

# Investor Presentation Full Year CY16 Results

Mahindra CIE Automotive Limited

23<sup>rd</sup> February 2017 | Mumbai



**Mahindra CIE**

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# Key Highlights

## CY 2016



- Ander Arenaza Alvarez appointed **CEO** in July 2016 to :
  - Strengthen integration with CIE management culture
  - Accelerate achievement of CIE deliverables
  - Kickstart growth
- New Organization Structure announced
- Completion Acquisition of Bangalore based Bill Forge Pvt Ltd in Oct 2016 subject to shareholders approval
  - Forgings & machining company with diversified and complementary products & customer mix
  - Entry into the high volume Two Wheeler segment



# MCIE Overview

## Legal Structure

### CIE Automotive S.A., Spain

51.38% (CIE's holds this through PIA2 of Spain)

#### Mahindra CIE Automotive Ltd, India

Forgings India (Original Mahindra CIE)  
 Foundry India (formerly M Hinoday)  
 Magnetic Products India (formerly M Hinoday)  
 Stampings India (formerly MUSCO)  
 Composites India (formerly M Composites)

18.53%

**Mahindra Vehicle  
Manufacturers Limited  
+ Promoter Group**

21.63%

**Public**

8.46%

**BFPL  
Shareholders**

100%

**Mahindra Gears &  
Transmission Pvt. Ltd**  
Gears India

100%

**Bill Forge Pvt. Ltd**  
Forgings India

100%

**Mahindra Forgings  
Europe\***  
Forgings Germany

100%

**Stokes Forgings**  
Forgings UK

53.32%

**Metalcastello**  
Gears Italy

100%

46.64%

**CIE Galfor**  
Forgings Spain

100%

**CIE Legazpie**  
Forgings Spain

100%

**CIE LT Forge**  
Forgings Lithuania

*Note: MCIE holds stake in Mahindra Forgings Europe and Metalcastello via Mauritius companies*

 Investor  Company

\* Includes GSA, Schoeneweiss, Falkenroth & JECO Holdings all in Germany. For business purposes, Stokes is considered part of Mahindra Forgings Europe

# MCIE India

## Q4 C16 results

### Financial Update

(INR Mio)	Oct -Dec 2016 (**)	Change	Oct -Dec 2015	July-Sep 2016
Sales (without Excise)	5,649	36.7%	4,132	4,148
EBITDA (*)	665	92.2%	346	524
EBITDA%	11.8%		8.4%	12.8%
EBIT (*)	392	180%	140	268
EBIT %	6.9%		3.4%	6.5%
EBT	341	170%	126	243
EBT%	6.0%		3.1%	5.9%

(\*) EBITDA: Net Operating Income + Depreciation , EBIT: Net Operating Income.

(\*\*) Includes Billforce integration

Sales is only product sales and does not include any other operating or non operating income while EBITDA includes all income

### Market Update (Production)

	Oct -Dec 2016 v/s Oct -Dec 2015	Oct -Dec 2016 v/s July-Sep 2016
PV+UV	13.1%	-6.0%
Tractors	51.5%	-6.2%
Two Wheelers	-3.7%	-18.9%
M&M + Tata#	7.5%	-10.9%

# M&M and Tata Motors combined – MCIE Addressable market only - Includes production for which the segments considered are for M&M includes PV+UV+CV+Tractors but excludes two wheelers and 3Wheelers, while for Tata Motors it includes PV+UV+LCV but excludes MHCV

# MCIE India

## CY16 Full Year Results



### Financial Update

(INR Mio)	Calendar Year 2016 (***)	Change	Calendar Year 2015 (**)
Sales (without Excise)	18,103	10.5%	16,393
EBITDA (*)	2,080	29.9%	1,601
EBITDA%	11.5%		9.8%
EBIT (*)	1,206	42%	849
EBIT %	6.7%		5.2%
EBT	1,100	49.1%	738
EBT%	6.1%		4.5%
PAT	733		753

### Market Update (Production)

	Calendar Year 2016 v/s Calendar Year 2015
PV+UV	7.3%
Tractors	21.4 %
Two Wheelers	7.9%
M&M + Tata#	10.0%

# M&M and Tata Motors combined – MCIE Addressable market only - Includes production for which the segments considered are for M&M includes PV+UV+CV+Tractors but excludes two wheelers and 3Wheelers, while for Tata Motors it includes PV+UV+LCV but excludes MHCV

(\*) EBITDA: Net Operating Income + Depreciation + Fx gains/losses, EBIT: Net Operating Income..

(\*\*) April15-dec15 figures under INDAS + Jan-Mar15 published results, Dec 2015 includes exceptional costs of INR 80 Mn in India and exceptional tax credit of INR167 Mn

(\*\*\*) Includes Billforge integration

Sales is only product sales and does not include any other operating or non operating income while EBITDA includes all income

# MCIE Europe

## Q4 C16 results

### Financial Update

(INR Mio)	Oct -Dec 2016	Change	Oct -Dec 2015 (**)	July-Sep 2016
Sales (without Excise)	7,713	-5%	8,105	7,864
EBITDA (*)	536		-112	861
EBITDA%	6.9%		-1.4%	10.9%
EBIT (*)	168		-437	552
EBIT %	2.2%		-5.4%	7%
EBT	39		-493	429
EBT%	0.5%		-6.1%	5.5%

### Market Update (Production)

	Oct-Dec 2016 v/s Oct-Dec 2015	Oct -Dec 2016 v/s July-Sep 2016
Passenger Vehicles	0.9%	9.5%
Commercial Vehicles	8.3%	3.3%

(\*) EBITDA: Net Operating Income + Depreciation (excludes non operating income), EBIT: Net Operating Income.

(\*\*) Presented under INDIAN GAAP. Dec 2015 includes exceptional costs of INR 778 Mn (Restructuring and redundancies in MFE Germany)

Exchange Rates considered for Oct-Dec 2016, Oct-Dec 2015 and July Sep 2016 are 73.10, 71.29 and 75.11 INR/Euro respectively

Sales is only product sales and does not include any other operating or non operating income while EBITDA includes all income

# MCIE Europe

## CY16 Full Year Results

### Financial Update

(INR Mio)	Calendar Year 2016	Change	Calendar Year 2015 (**)
Sales (without Exicse)	33,429	-2.1%	34,162
EBITDA (*)	3,657	33.6%	2,736
EBITDA%	10.9%		8%
EBIT (*)	2,070		(240)
EBIT %	6.2%		-0.7%
EBT	1,516		(843)
EBT%	4.5%		-2.5%
PAT	957		(947)

### Market Update (Production)

	Calendar Year 2016 v/s Calendar Year 2015
Passenger Vehicles	3.5%
Commercial Vehicles	11.7%

(\*) EBITDA: Net Operating Income + Depreciation + Fx gains/losses, EBIT: Net Operating Income..

(\*\*) . Dec 2015 includes exceptional costs of INR 1,146 Mn (mainly restructuring and redundancies in MFE Germany) EBITDA and INR 1,650 Mn (Goodwill impairment in MC) + INR 410 of exceptional provisions on EBIT

Exchange Rates considered for CY 2016 and CY 2015 are 74.46 and 71.29 INR/Euro respectively

Sales is only product sales and does not include any other operating or non operating income while EBITDA includes all income



# MCIE Consolidated

## Q4 C16 results

	Oct -Dec 2016 (***)	Change	Oct -Dec 2015 (**)	July-Sep 2016
Sales (without Excise)	13,300	8.5%	12,164	11,906
EBITDA (*)	1,185		234	1,385
EBITDA%	8.9%		1.9%	11.6%
EBIT (*)	543		(297)	819
EBIT %	4.1%		-2.4%	6.9%
EBT	380		(367)	672
EBT%	2.9%		-3%	5.6%

(\*) EBITDA: Net Operating Income + Depreciation, EBIT: Net Operating Income.

(\*\*) Presented under INDIAN GAAP. Dec 2015 includes exceptional costs of INR 778 Mn (Restructuring and redundancies in MFE Germany )

(\*\*\*) Includes Bill Forge integration

Exchange Rates considered for Oct-Dec 2016, Oct-Dec 2015 and July Sep 2016 are 73.10, 71.29 and 75.11 INR/Euro respectively

Sales is only product sales and does not include any other operating or non operating income while EBITDA includes all income

# MCIE Consolidated

## CY16 Full Year Results

(INR Mio)	CY 2016 (***)	Change	CY 2015 (**)
Sales (without Excise)	51,214	1.9%	50,275
EBITDA (*)	5,672	32.3%	4,287
EBITDA%	11.1%		8.5%
EBIT (*)	3,209	473%	560
EBIT %	6.3%		1.1%
EBT	2,615		(104)
EBT%	5.1%		-0.2%
PAT	1,690		(193)

(\*) EBITDA: Net Operating Income + Depreciation + Fx gains/losses, EBIT: Net Operating Income.

(\*\*) April15-Dec15 figures under INDAS + Jan-Mar15 published results under IGAAP. Dec 2015 includes exceptional costs of INR 1,146 Mn (Restructuring and redundancies in MFE Germany ), INR 1,650 Mn (Goodwill impairment in MC), INR 80 Mn (Water Charge India) and exceptional tax credit of INR167 Mn

(\*\*\*) Includes Billforge integration

Exchange Rates considered for CY 2016 and CY 2015 are 74.46 and 71.29 INR/Euro respectively

Sales is only product sales and does not include any other operating or non operating income while EBITDA includes all income

# Other Financial Details

**Q4C16 & CY 2016**

All figures in INR Mn	MCIE India					MCIE Europe					MCIE Consolidated				
	CY16	Q4 CY 16	Q3 CY 16	CY 15	Q4 CY 15	CY16	Q4 CY 16	Q3 CY 16	CY 15	Q4 CY 15	CY16	Q4 CY 16	Q3 CY 16	CY 15	Q4 CY 15
Excise Duty	2,047.3	655.7	455.4	1,816.2	455.0	-	-	-	-	-	2,047.3	655.7	455.4	1,816.2	455.0
Other Operating Income	1,104.3	315.4	255.5	865.6	190.9	906.6	36.4	337.0	1,150.0	371.0	1,986.0	341.9	591.0	1,989.1	555.0
Other Income	197.5	62.3	41.9	96.9	28.4	182.5	74.0	3.5	541.2	172.6	313.6	121.2	27.4	538.8	172.4

Note: MCIE India + MCIE Europe – Intercompany = MCIE Consolidated. We have not reported intercompany figures separately

# MCIE Consolidated

## Balance Sheet as on 31<sup>st</sup> December 2016

(INR Mio)	C16(#)	C15
Fixed Assets	18,802	15,775
Goodwill	26,900	17,714
Net Working Capital	(2,041)	(4,430)
<b>Total Net Assets</b>	<b>43,661</b>	<b>29,059</b>
Equity	32,663	20,066
Net Financial Debt (*)	10,481	9,120
Others (Net)	517	(127)
<b>Total Equity and Liabilities</b>	<b>43,661</b>	<b>29,059</b>

(\*) Net Financial Debt = Debt with banks and other financial institutions – Cash and equivalents.

(#) For all ratios, Bill Forge last 12 months EBITDA and EBIT has been considered

(\*\*) RONA = "Return on Net Assets": EBIT Last 12 Months/ Net Assets (Fixed Assets + Net Working capital + Goodwill). For 2015 Rona, INR 1,650 Mn of goodwill impairment are excluded).

(##) EBITDA Last 12 months.

Exchange Rates considered for period ended 31 Dec 2016 and 31 Dec 2015 are 71.63 and 72.29 INR/Euro respectively

NFD/EBITDA (##)	1.64x	2.14x
NFD/Equity	0.32x	0.45x
RONA (**)	9%	8%

# Cash Flow and NFD

## CY16 Full Year Results

(INR Mio)	India	Europe	Consolidated
<b>EBITDA</b>	<b>2,080</b>	<b>3,657</b>	<b>5,672</b>
Financials and Fx gains/losses	(110)	(687)	(731)
Maintenance Investment	(667)	(1,156)	(1,823)
Tax Payment	(257)	(334)	(591)
<b>OPERATING CASH FLOW</b> %EBITDA	<b>1,046</b> 50%	<b>1,480</b> 42%	<b>2,527</b> 46%
Growing Capex	(172)	(146)	(318)
Working Capital Variation	270	(947)	(677)
Bill Forge Acquisition	(13,312)	-	(13,312)
Capital Increase	10,899	-	10,899
Others	(856)	377	(480)
<b>FINANCIAL CASH FLOW</b>	<b>(2,125)</b>	<b>764</b>	<b>(1,361)</b>
<b>BEGINNING NFD</b>	<b>203</b>	<b>8,917</b>	<b>9,120</b>
<b>ENDING NFD</b>	<b>2,328</b>	<b>8,153</b>	<b>10,481</b>

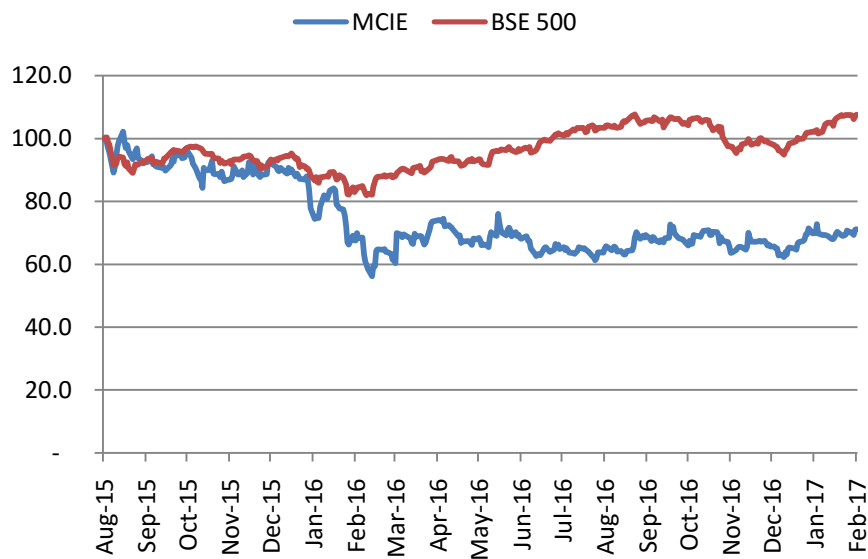
Exchange Rate considered for Cash Flow calculation is 74.46 INR/Euro  
Exchange Rates considered for period ended 31 Dec 2016 is 71.63 INR/Euro

# Stock Evolution

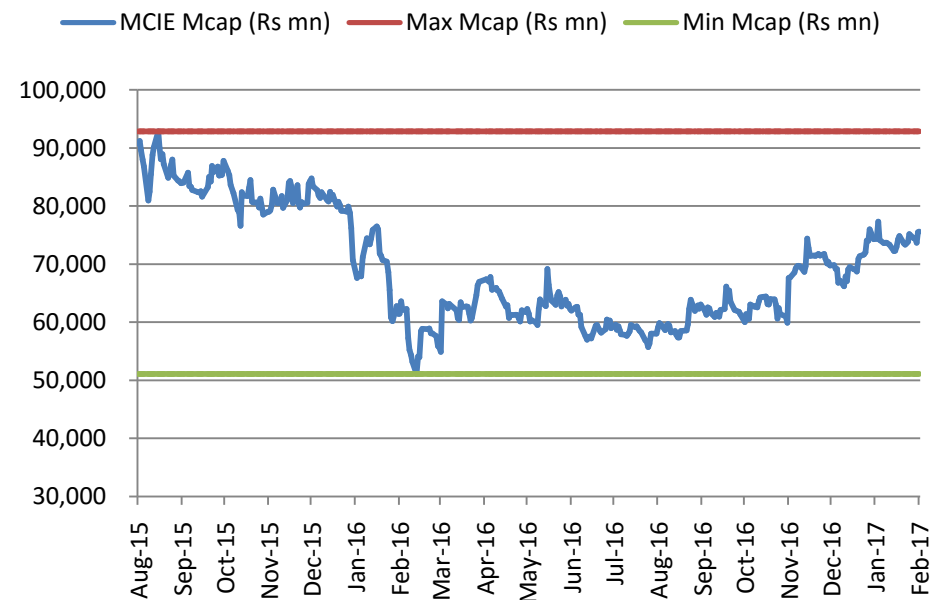
Indexed from August 2015

### MCIE Share Price

Period	High	Low
6 Month	208.85	170.00
12 Month	220.85	156.90
2 Years	314.10	156.90



MCIE Share Price Indexed to the BSE 500



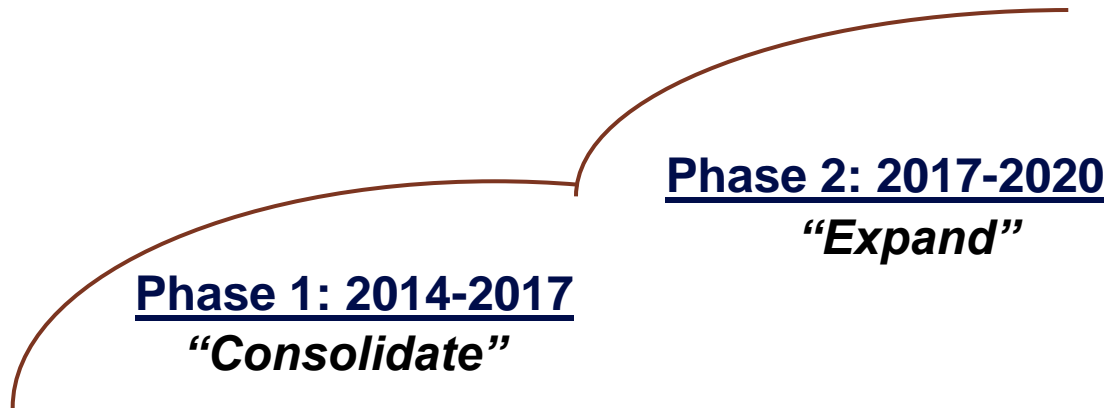
MCIE Market Cap movement

# MCIE Consolidated

## Strategy



MCIE is CIE Automotive's vehicle to expand business in South East Asia and Forging technology worldwide



# Annexure 1:

- Results Declared to SEBI



# 4Q-2016 MCIE STANDALONE

₹ in Lakhs

		STANDALONE			
		Quarter Ended			
		Dec 31,2016	Sep 30,2016	Dec 31, 2015	
		Audited	Un Audited	Audited	
Part-I					
Particulars					
		Continuing Operations			
I		Revenue from operations	44,734.02	44,349.56	43,914.17
II		Other Income	612.66	599.80	162.86
III		Total Revenue (I+II)	45,346.68	44,949.36	44,077.03
IV		Expenses			
	a)	Cost of materials consumed	20,329.31	20,245.78	20,809.55
	b)	Changes in stock of finished goods, work-in process	444.67	498.31	240.12
	c)	Employee benefit expense	5,331.62	5,744.46	4,986.11
	d)	Finance costs	302.21	196.76	31.28
	e)	Depreciation and amortisation expenses	1,779.34	1,771.59	1,940.13
	f)	Other expenses	15,466.91	14,371.34	14,981.69
		Total Expenses (IV)	43,654.06	42,828.24	42,988.88
V		Profit before exceptional items and tax (III-IV)	1,692.62	2,121.12	1,088.15

# 4Q-2016 MCIE STANDALONE - Continued

₹ in Lakhs

Part-I Particulars			STANDALONE		
			Quarter Ended		
			Dec 31,2016	Sep 30,2016	Dec 31, 2015
			Audited	Un Audited	Audited
V		Profit before exceptional items and tax (III-IV)	1,692.62	2,121.12	1,088.15
VI		Exceptional items (note 7)	-	-	-
VII		Profit before tax (V-VI)	1,692.62	2,121.12	1,088.15
VIII		Tax expenses			
	1)	Current tax	564.82	938.57	(201.24)
	2)	Deferred tax	34.30	(222.06)	708.47
		Total tax expense (VIII)	599.12	716.51	507.23
IX		Profit after tax from continuing operations(VII-VIII)	1,093.50	1,404.61	580.92
X		Other Comprehensive income/(Expense)			
	i)	Items that will be classified to profit or loss	(289.85)	-	(90.44)
	ii)	Income tax relating to items that will be reclassified to profit or loss	100.31	-	31.30
		Total Other Comprehensive Income	(189.54)	-	(59.14)
XI		Total comprehensive income for the period ( IX+X)	903.96	1,404.61	521.78
		Earnings per equity share face value ₹ 10 each ( for continuing operations)			
	1)	Basic	0.29	0.43	0.18
	2)	Diluted	0.29	0.42	0.18
XII		Paid up share capital	37,808.83	32,359.17	32,333.60
XIII		Other equity at the end of the period			

# 2016 MCIE STANDALONE & CONSOLIDATED

₹ in Lakhs

Part-I  Particulars		STANDALONE		CONSOLIDATED	
		Year to Date	Previous Year	Year to Date	Previous Year
		12 Months ended Dec 31, 2016	9 Months ended Dec 31, 2015	12 Months ended Dec 31, 2016	9 Months ended Dec 31, 2015
		Audited	Audited	Audited	Audited
I	Continuing Operations				
	Revenue from operations	178,689.46	133,089.88	552,458.30	400,071.70
II	Other Income	2,166.06	590.90	3,135.71	2,874.30
III	Total Revenue (I+II)	180,855.52	133,680.78	555,594.01	402,946.00
IV	Expenses				
a)	Cost of materials consumed	81,510.35	62,672.92	215,274.00	177,750.00
b)	Changes in stock of finished goods, work-in process	465.64	314.23	(842.20)	(5,101.10)
c)	Employee benefit expense	22,272.99	15,049.24	110,250.76	80,133.00
d)	Finance costs	710.45	326.57	5,935.36	5,041.00
e)	Depreciation and amortisation expenses	7,102.90	5,382.55	23,253.00	16,302.00
f)	Impairment expenses/loses	-	-	-	-
f)	Other expenses	60,003.56	44,940.97	174,666.91	110,972.70
	Total Expenses (IV)	172,065.89	128,686.48	528,537.83	385,097.60
V	Profit before exceptional items and tax (III-IV)	8,789.63	4,994.30	27,056.18	17,848.40

# 2016 MCIE STANDALONE & CONSOLIDATED – cont.

₹ in Lakhs

Part-I		STANDALONE		CONSOLIDATED	
		Year to Date	Previous Year	Year to Date	Previous Year
Particulars		12 Months ended Dec 31, 2016	9 Months ended Dec 31, 2015	12 Months ended Dec 31, 2016	9 Months ended Dec 31, 2015
		Audited	Audited	Audited	Audited
V		8,789.63	4,994.30	27,056.18	17,848.40
VI	Profit before exceptional items and tax (III-IV)				
	Exceptional items (note 7)	901.75	-	901.75	7,787.00
VII	Profit before tax (V-VI)	7,887.88	4,994.30	26,154.43	10,061.40
VIII	Tax expenses				
	1) Current tax	2,734.96	984.61	7,451.30	3,271.00
	2) Deferred tax	7.84	877.95	1,804.00	(882.00)
	Total tax expense (VIII)	2,742.80	1,862.56	9,255.30	2,389.00
IX	Profit after tax from continuing operations(VII-VIII)	5,145.08	3,131.74	16,899.13	7,672.40
X	Other Comprehensive income/(Expense)				
	i) Items that will be classified to profit or loss	(289.85)	(90.44)	(2,184.80)	5,229.00
	ii) Income tax relating to items that will be reclassified to profit or loss	100.31	31.30	345.80	(798.00)
	Total Other Comprehensive Income	(189.54)	(59.14)	(1,839.00)	4,431.00
XI	Total comprehensive income for the period ( IX+X)	4,955.54	3,072.60	15,060.13	12,103.40
	Earnings per equity share face value ₹ 10 each ( for continuing operations)				
	1) Basic	1.53	0.97	5.01	2.37
	2) Diluted	1.52	0.97	4.99	2.37
XII	Paid up share capital	37,808.83	32,333.60	37,808.83	32,333.60
XIII	Other equity at the end of the period	308,548.39	202,095.73	288,813.22	168,332.02

# 2016 MCIE STANDALONE & CONSOLIDATED Balance Sheet

₹ in Lakhs

Particulars			STANDALONE		CONSOLIDATED	
			Dec 31,2016	Dec 31, 2015	Dec 31,2016	Dec 31 , 2015
			Audited	Audited	Audited	Audited
A		<b>ASSETS</b>				
	1	<b>Non-current assets</b>				
		(a) Property, Plant and Equipment	50,714.26	52,368.55	176,803.04	150,288.90
		(b) Capital work-in-progress	609.99	2,211.47	9,664.77	5,593.00
		(c) Goodwill	-	-	269,007.11	177,142.00
		(d) Other Intangible assets (other than goodwill)	352.61	508.82	1,544.25	1,860.80
		(e) Financial Assets				
		(i) Investments in subsidiaries	287,585.65	155,461.10	-	-
		(ii) Investments in others	0.26	0.26	355.07	78.00
		(iii) Loans	-	-	24,263.92	8,262.00
		(f) Deferred tax assets (net)	-	-	24,025.61	20,201.00
		(g) Other non-current assets	8,145.28	8,201.57	13,246.36	20,641.00
		<b>Total Non - Current Assets</b>	<b>347,408.05</b>	<b>218,751.77</b>	<b>518,910.13</b>	<b>384,066.70</b>
	2	<b>Current assets</b>				
		(a) Inventories	14,171.58	15,130.67	83,517.14	71,886.00
		(b) Financial Assets				
		(i) Investments	3,061.87	6,628.30	3,535.72	6,628.00
		(ii) Trade receivables	24,307.19	23,027.33	52,191.86	38,307.78
		(iii) Cash and cash equivalents	1,043.62	1,266.09	9,443.50	3,743.00
		(iv) Bank balances other than (iii) above	234.38	1,300.59	367.40	1,271.00
		(v) Loans	-	-	123.20	284.52
		(c) Current Tax Assets (Net)	5,470.00	6,396.16	2,686.70	1,093.00
		(d) Other current assets	5,635.20	4,713.07	15,699.40	12,949.79
		<b>Total Current Assets</b>	<b>53,923.84</b>	<b>58,462.21</b>	<b>167,564.92</b>	<b>136,163.09</b>
		<b>Total Assets (1+2)</b>	<b>401,331.89</b>	<b>277,213.98</b>	<b>686,475.05</b>	<b>520,229.79</b>

# 2016 MCIE STANDALONE & CONSOLIDATED Balance Sheet

₹ in Lakhs

Particulars			STANDALONE		CONSOLIDATED	
			Dec 31,2016	Dec 31, 2015	Dec 31,2016	Dec 31 , 2015
			Audited	Audited	Audited	Audited
<b>B</b>		<b>EQUITY AND LIABILITIES</b>				
	<b>1</b>	<b>Equity</b>				
		(a) Equity Share capital	37,808.83	32,333.60	37,808.83	32,333.60
		(b) Other Equity				
		(i) Share premium	150,794.70	49,869.68	150,792.45	50,091.21
		(ii) Other reserves	157,753.69	152,226.05	138,020.77	118,240.81
		<b>Total equity (I+II)</b>	<b>346,357.22</b>	<b>234,429.33</b>	<b>326,622.05</b>	<b>200,665.62</b>
		<b>LIABILITIES</b>				
	<b>2</b>	<b>Non-current liabilities</b>				
		(a) Financial Liabilities				
		(i) Borrowings	-	-	93,248.56	75,182.00
		(ii) Other financial liabilities (other than those specified in (b) below)	-	-	155.34	-
		(b) Provisions	2,100.64	1,883.40	26,277.66	25,494.00
		(c) Deferred tax liabilities (Net)	2,411.95	2,504.42	9,679.68	5,915.00
		(f) Other non-current liabilities	3,507.14	4,119.20	6,689.23	8,238.00
		<b>Total Non - Current Liabilities</b>	<b>8,019.73</b>	<b>8,507.02</b>	<b>136,050.47</b>	<b>114,829.00</b>
	<b>3</b>	<b>Current liabilities</b>				
		(a) Financial Liabilities				
		(i) Borrowings	13,845.06	1,127.30	42,958.07	31,083.00
		(ii) Trade payables	18,144.81	19,926.01	152,597.50	139,911.65
		(iii) Other financial liabilities (other than those specified in (b) below)	1,359.57	2,282.19	6,338.45	5,124.00
		(b) Provisions	691.93	695.46	1,934.90	4,702.00
		(c) Current Tax Liabilities (Net)			2,152.60	1,380.00
		(d) Other current liabilities	12,913.57	10,246.67	17,821.01	22,534.52
		<b>Total Current Liabilities</b>	<b>46,954.94</b>	<b>34,277.63</b>	<b>223,802.53</b>	<b>204,735.17</b>
		<b>Total Equity and Liabilities (1+2+3)</b>	<b>401,331.89</b>	<b>277,213.98</b>	<b>686,475.05</b>	<b>520,229.79</b>

# 2016 MCIE SEGMENT RESULT

₹ in Lakhs

Segment wise Revenue, Results and Capital Employed		CONSOLIDATED	
		Year Ended	9 Months Ended
Particulars		31-Dec-16	31-Dec-15
		Audited	Audited
1	Segment Revenue		
	a) India	214,507.03	145,018.02
	b) Europe	345,186.04	261,092.66
	Total	559,693.07	406,110.68
	Less:		
	Inter Segment Revenue	4,099.06	3,164.68
	Total Revenue	555,594.01	402,946.00
2	Segment Results		
	Profit before tax and interest		
	a) India	11,406.00	6,394.20
	b) Europe	20,683.79	8,708.20
	Total	32,089.79	15,102.40
	Less		
	i) Interest	5,935.36	5,041.00
	ii) Other Un-allocable Expenditure net of Un-allocable income	-	-
	Total Profit before Tax	26,154.43	10,061.40
3	Capital Employed		
	a) India	100,960.82	86,308.89
	b) Europe	225,661.23	114,356.73
	Total	326,622.05	200,665.62

Standalone results of the company constitute a single business and geographical

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2016.

Notes:

- 1 The above results are the standalone results of Mahindra CIE Automotive Limited ("MCIE") and the consolidated results of the Group (MCIE Group) which include the results of the MCIE and its subsidiaries, Mahindra Forgings International Limited (MFIL), Mahindra Forgings Global Limited (MFGL), Stokes Group Limited (SGL) Mahindra Gear Transmissions Private Limited (MGTPL), Mahindra Gear Global Limited ( MGGL), CIE Galfor S.A ( Galfor), Bill Forge Private Limited (BF) and their respective step down subsidiaries ("the Group").
- 2 In the previous year the Company had obtained the permission for changing its financial year end from March 31 to December 31. In view of this, the results of the previous year are for the 9 month period ended December 31, 2015 and the current year to date figures are for 12 months and hence are not comparable.
- 3 The Company has voluntarily adopted the Indian Accounting Standards (IND AS) with effect from January 1, 2016 and the results for all the periods presented have been prepared as per the recognition and measurement principles of IND AS.
- 4 The reconciliation of all amounts required to be disclosed as per the LODR and applicable circulars issued by SEBI in this regard are summarised below:  
Reconciliation of Statement of Profit and Loss:

	Rs.in Lakhs		
	Standalone		Consolidated
	Quarter ended Dec 31,2015	9 months ended Dec 31,2015	9 months ended Dec 31,2015
Net profit as per previously applicable Accounting standards	496.71	3,084.50	8,723.73
Provision for doubtful receivables( net of deferred tax)	(2.31)	(2.31)	(41.62)
Actuarial (gain)//loss for the employee defined benefit funds recognised under Other	59.14	59.14	(1,000.12)
Comprehensive Income			
Impact of change in exemption of accounting for Sales Tax Deferral (See Para 6)	27.38	(9.59)	(9.59)
Net profit for the period under IND AS	580.92	3,131.74	7,672.40
Other Compressive Income/(expenses)	(59.14)	(59.14)	4,431.00
Total Comprehensive Income under IND AS	521.78	3,072.60	12,103.40

Reconciliation of Equity (other than equity share capital)	Rs. In Lakhs			
	As at			
	Standalone		Consolidated	
	Apr 1, 2015	Dec 31, 2015	Apr 1, 2015	Dec 31, 2015
Reserves and Surplus as per previously applicable accounting standards	198,555.30	202,289.24	156,353.67	168,740.44
Adjustment for restatement of Profit under IND AS	181.61	193.51	(724.60)	(408.42)
Other Equity under IND AS	198,373.69	202,095.73	155,629.07	168,332.02



- 5 Goodwill amounting to ₹74,4321.23 Lakhs arises on consolidation of wholly owned subsidiaries namely MFGL and MFIL and their step down subsidiaries viz. Mahindra Forging Europe AG (MFE AG) and its wholly owned subsidiary companies, Jeco Jellinghaus GmbH, Schoneweiss & Co GmbH, Gesenkschmiede Scgneider GmbH and Falkenroth Unformetechnik GmbH (collectively referred to as step down subsidiaries). After significant decline in demand due to economic downturn in Europe and some one time costs due to one plant closure, which affected the result of last 2 years, the market demand is expected to show gradual recovery during next year. Action initiated by the new management team such as improving operational efficiencies, close monitoring, improving price realisation and reduction in people, under active guidance and supervision of CIE Automotive S.A, the ultimate parent company, will start yielding results in 2017. In view of future performance of MFE AG and its subsidiaries, the Company is of view that, there is no impairment of the goodwill or diminution other than temporary in the Company's Investment of Rs 76,375 Lakhs in MFIL and MFGL
- 6 Pursuant to the approval of the Board of Directors of the Company on September 12,2016, the company completed the acquisition of the entire share capital of **Bill Forge Private Limited ("Bill Forge")** and its wholly owned subsidiaries namely **Bill Forge Precision Private Limited , Bill Forge Global DMCC Dubai and Bill Forge Mexico S.DE R. L.DE C V** in October 2016 for a consideration of ₹ 130,279.6 Lakhs which included the issue and allotment of 3,19,91,563 equity shares of the Company to the shareholders of Bill Forge. To finance the acquisition, the Company also allotted 2,25,00,000 equity shares for cash on a preferential basis to its holding company Participaciones Internacionies Autometal, Dos SL. The assets acquired and liabilities assumed in the business combination were recognised at their acquisition date fair value in accordance with the requirements of IND AS 103-Business
- 7 The exceptional Item included in the standalone results for the year ended December 31,2016 relates to the Voluntary Retirement Scheme for workers in one of the plants of the Company.
- 8 The standalone results of the company constitute a single business and geographical segment i.e. automotive components manufactured in India and the Consolidated results comprises of geographical segments of India and Europe.
- 9 Diluted EPS for the Quarter ended Sep 30,2016 has been calculated after considering the dilutive impact of the aforesaid preferential allotment of equity shares of the Company.
- 10 The results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on February 23, 2017.

# Annexure 2: Market Overview and Outlook

# India Market: Key Segments Update - Quarterly

**Demand Improving**

## Market - Production Numbers

Period	Cars + UV's		CV's		Tractors		Two Wheelers	
	Units	Δ%	Units	Δ%	Units	Δ%	Units	Δ%
<b>C16</b>	<b>3,499,152</b>	<b>8.0</b>	<b>811,365</b>	<b>8.3</b>	<b>648,702</b>	<b>21.4</b>	<b>19,981,423</b>	<b>7.9</b>
Q4 C16	891,404	13.1	188,257	1.3	170,893	51.5	4,512,823	-3.7
Q3 C16	948,290	11.8	188,856	-3.2	182,101	10.1	5,564,467	14.0
Q2 C16	806,507	4.1	205,567	16.4	170,708	17.7	5,173,563	14.1
Q1 C16	852,951	3.1	228,685	19.5	125,000	12.2	4,730,570	7.0

Source: SIAM, TMA

\* Δ % - means comparison of Quarter volumes of this financial year with that of the same quarter of the previous financial year. E.g. Q1 C16 Volume is compared to Q1 C15 volume respectively.

# Market Outlook - India

- **PVs+ UVs:**

*“With most of the turbulence caused by the demonetisation exercise subsiding, CRISIL Research expects PV sales to improve in the fourth quarter of 2016-17, supported by new launches.” “Domestic cars and utility vehicles (UVs) sales are expected accelerate from 6% compound annual growth rate (CAGR) between 2010-11 and 2015-16 to 11-13% CAGR from 2015-16 to 2020-21”... CRISIL Research report*

- **CVs:**

*“MHCV sales, which contracted between 2011-12 and 2014-15, are projected to rebound over 2015-16 to 2020-21, reporting a healthy 9-11% CAGR, as industrial activity improves, agricultural output steadies and infrastructure project execution receives strong focus.” ... CRISIL Research report*

- **Tractors:**

*“CRISIL Research now expects volumes to expand 15-17%. The forecast is owing to the higher demand estimated with the pick-up in the monsoon, which covered the entire country by mid-July, and increased implementation of infrastructure-related projects. In the long term, CRISIL Research projects domestic tractor sales to grow at 9-11% CAGR during 2015-16 to 2020-21, a slight improvement over the projected structural growth rate of 8-10%, mainly due to low base of 2015-16.”... CRISIL Research report*

- **Two Wheelers:**

*“Until 2019-20, CRISIL Research expects domestic two-wheeler sales to record an 8-10% CAGR. The payouts as per the Seventh Pay Commission recommendations are expected to boost two-wheeler sales over 2016-18. Scooters, the fastest growing segment, is likely to record a 14-16% CAGR.” ... CRISIL Research report*

# Europe Market Update - Quarterly

Market expected to grow albeit slower

## Market - Production Numbers

### Passenger Vehicles (Mn Units)

Period	C16	Δ%
<b>C16</b>	<b>18.67</b>	<b>3.5%</b>
Q4	4.51	0.9%
Q3	4.12	-1.7%
Q2	5.17	9.5%
Q1	4.87	4.4%

### Commercial Vehicles

Period	C16	Δ%
<b>C16</b>	<b>636,840</b>	<b>11.7%</b>
Q4	152,843	8.3%
Q3	147,943	1.9%
Q2	188,579	27.6%
Q1	147,475	8.2%

\*Δ% Change means comparison of Quarter volumes of this financial year with that of the same quarter of the previous financial year. E.g. Q1 C16 Volume is compared to Q1 C15 volume respectively.

# Market Outlook - Europe

Growth returning, but gradually

- EU – Cars:
  - *IHS Global has forecasted that the Passenger Vehicle production will grow at a slow but steady pace of 0.7% CAGR.*
- EU - CVs:
  - *IHS Global has forecasted that the Medium and Heavy Commercial Vehicle production will grow at a steady pace of 2.1% CAGR*

# Annexure 3: MCIE Overview

# MCIE Overview

India

## Product Portfolio

### Forgings



**Crankshafts & Stub axles**  
Forged & Machined

### Castings



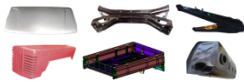
**Ductile iron castings** like housings, manifolds, turbochargers & crankshafts – cast & machined

### Bill Forge



**Races, retainers, CV Inners, CV Outers**

### Stampings



**Stampings & Stamped Assemblies**

### Gears



**Gears & Shafts**

### Magnetic Products

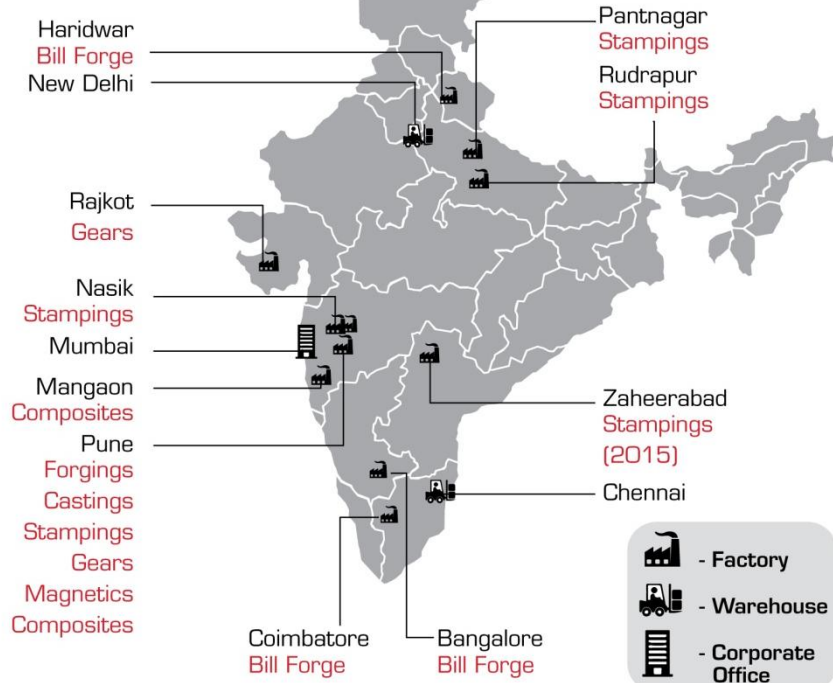


**Pioneers in ferrite manufacturing** in India  
Global supplier of automotive magnets

### Composites



**Thermoset Composite Materials & Products**  
Light weighting automotive solutions capability



## Customers

Top 2 Customers = 40-45%

### Key Segments

- Market Leading Auto OEMs
- Market Leading Two Wheeler OEM's
- Market Leading tractor OEMs



# MCIE Overview

## Europe

### Product Portfolio

#### Forgings (Germany + UK)



Basket of forged & machined parts for the European truck market in Europe  
**Strong presence in Front Axle Beams & Steel Pistons**

#### Forgings (Spain + Lithuania)

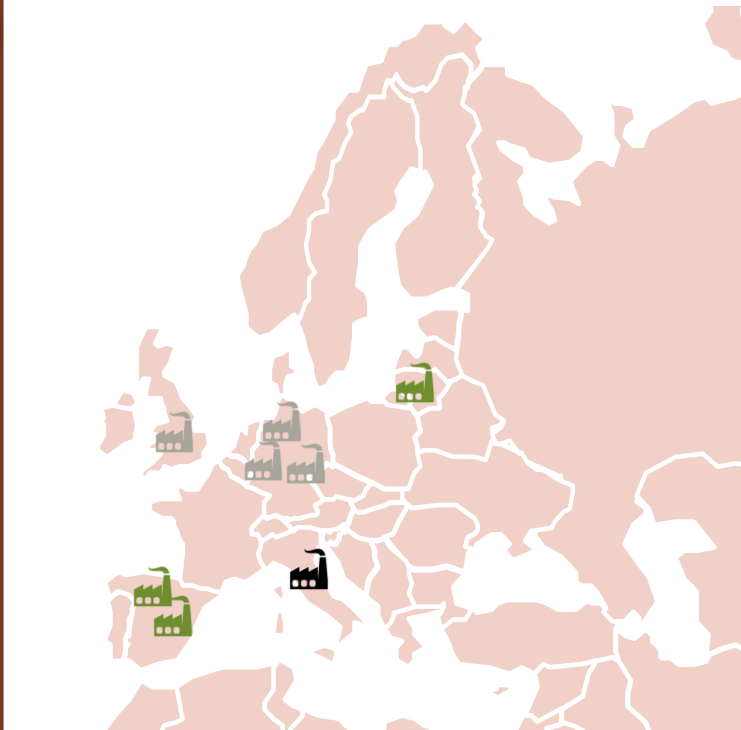


**Strong presence in Crankshafts, Common Rails & CV Joints in Europe**

#### Gears (Italy)



**High precision Gears & Shafts for engines, transmissions, clutch & pumps**



**Mahindra Forging Europe: 4 Location in Germany & UK; Focus: Trucks**

**CIE Forgings Europe: 3 Locations in Spain & Lithuania; Focus: Cars**

**Metalcastello : 1 Location In Italy; Focus: Off Road**

### Customers

Top 10 Customer Revenues  
 Approximately 60%

#### Key Segments

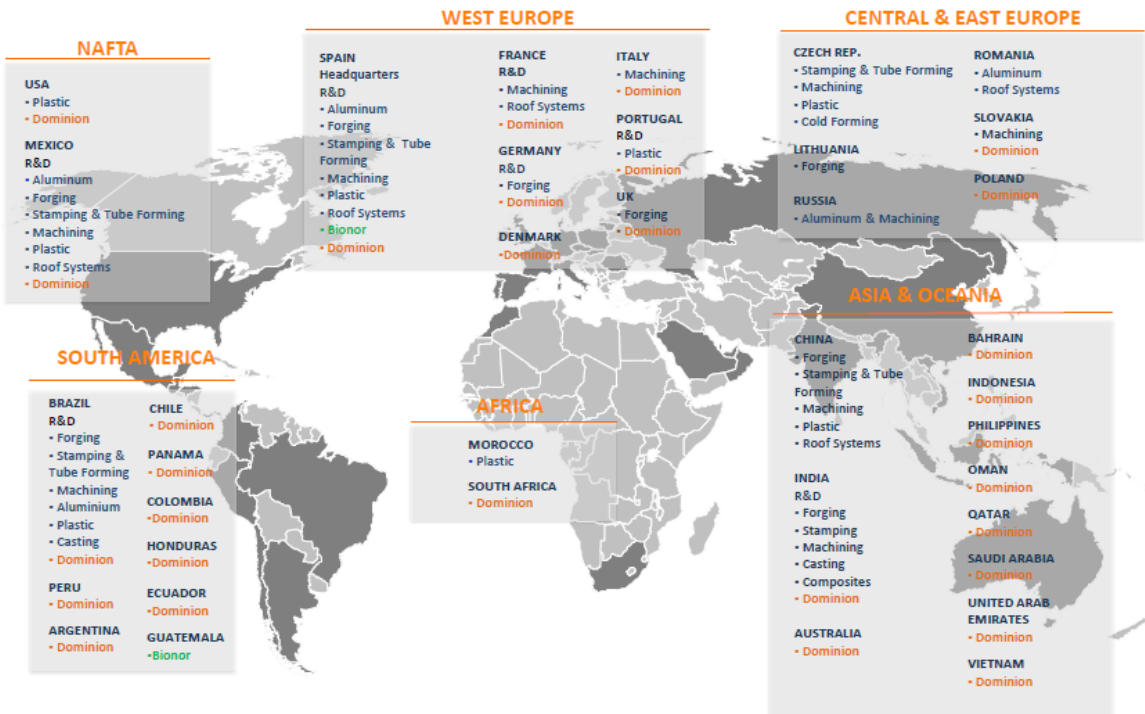
- Commercial Vehicle OEMs
- Passenger Vehicle OEMs
- Off-Road and Agri Machinery OEMs

# Annexure 4: Overview of CIE

# Overview

## Locations

## Technology Mix

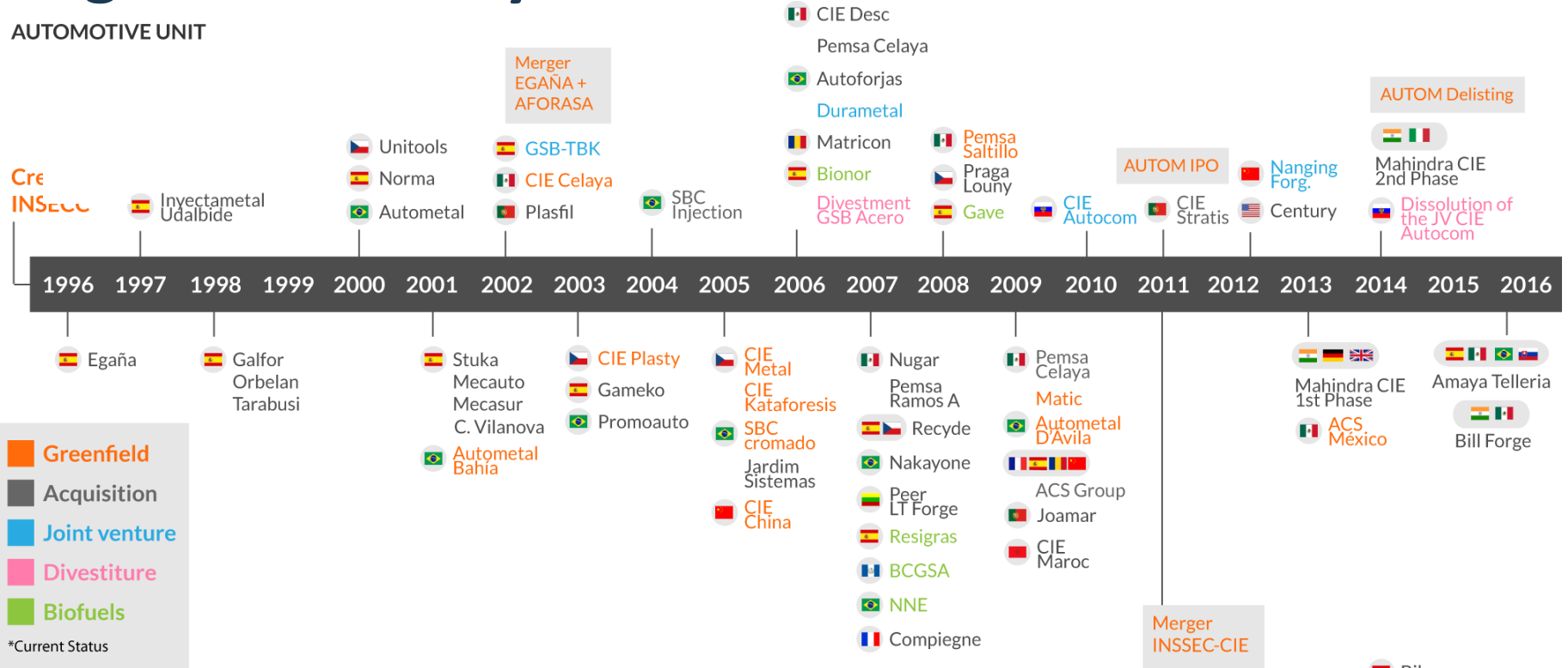


- ALUMINIUM HPDC 
- FORGING 
- STAMPING & TUBE FORMING 
- MACHINING 
- PLASTICS 
- IRON CASTING 
- ROOF SYSTEMS 

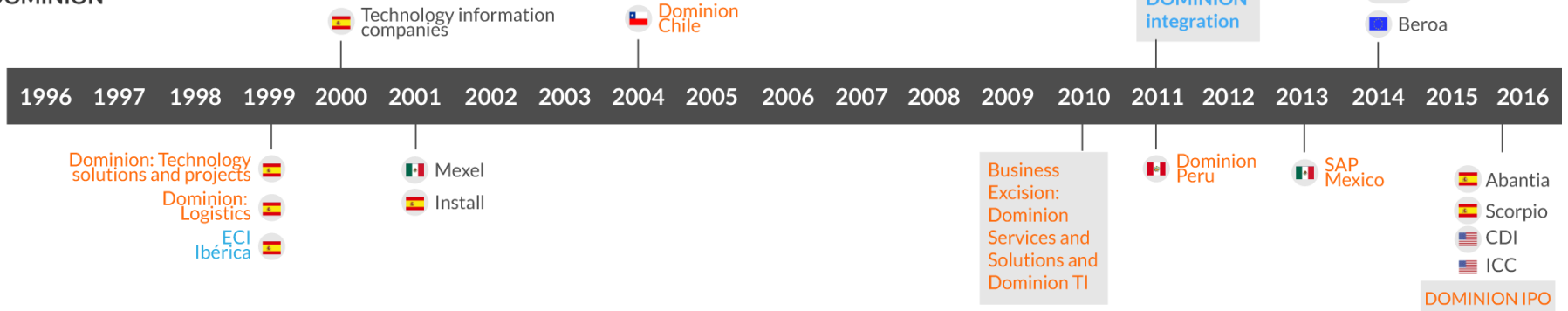
Source: CIE's company presentation of Feb 2017

# Integration History

## AUTOMOTIVE UNIT



## DOMINION



Source: CIE's company presentation of Feb 2017



*Thank you*

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**Mahindra** CIE