

Investor Presentation

Q2 CY19 Results

Mahindra CIE Automotive Limited

19th July 2019 | Mumbai



Mahindra CIE

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MCIE India

Q2 CY2019 Results

Financial Update

(INR Mio)	Apr-Jun 2019	Change	Apr-Jun 2018	Jan-Mar 2019
Sales (without Excise)	9,236	+15%	8,024	7,936
EBITDA (*)	1,214	-3%	1,256	1,296
EBITDA%	13.1%		15.7%	16.3%
EBIT (*)	794	-17%	957	993
EBIT %	8.6%		11.9%	12.5%
EBT	773	-8%	842	990
EBT%	8.4%		10.5%	12.5%

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

Market Update (Production)

	Apr-Jun 2019 v/s Apr-Jun 2018	Apr-Jun 2019 v/s Jan-Mar 2019
PV	-15.3%	-11.9%
UV	-2.2%	-9.8%
LCV	-12.5%	-19.7%
<6T	-12.0%	-13.7%
Two Wheelers	-10.1%	7.5%
Tractors	-21.3%	-1.6%

Source: SIAM, TMA

M&M, Maruti, Tata Motors, Hero MotoCorp and Bajaj combined constitute more than 50% of MCIE India business. Production Numbers for: M&M includes PV+UV+LCV+Tractors but excludes 2wheelers and 3Wheelers, Maruti includes PV+LCV, Tata Motors includes PV+UV+LCV but excludes MHCV, Hero all 2Wheelers and Bajaj includes 2Wheelers and 3 Wheelers. The growth of MCIE's Key customers (not including Bajaj) weighted as per their share of business in MCIE India for the Apr-Jun 2019 growth is -15.2% and sequential growth is -3.9%.

However, growth of MCIE's Key customers (including Bajaj) weighted as per their share of business in MCIE India for the Apr-Jun 2019 growth is -5.9% and sequential growth is -5.7%.

- Sales growth due to AEL integration (INR +2,160 mio). Without AEL, 12% of sales drop
- EBITDA margin reduction due to sales drop and AEL acquisition with lower EBITDA margin than average (AEL EBITDA = 11.2%)

MCIE India

H1 CY2019 Results

Financial Update

(INR Mio)	Jan-Jun 2019	Change	Jan-Jun 2018
Sales (without Excise)	17,172	+9%	15,780
EBITDA (*)	2,510	+3%	2,431
EBITDA%	14.6%		15.4%
EBIT (*)	1,787	-2%	1,832
EBIT %	10.4%		11.6%
EBT	1,763	-3%	1,810
EBT%	10.3%		11.5%

(*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

Market Update (Production)

	Jan-Jun 2019 v/s Jan-Jun 2018
PV	-11.1%
UV	-1.3%
LCV	-4.6%
<6T	-7.3%
Two Wheelers	-9.9%
Tractors	-12.2%

M&M, Maruti, Tata Motors, Hero MotoCorp and Bajaj combined constitute more than 50% of MCIE India business. Production Numbers for: M&M includes PV+UV+LCV+Tractors but excludes 2wheelers and 3Wheelers, Maruti includes PV+LCV, Tata Motors includes PV+UV+LCV but excludes MHCV, Hero all 2Wheelers and Bajaj includes 2Wheelers and 3 Wheelers. The growth of MCIE's Key customers (not including Bajaj) weighted as per their share of business in MCIE India for the Jan-Jun 2019 growth is -9.0%.

However, growth of MCIE's Key customers (including Bajaj) weighted as per their share of business in MCIE India for the Jan-Jun 2019 growth is 0.1%

Source: SIAM, TMA

- First half showing growth thanks to AEL integration
- Without AEL, 4% sales drop in a market dropping more than 7%

MCIE Europe

Q2 CY2019 Results

Financial Update

(INR Mio)	Apr-Jun 2019	Change	Apr-Jun 2018**	Jan-Mar 2019
Sales (without Excise)	11,316	-3%	11,632	12,844
EBITDA (*)	1,480	-10%	1,653	1,677
EBITDA%	13.1%		14.2%	13.1%
EBIT (*)	1,055	-13%	1,216	1,241
EBIT %	9.3%		10.5%	9.7%
EBT	961	-13%	1,102	1,141
EBT%	8.5%		9.5%	8.9%

(*) EBITDA: Net Operating Income + Depreciation. EBIT: EBT + financial results.

(**) 2018 numbers have been restated without Stokes

Market Update (Production)

	Apr-Jun 2019 v/s Apr-Jun 2018	Apr-Jun 2019 v/s Jan-Mar 2018
Passenger Vehicles	-6.9%	-0.2%

Commercial Vehicle production data is not available on a quarterly basis

Source: IHS Global

- Negative exchange rate impact of -3% in sales. Real Q2 sales in euros flat

MCIE Europe

H1 CY2019 Results

Financial Update

(INR Mio)	Jan-Jun 2019	Change	Jan-Jun 2018**
Sales (without Excise)	24,160	+6%	22,822
EBITDA (*)	3,157	+2%	3,110
EBITDA%	13.1%		13.6%
EBIT (*)	2,296	+1%	2,269
EBIT %	9.5%		9.9%
EBT	2,102	+3%	2,043
EBT%	8.7%		9.0%

(*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

(**) 2018 numbers have been restated without Stokes

Market Update (Production)

	Jan-Jun 2019 v/s Jan-Jun 2018
Passenger Vehicles	-6.0%

Source: IHS Global

- First half showing growth due to strong Q1. Flat Q2

MCIE Consolidated

Q2 CY2019 Results

(INR Mio)	Apr-Jun 2019	Change	Apr-Jun 2018	Jan-Mar 2019
Sales (without Excise)	20,495	+5%	19,546	20,684
EBITDA (*)	2,694	-7%	2,909	2,974
EBITDA%	13.1%		14.9%	14.4%
EBIT (*)	1,850	-15%	2,173	2,233
EBIT %	9.0%		11.1%	10.8%
EBT	1,735	-11%	1,944	2,130
EBT%	8.5%		9.9%	10.3%

(*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

- Weak second quarter sales and result, specially in India
- June has been the worst month due to customer inventory regulation

MCIE Consolidated

H1 CY2019 Results

(INR Mio)	Jan-Jun 2019	Change	Jan-Jun 2018
Sales (without Excise)	41,179	+7%	38,427
EBITDA (*)	5,668	+2%	5,541
EBITDA%	13.8%		14.4%
EBIT (*)	4,083	0%	4,101
EBIT %	9.9%		10.7%
EBT	3,865	0%	3,853
EBT%	9.4%		10.0%

(*) EBITDA: Net Operating Income + Depreciation, EBIT: EBT + financial results.

- Sales in H1 have grown 2% without taking AEL into account, despite the tough market environment
- EBIT has also been maintained close to 10%

Other Details

Other Operating Revenue, Other Income and Exchange rates

(INR Mio)	For Q2 CY19			For H1 CY19		
	India	Europe	Consolidated	India	Europe	Consolidated
Other Operating Revenue	505	419	925	1,086	899	1,985
Other Income	64	13	77	213	13	226

Exchange Rates

Period	INR/ Euro
Average for Q2 CY19	79.36
Average for Q1 CY19	80.06
Average for H1 CY19	79.18
Average for H1 CY18	79.58
As on 31 Dec 2018	79.63
As on 30 Jun 2019	78.58

MCIE Consolidated

CY19 Half Year Results Balance Sheet

<i>(INR mio)</i>	30/06/2019	31/12/2018
Fixed Assets	59,743	50,014
Net Working Capital	-1,632	949
Total Net Assets	58,112	50,962
Equity	45,074	42,891
Net Financial Debt (*)	11,815	7,255
Others (Net)	1,222	816
Total Equity and Liabilities	58,112	50,962

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

(1) RONA = "Return on Net Assets": EBIT / Net Assets (Fixed Assets + Net Working capital + Goodwill).

RATIO	CY 2019	CY 2018
RONA ⁽¹⁾	14.1%	15.8%
NFD/EBITDA	1.04	0.67
NFD/Equity	0.26	0.17
ROE	12.4%	11.6%

- Total Capex (including advances) done in H1 CY2019 is INR 2 billion
- Strong cash generation despite negative market evolution
- Net Debt/ EBITDA is close to 1 despite AEL acquisition, improvement in ROE

Annexure 1:

- Results Declared to SEBI

STATEMENT OF PROFIT & LOSS ACCOUNTS

MAHINDRA CIE AUTOMOTIVE LIMITED

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

CIN: L27100MH1999PLC121285

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

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

STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2019

Rs. in Million

		STANDALONE					
		Quarter Ended			Six Months Ended		Year Ended
		June 30, 2019	March 31, 2019	June 30, 2018	June 30, 2019	June 30, 2018	December 31, 2018
		Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
	Particulars						
I	Revenue from operations	5,409.14	6,425.58	6,499.56	11,834.72	12,620.15	25,342.74
II	Other Income	64.96	148.17	51.93	213.13	121.65	248.52
III	Total Revenue (I+II)	5,474.10	6,573.75	6,551.49	12,047.85	12,741.80	25,591.26
IV	Expenses						
a)	Cost of materials consumed	2,923.78	3,575.97	3,680.65	6,499.75	7,098.54	14,224.45
b)	Changes in stock of finished goods, work-in progress	65.51	(19.20)	(93.56)	46.31	(166.43)	(261.95)
c)	Employee benefit expense	679.71	718.20	719.09	1,397.91	1,392.85	2,846.58
d)	Finance costs	54.23	28.81	7.89	83.04	35.56	82.04
e)	Depreciation and amortisation expenses	181.05	178.23	184.12	359.28	372.59	738.96
f)	Other expenses	1,199.25	1,364.19	1,377.99	2,563.44	2,736.78	5,442.14
	Total Expenses (IV)	5,103.53	5,846.20	5,876.18	10,949.73	11,469.89	23,072.22
V	Profit before exceptional items and tax (III-IV)	370.57	727.55	675.31	1,098.12	1,271.91	2,519.04
VI	Exceptional items (Refer Note 4)	-	-	-	-	-	1,286.00
VII	Profit before tax (V-VI)	370.57	727.55	675.31	1,098.12	1,271.91	1,233.04

STATEMENT OF PROFIT & LOSS ACCOUNTS (cont'd)

Rs. in Million

Particulars		STANDALONE					
		Quarter Ended			Six Months Ended		Year Ended
		June 30, 2019	March 31, 2019	June 30, 2018	June 30, 2019	June 30, 2018	December 31, 2018
		Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
VII	Profit before tax (V-VI)	370.57	727.55	675.31	1,098.12	1,271.91	1,233.04
VIII	Tax expense						
1)	Current tax	139.40	254.36	229.32	393.76	418.94	830.91
2)	(Excess)/short provision for tax of earlier years	-	-	-	-	-	(35.00)
3)	Deferred tax	(2.35)	3.92	7.45	1.57	28.76	81.98
	Total tax expense (VIII)	137.05	258.28	236.77	395.33	447.70	877.89
IX	Profit after tax (VII-VIII)	233.52	469.27	438.54	702.79	824.21	355.15
X	Other Comprehensive income						
A	i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(11.76)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	4.10
B	i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income	-	-	-	-	-	(7.66)
XI	Total comprehensive income for the period (IX+X)	233.52	469.27	438.54	702.79	824.21	347.49
	Earnings per equity share face value INR 10 each						
1)	Basic	0.62	1.24	1.16	1.86	2.18	0.94
2)	Diluted	0.62	1.24	1.16	1.85	2.17	0.94

STATEMENT OF PROFIT & LOSS ACCOUNTS (cont'd)

STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2019

Rs.in Million

		Particulars	CONSOLIDATED					
			Quarter Ended			Six Months Ended		Year Ended
			June 30, 2019	March 31, 2019	June 30, 2018	June 30, 2019	June 30, 2018	December 31, 2018
		Un Audited	Un Audited	(Refer Note 10)	Un Audited	(Refer Note 10)	Audited	
		Continuing Operations						
I		Revenue from operations	21,419.93	21,743.91	20,788.89	43,163.84	40,754.18	80,315.38
II		Other Income	77.67	148.42	87.03	226.09	138.54	386.86
III		Total Revenue (I+II)	21,497.60	21,892.33	20,875.92	43,389.93	40,892.72	80,702.24
IV		Expenses						
	a)	Cost of materials consumed	10,004.03	10,175.34	9,988.18	20,179.37	19,118.03	37,736.82
	b)	Changes in stock of finished goods, work-in progress	(140.98)	(30.37)	(616.06)	(171.35)	(718.46)	(1,421.45)
	c)	Employee benefit expense	3,647.99	3,559.35	3,474.82	7,207.34	6,834.36	13,296.70
	d)	Finance costs	115.41	102.93	239.03	218.34	268.58	501.51
	e)	Depreciation and amortisation expenses	843.99	740.43	744.07	1,584.42	1,455.21	2,867.49
	f)	Other expenses	5,292.75	5,214.24	5,119.74	10,506.99	10,111.17	20,192.43
		Total Expenses (IV)	19,763.19	19,761.92	18,949.78	39,525.11	37,068.89	73,173.50
V		Profit before tax (III-IV)	1,734.41	2,130.41	1,926.14	3,864.82	3,823.83	7,528.74

STATEMENT OF PROFIT & LOSS ACCOUNTS (cont'd)

Rs.in Million

		Particulars	CONSOLIDATED					
			Quarter Ended			Six Months Ended		Year Ended
			June 30, 2019	March 31, 2019	June 30, 2018	June 30, 2019	June 30, 2018	December 31, 2018
			Un Audited	Un Audited	(Refer Note 10)	Un Audited	(Refer Note 10)	Audited
V		Profit before tax (III-IV)	1,734.41	2,130.41	1,926.14	3,864.82	3,823.83	7,528.74
VI		Tax expense			2,165.17			
	1)	Current tax	455.63	603.82	518.14	1,059.45	1,067.70	1,933.96
	2)	(Excess)/short provision for tax of earlier years	-	-	-	-	-	(35.00)
	3)	Deferred tax	16.54	(10.60)	18.94	5.94	49.40	144.30
		Total tax expense (VI)	472.17	593.22	537.08	1,065.39	1,117.10	2,043.26
VII		Profit after tax (V-VI)	1,262.24	1,537.19	1,389.06	2,799.43	2,706.73	5,485.48
		Discontinued Operation (Refer Note 2)						
		Profit / (Loss) for the year for Discontinued Operation	-	(13.03)	-	(13.03)	-	(504.00)
		Tax Expense on Discontinued Operations	-	-	-	-	-	-
		Profit after tax (Continuing and Discontinued Operatio	1,262.24	1,524.16	1,389.06	2,786.40	2,706.73	4,981.48
VIII		Other Comprehensive income						
	A	i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(53.00)
		ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	17.00
	B	i) Items that will be reclassified to profit or loss	(271.45)	(232.08)	43.18	(503.53)	677.36	737.00
		ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
		Total Other Comprehensive Income	(271.45)	(232.08)	43.18	(503.53)	677.36	701.00
IX		Total comprehensive income for the period (VII+VIII)	990.79	1,292.08	1,432.24	2,282.87	3,384.09	5,682.48
		Earnings per equity share face value ₹ 10 each						
		Basic EPS						
		Continuing Operation	3.33	4.06	3.67	7.39	7.15	14.49
		Discontinued Operation	-	(0.03)	-	(0.03)	-	(1.33)
		Diluted EPS						
		Continuing Operation	3.33	4.06	3.67	7.39	7.15	14.48
		Discontinued Operations	-	(0.03)	-	(0.03)	-	(1.33)

STATEMENT OF ASSETS & LIABILITIES

Mahindra CIE Automotive Limited

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

CIN: L27100MH1999PLC121285

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

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

Statement of Assets and Liabilities

				Rs. in Million			
				STANDALONE		CONSOLIDATED	
Particulars				As at June	As at December	As at June	As at December
				30,2019	31,2018	30,2019	31,2018
				Un Audited	Audited	Un Audited	Audited
A		ASSETS					
	1	Non-current assets					
		a) Property, Plant and Equipment	5,793.49	5,596.90	23,083.43	19,840.10	
		b) Capital work-in-progress	722.64	631.83	928.30	960.11	
		c) Goodwill (Refer Note 7)	390.95	390.95	35,613.39	29,111.44	
		d) Other Intangible assets (other than goodwill)	58.23	66.41	116.99	100.83	
		e) Financial Assets					
		I) Investments in subsidiaries	28,798.77	20,061.53	-	-	
		II) Investments in others	0.56	0.56	41.48	14.72	
		III) Loans	-	-	1,211.76	1,386.67	
		IV) Other financial assets	59.74	45.40	177.07	138.19	
		f) Deferred tax assets (net)	-	-	2,604.27	2,553.23	
		g) Income Tax Asset (Net)	350.45	342.33	350.45	327.00	
		h) Other non-current assets	946.98	967.58	1,317.59	1,283.59	
		Total Non - Current Assets	37,121.81	28,103.49	65,444.73	55,715.88	
	2	Current assets					
		a) Inventories	2,230.22	2,435.68	12,605.95	12,285.57	
		b) Financial Assets					
		i) Investments	1,243.71	6,788.40	1,624.87	6,793.13	
		ii) Trade receivables	3,713.99	3,913.53	8,092.21	7,414.39	
		iii) Cash and cash equivalents	259.26	301.89	1,190.53	1,084.34	
		iv) Bank balances other than (iii) above	43.50	42.54	43.50	42.54	
		(v) Loans	-	-	22.82	31.16	
		c) Other current assets	354.60	296.47	1,298.22	1,410.07	
		Total Current Assets	7,845.28	13,778.51	24,878.10	29,061.20	
		Disposal group assets classified as held for sale	-	-	303.83	523.60	
		Total Assets (1+2)	44,967.09	41,882.00	90,626.66	85,300.68	

STATEMENT OF ASSETS & LIABILITIES (cont'd)

Statement of Assets and Liabilities

Rs. in Million

Particulars		STANDALONE		CONSOLIDATED	
		As at June 30,2019	As at December 31,2018	As at June 30,2019	As at December 31,2018
		Un Audited	Audited	Un Audited	Audited
B	EQUITY AND LIABILITIES				
1	Equity				
	a) Equity Share capital	3,789.99	3,788.01	3,789.99	3,788.01
	b) Other Equity				
	i) Share premium	15,282.03	15,233.73	15,282.03	15,233.73
	ii) Other reserves	17,078.37	16,394.35	26,002.43	23,869.20
	Total Equity	36,150.39	35,416.09	45,074.45	42,890.94
	LIABILITIES				
2	Non-current liabilities				
	a) Financial Liabilities				
	i) Borrowing	-	-	9,034.30	11,729.78
	b) Provision	482.05	498.51	3,814.44	3,490.13
	c) Deferred tax liabilities (Net)	295.76	295.00	1,314.08	987.97
	d) Other non-current liabilities	7.00	17.49	584.80	655.89
	Total Non - Current Liabilities	784.81	811.00	14,747.62	16,863.77
3	Current liabilities				
	a) Financial Liabilities				
	i) Borrowings	3,391.13	1,372.03	6,402.53	4,403.78
	ii) Trade payables	2,810.18	3,016.85	18,134.10	16,838.53
	iii) Other financial liabilities (other than those specified in (b) below)	141.72	150.50	471.39	459.07
	b) Provisions	118.03	104.46	442.01	448.99
	c) Current Tax Liabilities (Net)	352.51	368.22	1,183.85	678.90
	d) Other current liabilities	1,218.32	642.85	3,867.96	2,195.08
	Total Current Liabilities	8,031.89	5,654.91	30,501.84	25,024.35
	Disposal group Liabilities classified as held for sale	-	-	302.75	521.62
	Total Equity and Liabilities (1+2+3)	44,967.09	41,882.00	90,626.66	85,300.68

CASH FLOW

Statement of Cash flows for the period January 1, 2019 to June 30, 2019

		Rs. in Million			
Particulars		STANDALONE		CONSOLIDATED	
		Six months ended June 30, 2019	Year ended December 31, 2018	Six months ended June 30, 2019	Year ended December 31, 2018
		Un Audited	Audited	Un audited	Audited
I	Cash flows from operating activities				
	Profit before tax	1,098.12	1,233.04	3,864.82	7,024.74
	Adjustments for:				
	Finance costs recognised in profit or loss	83.04	82.04	218.34	501.51
	Depreciation and amortisation of non-current assets	359.28	738.96	1,584.42	2,877.49
	Impairment of Non-Current Assets (Refer Note 4)	-	1,161.00	-	-
	Loss on Sale of Subsidiary (Refer Note 4)	-	125.05	-	-
	Gain on Investments, Exchange etc	(140.85)	(98.50)	(246.42)	(134.48)
		1,399.58	3,241.59	5,421.16	10,269.26
	Movements in working capital:	66.49	(1,410.98)	1,368.28	(1,768.98)
Income taxes paid	(410.00)	(498.00)	(520.00)	(1,444.00)	
	1,056.07	1,332.61	6,269.44	7,056.28	
II	Cash flows from investing activities				
	(Purchase)/Sale of current investments (net)	5,691.64	(6,170.80)	5,546.16	(6,257.98)
	Payments for property, plant and equipment	(638.50)	(1,072.98)	(1,338.93)	(4,034.92)
	Proceeds from sale of subsidiary company	-	6,849.01	-	-
	Investment in subsidiary company	(8,137.24)	(1,161.00)	(8,137.24)	-
	Investment in Others			(32.20)	
	(3,084.09)	(1,555.77)	(3,962.21)	(10,292.90)	
	(3,084.09)	(1,555.77)	(3,962.21)	(10,292.90)	
III	Cash flows from financing activities				
	Proceeds from issue of equity instruments of the Company	50.28	57.00	50.28	57.00
	Net Proceeds/(Repayment) from borrowings	2,019.10	358.23	(2,032.00)	4,089.00
	Interest paid	(83.04)	(82.04)	(218.34)	(501.51)
	1,986.34	333.19	(2,200.06)	3,644.49	
	1,986.34	333.19	(2,200.06)	3,644.49	
	(41.67)	110.03	107.17	407.87	
	344.43	234.40	1,126.87	719.00	
	302.76	344.43	1,234.04	1,126.87	

SEGMENT REPORTING

All Companies within the Mahindra CIE Group belong to the same business segment (Automotive) and two geographical segments, India and Europe as presented below:

Rs. in Million

		CONSOLIDATED						
		Quarter Ended			Six Months Ended			Year Ended
		June 30, 2019 Un Audited	March 31, 2019 Un Audited	June 30, 2018 (Refer Note 10)	June 30, 2019 Un Audited	June 30, 2018 (Refer Note 10)		December 31, 2018 Audited
Particulars								
1	Segment Revenue							
	a) India	9,734.93	8,523.91	8,688.18	18,258.84	16,963.18	33,886.38	
	b) Europe	11,734.04	13,325.00	12,196.13	25,059.04	23,966.13	46,789.08	
	Total	21,468.97	21,848.91	20,884.31	43,317.88	40,929.31	80,675.46	
	Less:							
	Inter Segment Revenue	47.72	105.32	95.13	153.04	175.13	360.12	
	Net Sales / Income from Operations	21,421.25	21,743.59	20,788.89	43,164.84	40,754.18	80,315.34	
2	Segment Results							
	Profit before tax and interest							
	a) India	794.85	992.08	957.45	1,786.77	1,832.11	3,587.75	
	b) Europe	1,054.97	1,241.26	1,208.52	2,296.23	2,260.30	4,442.50	
	Total	1,849.82	2,233.34	2,165.97	4,083.00	4,092.41	8,030.25	
	Less							
	i) Interest	115.41	102.93	239.03	218.34	268.58	501.51	
	Total Profit before Tax	1,734.41	2,130.41	1,926.94	3,864.82	3,823.83	7,528.74	
3	Segment Assets							
	a) India	49,265.12	42,603.11	35,467.04	49,265.12	35,467.04	41,158.03	
	b) Europe	42,098.19	43,366.92	47,566.92	42,098.19	47,566.92	44,145.98	
	Total	91,363.31	85,970.03	83,033.96	91,363.31	83,033.96	85,304.01	
4	Segment Liabilities							
	a) India	19,565.21	13,436.34	13,415.97	19,565.21	13,415.97	13,305.13	
	b) Europe	26,725.28	28,350.90	28,911.07	26,725.28	28,911.07	29,109.92	
	Total	46,290.49	41,787.24	42,327.04	46,290.49	42,327.04	42,415.05	

Note:

1. Segment information is exclusive of Discontinued operations.
2. India includes Mexico operations which are currently not significant.

MCIE SEBI RESULT NOTES

MAHINDRA CIE AUTOMOTIVE LIMITED

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

CIN: L27100MH1999PLC121285

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

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

STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2019

Notes:

- 1 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- 2 In September 2018, the Board of Directors of Mahindra CIE Automotive Limited decided to dispose off the forging business in the United Kingdom, corresponding to the company Stokes Group Limited. Due to that decision, the company has discontinued the operations of Stokes Group Limited, classifying them as a disposal group, and reclassifying the profit and loss account of the Company to results from discontinued operations in its consolidated result.
- 3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on July 19, 2019. These results are subjected to Limited Review by the auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).
- 4 Exceptional Items in the Standalone Financial Results for the year ended December 31, 2018 pertain to :
 - a. Provision for impairment on additional investment in Stokes Group Limited, wholly owned subsidiary of the Company, amounting to ₹ 1,161 Million, to facilitate closure of business. The Company did not anticipate any amount to be recovered from this investment. Hence, the Company had recognised full impairment loss on the said investment.
 - b. Loss on sale of investment in Mahindra Forgings Europe AG (MFE), one of the wholly owned subsidiaries of the Company, to CIE Galfor S.A.U. (Galfor), another wholly owned subsidiary of the Company amounting to INR 125 Million.
- 5 Ind AS 115 - Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018 replaces existing revenue recognition requirements. Application of Ind AS 115 to the Company (w.e.f January 1, 2019) did not have any material adjustments on recognition and measurement of revenue and related items in the financial results of the Company.
- 6 The Board of Directors of the Company at its meeting held on September 25, 2018, approved the scheme of merger between Bill Forge Private Limited, wholly owned subsidiary, and the Company. The scheme of merger has been filed with the National Company Law Tribunal (NCLT) on October 29, 2018 and the impact of this merger will be given once the scheme is approved by the NCLT and filed with Registrar of Companies.
- 7 On April 9, 2019 (the "Acquisition date"), the company has acquired 100% equity of Aurangabad Electricals Limited for a purchase consideration of INR 8,759 million. Given that the acquisition has recently been completed, the purchase price has been allocated to assets and liabilities on a provisional basis as per Ind AS 103- Business Combinations. Accordingly provisional goodwill amounting to INR 6,750 million has been recognised in the consolidated balance sheet as at the acquisition date. The management expects to identify and measure the identifiable assets acquired and liabilities assumed at their acquisition date fair value by March 31, 2020. Any new information obtained during measurement period about facts and circumstances that were existing as of the acquisition date, that would have affected the measurement of the amounts recognised as of that date will be adjusted against the provisional amount of goodwill recognised. Due to the acquisition, the numbers of the current period are not comparable to the previous periods disclosed.
- 8 The subsidiaries and associate companies forming part of consolidated financial results of Mahindra CIE Automotive Limited (MCIE) are listed in "Annexure A" annexed herewith the statement.
- 9 The consolidated net profit of the company also includes net profit of its associates which is not material.
- 10 The consolidated financial results of the company for the quarter and six months ended June 30, 2018 as reported in these financial results have been approved by the Board of Directors, but have not been subjected to review / audit by the auditors.
- 11 Previous period figures have been regrouped/reclassified, wherever necessary to conform to the current period classification.

For and on behalf of the Board of Directors,

Date : July 19, 2019

Place : Mumbai

Executive Director

MCIE SEBI RESULT NOTES – Annexure A

MAHINDRA CIE AUTOMOTIVE LIMITED

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STATEMENT OF STANDALONE AND CONSOLIDATED UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2019

Annexure A - Subsidiaries forming part of the MCIE Group and it's Associate Companies

S. No.	Name of the entity	Relationship	% of Holding	Country of Incorporation
			June 30, 2019	
1	Stokes Group Limited (SGL)	Subsidiary of MCIE	100%	UK
2	Stokes Forgings Dudley Limited	Subsidiary of SGL	100%	UK
3	Stokes Forgings Limited	Subsidiary of SGL	100%	UK
4	CIE Galfor, S.A.U. (Galfor)	Subsidiary of MCIE	100%	Spain
5	Mahindra Forgings Europe AG (MFE)	Subsidiary of Galfor	100%	Germany
6	Jeco Jellinghaus GmbH	Subsidiary of MFE	100%	Germany
7	Gesensschmiede Schneider GmbH	Subsidiary of MFE	100%	Germany
8	Falkenroth Unformtechnik GmbH	Subsidiary of MFE	100%	Germany
9	Schoneweiss& Co GmbH	Subsidiary of MFE	100%	Germany
10	Metalcastello S.p.A (MC)	Subsidiary of Galfor	99.96%	Italy
11	CIE Legazpi SA	Subsidiary of Galfor	100%	Spain
12	UAB CIE LT Forge	Subsidiary of Galfor	100%	Lithuania
13	Galfor Eólica, S.L	Associate of Galfor	25%	Spain
14	Bill Forge Private Limited (BF)	Subsidiary of MCIE	100%	India
15	BF Precision Private Limited	Subsidiary of BF	100%	India
16	Bill Forge Mexico, S.A de C.V	Subsidiary of BF	100%	Mexico
17	Gescrap India Private Limited (w.e.f. March 27, 2018)	Associate of MCIE	30%	India
18	Aurangabad Electricals Limited (AEL) (w.e.f. April 9, 2019)	Subsidiary of MCIE	100%	India
19	AE Deutschland GmbH (w.e.f. April 9, 2019)	Subsidiary of AEL	100%	Germany

Annexure 2: Market Overview and Outlook

India Market: Key Segments Update - Quarterly

Demand Uncertain

Market - Production Numbers

Period	Cars + UV's		<6T Vehicles**		Tractors		Two Wheelers	
	Units	Δ%	Units	Δ%	Units	Δ%	Units	Δ%
H1 C19	1,937,701	-7.7	2,260,133	-7.3	378,065	-12.2	11,215,751	-9.9
Q2 C19	903,027	-12.0	1,046,644	-12.0	187,537	-21.3	5,810,619	-10.1
Q1 C19	1,034,674	-3.7	1,213,489	-2.8	190,528	-0.8	5,405,132	-9.8

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. Q2 C19 Volume is compared to Q2 C18 volume, respectively.

** - <6T Vehicles represented here are as per International Classification and include Passenger Vehicles, Utility Vehicles, Vans and Light Commercial Vehicles as per Indian Classification

Market Outlook - India

- Light Vehicles (less than 6 Tons)

Short Term: IHS forecasts growth at a -4.6% between CY2018-CY2019

Long term: IHS forecasts growth at a CAGR of 5% over a period of 2019-2024

- MHCVs:

Short Term: IHS forecasts growth at a 6.7% between CY2018-CY2019

Long term: IHS forecasts growth at a CAGR of -0.1% over a period of 2019-2024

- Tractors:

“CRISIL Research expects domestic tractor sales volumes to grow at a moderate pace and increase by 1-3% in fiscal 2020, assuming normal monsoon.”...” The long term tractor industry CAGR from fiscal 2019 to fiscal 2024 is expected to be 2-4%.” ... CRISIL Research report

- Two Wheelers:

“CRISIL Research projects the two wheeler industry to grow by 2-4% in fiscal 2020”... “..domestic two-wheeler sales to record a compound annual growth rate (CAGR) of 3-5% from fiscal 2019 to fiscal 2024.” ... CRISIL Research report

Europe Market Update - Quarterly

Market Sliding



Market - Production Numbers

Passenger Vehicles (Mn Units)

Period	C19	Δ%
H1 CY 2019	11.11	-6.0%
Q2 CY 2019	5.55	-6.9%
Q1 CY 2019	5.56	-5.0%

*Δ% Change means comparison of Quarter volumes of this financial year with that of the same quarter of the previous financial year. E.g. Q2 C19 Volume is compared to Q2 C18 volume respectively.

Market Outlook - Europe

Long Term Growth Stable

- EU – Light Vehicles:
 - *IHS Global has forecasted that the Passenger Vehicle production will grow at a slow but steady pace of 0.8% CAGR between C19 to C24*



Thank you

Mahindra CIE