Mahindra CIE

Mahindra CIE Automotive Ltd
Mahindra Towers, 1st Floor,
Dr. G. M. Bhosale Marg, Worli,
Mumbai 400 018, India
Tel: +91 22 24931449
Fax: +91 22 24915890
www.mahindracie.com
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20th February, 2018

BSE Limited Corporate Relationship Department, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001. **BSE Scrip Code: 532756**	**National Stock Exchange of India Limited** Corporate Relationship Department, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. **NSE Scrip Code: MAHINDCIE**

Subject: Annual Financial Results - Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 and 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, we would like to inform you that Board of Directors of the Company, on the recommendation of Audit Committee at their meeting held today i.e. on 20th February, 2018 had inter-alia considered and approved the following:

i. Standalone Audited Financial Results of the Company for the Fourth Quarter and Financial Year ended on 31st December, 2017 ;
ii. Consolidated Audited Financial Results of the Company for the Fourth Quarter and Financial Year ended on 31st December, 2017 ;

The said Standalone and Consolidated Audited Financial Results are enclosed herewith.

We are also enclosing the report of Auditors on Standalone and Consolidated Audited Financial Statements.

Further we wish to inform that the Audit Reports issued by Statutory Auditors in respect of Standalone and Consolidated Audited Financial Statements are unmodified. in this regard, declaration pursuant to Regulation 33 (3) (d) of SEBI (Listing Regulation and Disclosure Requirements) Regulations, 2015, is also enclosed herewith.

Please note that, the above results are being uploaded on the website of the Company *http://www.mahindracie.com*

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The meeting commenced at 3:15 p.m. and concluded at 5:30 p.m.

Kindly acknowledge receipt and take the same on the records.

Thanking you,
Yours faithfully,
For Mahindra CIE Automotive Limited

Krishnan Shankar
Company Secretary & Head – Legal
Encl: As above

MAHINDRA CIE AUTOMOTIVE LIMITED
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STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2017.

Rs.in Lakhs

			Particulars	STANDALONE					CONSOLIDATED	
				Quarter Ended			Year ended		Year ended	
				Dec,31 2017	Sep,30 2017	Dec,31 2016	Dec,31 2017	Dec,31 2016	Dec,31 2017	Dec,31 2016
				Unaudited (Refer Note 7)	Un Audited	Audited (Refer Note 7)	Audited	Audited	Audited	Audited
I			Revenue from operations (Refer note 5)	56,150.20	48,465.29	44,842.37	2,06,333.00	1,78,797.81	6,66,301.18	5,52,458.31
II			Other Income	376.60	269.50	504.31	1,268.58	2,057.71	2,687.09	3,136.41
III			Total Revenue (I+II)	56,526.80	48,734.79	45,346.68	2,07,601.58	1,80,855.52	6,68,988.27	5,55,594.72
IV			Expenses							
	a)		Cost of materials consumed	29,357.70	25,560.23	20,842.36	1,05,222.63	83,224.38	2,93,328.67	2,15,274.10
	b)		Changes in stock of finished goods, work-in process	-1,169.61	796.14	444.67	-1,264.87	465.64	-7,837.04	-842.23
	c)		Employee benefit expense	7,558.63	5,712.23	5,623.85	24,250.25	22,272.99	1,17,602.23	1,10,248.62
	d)		Finance costs	329.57	131.30	447.90	982.16	856.14	5,452.56	5,935.36
	e)		Depreciation and amortisation expenses	2,282.28	1,775.80	1,779.34	7,592.54	7,102.90	28,081.77	23,253.05
	f)		Excise Duty on Sales (Refer note 5)	-	-	4,624.92	10,266.35	17,671.55	14,304.61	20,475.91
	g)		Other expenses	14,571.19	11,513.40	9,891.02	48,383.55	40,472.29	1,66,696.56	1,54,192.87
			Total Expenses (IV)	52,929.76	45,489.10	43,654.06	1,95,432.61	1,72,065.89	6,17,629.36	5,28,537.68
V			Profit before exceptional items and tax (III-IV)	3,597.04	3,245.69	1,692.62	12,168.97	8,789.63	51,358.91	27,057.04
VI			Exceptional item (Refer Note 6)	689.69	-	-	689.69	901.75	689.69	901.75
VII			Profit before tax (V-VI)	2,907.35	3,245.69	1,692.62	11,479.28	7,887.88	50,669.22	26,155.29
VIII			Tax expenses							
	1)		Current tax	1,988.89	1,338.19	564.82	5,317.15	2,734.96	12,660.11	7,451.31
	2)		Deferred tax	-546.36	-128.68	34.30	-767.44	7.84	2,166.40	1,803.95
			Total tax expense (VIII)	1,442.53	1,209.51	599.12	4,549.71	2,742.80	14,826.51	9,255.26
IX			Profit after tax (VII-VIII)	1,464.82	2,036.18	1,093.50	6,929.57	5,145.08	35,842.71	16,900.03
X			Other Comprehensive income							
	A	i)	Items that may be reclassified to profit or loss	-	-	-	-	-		
			Exchange differeces in translating the fiancial statements of foreign operations						7,076.43	-1,197.00
		ii)	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-
	B	i)	Items that will not be reclassified to profit or loss	-74.65	-	-289.85	-74.65	-289.85	-194.60	-987.80
		ii)	Income tax relating to items that will not be reclassified to profit or loss	25.83	-	100.31	25.83	100.31	64.24	345.80
			Total Other Comprehensive Income	-48.82	-	-189.54	-48.82	-189.54	6,946.07	-1,839.00
XI			Total comprehensive income for the period (IX+X)	1,416.00	2,036.18	903.96	6,880.75	4,955.54	42,788.78	15,061.03
			Earnings per equity share face value ₹ 10 each							
		1)	Basic	0.39	0.54	0.29	1.83	1.53	9.48	5.01
		2)	Diluted	0.39	0.54	0.29	1.83	1.52	9.46	4.99

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MAHINDRA CIE AUTOMOTIVE LTD.
MUMBAI

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Rs. In Lakhs

		Particulars	As at STANDALONE Dec 31,2017	STANDALONE Dec 31,2016	CONSOLIDATED Dec 31,2017	CONSOLIDATED Dec 31,2016
			Audited	Audited	Audited	Audited
A		**ASSETS**				
	1	**Non-current assets**				
		(a) Property, Plant and Equipment	56,481.43	50,714.26	1,90,129.87	1,76,802.85
		(b) Capital work-in-progress	2,528.01	609.99	6,023.35	9,665.00
		(c) Investment Property				
		(c) Other Intangible assets (other than goodwill)	731.65	352.61	1,257.58	1,542.62
		(d) Goodwill (Refer note 4)	3,909.50	-	2,83,643.24	2,73,376.03
		(g) Biological Assets other than bearer plants				
		(e) Financial Assets				
		(i) Investments in subsidiaries	2,70,359.50	2,87,585.65	-	-
		(ii) Investments in others	0.26	0.26	138.16	355.06
		(iii) Trade receivables				
		(iii) Loans	-	-	23,886.80	24,263.92
		(f) Deferred tax assets (net)	-	-	25,540.67	26,345.43
		(g) Income Tax Assets (Net)	2,697.94	5,470.00	2,698.00	-
		(h) Other non-current assets	9,376.33	8,145.28	13,859.51	13,246.04
		Total Non - Current Assets	3,46,084.62	3,52,878.05	5,47,177.18	5,25,596.95
	2	**Current assets**				
		(a) Inventories	17,276.96	14,171.58	98,980.43	83,517.46
		(b) Financial Assets				
		(i) Investments	5,145.15	3,061.87	5,365.90	3,535.69
		(ii) Trade receivables	32,934.82	24,307.19	59,842.08	52,191.86
		(iii) Cash and cash equivalents	1,920.93	1,043.62	6,770.45	9,443.50
		(iv) Bank balances other than (iii) above	421.34	234.38	422.78	367.44
		(v) Loans	-	-	424.66	123.20
		(vi) Others (to be specified)			-	-
		(c) Income Tax Assets (Net)	-	-	5,293.26	2,686.68
		(d) Other current assets	25,625.12	5,961.25	34,870.64	15,702.41
		Total Current Assets	83,324.32	48,779.89	2,11,970.20	1,67,568.24
		Non-Current Assets classified as held for sale				
		Total Assets (1+2)	4,29,408.94	4,01,657.94	7,59,147.38	6,93,165.19
B		**EQUITY AND LIABILITIES**				
	1	**Equity**				
		(a) Equity Share capital	37,836.72	37,808.83	37,836.72	37,808.83
		(b) Other Equity				
		(i) Share premium	1,51,426.43	1,50,794.70	1,51,426.43	1,50,794.70
		(ii) Other reserves	1,60,698.48	1,57,753.69	1,82,296.40	1,38,028.93
		Equity attributable to owners of the Company (I)	3,49,961.63	3,46,357.22	3,71,559.55	3,26,632.46
		Non-controlling interests (II)	-	-	-	-
		Total equity (I+II)	3,49,961.63	3,46,357.22	3,71,559.55	3,26,632.46
		LIABILITIES				
	2	**Non-current liabilities**				
		(a) Financial Liabilities				
		(i) Borrowings	-	-	1,01,725.33	93,248.56
		(ii) Other financial liabilities	-	-	85.27	155.34
		(b) Provisions	4,632.71	4,723.45	34,485.16	32,956.17
		(c) Deferred tax liabilities (Net)	2,169.47	2,411.95	9,249.53	9,679.91
		(d) Other non-current liabilities	462.25	884.33	7,206.92	6,689.34
		Total Non - Current Liabilities	7,264.43	8,019.73	1,52,752.21	1,42,729.32
	3	**Current liabilities**				
		(a) Financial Liabilities				
		(i) Borrowings	10,139.43	13,845.06	17,962.85	42,957.89
		(ii) Trade payables	31,150.43	25,253.82	1,57,431.80	1,52,597.50
		(iii) Other financial liabilities	1,618.59	699.56	7,475.78	6,338.46
		(b) Provisions	1,001.03	691.93	1,958.42	1,934.89
		(c) Current Tax Liabilities (Net)	-	-	6,960.85	2,152.64
		(d) Other current liabilities	28,273.40	6,790.62	43,045.92	17,822.03
		Total Current Liabilities	72,182.88	47,280.99	2,34,835.62	2,23,803.41

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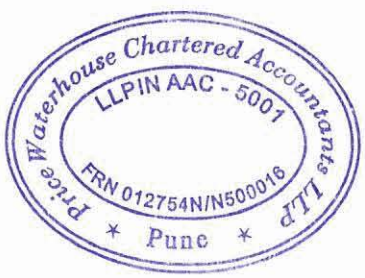
Segment wise Revenue, Results and Capital Employed

Rs. In Lakhs

	Particulars	Consolidated	
		Year Ended 31-Dec-17	Year Ended 31-Dec-16
		Audited	Audited
1	Segment Revenue		
	a) India	290,426.28	214,507.03
	b) Europe	381,811.98	345,186.75
	Total	672,238.26	559,693.78
	Less:		
	Inter Segment Revenue	3,249.99	4,099.06
	Net Sales / Income from Operations	668,988.27	555,594.72
2	Segment Results		
	Profit before tax and interest		
	a) India	22,672.77	11,406.00
	b) Europe	33,449.01	20,684.65
	Total	56,121.78	32,090.65
	Less		
	i) Interest	5,452.56	5,935.36
	ii) Other Un-allocable Expenditure net of Un-allocable income	-	-
	Total Profit before Tax	50,669.22	26,155.29
3	Capital Employed		
	a) India	227,470.70	219,140.26
	b) Europe	234,467.24	212,304.75
	Total	461,937.94	431,445.01

Standalone results of the company constitute a single business segment.



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STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED DECEMBER 31, 2017.

Notes:

1 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (IndAS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.

2 The Company has investment of Rs. 69,742.51 Lakhs in Mahindra Forgings Europe AG (MFE AG), Germany. After the significant decline in demand due to economic downturn in Europe and some onetime costs due to one plant closure, MFE AG results got impacted in 2015 and 2016. Actions initiated by the new management team has shown significant improvement in results for 2017. In view of this and the expected improvements, the Company is of the view that, there is no diminution in the Company's investments in MFE AG.

3 1. During the year, the Company had filed an application for merger of four of its subsidiaries namely Mahindra Forgings International Limited (MFIL), Mahindra Forgings Global Limited (MFGL), Mahindra Gears & Transmission Private Limited (MGTPL) and Crest Geartech Private Limited (Crest Geartech) ("Transferor Companies") with the Company. Pursuant to the Order of Hon'ble National Company Law Tribunal bench, Mumbai , passed on December 13, 2017, approving the Scheme of Amalgamation ("the Scheme"), the assets and liabilities of the Transferor Companies have been transferred to and vested in the Company with effect from July 01, 2017, the appointed date as per the Scheme. As a result of this, in accordance with Appendix C to Ind AS 103, Business Combinations, all the assets and liabilities of Transferor Companies as on June 30, 2017 are recognised in the books of the Company at their carrying amounts as appearing in the consolidated financial statements of the Company as on July 01, 2017 (being the appointed date as per the aforesaid scheme of amalgamation). Accordingly, numbers are not comparable

4 While the Company completed the purchase price allocation in respect of its acquisition of Bill Forge Private Limited during the year ended Dec 31, 2016, the Company has, during the current year, recorded the fair value of a contingent liabilities amounting to INR 4,366.78 Lakhs (net of deferred taxes of INR 2,311.1 Lakhs) relating to the acquisition. This was not considered in purchase price allocation in 2016 and consequently, the amount has now been recorded as an adjustment to Goodwill in accordance with Ind AS 8 in its consolidated financial statements.

5 Revenue from Operations for the quarter and year ended December 31, 2016 includes excise duty which is discontinued w.e.f July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In accordance with Ind AS 18, Revenue, GST is not included in Revenue from Operations. In view of the aforesaid restructuring of Indirect taxes, Revenue from Operations for the quarter and year ended December 31, 2017 and quarter ended September 30, 2017 are not comparable with the previous periods.

Rs in Lakhs

Particulars	Standalone					Consolidated	
	Quarter ended			Year ended		Year ended	
	December 31, 2017 (Refer Note 7)	September 30, 2017	December 31, 2016 (Refer Note 7)	December 31, 2017 (Audited)	December 31, 2016 (Audited)	December 31, 2017 (Audited)	December 31, 2016 (Audited)
Revenue from Operations	56,150	48,465	44,842	2,06,333	1,78,798	6,66,301	5,52,458
Less: Excise duty	-	-	4,625	10,266	17,672	14,305	20,476
Revenue from Operations (Net of Excise duty)	56,150	48,465	40,217	1,96,067	1,61,126	6,51,997	5,31,982

6 The exceptional item pertains to Voluntary Retirement Schemes.

7 The figures for the quarter ended December 31, 2017 and December 31, 2016 are the derived figures between the audited figures for the year ended December 31, 2017 and December 31, 2016 and published reviewed figures of September 30, 2017 and September 30, 2016 respectively.

8 Previous year's figures have been regrouped / reclassified, wherever necessary to conform to the current years classification.

For and on behalf of the Board of Directors,

Executive Director

Date : February 20,2018

Place : Mumbai

Price Waterhouse Chartered Accountants LLP LLPIN AAC - 5001 FRN 012754N/N500016 Pune

MAHINDRA CIE AUTOMOTIVE LTD. MUMBAI

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MAHINDRA CIE AUTOMOTIVE LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Mahindra CIE Automotive Limited** (the "Company"), which comprise the Balance Sheet as at December 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

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

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Price Waterhouse Chartered Accountants LLP IN AAC-5001 FRN 012754N Pune

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Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2017, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

9. We draw your attention to the following matters:
   a. Note 8(1) to the standalone financial statements regarding amalgamation of four wholly owned subsidiaries of the Company namely Mahindra Forgings International Limited, Mahindra Forgings Global Limited, Mahindra Gears and Transmission Private Limited and Crest Geartech Private Limited, with the Company with effect from July 01, 2017, being the appointed date as approved by National Company Law Tribunal in the scheme of amalgamation.

   b. Note 8(2) to the standalone financial statements regarding no provision for impairment by the Management to the carrying value of investment in Mahindra Forgings Europe AG, a wholly owned subsidiary of the Company, amounting to Rs. 6,974 million as at December 31, 2017, in view of the reasons stated therein.

   Our opinion is not qualified in respect of the above matters.

Other Matter

10. The comparative financial information of the company for the year ended December 31, 2016 prepared in accordance with Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the statutory financial statements for the year ended December 31, 2016. The predecessor auditor has expressed an unmodified opinion on the comparative financial information vide report dated February 23, 2017.

    Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books of account.

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Pune

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on December 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i The Company has disclosed the impact, if any, of pending litigations as at December 31, 2017 on its financial position in its standalone Ind AS financial statements – Refer Note 30;

ii. The Company has long-term contracts as at December 31, 2017 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at December 31, 2017.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended December 31, 2017.

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

Jeetendra Mirchandani
Partner
Membership Number - 48125

Place: Mumbai
Date: February 20, 2018

Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITORS' REPORT

To the Members of Mahindra CIE Automotive Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Mahindra CIE Automotive Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at December 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

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5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 8 and 9 of the Other Matters paragraphs below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at December 31, 2017, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matters

8. The financial statements of ten subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 41,715 million and net assets of Rs. 15,114 million as at December 31, 2017, total revenue of Rs. 37,297 million, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 2,230 million and net cash flows amounting to Rs. (18) million for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

9. We did not audit the financial information of three subsidiaries, whose financial information reflect total assets of Rs. 477 million and net assets of Rs. (579) million as at December 31, 2017, total revenue of Rs. 921 million, total comprehensive income (comprising of loss and other comprehensive income) of Rs. 127 million and net cash flows amounting to Rs 20 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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10. The comparative financial information of the Group for the year ended December 31, 2016 prepared in accordance with Ind AS included in these consolidated Ind AS financial statements have been audited by the predecessor auditor who had audited the statutory consolidated financial statements for the year ended December 31, 2016. The predecessor auditor has expressed an unmodified opinion on the comparative financial information vide report dated February 23, 2017.

    Our opinion is not qualified in respect of these above matters.

Report on Other Legal and Regulatory Requirements

11. As required by Section143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its subsidiaries included in the Group, incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its subsidiaries included in the Group, incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on December 31, 2017 taken on record by the Board of Directors of the Holding Company and its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on December 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

    (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at December 31, 2017 on the consolidated financial position of the Group – Refer Note 31 to the consolidated Ind AS financial statements.

ii. The Group had long-term contracts as at December 31, 2017 for which there were no material foreseeable losses. The Group did not have any derivative contracts as at December 31, 2017.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India during the year ended December 31, 2017.

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

Jeetendra Mirchandani
Partner
Membership Number 48125

Place: Mumbai
Date: February 20, 2018

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Mahindra CIE

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20th February, 2018

BSE Limited Corporate Relationship Department, P. J. Towers, Dalal Street, Fort, Mumbai - 400 001. **BSE Scrip Code: 532756**	**National Stock Exchange of India Limited** Corporate Relationship Department, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. **NSE Scrip Code: MAHINDCIE**

Subject: Declaration pursuant to Regulation 33 (3) (d) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

We hereby declare that, the Audit Reports issued by Statutory Auditors M/s. Price Waterhouse Chartered Accountants LLP on the Standalone and Consolidated Audited Financial Results of the Company for the Financial Year ended on 31st December, 2017 are unmodified.

The above declaration is made in pursuant to the Regulation 33 (3) (d) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

For Mahindra CIE Automotive Limited

Ander Alvarez
Executive Director