, 2015



FORGINGS PRESS
AT FORGINGS PUNE



MACHINING LINE
AT FORGINGS PUNE



12000T PRESS
AT MAHINDRA FORGINGS EUROPE



TRUCK AXLE FORGING
AT MAHINDRA FORGINGS EUROPE



CRANKSHAFT FACILITY
AT CIE FORGINGS GALFOR, SPAIN



PRODUCTION FACILITY
AT CIE FORGINGS LEGAZPI, SPAIN



AUTOMATED GEAR PRODUCTION
AT METALCASTELLO, ITALY



NEW GEARS PLANT
AT PUNE



NEW STAMPINGS PLANT
AT ZAHEERABAD



CASTING LINE
AT CASTINGS, PUNE

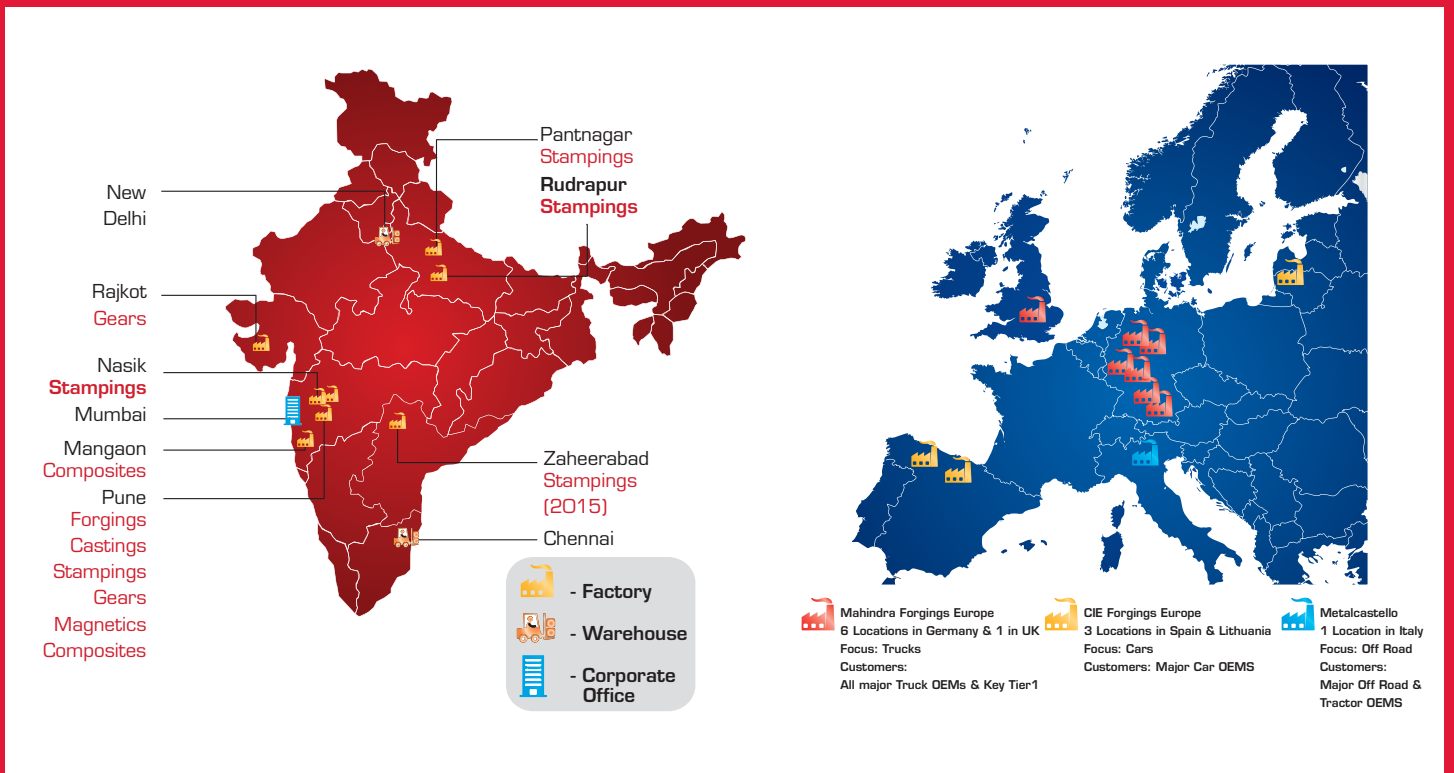


SOFT FERRITE MAGNETIC CORES
PRODUCTION FACILITY AT PUNE



2000 T MOULDING PRESS
AT COMPOSITES, PUNE

Mahindra CIE



Registered Office:
MAHINDRA CIE AUTOMOTIVE LTD
 Mahindra Towers, P. K. Kurne Chowk, Worli, Mumbai 400 018, Maharashtra, India
mahindra-cie.com

NOTICE

THE SEVENTEENTH ANNUAL GENERAL MEETING OF MAHINDRA CIE AUTOMOTIVE LIMITED will be held at Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400 025 on Tuesday, the 17th day of May, 2016 at 3.30 p.m. to transact the following businesses:

ORDINARY BUSINESS

- 1) To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the Financial Year ended 31st December, 2015 (covering a period of nine months from 1st April, 2015 to 31st December, 2015) which includes the Audited Balance sheet as at 31st December, 2015 and the statement of Profit and Loss for the Financial Year ended on that date together with the Reports of the Board of Directors and Auditors thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st December, 2015 (covering a period of nine months from 1st April, 2015 to 31st December, 2015) which includes the Audited Consolidated Balance sheet as at 31st December, 2015 and Consolidated statement of Profit and Loss for the Financial Year ended on that date together with the Reports of the Auditors thereon.
- 2) To appoint a director in place of Mr. Hemant Luthra (DIN 00231420), who retires by rotation and, being eligible, offers himself for re-appointment.
- 3) To appoint a director in place of Mr. Jesus Maria Herrera Barandiaran (DIN: 06705854), who retires by rotation and, being eligible, offers himself for re-appointment.
- 4) **To consider and, if thought fit, to pass the following as an Ordinary Resolution:**

“RESOLVED THAT pursuant to Sections 139,141 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and pursuant to the recommendation of the Audit Committee and the Board of Directors, Messrs. B. K. Khare & Co., Chartered Accountants (ICAI Firm Registration Number 105102W), the retiring Auditors of the Company, be re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (“AGM”), until the conclusion of the next AGM of the Company, at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit.”

SPECIAL BUSINESS

- 5) **To consider and, if thought fit, to pass the following as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies

Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) (the Rules) and pursuant to the recommendation of the Audit Committee, Messrs. Dhananjay V. Joshi & Associates, Cost Accountants, (Firm Registration Number 000030), appointed by the Board of Directors of the Company as Cost Auditors, for conducting the audit of the cost records of the Company for the Financial Year 2016 commencing from 1st January, 2016 and ending on 31st December, 2016, be paid remuneration of ₹ 9,50,000/- (Rupees Nine Lacs Fifty Thousand only) plus taxes as may be applicable and reimbursement of such other out of pocket expenses, if any, as may be incurred by them during the course of Audit.

RESOLVED FURTHER THAT approval of the Company be accorded to the Board of Directors of the Company (including any Committee thereof) to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

Notes:

1. In terms of Section 102 of the Companies Act, 2013, an explanatory statement setting out the material facts concerning special business to be transacted at the Meeting is annexed and forms part of this Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING A PROXY MUST BE DEPOSITED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority as applicable. Proxy holder shall prove his/her identity at the time of attending the meeting.

A proxy shall not have a right to speak at the Annual General Meeting. However, in case a member has not voted through the remote e-voting facility, the proxy may be entitled to vote through Ballot at 17th Annual General Meeting (AGM).

3. Members/Proxies/Representatives are requested to bring a copy of Annual Report along with the copy of Attendance Slip enclosed for attending the Meeting.
4. In the case of joint holders, the signature of any one holder on proxy form will be sufficient, but names of all the joint holders should be stated.
5. Bodies Corporate, whether a company or not, who are Members, may attend through their authorised representatives appointed under Section 113 of the Companies Act, 2013. A copy of authorisation letter/ resolution authorising the same should be deposited with the Company/RTA/Scrutinizer.
6. Members can avail of the facility of nomination in respect of shares held by them in physical form pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. Members desiring to avail of this facility may send their nomination in the prescribed Form No. SH. 13 duly filled in to Karvy Computershare Private Limited on below mentioned address.
7. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) are Karvy Computershare Private Limited having their Registered Office at Karvy Selenium, Tower B, Plot 31 & 32, Financial District, Gachibowli, Hyderabad, 500032.
8. The Register of Members and Transfer Books of the Company will be closed from 11th May, 2016 to 17th May, 2016 (both days inclusive).
9. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014, the Notice calling the AGM along with the Annual Report for the Financial Year ended 31st December, 2015, would be sent by electronic mode on the e-mail addresses as obtained from Depositories/ Registrar and Share Transfer Agent, unless the Members have requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies would be sent by the permitted mode.

Members are requested to support this Green Initiative by registering/updating their e-mail addresses with the Depository Participant (in case of Shares held in dematerialised form) or with Karvy Computershare Private Limited (in case of Shares held in physical form), in the prescribed form which can be down loaded from the Company's website at <http://www.mahindracie.com/investors/downloads/documents.html#other-documents-and-disclosures>.

Even after registering for e-communication, Members are entitled to receive such communication in printed form, upon making a request for the same. For any communication, the Members may also send requests to the Company's investor email id: mcie.investors@mahindracie.com

Members may also note that the Notice of the AGM and the Annual Report for the Financial Year ended 31st December, 2015 will also be hosted on the Company's

website at (a) <http://www.mahindracie.com/investors/downloads/notices.html#annual-general-meeting> and (b) <http://www.mahindracie.com/investors/investor-relations/annual-report.html>, respectively for their download.

10. The Company has fixed Tuesday, 10th May, 2016 as the cutoff date for identifying the Shareholders for determining the eligibility to vote by remote e-voting facility or at the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are provided herewith at Note No. 16 and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off only shall be entitled to vote on the resolutions through the facility of remote e-voting or by voting through Ballot at the AGM.
11. Pursuant to the Integrated Scheme and the Composites Scheme Mahindra Ugine Steel Company Limited (MUSCO) and Mahindra Composites Limited (MCL) merged with the Company with effect from 10th December, 2014. Both MUSCO and MCL had unclaimed dividends which were transferred in the Books of the Company. Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has hosted the details of said unpaid and unclaimed amounts now lying with the Company on the website of the Company at <http://www.mahindracie.com/investors/downloads/documents.html#unclaimed-dividends>.
12. Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government. Pursuant to the provisions of Section 205C of the Companies Act, 1956 and Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, the Company has transferred an amount of ₹ 7,21,599/- and amount of ₹ 1,85,345/-, being the unclaimed amount in respect of dividend declared by MUSCO and MCL respectively for the Financial Year 2007-08 to the IEPF. No claim lies against the Company in respect of these dividends.
13. Due dates for claiming the unclaimed and unpaid dividends declared by MUSCO and MCL (Amalgamated Companies) for the Financial Year 2008-09 and thereafter to IEPF are as under:

Financial Year ended	Date of declaration of dividend	Last date for claiming unpaid / unclaimed dividend
31 st March, 2010 (MUSCO)	27 th July, 2010	26 th August, 2017
31 st March, 2009 (MCL)	31 st July, 2009	30 th August 2016
31 st March, 2010 (MCL)	23 rd July, 2010	22 th August, 2017
31 st March, 2011 (MCL)	29 th July, 2011	28 th August, 2018

Members who have not encashed the dividend warrants so far in respect of the aforesaid periods, are requested to make their claim to Karvy Computershare Private Limited well in advance of the above due dates. It may be noted that once the amounts in the unpaid dividend accounts are transferred to IEPF, no claim shall lie against the IEPF or the Company in respect thereof and the Members would lose their right to claim such dividend.

14. Appointment/Re-appointment of Directors and their Shareholding in the Company.

Mr. Hemant Luthra and Mr. Jesus Maria Herrera Barandiaran are the Directors whose office is liable to retire by rotation and are seeking re-appointment at the AGM.

As on 22nd February, 2016, Mr. Hemant Luthra holds 3,28,273 equity shares of the Company. Mr. Jesus Maria Herrera Barandiaran do not hold any share(s) in the Company.

For the information to be provided under Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to the Directors being appointed/re-appointed, brief resume of Directors proposed to be re-appointed, nature of their expertise in specific functional areas, names of the companies in which the person also holds the directorship and the membership of Committees of the board, shareholding and relationships between directors inter-se is provided in the Corporate Governance Report and forms part of the Annual Report.

15. Members are requested to:

- a) Intimate to the Company's Registrar and Transfer Agents, Karvy Computershare Private Limited at the abovementioned address, changes, if any, in their registered addresses at an early date, in case of Shares held in physical form;
- b) Intimate to the respective Depository Participant, changes, if any, in their registered addresses, mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s) at an early date, in case of Shares held in dematerialised form;
- c) Quote their folio numbers/Client ID/DP ID in all correspondence; and
- d) Consolidate their holdings into one folio in case they hold Shares under multiple folios in the identical order of names.

16. Electronic Voting through remote mode:

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer e-voting facility

to its Members to exercise their right to vote at the AGM by electronic means in respect of the businesses to be transacted at the AGM, through the remote e-Voting platform provided by Karvy Computershare Private Limited (Karvy).

The Members may cast their votes using an electronic voting system from a place other than the venue of the AGM ('remote e-voting'). Members attending the AGM who have not already cast their vote by remote e-Voting shall be able to exercise their rights at the meeting. Facility of voting through ballot shall also be made available at the AGM.

- i. The remote e-voting facility will be available during the following period:
 - a) Day, date and time of commencement of remote e-voting: Friday 13th day of May, 2016 at 9.00 a.m.
 - b) Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed: Monday 16th Day of May, 2016 at 5.00 p.m.
- ii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their shares of the paid up equity share as on the cut-off date being 10th May, 2016.
- iii. Any person who acquires Shares of the Company and become Member of the Company after the dispatch of the AGM Notice and holds shares as on the cut-off date i.e. 10th May, 2016, may obtain the User Id and password in the manner as mentioned below:
 - a) If the mobile number of the member is registered against Folio No./ DPID Client ID, the Member may send SMS:

MYEPWD<space> E-Voting Event Number +Folio number or DPID Client ID to +91-9212993399

Example for NSDL:
MYEPWD<SPACE>IN12345612345678

Example for CDSL:
MYEPWD<SPACE>1402345612345678

Example for Physical:
MYEPWD<SPACE> XXXX1234567890
 - b) if e-mail address or mobile number of the member is registered against Folio No./ DPID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.
 - c) Member may call Karvy's Toll free number 1-800-3454-001.

- d) Member may send an e-mail request to evoting@karvy.com.
- iv. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by Karvy upon expiry of aforesaid period.
- v. Details of Website: <https://evoting.karvy.com>
- vi. Details of persons to be contacted for issues relating to e-voting:
- Mr. Prem Kumar
 Karvy Computershare Private Limited
 Unit : Mahindra CIE Automotive Limited
 Karvy Selenium Tower B, Plot 31-32,
 Gachibowli, Financial District,
 Hyderabad – 500 032.
 Tel. No.: +91 40 67162222/67161509;
 Toll Free No.: 18003454001
 Fax No.: +91 40 23001153;
 E-mail: evoting@karvy.com.
- vii. Details of Scrutinizer: Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS 10189)
- viii. **The procedure and instructions for remote E-Voting facility are as follows:**
- A. **In case of shareholders receiving email from Karvy:**
- i. Open your web browser during the voting period and navigate to '<https://evoting.karvy.com>'.
- ii. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No./DP ID – Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- iv. You need to login again with the new credentials.
- v. On successful login, the system will prompt you to select the E-Voting Event Number for Mahindra CIE Automotive Limited.
- vi. If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and casted your vote earlier for any other company, then your existing login id and password are to be used.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. 10th May, 2016 under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut-off date.
- viii. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
- ix. Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folios/demat accounts.
- x. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- xi. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
- xii. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- xiii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: sbhagwatcs@yahoo.co.in with a copy to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
- B. **In case of shareholders receiving Notice by post:**
- i. Initial password is provided at the bottom of the Attendance Slip
- ii. Please follow all steps from Sl. No. (i) to Sl. No. (xiii) above, to cast vote.
- C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for

shareholders and e-voting User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Prem Kumar of Karvy Computershare Private Limited at 040-6716 1509 or at 1800-3454-001 (toll free).

- D. The Scrutinizer's decision on the validity of the vote shall be final.
- E. Once the vote on a resolution stated in this notice is cast by shareholder through remote e-voting, the shareholder shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the Meeting, however such member shall not be allowed to vote again.
- F. The Scrutinizer after scrutinising the votes cast at the Meeting by Poll and through remote e-voting, will not later than two (2) days of conclusion of the Meeting, make a consolidated Scrutinizer's Report and submit the same forthwith to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
- G. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company (www.mahindrachie.com) and on the website of Karvy (<https://evoting.karvy.com>). The Results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited.
- H. The Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 17th May, 2016, subject to receipt of the requisite number of votes in favour of the Resolutions.
17. All documents referred in the accompanying notice and the statement pursuant to Section 102(1) of the Companies Act 2013, will be available for inspection at the registered

office of the Company during business hours on all working days except Saturdays and Sundays up to the date of the AGM of the Company.

18. Updation of Members' Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/ Registrar and Transfer Agents to record additional details of Members, including their PAN details, e-mail address, etc. A form for compiling the additional details is being sent along with this Notice. Members holding shares in physical form are requested to submit the form duly completed to the Company or its Registrar and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

19. The route map of the venue of the Meeting is given in the Notice. The prominent landmark for the venue is 'near to Sidhdivinayak Temple'. The same has been hosted on the website of the Company at <http://www.mahindrachie.com/investors/downloads/notices.html#annual-general-meeting>.

By Order of the Board

Krishnan Shankar
Company Secretary & Head - Legal

Mahindra CIE Automotive Limited
CIN: L27100MH1999PLC121285

Registered Office:

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

[e-mail: mcie.investors@mahindrachie.com](mailto:mcie.investors@mahindrachie.com)

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

Tel: +91 22 24931441

Fax: +91 22 24915890

22nd February, 2016

Explanatory Statement in respect of the Special Business pursuant to Section 102 of the Companies Act, 2013

ITEM NO.5

The Board of Directors, at its Meeting held on 22nd February, 2016, on the recommendation of the Audit Committee, approved the re-appointment of Mr. Dhananjay V. Joshi & Associates, Cost Accountants, as Cost Auditors of the Company for conducting the audit of the cost records of the Company for the financial year ending 31st December, 2016, at a remuneration of ₹ 9,50,000/- (Rupees Nine Lacs Fifty Thousand only) plus taxes as may be applicable and reimbursement of such other out of pocket expenses, if any, as may be incurred by the Auditor during the course of Audit.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members of a company are required to ratify the remuneration to be paid to the cost auditors of the company.

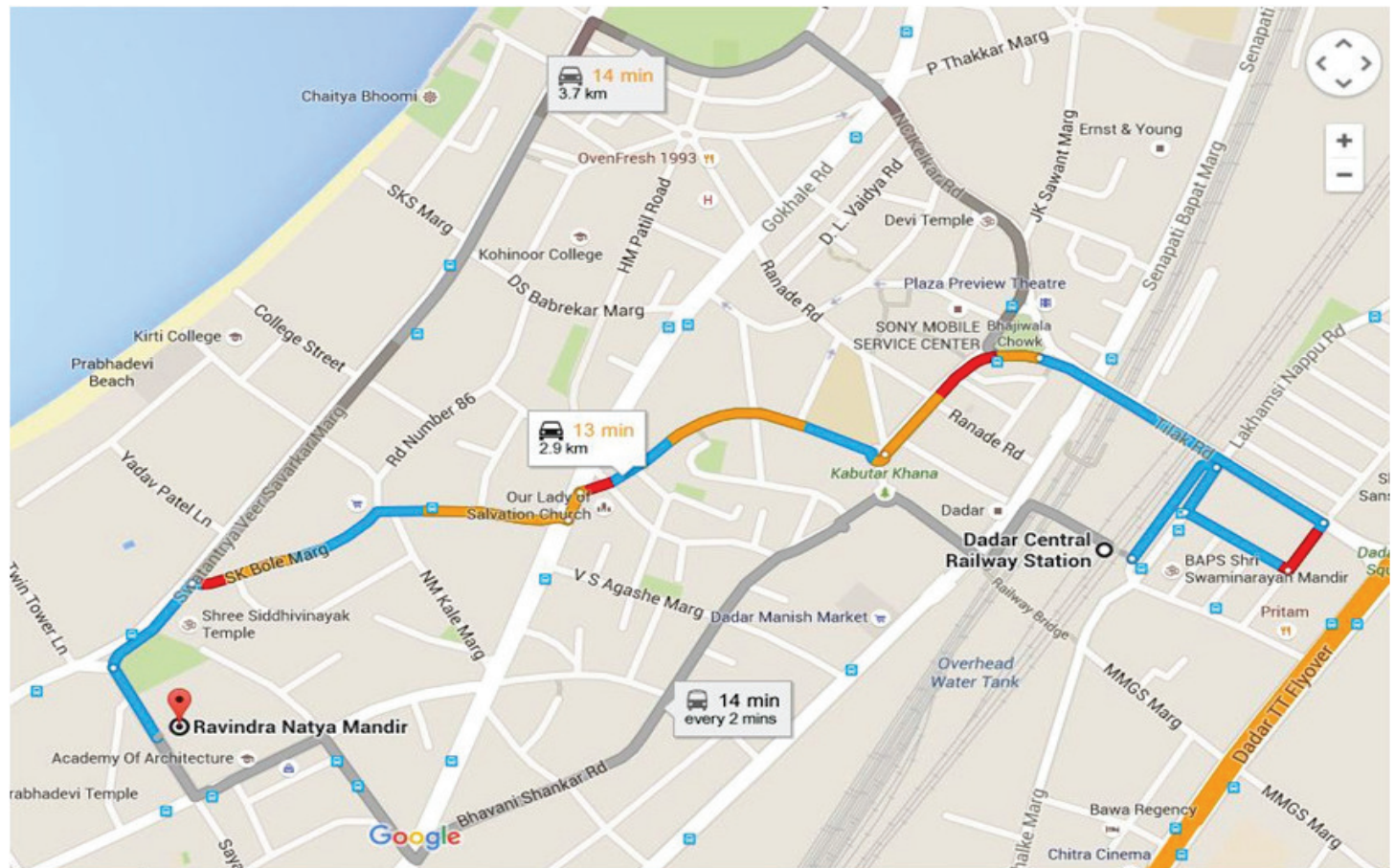
Accordingly, consent of the Members is sought by passing an Ordinary Resolution as set out at Item No 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the Audit of Cost records, if applicable and statutorily required for the Financial Year ending 31st December, 2016.

Route map for venue of the 17th Annual General Meeting:

Date: 17th May, 2016,

Time: 3.30 P.M.

(Prominent land mark- behind Shree Siddhivinayak Temple)



None of the Directors, Key Managerial Personnels of the Company and their relatives are in any way concerned or interested, financially or otherwise, in the aforesaid Resolution except to the extent of their shareholding, if any, in the Company.

The Directors recommend the Resolution set out at Item No. 5 as an Ordinary Resolution, for the approval of the Shareholders.

By Order of the Board

Krishnan Shankar

Company Secretary & Head - Legal

Mahindra CIE Automotive Limited

CIN: L27100MH1999PLC121285

Registered Office:

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

[e-mail: mcie.investors@mahindracie.com](mailto:mcie.investors@mahindracie.com)

Website: www.mahindracie.com

Tel: +91 22 24931441

Fax: +91 22 24915890

22nd February, 2016

MAHINDRA CIE AUTOMOTIVE LIMITED

CIN: L27100MH1999PLC121285

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

Website: www.mahindracie.com; e-mail: mcie.investors@mahindracie.com

Tel: +91 22 24901441 Fax: +91 22 24901667

PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s) :	
Registered address :	
E-mail Id :	
Regd. Folio No./ Client ID No./ DP ID:	

I / We, being the member(s) of _____ Shares of Mahindra CIE Automotive Limited, hereby appoint

1. Name _____ E-mail Id _____
 Address _____
 _____ Signature _____, or failing him

2. Name _____ E-mail Id _____
 Address _____
 _____ Signature _____, or failing him

3. Name _____ E-mail Id _____
 Address _____
 _____ Signature _____

as my/our proxy to attend and vote (on a ballot) for me/us and on my/our behalf at the Seventeenth Annual General Meeting of the Company to be held on Tuesday, the 17th day of May, 2016 at 3.30 p.m. at Ravindra Natya Mandir, Sayani Road, Prabhadevi, Mumbai - 400 025 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	Optional **	
		For	Against
Ordinary Business			
1	To receive, consider and adopt a) Standalone Audited Financial Statements of the Company for the Financial Year ended 31 st December, 2015 (covering a period of nine months from 1 st April, 2015 to 31 st December, 2015) together with the Reports of the Board of Directors and Auditors thereon, and b) Audited Consolidated Financial Statements for the Financial Year 31 st December, 2015 (covering a period of nine months from 1 st April, 2015 to 31 st December, 2015) together with the Reports of the Auditors thereon.		
2	Re-appointment of Mr. Hemant Luthra (DIN 00231420), as director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.		
3	Re-appointment of Mr. Jesus Maria Herrera Barandiaran (DIN: 06705854), as director of the Company, who retires by rotation and being eligible, offers himself for re-appointment.		

Resolution No.	Resolutions	Optional **	
		For	Against
4	Re-appointment of Messrs. B. K. Khare & Co., Chartered Accountants (ICAI Firm Registration Number 105102W), Chartered Accountants as Auditors of the Company from the conclusion of this Annual General Meeting ("AGM") until the conclusion of the next AGM of the Company at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the Audit.		
Special Business			
5	Approval for the Remuneration payable to Messrs. Dhananjay V. Joshi & Associates, Cost Accountants, (Firm Registration Number 000030) as the Cost Auditor of the Company.		

Signed this day of 2016

Affix
Revenue
Stamp

Signature of proxy holder

Notes:

Signature of shareholder

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- (4) ** This is only optional. Please put a 'TICK' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.