

Update *Q3FY16/ 9 months CY15*

Mahindra CIE Automotive

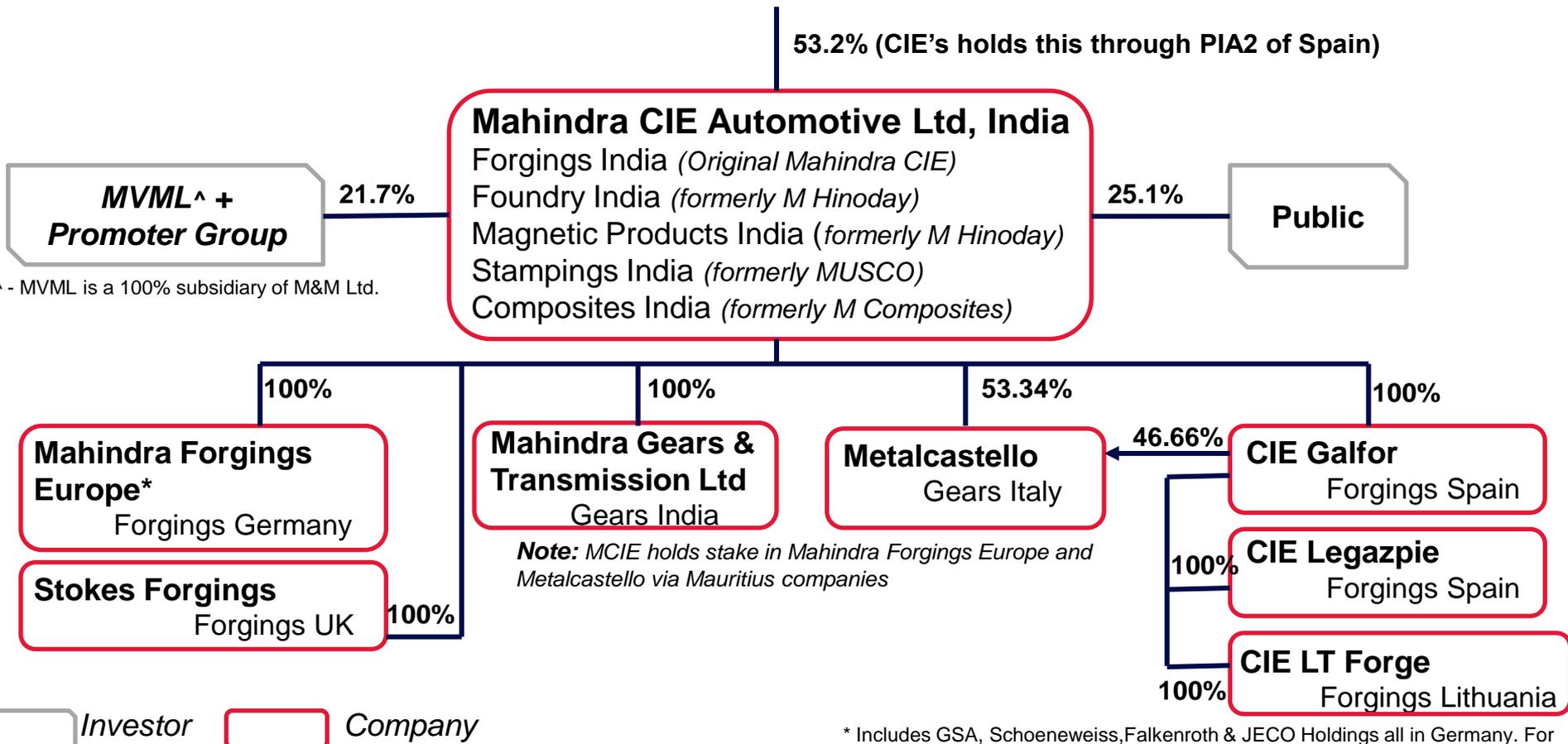
22 Feb 2016 | Mumbai



Mahindra CIE: Overview

Listed on the Indian Stock Exchanges viz. NSE/BSE; 323 Million Shares

CIE Automotive Ltd, Spain



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

Mahindra CIE : Products

Technology: **Forgings**



Vertical: MCIE India

Product Specialisation: Crankshafts & Steering Knuckles – Forged & Machined (All Ferrous)

Segment Focus: Cars & UVs



Vertical: Mahindra Forgings Europe [MFE]
(Germany + UK)

Product Specialisation: Front Axle Beams, Steel Pistons, Pitman Arms, Draw Bar Eyes (All Ferrous)

Segment Focus: Heavy CVs



Vertical: CIE Forgings [CIEF]
(Spain + Lithuania)

Product Specialisation: Crankshafts and CV Joints in as Forged condition (All Ferrous)

Segment Focus: Cars



Mahindra CIE : Products

Technology: **Gears**



Vertical: MCIE India

Product Specialisation: Engine Gears, Timing Gears, Transmission Gears, Transmission Drive Shafts

Segment Focus: Tractors, Uvs, LCVs, Exports



Vertical: Metalcastello [MC] (Italy)

Product Specialisation: Engine Gears, Transmission Drive shafts, Crown Wheel Pinion

Segment Focus: Agri Machinery, Earth moving , Exports



Technology: **Composites**



Vertical: MCIE India

Product Specialisation: Thermoset SMC/DMC Compounds & Products

Segment Focus: Electrical Switchgears



Mahindra CIE: Products

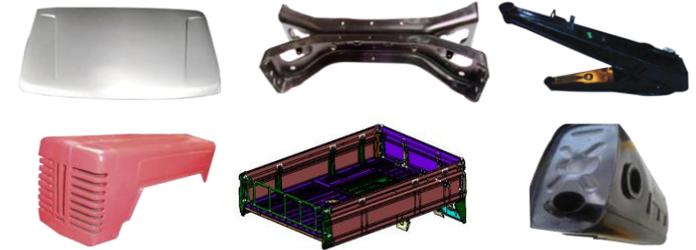
Technology: **Stampings**



Vertical: MCIE India

Product Specialisation: Body –In-White & Sheet Metal Assembly Parts

Segment Focus: UVs, LCVs



Technology: **Foundry**



Vertical: MCIE India

Product Specialisation: Turbocharger Housings, Axle & Transmission Parts [All SG Iron]

Segment Focus: Cars, UVs, MHCVs, Tractors



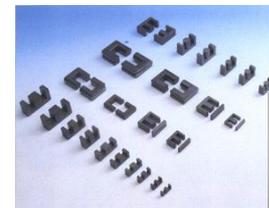
Technology: **Magnetic Products**



Vertical: MCIE India

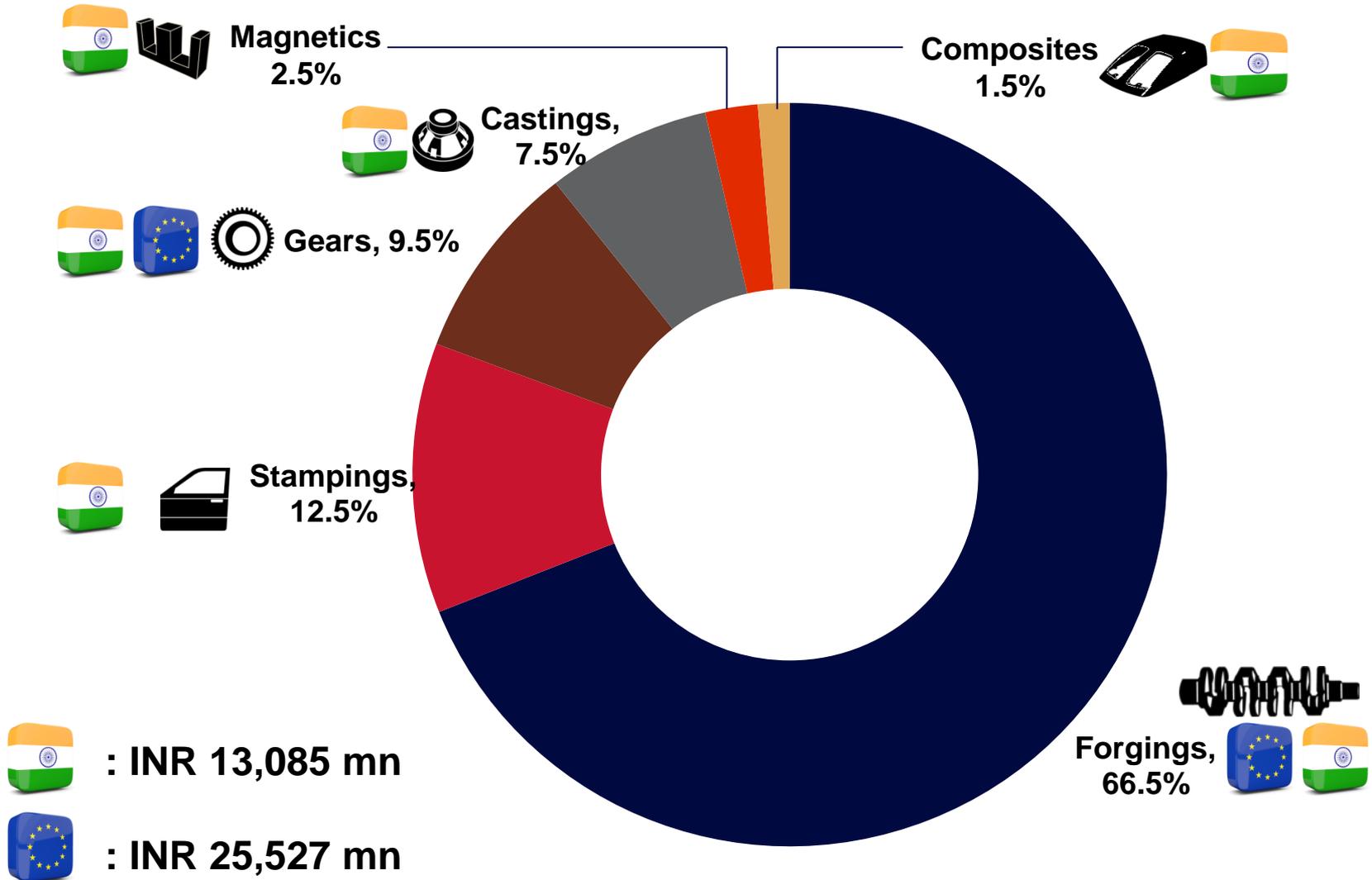
Product Specialisation: Soft and Hard Magnets, Magnetic Induction Lighting

Segment Focus: 2Wheelers, Cars

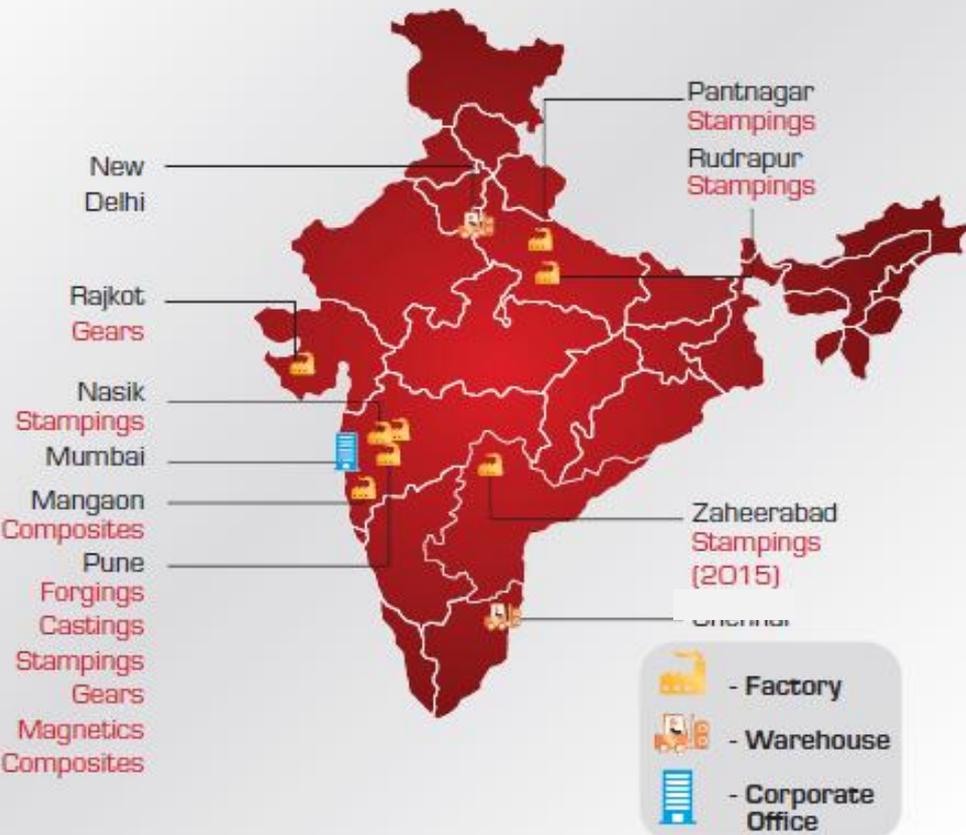


Mahindra CIE : Technologies

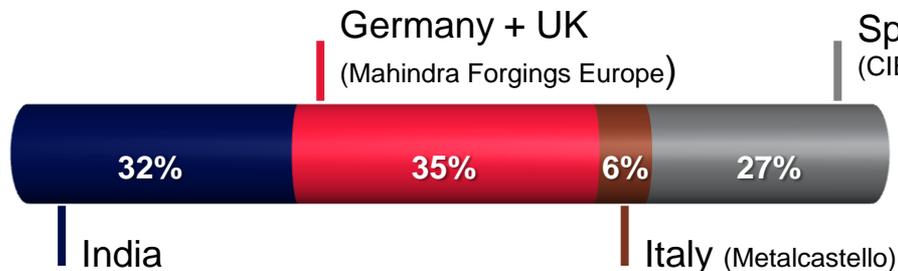
9 Months CY15 Consolidated Revenue: INR 38,612 Mn / EUR 539 Mn



Mahindra CIE: Locations



Revenue Distribution*



* For FY 15

Mahindra CIE : Business Overview

	<u>India</u>	<u>Europe</u>		
		Germany + UK	Italy	Spain + Lithuania
Key Segments	<p>UV's, 33% LCV's, 16% Off-Road, 16% MHCV, 10% Others, 11% Cars, 14%</p>	<p>Truck, 85% Other, 15%</p>	<p>Agri M/c, 53% Earth Moving, 25% Others, 14% Truck, 4% Cars, 4%</p>	<p>Cars, 83% Truck, 17%</p>
Exports	<p>13% Out of India</p>	<p>NIL Out of Europe</p>	<p>30% Out of Europe</p>	<p>NIL Out of Europe</p>
Customer Concentration	<p>Top 2 = 56%</p> <p>Top Customers: M&M, TML</p>	<p>Top 10 = 61%</p> <p>Top Customers: Daimler, Renault, VW Group, DAF, MAN, Caterpillar, Volvo, Kolbenschmidt, GKN, JLR</p>		

Key Highlights - CY 2015

India:

New Products

- Forging: Balancer Shaft
- Foundry: Gear Carrier, Bearing Carrier, Turbo Manifold
- Stampings: Assembled Cabin, Cargo Body, Fuel Tank, Lower control arm and Semi Trailing Arm

Strategy Highlights:

- New Stampings plant at Zaheerabad started
- Diversification away from Tractors segment achieved at Gears, by ramping up sales to car auto segment (both domestic & exports)
- Turnaround initiated at Composites
- Ramp up of Induction Lamps – a new segment developed by Magnetic Products.

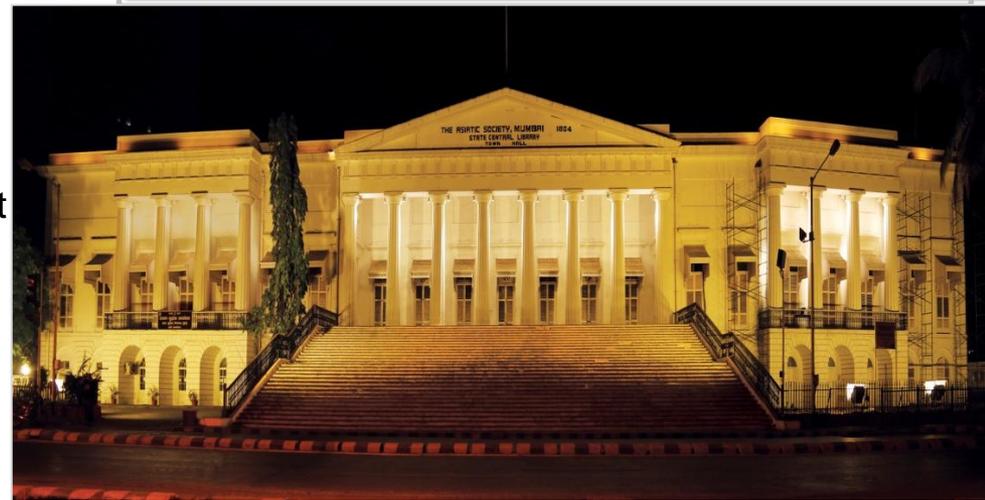
Europe:

Strategy Highlights:

- Jeco plant closure completed at Mahindra Forgings Europe
- Restructuring at Metalcastello - initiated in 2014, takes full effect in 2015.



New Stampings Plant at Zaheerabad



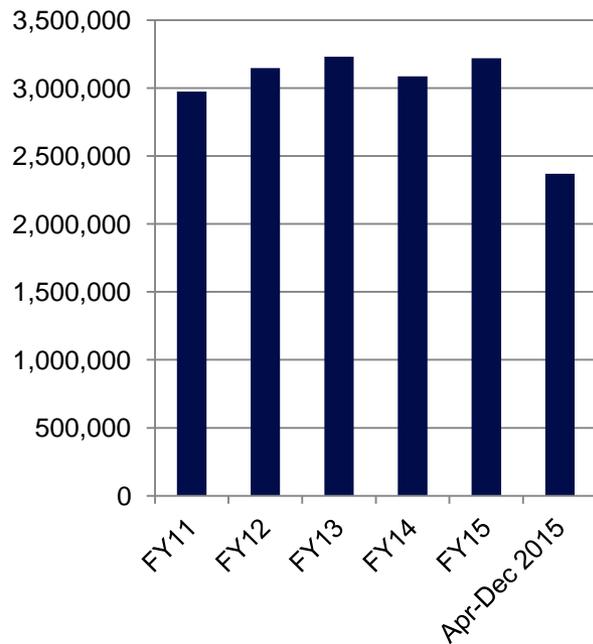
The Historic Asiatic Library, Mumbai lit up by Magnetic Induction Lamps from MCIE – Magnetic Products Division

India Market - Trends

Growth in all segments lower than expected in the last two years

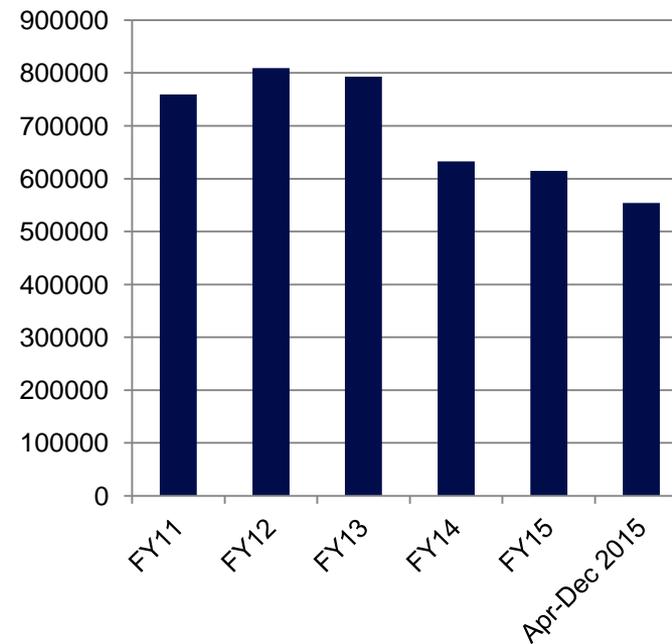
Market - Production Numbers

Cars + UV's



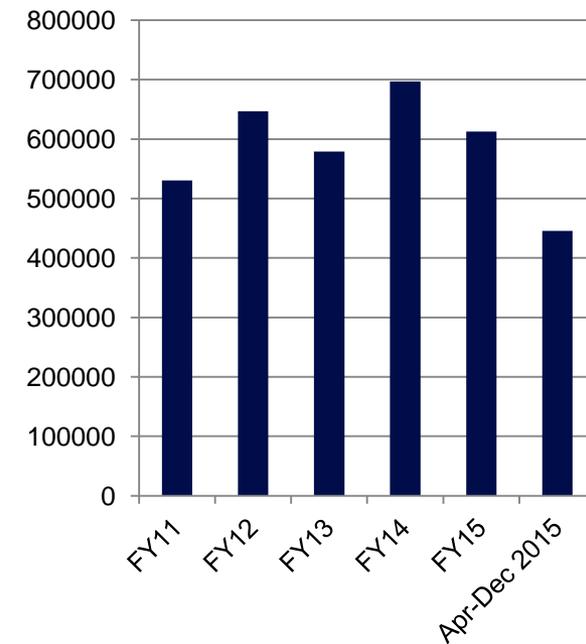
Source: CRISIL, SIAM

CV's



Source: CRISIL, SIAM

Tractors



Source: CRISIL, TMA

India Market Update – CY15

Cars+ UVs, CVs: Improving; Tractors : Remains a Concern

Market - Production Numbers

Cars + Utility Vehicles

Commercial Vehicles

Tractors

Period	2015	2014	Change	2015	2014	Change	2015	2014	Change
CY	3,19,235	2,989,793	6.8%	747,681	682,666	9.5%	557,150	667,623	-16.5%
Apr - Dec	2,368,456	2,224,992	6.4%	554,129	504,071	9.9%	445,791	502,162	-11.2%
Oct - Dec	762,342	729,048	4.6%	185,715	165,125	12.5%	120,873	137,824	-12.3%
Jul - Sep	834,892	776,313	7.5%	194,528	173,778	11.9%	168,547	182,909	-7.9%
Apr - Jun	771,222	719,631	7.2%	173,886	165,168	5.3%	156,371	181,429	-13.8%
Jan - Mar	823,779	764,801	7.7%	193,552	178,595	8.4%	111,359	165,461	-32.7%

Source: SIAM

Source: SIAM

Source: TMA

Key Customer Update

Our key customers have shown flat growth

Production Numbers for Key Customers (Mahindra & Mahindra + Tata Motors)

Period	2015	2014	Change
CY	1,183,291	1,214,425	-2.6%
Apr-Dec	882,216	888,890	-0.8%
Oct-Dec	288,647	280,119	3.0%
Jul-Sep	300,596	310,132	-3.1%
Apr-Jun	292,973	298,639	-1.9%
Jan-Mar	301,075	325,535	-7.5%

* Includes production in all segments e.g. M&M nos. includes PV+UV+CV+Tractors+3Wheelers, but excludes two wheelers.

Source: SIAM, TMA

Indian Market - Forecast

Outlook

- **Cars+ UVs:**

“Growth in the domestic passenger vehicle industry is expected to accelerate to 9-11% in 2015-16 vis a vis a subdued 3.8% growth in 2014-15 and a flat (-0.4%) compound annual growth rate (CAGR) over the past 4 years. In 2016-17, we expect demand for passenger vehicles to rise by 13-15%. Growth momentum in cars and UVs is expected to continue, led by a faster economic growth and improvement in consumer sentiments (driven by rising affordability and competitively priced launches). UV sales are forecast to rebound, growing by 8-10% in 2016-17 as demand for compact UVs is expected to boost the overall segment.” ... CRISIL Research report published 04 Feb 2016

- **CVs:**

“CRISIL Research expects domestic commercial vehicle (CV) sales to increase 5-7% in 2015-16. In 2016-17, with further improvement in industrial activity, infrastructure project execution and consumption demand, CV sales are forecast to accelerate 7-9% y-o-y. Providing support is expected improvement in LCV financing from the second half of 2016-17. The CV market in India is projected to grow at a CAGR of 10-13% from F15 to F20 out of which LCV's are at 11-14% and MHCV's at 10-12%” ... CRISIL Research report published 21 Jan 2016

- **Tractors:**

“CRISIL Research Normal monsoons will drive a growth of 14-16% in tractor sales in 2016-17, albeit gradual recovery on a low base. a slightly better rabi crop in 2015-16 and a normal monsoon in 2016-17 will lead to a pickup in tractor sales by the latter half of 2016-17. A major part of the recovery is expected only in H2 2016-17 as weak farmer sentiments and dwindling affordability from 4 consecutive crop failures will take some time to recover completely.” ... CRISIL Research report published 10 Dec 2015

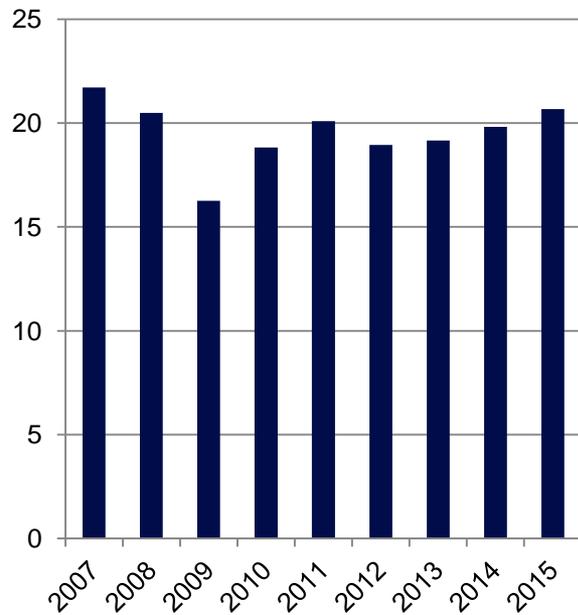
- **Our key customers:**

Both M&M and Tata Motors have launched or are in the process of launching many new models and with increasing uptake, we expect the growth to continue based on the trend of the last few quarters. On the other hand, the ruling of the Honourable Supreme Court of India restricting sales of diesel vehicles in the National Capital Region will negatively impact M&M and Tata Motors who have a higher proportion of diesel vehicles in their portfolio compared to other OEMs

European Market - Trends

Growth has returned but only marginally

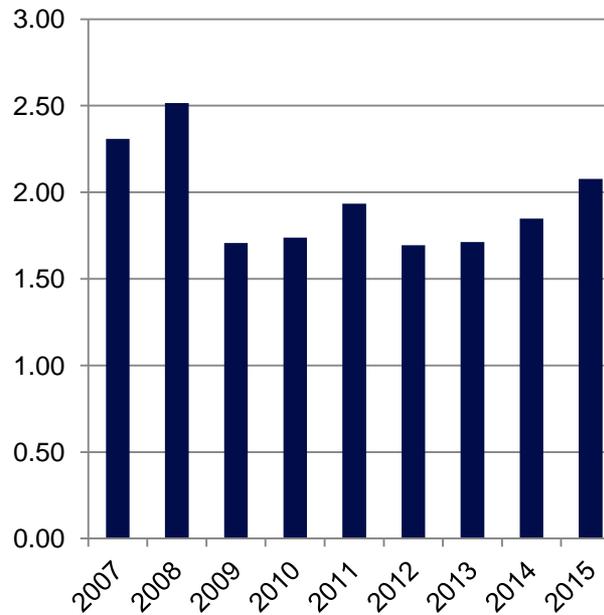
Passenger Vehicles
Europe
Production (Mn Units)



Source: IHS*

* IHS is a US based information and analysis company which provides industry data across a variety of industries

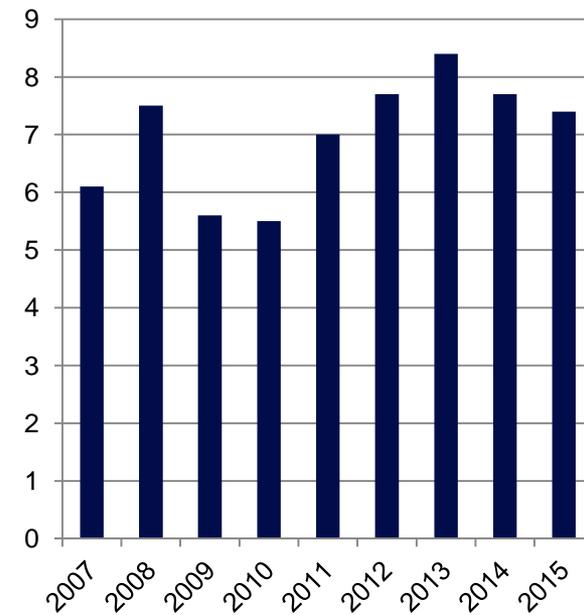
Commercial Vehicles
Europe
Registration (Mn Units)



Source: ACEA

Note: The European commercial vehicle is subdivided on basis of Tonnage and is as follows: upto 3.5T: 81%, 3.5T-6T: 0.5%, >6T: 18.5%. MFE operates in the >6T market

Tractor and Agri Machinery
Germany
Revenues (Bn Euro)



Source: VDMA

Note: The German Agri Machinery market has had two consecutive years of negative growth. Germany along with Italy & France are the largest markets in Europe and thus can serve as a good indicator. Metalcastello supplies to the overall European Agri machinery market

Europe Market Update - Quarterly

Low single digit growth for Pass Vehicles and Comm Vehicles in CY15

Production Numbers

Passenger Vehicles (Mn Units)

Commercial Vehicles (>6T)

Period	2015	2014	Change	Period	2015	2014	Change
CY	20.69	19.84	4.3%	CY	564,668	552,621	2.2%
Apr-Dec	15.32	14.68	4.3%	Apr-Dec	435,333	428,988	1.5%
Oct-Dec	5.17	4.93	4.8%	Oct-Dec	146,452	136,009	7.7%
Jul-Sep	4.76	4.50	5.8%	Jul-Sep	144,469	146,347	-1.3%
Apr-Jun	5.39	5.25	2.7%	Apr-Jun	144,412	146,632	-1.5%
Jan-Mar	5.37	5.16	4.1%	Jan-Mar	129,335	123,633	4.6%

Note:

1. CIE Forge operates largely in the passenger vehicle segment
2. Mahindra Forging Europe operates largely in the commercial vehicle segment but in that segment a very large part of the revenues is directed to heavy commercial vehicles (>6T)

Source: IHS

EU Market - Forecast

Outlook

- EU – Automotive Market:
“For 2016 ACEA anticipates a much more modest sales increase for both passenger cars and commercial vehicles. We expect car sales to go up by around 2%, reaching roughly 14 million units.” – ACEA Press Release 21 Jan 2016
- EU – Cars:
 - *“We also expect trends in the passenger car markets in the individual regions to be mixed for the full year. We anticipate a slight increase in demand for automobiles in Western Europe and expect to see slight growth in German market as well. The central and Eastern European markets are likely to be down sharply year-on-year due primarily to the substantial fall in demand in Russia ”- Volkswagen AG Jan-Sep Interim Report for 2015.*
 - *IHS forecasts the total production in 2016 to grow by 1.6% and at a CAGR of 1.9% between 2015 and 2020 for Europe*
- EU - CVs:
 - *“The situation will remain highly varied from one region to another..” “Thanks to the relatively solid economic recovery in Europe, we anticipate market growth of 10 to 15% here as well.” “The deep recession in Russia will continue to affect the market (there), so demand will fall sharply once again.” – Daimler Group Jan-Sep Interim Report for 2015.*
 - *IHS forecasts the total production in 2016 to grow by 10.5% and at a CAGR of 7.74% between 2015 and 2020 for Europe*
- EU – Tractor and Agri Machinery Market
 - *VDMA forecasts the German tractor and agri machinery market to decline by 5% in 2016*

Note on method of tracking Europe CV Market

Explanation of the change in presentation of CV market data

Europe CV Market

Data presented earlier

Registrations (source: ACEA)

Period	Units	Change
Q4 CY15	560,848	13.0%
Q3 CY15	487,243	10.8%
Q2 CY15	527,499	12.4%
Q1 CY15	502,123	13.3%

Data presented in this presentation

Production (source: IHS)

Period	Units	Change
Q4 CY15	146,452	7.7%
Q3 CY15	144,469	-1.3%
Q2 CY15	144,412	-1.5%
Q1 CY15	129,335	4.6%

Note: Production = Registrations + Exports - Imports

Unit of Analysis	Registrations	Production (More relevant to our analysis)
Source	ACEA – Publicly Available	IHS – Subscription based
Segments Covered	All Segments - upto3.5T:81%, 3.5T-6T: 0.5%, >6T: 18.5%.	>6T (More relevant to our analysis)
Countries Covered	EU 27	EU 27 + Belarus, Kazakhstan, Russia, Turkey, Ukraine, Uzbekistan

Mahindra CIE Strategy: Status Update (1/2)

Strategy remains unchanged from what was stated in May 2015

INDIA – Forgings, Stampings, Foundry, Magnetic Products, Gears and Composites

Market Outlook	Strategy	Status
<p>Our Key Customers (M&M, Tata Motors) are picking up in sales on the back of new launches</p>	<ul style="list-style-type: none"> • Continue vigil on costs in face of uncertain market situation and increasing labour & power cost • Focus on debottlenecking processes & automation to limit current costs and future investments • Participate in new models of M&M and Tata Motors • Develop new products for existing and new customers with the help of CIE • Diversify customer portfolio & Target Western OEM's in India • Focus on Exports 	<ul style="list-style-type: none"> • Focus on cost management has helped combat adverse demand & cost situation; increase in power and wage costs and declining scrap rates <ul style="list-style-type: none"> – Restructuring done at Gears & Composites • Participating on all new models of M&M /Tata Motors • Developed new Products for M&M: <ul style="list-style-type: none"> – Stampings: Load body, cargo body, fuel tanks (all supplied from the new plant at Zaheerabad for Mahindra Jeeto) – Castings: Gear Carrier & Bearing Carrier (both supplied to Mahindra Supro) – Gears: Transmission & Engine gear package for TUV300 and Jeeto • Developed new 'complicated' products for 'non Tata non M&M customers', but volume ramp-up has not happened <ul style="list-style-type: none"> - e.g. Balancer Shaft (Forgings) & Turbo-manifold (Castings) • Breakthrough at a few 'Western OEMs' achieved but ramp up expected to take 2 years • Exports from India at Gears, Magnetics and Foundry continue to expand
	<p>Focus on inorganic growth in India & ASEAN</p>	<p>CIE continues to be positive on the market situation in India & ASEAN</p>



Mahindra CIE Strategy: Status Update (2/2)

Strategy remains unchanged from what was stated in May 2015

EUROPE – CV Forgings, Car Forgings, Gears

	Market Outlook	Strategy	Status
Segment: Commercial Vehicles Forgings [Germany + UK]	European CVs are expected to show positive growth but the market mood remains uncertain	<ul style="list-style-type: none"> Phase 1: Focus on cost reduction through a dedicated turnaround team Phase 2: Focus on optimising product-process-location Long Term focus is on improving profitability – growing revenues is not a priority 	<ul style="list-style-type: none"> Phase 1 completed in Dec'14 Phase 2 Restructuring of operations continuing <ul style="list-style-type: none"> JECO plant closed down w.e.f .30-Nov-15; Parts are in the process of being moved to other locations Part of Machining and Finishing operations at other locations being outsourced Overall ~200 personnel were separated during the period Apr-Dec'15 . Total Provisions for redundancy during Apr-Dec'15 was Euro 10.5mn Review of product portfolio to eliminate low margin parts being implemented
Segment: Passenger Car Forgings [Spain + Lithuania]	European car market is expected to grow marginally in the coming years	Profitability at these plants is in line with overall profitability achieved by the CIE group worldwide and the focus is on maintaining the profitability	Results continue to be robust
Segment: Gears for Off Road Segment [Italy]	Agricultural Machinery and Earthmoving markets continue to be stressed and expected to shrink further in CY16	<ul style="list-style-type: none"> Turnaround margins through restructuring of operations Improve sales by diversifying customer portfolio 	<ul style="list-style-type: none"> Restructuring started in CY14 completed <ul style="list-style-type: none"> Review of customer/product portfolio and the production process done to remove lower profitability parts Company has adapted its cost structure to current volumes

Q3 F16 Performance

Parameter	Standalone			Consolidated			Subsidiaries		
	Oct.- Dec. 15	Oct.- Dec. 14	Change	Oct.- Dec. 15	Oct.- Dec. 14	Change	Oct.- Dec. 15	Oct.- Dec. 14	Change
Revenue	3,965	3,782	4.8%	12,679	12,542	1.1%	8,714	8,760	-0.5%
EBITDA	283	280	0.9%	1012	1198	-15.6%	729	918	-20.6%
EBITDA%	7.1%	7.4%	-0.3%	8.0%	9.6%	-1.6%	8.37%	10.48%	-2.1%
EBIT	99	213	-53.3%	481	697	-31.0%	381	484	-21.2%
EBIT%	2.5%	5.6%	-3.1%	3.8%	5.6%	-1.8%	4.4%	5.5%	-1.1%
EBT	95	177	-46.4%	411	230	78.3%	316	53	493.4%
EBT%	2.4%	4.7%	-2.3%	3.2%	1.8%	1.4%	3.6%	0.6%	3.0%
PAT	49	132	-63.2%	148	424	-65.2%	99	292	-66.0%
PAT%	1.2%	3.5%	-2.3%	1.2%	3.4%	-2.2%	1.14%	3.33%	-2.2%

All figures in INR Millions. All numbers above are without including one time exceptional costs.
Exchange Rate considered is 1 EUR= 71.6 INR

Exceptional Items	778	287	778	287
	(a)	(b)	(a)	(b)

(a) Mainly for restructuring and redundancies in MFE-Germany for ~ 200 employees.

(b) For redundancies and inventory write down in Metalcastello

9 months CY15 (Apr-Dec'15) Performance

Parameter	Standalone			Consolidated			Subsidiaries		
	Apr-Dec. 15	Apr-Dec. 14	Change	Apr-Dec. 15	Apr-Dec. 14	Change	Apr-Dec. 15	Apr-Dec. 14	Change
Revenue	12,036	12,285	-2.0%	38,612	39,139	-1.3%	26,576	26,854	-1.0%
EBITDA	1008	1078	-6.5%	3780	3520	7.4%	2772	2442	13.5%
EBITDA%	8.4%	8.8%	-0.4%	9.8%	9.0%	0.8%	10.4%	9.1%	1.3%
EBIT	515	727	-29.1%	2318	1797	29.0%	1803	1070	68.5%
EBIT%	4.3%	5.9%	-1.6%	6.0%	4.6%	1.4%	6.8%	4.0%	2.8%
EBT	492	615	-20.0%	1846	879	110.0%	1354	264	412.6%
EBT%	4.1%	5.0%	-0.9%	4.8%	2.2%	2.5%	5.1%	1.0%	4.1%
PAT	308	456	-32.4%	1362	850	60.3%	1054	394	167.7%
PAT%	2.6%	3.7%	-1.1%	3.5%	2.2%	1.4%	4.0%	1.5%	2.5%

All figures in INR Millions. All numbers above are without including one time exceptional costs.
Exchange Rate considered is 1 EUR= 71.6 INR

Exceptional Items	778	644	778	644
	(a)	(b)	(a)	(b)

(a) Mainly for restructuring and redundancies in MFE-Germany for ~ 200 employees.

(b) For repair of 12000 ton press and redundancies in MFE and inventory write down Metalcastello

Balance Sheet as on 31-Dec-15

Particulars	Standalone		Consolidated	
	31-Dec-15	31-Mar-15	31-Dec-15	31-Mar-15
SHAREHOLDERS' FUNDS	23,462	23,085	20,107	19,020
Non- Current Liabilities	821	686	10,834	16,978
Current Liabilities	3,406	3,581	20,992	13,841
Total Equity and Liabilities	27,689	27,352	51,934	49,839
Non-current assets				
Fixed Assets	5,886	6,111	16,262	16,120
Goodwill	-	-	17,714	16,381
Investments	15,598	15,281		
Other non current assets	1,031	1,031	3,913	3,532
Current Assets	5,174	4,930	14,045	13,807
Total Assets	27,689	27,352	51,934	49,839
For Information				
Long Term Borrowings	107	223	7,625	14,229
Short Term Borrowings	2	122	2,931	954
Total Debt	109	345	10,556	15,183

All Figures in INR Million
Exchange Rate used 1 EUR= 71.6 INR

Financial Performance – Summary

- Q3F16 vs. Q3F15
 - Standalone - Revenue Growth: 4.8%, Change in EBITDA% : -0.3%
 - Subsidiaries – Revenue Growth: -0.5%, Change in EBITDA%* - 2.1%
 - Consolidated - Revenue Growth : 1.1%, Change in EBITDA%* - 1.6%
- Apr-Dec'15 vs. Apr-Dec '14
 - Standalone - Revenue Growth: -2%, Change in EBITDA% : -0.4%
 - Subsidiaries – Revenue Growth: -1.0%, Change in EBITDA%* : +1.3%
 - Consolidated - Revenue Growth : -1.3%, Change in EBITDA%*: +0.8%
 - Reduction in borrowings : Rs 4627mn

Standalone :

- In Q3 F16, our key customers grew by 3%, MCIE standalone revenues grew by 4.8% . In Apr-Dec'15, our key customers shrank by 0.8% and MCIE standalone revenues declined by 2%
- The slight decline in EBITDA% is due to a combination of decline in revenues, increasing input costs (power & labour) and adverse scrap prices. Withdrawal of export incentives has also lowered profitability in the period Apr-Dec'15
- New product launches at key customers expected to lead to improvement in revenues. Our key customers (Indian OEMs) are seeing good traction in their recent launches and have a few models lined up for launch.

Subsidiaries:

- In Q3F16, EBITDA* margins at subsidiaries declined to 8.4%, a decline of 2.1% over Q3F15. EBITDA* margins at subsidiaries for Apr-Dec'15 was 10.4%, This was higher by 1.3% over what was achieved in Apr-Dec'14
- Our German operations were adversely affected in Q3F16 due to costs associated with migrating parts from the closed Jeco plant to other plants. The Jeco plant was closed w.e.f. 30-Nov-2015. The migration plan is under implementation and the costs associated with are transitory but difficult to separate out as one time costs. These migration costs are in addition to the one time redundancy costs on account of separation of workmen at the plant. Efficiency improvement at other plants in Germany added to the number of workmen separated . Overall 195 personnel were separated during the period Apr-Dec'15 at our German operations. Total Provisions for redundancy during Apr-Dec'15 was Euro 10.5mn

*EBITDA without considering one time gains and losses

Mahindra CIE: Differentiators

Adoption of CIE Business Model differentiates Mahindra CIE

Our business model:

01/

Multilocation, our own answer

02/

Commercial diversification as a defense tool

03/

Diversity, a flexibility instrument

04/

Investment discipline and return exigence

05/

Decentralized management, for value generation

Note:

- 1.Extracted from CIE's Mid Term Financial Report, 30-Sept-2015
2. Nos. reported on this page are as per IFRS . MCIE reporting (elsewhere in the presentation) is as per Indian GAAP
3. Mahindra Europe comprises the MCIE plants in Germany, UK, Italy, Spain & Lithuania

CIE Automotive : 9months CY15 (Jan – Sept'15) Results

(€ Mio)	30/09/2014	%	30/09/2015
Turnover	1,436.6		1,595.9
Adjusted Turnover (*)	1,396.3	+14%	1,595.9
EBITDA (**)	196.7	+26%	247.6
% EBITDA on Adjusted Turnover	14.1%	+1.4pp	15.5%
EBIT (**)	123.4	+35%	167.2
% EBIT on Adjusted Turnover	8.8%	+1.7pp	10.5%

(*) Proforma value calculated by deducting turnover of diesel oil used for blending.
 (**) EBITDA: Net Operating Income + Depreciation, EBIT: Net Operating Income.

	30/09/2014	30/09/2015
Ex-Mahindra Europe	EBITDA: 16.7% EBIT: 9.4%	EBITDA: 17.1% EBIT: 10.5%
Mahindra Europe	EBITDA: 10.8% EBIT: 6.4%	EBITDA: 12.4% EBIT: 8.2%
NAFTA	EBITDA: 16.7% EBIT: 13.4%	EBITDA: 21.8% EBIT: 17.8%
Brazil	EBITDA: 11.3% EBIT: 6.7%	EBITDA: 10.3% EBIT: 5.0%
Asia (India/China)	EBITDA: 11.9% EBIT: 6.9%	EBITDA: 10.5% EBIT: 6.2%

Annexure : Results Declared to SEBI

MAHINDRA CIE AUTOMOTIVE LIMITED

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"STATEMENT OF STANDALONE & CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND FINANCIAL YEAR (COVERING PERIOD OF 9 MONTHS) ENDED DECEMBER 31,2015.

Rs. in Lakhs

Sr. No.	Part-I Particulars	STANDALONE				CONSOLIDATED		
		Quarter Ended		9 Months Ended		Year Ended	9 Months Ended	Year Ended
		Dec-15 Audited *	Dec-14 Un Audited	Dec-15 Audited*	Dec-14 Un Audited	Mar-15 Audited	Dec-15 Audited	Mar-15 Audited
1	Income from operation							
	(a) Sales (Net of Excise duty)	36,598.08	34,570.70	111,329.97	111,994.73	149,916.70	367,749.02	565,323.23
	(b) Other operating income	3,047.79	3,256.94	9,033.23	10,858.30	14,337.57	18,375.60	(8,333.44)
	Total Income from operation (net)	39,645.87	37,827.64	120,363.20	122,853.03	164,254.27	386,124.62	556,989.79
2	Expenses							
	(a) Cost of material consumed	20,808.43	20,806.68	62,670.70	68,520.71	90,202.99	172,280.99	254,183.33
	(b) Change of inventories of finished goods and work-in progress	240.12	(462.52)	314.23	(824.69)	(32.61)	348.37	1,897.85
	(c) Employee benefit expenses	5,076.55	4,708.70	15,139.68	14,130.95	18,844.67	78,349.00	118,668.49
	(d) Depreciation and amortisation expenses	1,967.38	1,626.23	5,438.91	5,226.77	6,887.03	16,367.50	23,750.00
	(e) Other Expenses	10,683.76	9,981.18	32,156.65	30,254.53	41,914.96	97,341.20	138,215.78
	Total expenses	38,776.24	36,660.27	115,720.17	117,308.27	157,817.04	364,687.06	536,715.46
3	Profit from operations before other income, finance cost and exceptional items (1 - 2)	869.63	1,167.37	4,643.03	5,544.76	6,437.23	21,437.56	20,274.33
4	Other Income	135.29	963.34	508.21	1,724.36	1,993.35	1,740.64	4,291.45
5	Profit from ordinary activities before finance cost and exceptional items (3 +4)	1,004.92	2,130.71	5,151.24	7,269.12	8,430.58	23,178.20	24,565.78
6	Finance cost	45.23	352.97	229.35	1,114.06	1,403.71	4,713.00	11,965.04
7	Profit from ordinary activities after finance cost but before exceptional items (5-6)	959.69	1,777.74	4,921.89	6,155.06	7,026.87	18,465.20	12,600.74
8	Exceptional items			-		-	7,786.86	22,610.00
9	Profit from ordinary activities before tax (7-8)	959.69	1,777.74	4,921.89	6,155.06	7,026.87	10,678.34	(10,009.26)



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Rs. in Lakhs

Sr. No.	Part-I Particulars	STANDALONE					CONSOLIDATED	
		Quarter Ended		9 Months Ended		Year Ended	9 Months Ended	Year Ended
		Dec-15 Audited *	Dec-14 Un Audited	Dec-15 Audited*	Dec-14 Un Audited	Mar-15 Audited	Dec-15 Audited	Mar-15 Audited
9	Profit from ordinary activities before tax (7-8)	959.69	1,777.74	4,921.89	6,155.06	7,026.87	10,678.34	(10,009.26)
10	Tax expense	-232.54	71.11	953.31	267.72	1,361.84	3,271.29	3,660.00
	(Less): Mat Credit entitlement	-	-	-	-	(1,157.76)	-	(678.00)
	Prior year Tax	-	-	-	-	(1,672.01)	-	(1,671.00)
	Deferred Tax (Credit) / Charge	695.55	391.10	884.09	1,323.88	727.84	(1,315.60)	(3,504.00)
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	496.68	1,315.53	3,084.49	4,563.46	7,766.96	8,722.66	(7,816.26)
12	Net Profit for the period/year	496.68	1,315.53	3,084.49	4,563.46	7,766.96	8,722.66	(7,816.26)
13	Minority Interest							(9.00)
14	Net Profit after taxes, minority interest (12-13)						8,722.66	(7,807.26)
13	Paid -Up equity share capital (face value of Rs. 10 per equity share)	32,333.60	9,345.77	32,333.60	9,345.77	32,297.63	32,333.60	32,297.63
14	Reserve excluding revaluation reserve as per balance sheet of previous accounting year	202,289.24		202,289.24		198,555.30	16,874.04	15,635.37
15	Earning per share (after extraordinary items) (of Rs 10 /- each) (Not annualised)							
	(a) Basic Rs.	0.15	0.41	0.95	1.42	2.41	2.70	(2.42)
	(b) Diluted Rs.	0.15	0.41	0.95	1.42	2.41	2.70	(2.42)

* The Company has changed the Financial year to December 31,2015. Refer Note 1

Statement of Assets and Liabilities (contd..)

Sr. No.	Particulars	STANDALONE		CONSOLIDATED	
		As at			
		31-Dec-15	31-Mar-15	31-Dec-15	31-Mar-15
		Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
A	EQUITY AND LIABILITIES				
1	Shareholders' funds				
	(a) Share capital	32,333.60	32,297.63	32,333.60	32,297.63
	(b) Reserve and surplus	202,289.24	198,555.29	168,740.44	156,353.67
	(c) Money received against share warrants				
	Sub- total- Shareholders' funds	234,622.84	230,852.92	201,074.04	188,651.30
2	Share application money pending for allotment	-	-		
3	Minority interest	-	-	-	1,551.00
4	Non- current liabilities				
	(a) Long term borrowings	1,071.25	2,231.04	76,253.56	142,292.44
	(b) Deferred tax liabilities (Net)	2,633.25	1,749.17	6,593.36	3,331.07
	(c) Other long term liabilities	-	-	-	536.17
	(d) Long- term provisions	4,506.21	2,877.08	25,494.26	23,618.96
	Sub -Total Non- current liabilities	8,210.71	6,857.29	108,341.18	171,329.64
5	Current liabilities				
	(a) Short-term borrowings	21.96	1,218.41	29,309.99	9,537.87
	(b) Trade payables	20,606.09	21,534.65	145,459.47	104,768.49
	(c) Other current liabilities	12,731.63	12,306.82	30,449.64	21,830.41
	(d) Short-term provisions	695.46	753.66	4,702.08	2,273.66
	Sub-total -Current liabilities	34,055.14	35,813.54	209,921.18	138,410.43
	TOTAL - EQUITY AND LIABILITIES	276,888.69	273,523.75	519,336.40	498,391.37
B	ASSETS				
1	Non-current assets				
	(a) Fixed assets	58,862.40	61,109.41	162,618.41	161,202.85
	(d) Goodwill on Consolidation			177,142.00	163,807.00
	(c) Non Current investments	155,973.21	152,804.64	591.01	769.09
	(d) Deferred Tax assets (net)	-	-	15,019.77	13,073.08
	(e) Long - term loans and advances	10,312.32	10,305.03	21,719.09	21,213.74
	(f) Other Non Current Assets	-	-	1,796.08	259.42
	Sub total Non Current Assets	225,147.93	224,219.08	378,886.36	360,325.18
2	Current Assets				
	(a) Current Investments	6,628.30	4,933.18	6,628.30	4,933.18
	(b) Inventories	15,130.67	15,247.89	71,887.65	68,495.62
	(c) Trade Receivables	22,017.68	23,068.69	37,241.00	42,250.30
	(d) Cash & Cash Equivalents	2,566.67	1,777.01	5,015.00	8,927.23
	(e) Short term loans and advances	5,131.10	3,811.71	6,840.00	6,158.99
	(f) Other Current Assets	266.34	466.19	12,838.09	7,300.87
	Sub total Current Assets	51,740.76	49,304.67	140,450.04	138,066.19
	Total Assets	276,888.69	273,523.75	519,336.40	498,391.37

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Segment wise Revenue, Results and Capital Employed

Rs. Lakhs

Particulars		CONSOLIDATED	
		9 Months Ended	Year Ended
		31-Dec-15	31-Mar-15
1	Segment Revenue		
	a) India operations	130,853.19	190,587.14
	b) Foreign	258,851.39	379,997.79
	Total	389,704.58	570,584.93
	Less:		
	Inter Segment Revenue	3,580.06	13,595.04
	Net Sales / Income from Operations	386,124.52	556,989.89
2	Segment Results		
	Profit before tax and interest		
	a) India operations	6,221.28	8,310.77
	b) Foreign	9,171.56	(6,934.63)
	Total	15,392.84	1,376.14
	Less		
	i) Interest	4,714.50	11,965.44
	ii) Other Un-allocable Expenditure net of Un-allocable income	-	580.04
	Total Profit before Tax	10,678.34	(10,009.26)
3	Capital Employed		
	a) India operations	87,597.04	84,995.00
	b) Foreign	113,477.00	105,207.66
	Total	201,074.04	190,202.66

Standalone results of the company constitute a single business and geographical segment i.e. automotive components manufactured in India.

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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 (MGTPPL), Mahindra Gear Global Limited (MGGL), CIE Galfor S.A (Galfor) and their respective step down subsidiaries (“the Group”).

- 2The company has obtained the permission for changing the Financial Year end from March 31 to December 31. In view of the change the current Financial year is for the 9 months period ended December 31, 2015.

- 3The 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 net worth of these companies is eroded as at 31st December, 2015. The actions initiated by the management under guidance of CIEs European Technical Team have resulted in the improvement in operations Accordingly, no provision for diminution in the value of investment in MFE in standalone accounts (Rs. 73606 Lakhs) and Goodwill in consolidated accounts (Rs. 75119 Lakhs) has been made. The auditors while taking note of the actions initiated by the management, have mentioned this as a “matter of emphasis” in their report.

- 4MFE AG had carried out outsourcing of some production processes resulting in reduction in internal production costs and lower valuation of WIP by Rs 1433 lakhs (approximately Euro 2 million). The effect of the write down in inventory valuation pertaining to the prior year is reflected in increased consumption of material by equivalent amount.

- 5The estimated useful life of forging machinery in operating companies under Mahindra Forging Europe AG was assessed in line with the CIE Group policy and with comparable assets and has been revised during the year . Due to this change, depreciation for the 9 month period ending December 31, 2015 was lower by about Rs 1433 lakhs (approximately Euro 2 million) as compared to that of the previous year.

- 6Exceptional item of expense of Rs. 7781 lakhs pertains to the redundancy costs and restructuring expense in European subsidiaries, mainly in Germany

- 7Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Standalone and consolidated figures for December 31, 2015 are for 9 months period ended on that date and hence are not comparable to the figures for March 31, 2015 which are for the period of 12 months. The figures for the quarter ended December 31, 2015 are balancing figures between the audited figures of the nine months period ended December 31, 2015 and the published year to date figures up to the quarter ended September 30, 2015.

- 8The results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on Feb 22, 2016.

For & on behalf of the Board of Directors,

Mumbai
Feb 22, 2016

K. RAMASWAMI
Managing Director

Thank you

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Mahindra ***CIE***