

18<sup>th</sup> July, 2018

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

**Subject: Investor Presentation on Q2 CY18 Results**

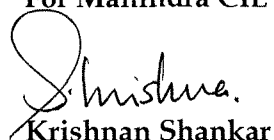
Dear Sir/Madam,

Please find enclosed the herewith Investor Presentation on Q2 CY18 Results.

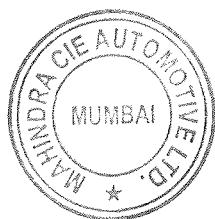
Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,  
For Mahindra CIE Automotive Limited



**Krishnan Shankar**  
Company Secretary & Head - Legal  
Membership No.: F 3482  
Encl: As above



# Investor Presentation

## Q2 CY18 Results

Mahindra CIE Automotive Limited

18<sup>th</sup> July 2018 | Mumbai



**Mahindra CIE**

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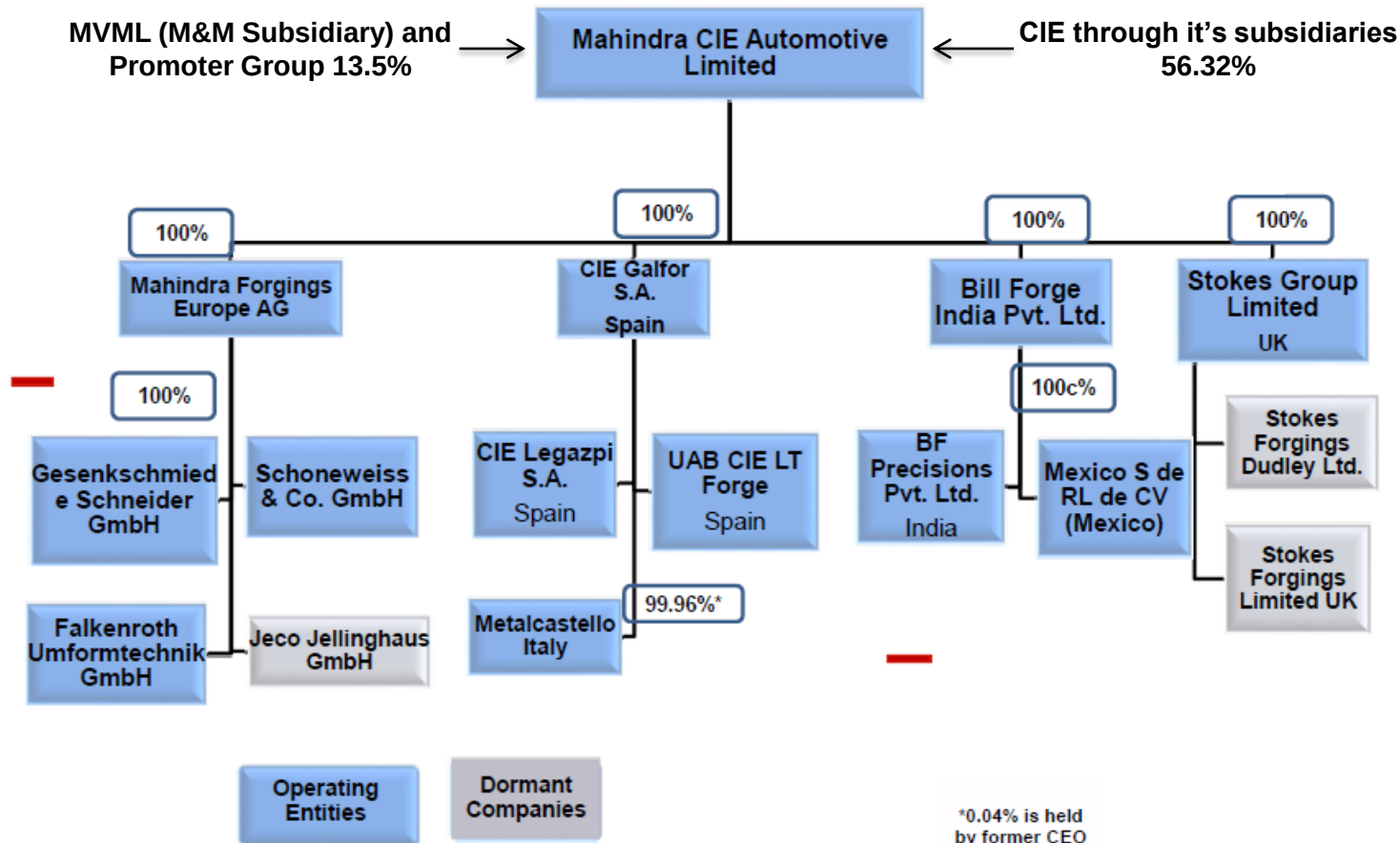
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# MCIE Overview

## Legal Structure



CIE Automotive acquired an additional 5% in Mahindra CIE Automotive Ltd from Mahindra & Mahindra on 29 June 2018, for an amount of approximately 60 million Euros. CIEs stake in the company has increased to above 56%

Jesús María Herrera, Group CEO of CIE Automotive has said *“We strengthen our position in India, an attractive market which has become the fifth largest market worldwide (after China, US, Japan and Germany) and which reserves a huge potential, by duplicating its capacity in less than a decade, pursuant to double digit growth”*

# MCIE India

## Q2 CY2018 Results

### Financial Update

| (INR Mio)              | Apr-Jun 2018 | Change | Apr-Jun 2017 | Jan-Mar 2018 |
|------------------------|--------------|--------|--------------|--------------|
| Sales (without Excise) | 8,024        | 26%    | 6,356        | 7,756        |
| EBITDA (*)             | 1,256        | +44%   | 875          | 1,175        |
| EBITDA%                | 15.7%        |        | 13.8%        | 15.1%        |
| EBIT (*)               | 957          | +67%   | 572          | 875          |
| EBIT %                 | 11.9%        |        | 9.0%         | 11.3%        |
| EBT                    | 842          | +49%   | 565          | 967          |
| EBT%                   | 10.5%        |        | 8.9%         | 12.5%        |

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

### Market Update (Production)

|                  | Apr-Jun 2018<br>v/s<br>Apr-Jun 2017 | Apr-Jun 2018<br>v/s<br>Jan-Mar 2018 |
|------------------|-------------------------------------|-------------------------------------|
| PV               | 7.9%                                | -3.2%                               |
| UV               | 15.2%                               | -8.2%                               |
| LCV              | 46.2%                               | -5.8%                               |
| MHCV             | 116.1%                              | 553.3%                              |
| Two Wheelers     | 14.6%                               | 7.9%                                |
| Tractors         | 18.8%                               | 24.4%                               |
| Key Customers(#) | 24.4%                               | -2.8%                               |

# M&M, Maruti and Tata Motors combined constitute more than 50% of MCIE India business, includes production for which the segments considered are: M&M includes PV+UV+LCV+Tractors but excludes two wheelers and 3Wheelers, while for Tata Motors it includes PV+UV+LCV but excludes MHCV and Maruti includes PV+LCV. The growth of MCIE's customers weighted as per their share of business in MCIE India for Apr-Jun 2018 growth is 20.6% and sequential is -2.2%

As per International classification the segment defined as <6T is equivalent to the Indian segment PV+UV+LCV. The growth rate for <6T for Apr-Jun quarter as compared to previous year is 13.9% and sequential quarters is -4.8%

- Sales growth above Indian market growth
- EBT: Q2 2018 negative exchange rate impact at Bill Forge of 92 mio. (+107 mio in Q1 2018 and +47 mio in Q2 2017)

# MCIE India

## H1 CY2018 Results

### Financial Update

| (INR Mio)                 | Jan-Jun 2018 | Change      | Jan-Jun 2017 |
|---------------------------|--------------|-------------|--------------|
| Sales<br>(without Excise) | 15,780       | <b>+25%</b> | 12,590       |
| EBITDA (*)                | 2,431        | <b>+46%</b> | 1,665        |
| EBITDA%                   | 15.4%        |             | 13.2%        |
| EBIT (*)                  | 1,832        | <b>+69%</b> | 1,083        |
| EBIT %                    | 11.6%        |             | 8.6%         |
| EBT                       | 1,810        | <b>+67%</b> | 1,080        |
| EBT%                      | 11.5%        |             | 8.6%         |

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

### Market Update (Production)

|                  | Apr-Jun 2018 v/s Apr-Jun 2017 |
|------------------|-------------------------------|
| PV               | 2.9%                          |
| UV               | 22.5%                         |
| LCV              | 41.1%                         |
| MHCV             | 50.5%                         |
| Two Wheelers     | 20.7%                         |
| Tractors         | 24.0%                         |
| Key Customers(#) | 17.6%                         |

# M&M, Maruti and Tata Motors combined constitute more than 50% of MCIE India business, includes production for which the segments considered are: M&M includes PV+UV+LCV+Tractors but excludes two wheelers and 3Wheelers, while for Tata Motors it includes PV+UV+LCV but excludes MHCV and Maruti includes PV+LCV. The growth of MCIE's customers weighted as per their share of business in MCIE India for Jan-Jun 2018 growth is 19.6%

As per International classification the segment defined as <6T is equivalent to the Indian segment PV+UV+LCV. The growth rate for <6T for Jan-Jun as compared to previous year is 11.7%

# MCIE Europe

## Q2 CY2018 Results

### Financial Update

| (INR Mio)                 | Apr-Jun 2018 | Change      | Apr-Jun 2017 | Jan-Mar 2018 |
|---------------------------|--------------|-------------|--------------|--------------|
| Sales<br>(without Excise) | 11,816       | <b>+32%</b> | 8,943        | 11,416       |
| EBITDA (*)                | 1,653        | <b>+40%</b> | 1,183        | 1,464        |
| EBITDA%                   | 14.0%        |             | 13.2%        | 12.8%        |
| EBIT (*)                  | 1,208        | <b>+52%</b> | 793          | 1,052        |
| EBIT %                    | 10.2%        |             | 8.9%         | 9.2%         |
| EBT                       | 1,084        | <b>+56%</b> | 696          | 930          |
| EBT%                      | 9.2%         |             | 7.8%         | 8.1%         |

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

Note

1.Exchange Rates considered for Apr-Jun 2018, Jan-Mar 2018 and Apr-Jun 2017 are 79.94, 71.01 and 79.21 INR/Euro respectively

- **Positive exchange rate impact of +15% in sales vs Q2 2017 (real sales growth in Euros +17%)**
- **Positive impact coming from steel price increase agreement with customers applied retroactively from 01/01/2018 impact of +1% on EBITDA.**

### Market Update (Production)

|                    | Apr-Jun 2018<br>v/s<br>Apr-Jun 2017 | Apr-Jun 2018<br>v/s<br>Jan-Mar 2018 |
|--------------------|-------------------------------------|-------------------------------------|
| Passenger Vehicles | 5.3%%                               | 2.2%                                |

Commercial Vehicle production data is not available on a quarterly basis

# MCIE Europe

## H1 CY2018 Results

### Financial Update

| (INR Mio)                 | Jan-Jun 2018 | Change | Jan-Jun 2017 |
|---------------------------|--------------|--------|--------------|
| Sales<br>(without Excise) | 23,232       | +29%   | 17,984       |
| EBITDA (*)                | 3,117        | +33%   | 2,339        |
| EBITDA%                   | 13.4%        |        | 13%          |
| EBIT (*)                  | 2,260        | +44%   | 1,569        |
| EBIT %                    | 9.7%         |        | 8.7%         |
| EBT                       | 2,014        | +51%   | 1,335        |
| EBT%                      | 8.7%         |        | 7.4%         |

### Market Update (Production)

|                    | Jan-Jun 2018<br>v/s<br>Jan-Jun 2017 |
|--------------------|-------------------------------------|
| Passenger Vehicles | 2.1%                                |

Commercial Vehicle production data is not available on a quarterly basis

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

Note

1. Exchange Rates considered for Jan-Jun 2018 and Jan-Jun 2017 are 79.58 and 71.24 INR/Euro respectively

# MCIE Consolidated

## Q2 CY2018 Results

|                           | Apr-Jun 2018 | Change | Apr-Jun 2017 | Jan-Mar 2018 |
|---------------------------|--------------|--------|--------------|--------------|
| Sales<br>(without Excise) | 19,731       | +29%   | 15,248       | 19,107       |
| EBITDA (*)                | 2,909        | +41%   | 2,058        | 2,638        |
| EBITDA%                   | 14.7%        |        | 13.5%        | 13.8%        |
| EBIT (*)                  | 2,165        | +60%   | 1,353        | 1,927        |
| EBIT %                    | 11.0%        |        | 8.9%         | 10.1%        |
| EBT                       | 1,926        | +56%   | 1,233        | 1,898        |
| EBT%                      | 9.8%         |        | 8.1%         | 9.9%         |

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

Note

1.Exchange Rates considered for Apr-Jun 2018, Jan-Mar 2018 and Apr-Jun 2017 are 79.94, 71.01 and 79.21 INR/Euro respectively

- Sales growth due to organic growth in all divisions.
- Operative margins improving, both in India and Europe. Very close to achieve 15% EBITDA margin and double digit EBT

# MCIE Consolidated

## H1 CY2018 Results

| (INR Mio)                 | Jan-Jun 2018 | Change | Jan-Jun 2017 |
|---------------------------|--------------|--------|--------------|
| Sales<br>(without Excise) | 38,837       | +28%   | 30,460       |
| EBITDA (*)                | 5,548        | +39%   | 4,004        |
| EBITDA%                   | 14.3%        |        | 13.1%        |
| EBIT (*)                  | 4,092        | +55%   | 2,641        |
| EBIT %                    | 10.5%        |        | 8.7%         |
| EBT                       | 3,824        | +59%   | 2,403        |
| EBT%                      | 9.8%         |        | 7.9%         |

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

### Note

1. Exchange Rates considered for Jan-Jun 2018 and Jan-Jun 2017 are 79.58 and 71.24 INR/Euro respectively
2. Main India Growth investments: Stampings capacity increase (81 Mio) + Gears capacity increase (101 Mio) + BF Mexico (231 Mio) + BF India capacity increase in cold and warm forging (200 mio)
3. Main Europe Growth Investemnts: CIE Forging (65 Mio) + Gears italy capacity increase (191 Mio)

# Other Details

## Q2 CY 2018 Results



| (Inr Mio)               | INDIA    |          |          | EUROPE   |          |          | CONSOLIDATED |          |          |
|-------------------------|----------|----------|----------|----------|----------|----------|--------------|----------|----------|
|                         | Q2 CY 18 | Q2 CY 17 | Q1 CY 18 | Q2 CY 18 | Q2 CY 17 | Q1 CY 18 | Q2 CY 18     | Q2 CY 17 | Q1 CY 18 |
|                         |          |          |          |          |          |          |              |          |          |
| Excise Duty             |          | 754      |          |          |          |          |              | 754      |          |
|                         |          |          |          |          |          |          |              |          |          |
| Other Operating Revenue | 664      | 332      | 519      | 394      | 274      | 354      | 1,058        | 601      | 858      |
|                         |          |          |          |          |          |          |              |          |          |
| Other Income            | 29       | 34       | 27       | 58       | 31       | 25       | 87           | 63       | 52       |

# **Annexure 1:**

- Results Declared to SEBI

# STATEMENT OF PROFIT & LOSS ACCOUNTS

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2018.

Rs. In Lakhs

|     |    |  |                                                     | STANDALONE    |                |               |                  |               |                   |
|-----|----|--|-----------------------------------------------------|---------------|----------------|---------------|------------------|---------------|-------------------|
|     |    |  |                                                     | Quarter Ended |                |               | Six Months Ended |               | Year Ended        |
|     |    |  |                                                     | June 30, 2018 | March 31, 2018 | June 30, 2017 | June 30, 2018    | June 30, 2017 | December 31, 2017 |
|     |    |  |                                                     | Un Audited    | Un Audited     | Un Audited    | Un Audited       | Un Audited    | Audited           |
| I   |    |  | Revenue from operations                             | 64,996        | 61,188         | 50,375        | 126,184          | 101,623       | 206,333           |
| II  |    |  | Other Income                                        | 519           | 514            | 426           | 1,034            | 717           | 1,269             |
| III |    |  | Total Revenue (I+II)                                | 65,515        | 61,703         | 50,801        | 127,218          | 102,340       | 207,602           |
| IV  |    |  | Expenses                                            |               |                |               |                  |               |                   |
|     | a) |  | Cost of materials consumed                          | 36,807        | 34,179         | 23,898        | 70,985           | 49,109        | 105,223           |
|     | b) |  | Changes in stock of finished goods, work-in process | (936)         | (729)          | (937)         | (1,664)          | (891)         | (1,265)           |
|     | c) |  | Employee benefit expense                            | 7,191         | 6,738          | 5,663         | 13,928           | 11,327        | 24,250            |
|     | d) |  | Finance costs                                       | 79            | 76             | 184           | 155              | 439           | 982               |
|     | e) |  | Depreciation and amortisation expenses              | 1,841         | 1,885          | 1,823         | 3,726            | 3,534         | 7,593             |
|     | f) |  | Excise Duty on Sales                                | -             | -              | 5,423         | -                | 10,266        | 10,266            |
|     | g) |  | Other expenses                                      | 13,780        | 13,588         | 12,057        | 27,368           | 23,229        | 48,384            |
|     |    |  | Total Expenses (IV)                                 | 58,762        | 55,737         | 48,111        | 114,498          | 97,014        | 195,433           |

# STATEMENT OF PROFIT & LOSS ACCOUNTS.. CONT

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2018.

Rs. In Lakhs

|      |             |                                                  | STANDALONE    |                |               |                  |               |                   |
|------|-------------|--------------------------------------------------|---------------|----------------|---------------|------------------|---------------|-------------------|
|      | Part-I      |                                                  | Quarter Ended |                |               | Six Months Ended |               | Year Ended        |
|      | Particulars |                                                  | June 30, 2018 | March 31, 2018 | June 30, 2017 | June 30, 2018    | June 30, 2017 | December 31, 2017 |
|      |             |                                                  | Un Audited    | Un Audited     | Un Audited    | Un Audited       | Un Audited    | Audited           |
| V    |             | Profit before exceptional items and tax (III-IV) | 6,753         | 5,966          | 2,690         | 12,719           | 5,326         | 12,169            |
| VI   |             | Exceptional item (Refer Note 5)                  | -             | -              | -             | -                | -             | 690               |
| VII  |             | Profit before tax (V-VI)                         | 6,753         | 5,966          | 2,690         | 12,719           | 5,326         | 11,479            |
| VIII |             | Tax expense                                      |               |                |               |                  |               |                   |
|      | 1)          | Current tax                                      | 2,293         | 1,896          | 730           | 4,189            | 1,990         | 5,317             |
|      | 2)          | Deferred tax                                     | 75            | 213            | 195           | 288              | (92)          | (767)             |
|      |             | Total tax expense (VIII)                         | 2,368         | 2,109          | 925           | 4,477            | 1,898         | 4,550             |
| IX   |             | Profit after tax (VII-VIII)                      | 4,385         | 3,857          | 1,765         | 8,242            | 3,429         | 6,930             |

# STATEMENT OF PROFIT & LOSS ACCOUNTS.. CONT.

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED JUNE 30, 2018.

Rs. In Lakhs

|             |    |                                                                                  | STANDALONE    |                |               |                  |               |                   |
|-------------|----|----------------------------------------------------------------------------------|---------------|----------------|---------------|------------------|---------------|-------------------|
|             |    |                                                                                  | Quarter Ended |                |               | Six Months Ended |               | Year Ended        |
|             |    |                                                                                  | June 30, 2018 | March 31, 2018 | June 30, 2017 | June 30, 2018    | June 30, 2017 | December 31, 2017 |
| Part-I      |    |                                                                                  | Un Audited    | Un Audited     | Un Audited    | Un Audited       | Un Audited    | Audited           |
| Particulars |    |                                                                                  |               |                |               |                  |               |                   |
| IX          |    | Profit after tax (VII-VIII)                                                      |               |                |               |                  |               |                   |
|             |    |                                                                                  | 4,385         | 3,857          | 1,765         | 8,242            | 3,429         | 6,930             |
|             |    |                                                                                  |               |                |               |                  |               |                   |
| X           | A  | Other Comprehensive income                                                       |               |                |               |                  |               |                   |
|             |    | i) Items that will not be reclassified to profit or loss                         | -             | -              | -             | -                | -             | (75)              |
|             |    | ii) Income tax relating to items that will not be reclassified to profit or loss | -             | -              | -             | -                | -             | 26                |
|             |    |                                                                                  |               |                |               |                  |               |                   |
|             |    | B i) Items that may be reclassified to profit or loss                            | -             | -              | -             | -                | -             | -                 |
|             |    | ii) Income tax relating to items that may be reclassified to profit or loss      | -             | -              | -             | -                | -             | -                 |
|             |    |                                                                                  |               |                |               |                  |               |                   |
| XI          |    | Total Other Comprehensive Income                                                 | -             | -              | -             | -                | -             | (49)              |
|             |    |                                                                                  |               |                |               |                  |               |                   |
|             |    | Total comprehensive income for the period (IX+X)                                 | 4,385         | 3,857          | 1,765         | 8,242            | 3,429         | 6,881             |
|             |    |                                                                                  |               |                |               |                  |               |                   |
|             |    | Earnings per equity share face value ₹ 10 each                                   |               |                |               |                  |               |                   |
|             | 1) | Basic                                                                            | 1.16          | 1.02           | 0.47          | 2.18             | 0.91          | 1.83              |
|             | 2) | Diluted                                                                          | 1.16          | 1.02           | 0.47          | 2.17             | 0.91          | 1.83              |

# STATEMENT OF ASSETS & LIABILITIES

Rs. In Lakhs

| Particulars |   |                                                  | STANDALONE            |                   |
|-------------|---|--------------------------------------------------|-----------------------|-------------------|
|             |   |                                                  | As at June<br>30,2018 | As at Dec 31,2017 |
|             |   |                                                  | Un Audited            | Audited           |
| A           |   | <b>ASSETS</b>                                    |                       |                   |
|             | 1 | <b>Non-current assets</b>                        |                       |                   |
|             |   | a) Property, Plant and Equipment                 | 55,819                | 56,481            |
|             |   | b) Capital work-in-progress                      | 3,690                 | 2,528             |
|             |   | c) Goodwill                                      | 3,910                 | 3,910             |
|             |   | d) Other Intangible assets (other than goodwill) | 712                   | 732               |
|             |   | e) Financial Assets                              |                       |                   |
|             |   | I) Investments in subsidiaries                   | 270,360               | 270,360           |
|             |   | II) Investments in others                        | 3                     | 0                 |
|             |   | f) Income Tax Asset (Net)                        | 3,136                 | 2,698             |
|             |   | g) Other non-current assets                      | 10,806                | 9,376             |
|             |   | <b>Total Non - Current Assets</b>                | <b>348,436</b>        | <b>346,085</b>    |
|             | 2 | <b>Current assets</b>                            |                       |                   |
|             |   | a) Inventories                                   | 22,747                | 17,277            |
|             |   | b) Financial Assets                              |                       |                   |
|             |   | i) Investments                                   | 8,226                 | 5,145             |
|             |   | ii) Trade receivables                            | 40,849                | 32,935            |
|             |   | iii) Cash and cash equivalents                   | 2,978                 | 1,921             |
|             |   | iv) Bank balances other than (iii) above         | 401                   | 421               |
|             |   | c) Other current assets                          | 7,407                 | 25,625            |
|             |   | <b>Total Current Assets</b>                      | <b>82,608</b>         | <b>83,324</b>     |
|             |   |                                                  |                       |                   |
|             |   | <b>Total Assets (1+2)</b>                        | <b>431,043</b>        | <b>429,409</b>    |

# STATEMENT OF ASSETS & LIABILITIES

Rs. In Lakhs

| Particulars |   |                                                                            | STANDALONE            |                   |
|-------------|---|----------------------------------------------------------------------------|-----------------------|-------------------|
|             |   |                                                                            | As at June<br>30,2018 | As at Dec 31,2017 |
|             |   |                                                                            | Un Audited            | Audited           |
| B           |   | <b>EQUITY AND LIABILITIES</b>                                              |                       |                   |
|             | 1 | <b>Equity</b>                                                              |                       |                   |
|             |   | a) Equity Share capital                                                    | 37,866                | 37,837            |
|             |   | b) Other Equity                                                            |                       |                   |
|             |   | i) Share premium                                                           | 151,791               | 151,426           |
|             |   | ii) Other reserves                                                         | 168,882               | 160,698           |
|             |   | <b>Total equity (I+II)</b>                                                 | <b>358,539</b>        | <b>349,962</b>    |
|             |   | <b>LIABILITIES</b>                                                         |                       |                   |
|             | 2 | <b>Non-current liabilities</b>                                             |                       |                   |
|             |   | a) Provision                                                               | 4,761                 | 4,633             |
|             |   | b) Deferred tax liabilities (Net)                                          | 2,448                 | 2,169             |
|             |   | c) Other non-current liabilities                                           | 179                   | 462               |
|             |   | <b>Total Non - Current Liabilities</b>                                     | <b>7,388</b>          | <b>7,264</b>      |
|             | 3 | <b>Current liabilities</b>                                                 |                       |                   |
|             |   | a) Financial Liabilities                                                   |                       |                   |
|             |   | i) Borrowings                                                              | 11,970                | 10,139            |
|             |   | ii) Trade payables                                                         | 36,499                | 31,150            |
|             |   | iii) Other financial liabilities (other than those specified in (b) below) | 1,629                 | 1,619             |
|             |   | b) Provisions                                                              | 1,124                 | 1,001             |
|             |   | c) Current Tax Liabilities (Net)                                           | 1,823                 | -                 |
|             |   | d) Other current liabilities                                               | 12,072                | 28,273            |
|             |   | <b>Total Current Liabilities</b>                                           | <b>65,116</b>         | <b>72,183</b>     |
|             |   | <b>Total Equity and Liabilities (1+2+3)</b>                                | <b>431,043</b>        | <b>429,409</b>    |

## 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 management team have shown significant improvement in results for 2017 and 2018. 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. The auditors while taking note of the actions initiated by the management, have mentioned this as a "Matter of Emphasis" in their report.
- 3 Pursuant to the Order of Hon'ble National Company Law Tribunal, Mumbai, dated December 13, 2017, four of the Company's subsidiaries, namely, Mahindra Forgings International Limited (MFIL), Mahindra Forgings Global Limited (MFGL), Mahindra Gears & Transmission Private Limited (MGTPPL) and Crest Geartech Private Limited (Crest Geartech) ("Transferor Companies") merged with the Company with effect from July 1, 2017 (being the appointed date as per the Scheme of Amalgamation). Consequently, the Company has accounted for the merger with effect from July 1, 2017, hence, the results for the quarter and six months ended June 30, 2018 are not comparable with those of the quarter and six months ended June, 30, 2017.

# MCIE SEBI RESULT NOTES – Continued

- 4 Revenue from Operations for the quarter and six months ended June 30, 2017 and year ended December 31, 2017 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 six months ended June 30, 2018 are not comparable.

(Rs. In Lakhs)

| Particulars                                  | STANDALONE    |                |               |                  |               |                   |
|----------------------------------------------|---------------|----------------|---------------|------------------|---------------|-------------------|
|                                              | Quarter Ended |                |               | Six Months Ended |               | Year Ended        |
|                                              | June 30, 2018 | March 31, 2018 | June 30, 2017 | June 30, 2018    | June 30, 2017 | December 31, 2017 |
| Revenue from Operations                      | 64,995.56     | 61,188.26      | 50,374.91     | 126,183.82       | 101,622.88    | 206,333.00        |
| Less: Excise duty                            | -             | -              | 5,423.48      | -                | 10,266.35     | 10,266.35         |
| Revenue from Operations (Net of Excise duty) | 64,995.56     | 61,188.26      | 44,951.43     | 126,183.82       | 91,356.53     | 196,066.65        |

- 5 The exceptional item pertains to Voluntary Retirement Schemes.
- 6 The Company manufactures automotive components and is of the view that it constitutes a single business segment in accordance with IndAS 108 “Operating Segments” notified pursuant to Companies (Accounting Standard) Rules, 2015.

- 7 The above results have been 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) reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on July 18, 2018.
- 8 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 18, 2018

Place : Pune

Executive Director

## **Annexure 2:** Market Overview and Outlook

# India Market: Key Segments Update - Quarterly

**Demand Improving**



## Market - Production Numbers

|        | Cars + UV's |     | CV's    |      | Tractors |      | Two Wheelers |      |
|--------|-------------|-----|---------|------|----------|------|--------------|------|
| Period | Units       | Δ%  | Units   | Δ%   | Units    | Δ%   | Units        | Δ%   |
| H1 C18 | 2,000,964   | 7.9 | 563,731 | 44.7 | 425,897  | 24.0 | 12,451,980   | 20.7 |
| Q2 C18 | 976,523     | 9.9 | 271,925 | 67.7 | 236,079  | 18.8 | 6,462,185    | 14.6 |
| Q1 C18 | 1,024,441   | 6.2 | 291,806 | 28.3 | 189,818  | 31.3 | 5,989,795    | 28.0 |

Source: SIAM, TMA

\* Δ % - means comparison of Quarter volumes of this financial year with that of the same quarter of the previous financial year. E.g. Q2 C18 Volume is compared to Q2 C17 volume respectively.

# Market Outlook - India

- PVs+ UVs:

*"CRISIL Research expects the domestic passenger vehicle industry is expected to grow at 8-10% on-year in fiscal 2019 on a high base." ... CRISIL Research report*

- LCVs:

*"LCV demand grew in fiscal 2018 due to improved private consumption and replacement demand. These factors will continue to drive growth in fiscal 2019 .LCV's projected to grow at 15-17% in 2018-19." ... CRISIL Research report*

- MHCVs:

*"MHCV sales are expected to continue to grow at a robust pace in fiscal 2019 led by demand from road construction and due to higher infrastructure spend. MHCV's projected to grow at 7-9% in 2018-19" ... CRISIL Research report*

- Tractors:

*"CRISIL Research expects domestic tractor sales volumes to continue growth momentum from previous year, and increase by 10-12% in 2018-19, on the back of a third consecutive normal monsoon (assumed) and favorable farm sentiments." ... CRISIL Research report*

- Two Wheelers:

*"CRISIL Research projects the two-wheeler industry to grow by 10-12% in fiscal 2019 assuming normal monsoons, improved affordability, and positive rural sentiment. Further improvement in government spending is likely to boost demand in the second half of fiscal 2019, pushing demand upwards by 1-3%." ... CRISIL Research report*

# Europe Market Update - Quarterly

Market picking up



## Market - Production Numbers Passenger Vehicles (Mn Units)

| Period     | C16   | Δ%    |
|------------|-------|-------|
| H1 CY 2018 | 10.13 | 2.1%  |
| Q2 CY 2018 | 5.12  | 5.3%  |
| Q1 CY 2018 | 5.01  | -1.1% |

\*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 C18 Volume is compared to Q2 C17 volume respectively.

# Market Outlook - Europe

Growth returning, but gradually

- EU – Cars:
  - *IHS Global has forecasted that the Passenger Vehicle production will grow at a slow but steady pace of 0.1% CAGR between C18 to C23*
- EU - CVs:
  - *IHS Global has forecasted that the Medium and Heavy Commercial Vehicle production will grow at a steady pace of 4.6% CAGR between C18 to C21*



*Thank you*

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**Mahindra** CIE