Mahindra CIE

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23rd October, 2019

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: Investor Presentation on Q3 CY19 Results

Dear Sir/ Madam,

Please find enclosed herewith Investor Presentation on Q3 CY19 Results.

Kindly acknowledge the receipt of the same.

Thanking you,

Yours faithfully,
For Mahindra CIE Automotive Limited

Pankaj Goyal
Company Secretary and Compliance Officer
Membership No.: A 29614

MAHINDRA CIE AUTOMOTIVE LTD. MUMBAI

Encl: As above

Investor Presentation
Q3 CY19 Results

Mahindra CIE Automotive Limited

23rd October 2019 | Mumbai

CIE Automotive

Mahindra CIE

Mahindra CIE

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MCIE India

Q3 CY2019 Results

Financial Update

(INR Mio)	Jul-Sep 2019	Change	Jul-Sep 2018	Apr-Jun 2019
Sales (without Excise)	8,509	+4%	8,153	9,179
EBITDA (*)	1,111	-10%	1,240	1,214
EBITDA%	13.1%		15.2%	13.2%
EBIT (*)	678	-27%	934	795
EBIT %	8.0%		11.5%	8.7%
EBT	566	-44%	1,006	774
EBT%	6.7%		12.3%	8.4%

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

Market Update (Production)

	Jul-Sep 2019 v/s Jul-Sep 2018	Jul-Sep 2019 v/s Apr-Jun 2019
PV	-23.8%	-3.6%
UV	-6.0%	-4.4%
LCV	-26.0%	-11.1%
<6T	-20.6%	-4.9%
Two Wheelers	-14.9%	0.6%
Tractors	-2.5%	21.7%

Source: SIAM, TMA

M&M, Maruti, Tata Motors, Hero MotoCorp and Bajaj combined constitute more than 50% of MCIE India business. Production Numbers for: M&M includes PV+UV+LCV+Tractors but excludes 2wheelers and 3Wheelers, Maruti includes PV+LCV, Tata Motors includes PV+UV+LCV but excludes MHCV, Hero all 2Wheelers and Bajaj includes 2Wheelers and 3 Wheelers. The growth of MCIE's Key customers (not including Bajaj) weighted as per their share of business in MCIE India for Jul-Sep 2019 growth is -19.5% and sequential growth is -3.1%.

- **Sales growth due to AEL integration. Organic sales drop around 20%**
- **EBITDA margin recovery plan on going. Maintaining Q2 margins despite 7% sequential sales drop (Q3.2019 vs Q2.2019)**
- **Forex loss INR 41 mio in this contributed to the drop in EBT. Q3 C18 included a forex gain of INR 89 mio. Without Forex EBT drop would be in line with EBIT drop**
- **Cost reduction plan to adjust to current sales level and active commercial search for short term new sales**

MCIE India

9M CY2019 Results

Financial Update

(INR Mio)	Jan-Sep 2019	Change	Jan-Sep 2018
Sales (without Excise)	25,529	+7%	23,934
EBITDA (*)	3,622	-1%	3,671
EBITDA%	14.2%		15.3%
EBIT (*)	2,466	-11%	2,766
EBIT %	9.7%		11.6%
EBT	2,330	-17%	2,815
EBT%	9.1%		11.8%

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

Market Update (Production)

	Jan-Sep 2019 v/s Jan-Sep 2018
PV	-15.5%
UV	-2.9%
LCV	-11.8%
<6T	-11.8%
Two Wheelers	-11.7%
Tractors	-8.8%

M&M, Maruti, Tata Motors, Hero MotoCorp and Bajaj combined constitute more than 50% of MCIE India business. Production Numbers for: M&M includes PV+UV+LCV+Tractors but excludes 2wheelers and 3Wheelers, Maruti includes PV+LCV, Tata Motors includes PV+UV+LCV but excludes MHCV, Hero all 2Wheelers and Bajaj includes 2Wheelers and 3 Wheelers. The growth of MCIE's Key customers (not including Bajaj) weighted as per their share of business in MCIE India for the Jan-Sep 2019 growth is -12.7%.

Source: SIAM, TMA

- **Accumulated sales growth due to AEL integration. Organic sales drop around 8%**
- **YTD forex gain is at INR 37 mio v/s previous year gain of INR 127 mio**
- **EBITDA margin slightly reduced to 14.2% due to AEL lower margin (12%) and sales drop impact specially in the last quarter**

MCIE Europe

Q3 CY2019 Results

Financial Update

(INR Mio)	Jul-Sep 2019	Change	Jul-Sep 2018	Apr-Jun 2019
Sales (without Excise)	9,340	-17%	11,263	11,316
EBITDA (*)	1,074	-22%	1,369	1,480
EBITDA%	11.5%		12.2%	13.1%
EBIT (*)	718	-27%	984	1,055
EBIT %	7.7%		8.7%	9.3%
EBT	632	-26%	850	961
EBT%	6.8%		7.5%	8.5%

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

Market Update (Production)

	Jul-Sep 2019 v/s Jul-Sep 2018	Jul-Sep 2019 v/s Apr-Jun 2019
Passenger Vehicles	0.3%	-16.9%

As per ACEA registrations data, the HCV (>16T) segment in Europe dropped in July (-25.1%) and August (-21.8%) while the MHCV (>3.5T) segment in Europe dropped in August (-19.0%)

Source: IHS Global

- **Negative exchange rate impact of -3,5% in sales (real drop in Euros -13,5%)**
- **Pass car Forgings and Gears, Italy maintaining the good performance**
- **Main sales drop in CV Forgings (-20% vs Q3.2018). We are working on a plan to realign the operations to the new market situation**

MCIE Europe

9M CY2019 Results

Financial Update

(INR Mio)	Jan-Sep 2019	Change	Jan-Sep 2018
Sales (without Excise)	33,500	-2%	34,085
EBITDA (*)	4,232	-6%	4,479
EBITDA%	12.6%		13.1%
EBIT (*)	3,014	-7%	3,254
EBIT %	9.0%		9.5%
EBT	2,734	-6%	2,894
EBT%	8.2%		8.5%

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

Market Update (Production)

	Jan-Sep 2019 v/s Jan-Sep 2018
Passenger Vehicles	-4.2%

As per ACEA registrations data, the HCV (>16T) segment in Europe grew by 7.7% YTD August and the MHCV (>3.5T) segment in Europe grew by 8% YTD August

Source: IHS Global

- **2% sales drop due to exchange rate impact. Real sales in euros flat thanks to the positive first quarter.**
- **Margin reduction due to CV Forgings. Pass car forgings and Gears, Italy maintaining margins**

MCIE Consolidated

Q3 CY2019 Results

(INR Mio)	Jul-Sep 2019	Change	Jul-Sep 2018	Apr-Jun 2019
Sales (without Excise)	17,850	-8%	19,326	20,495
EBITDA (*)	2,186	-16%	2,610	2,694
EBITDA%	12.2%		13.5%	13.1%
EBIT (*)	1,396	-27%	2,918	1,850
EBIT %	7.8%		9.9%	9.0%
EBT	1,198	-35%	1,856	1,735
EBT%	6.7%		9.6%	8.5%

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

- **Weak third quarter sales and result, due to negative market evolution**
- **EBT drop accentuated by the Forex impact in India (explained earlier)**
- **EBITDA assurance plan launched in all divisions, to improve internal efficiency and control costs**

MCIE Consolidated

9M CY2019 Results

(INR Mio)	Jan-Sep 2019	Change	Jan-Sep 2018
Sales (without Excise)	59,028	+2%	57,753
EBITDA (*)	7,853	-4%	8,150
EBITDA%	13.3%		14.1%
EBIT (*)	5,480	-9%	6,020
EBIT %	9.3%		10.4%
EBT	5,063	-11%	5,709
EBT%	8.6%		9.9%

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

- **Accumulated sales growth due to AEL integration. Organic sales drop is 5%**
- **9M CY2019 EBITDA margin affected by AEL integration**

Other Details

Other Operating Revenue, Other Income and Exchange rates

	For Q3 CY19			For 9M CY19		
(INR Mio)	India	Europe	**Consolidated**	India	Europe	**Consolidated**
Other Operating Revenue	625	221	**836**	1701	1119	**2,820**
Other Income	25	16	**41**	207	60	**267**

Exchange Rates

Period	INR/ Euro
Average for Q3 CY19	**78.42**
Average for Q3 CY18	81.19
Average for 9M CY19	**78.89**
Average for 9M CY18	80.23

Annexure 1:

- Results Declared to SEBI

STATEMENT OF PROFIT & LOSS ACCOUNTS- Consolidated

Rs. in Million

			Particulars	Consolidated					
				Quarter Ended			Nine Months Ended		Year Ended
				September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	December 31, 2018
				Unaudited	Unaudited	(Refer Note 10)	Unaudited	(Refer Note 10)	Audited
			Continuing Operations						
I			Revenue from operations	18,685	21,420	19,811	61,849	60,565	80,315
II			Other Income	42	78	67	268	205	387
III			Total Revenue (I+II)	18,727	21,498	19,878	62,117	60,770	80,702
IV			Expenses						
	a)		Cost of materials consumed	8,568	10,206	9,028	28,949	28,146	37,737
	b)		Changes in stock of finished goods and work-in progress	577	(141)	262	405	(457)	(1,421)
	c)		Employee benefit expense	3,039	3,648	3,080	10,246	9,914	13,297
	d)		Finance costs	198	115	42	417	311	502
	e)		Depreciation and amortisation expenses	789	844	675	2,373	2,130	2,867
	f)		Other expenses	4,409	5,091	4,906	14,714	15,017	20,192
			Total Expenses (IV)	17,580	19,763	17,992	57,104	55,061	73,173
V			Profit before exceptional items and tax (III-IV)	1,147	1,734	1,885	5,012	5,709	7,529
VI			Exceptional items (Refer Note 4)	(51)	-	-	(51)	-	-
VII			Profit before tax (V-VI)	1,198	1,734	1,885	5,063	5,709	7,529

STATEMENT OF PROFIT & LOSS ACCOUNTS- Consolidated Contnd.

Rs. in Million

			Particulars	Consolidated					
				Quarter Ended			Nine Months Ended		Year Ended
				September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	December 31, 2018
				Unaudited	Unaudited	(Refer Note 10)	Unaudited	(Refer Note 10)	Audited
			Continuing Operations						
VII			Profit before tax (V-VI)	1,198	1,734	1,885	5,063	5,709	7,529
VIII			Tax expense (Refer Note 11)						
	1)		Current tax	522	456	521	1,581	1,588	1,934
	2)		(Excess)/short provision for tax of earlier years	-	-	-	-	-	(35)
	3)		Deferred tax	65	17	6	71	55	144
			Total tax expense (VIII)	586	472	527	1,652	1,644	2,043
IX			Profit after tax (VII-VIII)	612	1,262	1,359	3,412	4,065	5,485
			Discontinued Operation (Refer Note 2)						
			Profit / (Loss) for the period for discontinued Operations	-	-	(443)	(13)	(473)	(504)
			Tax Expense for Discontinued Operations	-	-	-	-	-	-
			Profit after tax (Continuing and Discontinued operations)	612	1,262	916	3,399	3,593	4,981

STATEMENT OF PROFIT & LOSS ACCOUNTS- Consolidated Contnd.

Rs. in Million

			Particulars	Consolidated					
				Quarter Ended			Nine Months Ended		Year Ended
				September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	December 31, 2018
				Unaudited	Unaudited	(Refer Note 10)	Unaudited	(Refer Note 10)	Audited
			Profit after tax (Continuing and Discontinued operations)	612	1,262	916	3,399	3,593	4,981
X			Other Comprehensive income						
	A	i)	Items that will not be reclassified to profit or loss	-	-	-	-	-	-53
		ii)	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	17
	B	i)	Items that will be reclassified to profit or loss	(140)	(271)	905	(644)	1,583	737
		ii)	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
			Total Other Comprehensive Income	(140)	(271)	905	(644)	1,583	701
XI			Total comprehensive income for the period (IX+X)	472	991	1,821	2,755	5,175	5,682
			Earnings per equity share face value INR 10 each						
		1)	Basic EPS						
			Continuing Operation	1.61	3.33	3.59	9.01	10.74	14.49
			Discontinued Operation	-	-	(1.17)	(0.03)	(1.25)	(1.33)
		2)	Diluted						
			Continuing Operation	1.61	3.33	3.58	9.00	10.73	14.48
			Discontinued Operation	-	-	(1.17)	(0.03)	(1.25)	(1.33)

Segment Revenue, Results, Assets & Liabilities

Rs. in Million

		CONSOLIDATED					
		Quarter Ended			Nine Months Ended		Year Ended
	Particulars	September 30, 2019 Unaudited	June 30, 2019 Unaudited	September 30, 2018 (Refer Note 10)	September 30, 2019 Unaudited	September 30, 2018 (Refer Note 10)	December 31, 2018 Audited
1	Segment Revenue						
	a) India	9,190	9,735	8,710	27,449	25,673	33,886
	b) Europe	9,560	11,733	11,192	34,619	35,158	46,789
	Total	18,750	21,468	19,902	62,068	60,831	80,675
	Less:						
	Inter Segment Revenue	65	48	91	219	266	360
	Net Sales / Income from Operations	18,685	21,420	19,811	61,849	60,565	80,315
2	Segment Results						
	Profit before tax and interest						
	a) India	678	795	925	2,466	2,757	3,588
	b) Europe	718	1,055	1,002	3,014	3,263	4,443
	Total	1,396	1,850	1,927	5,480	6,020	8,030
	Less						
	i) Interest	198	115	42	417	311	502
	Total Profit before Tax	1,198	1,734	1,885	5,063	5,709	7,529

Segment Revenue, Results, Assets & Liabilities

Rs. in Million

		CONSOLIDATED					
		Quarter Ended			Nine Months Ended		Year Ended
	Particulars	September 30, 2019 Unaudited	June 30, 2019 Unaudited	September 30, 2018 (Refer Note 10)	September 30, 2019 Unaudited	September 30, 2018 (Refer Note 10)	December 31, 2018 Audited
	Total Profit before Tax	1,198	1,734	1,885	5,063	5,709	7,529
3	Segment Assets						
	a) India	47,299	49,265	34,580	47,299	34,580	41,158
	b) Europe	40,394	42,098	50,480	40,394	50,480	44,146
	Total	87,693	91,363	85,060	87,693	85,060	85,304
4	Segment Liabilities						
	a) India	16,302	19,565	11,027	16,302	11,027	13,305
	b) Europe	26,028	26,725	31,520	26,028	31,520	29,110
	Total	42,330	46,290	42,548	42,330	42,548	42,415

Note:

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

STATEMENT OF PROFIT & LOSS ACCOUNTS-Standalone

Rs. In Million

				STANDALONE					
				Quarter Ended			Nine Months Ended		Year Ended
			Particulars	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	December 31, 2018
				Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I			Revenue from operations	4,714	5,409	6,524	16,549	19,144	25,343
II			Other Income	49	65	67	262	188	249
III			Total Revenue (I+II)	4,763	5,474	6,591	16,811	19,332	25,591
IV			Expenses						
	a)		Cost of materials consumed	2,464	2,924	3,685	8,963	10,784	14,224
	b)		Changes in stock of finished goods and work-in progress	97	66	(60)	143	(227)	(262)
	c)		Employee benefit expense	654	680	727	2,052	2,120	2,847
	d)		Finance costs	53	54	21	136	57	82
	e)		Depreciation and amortisation expenses	188	181	186	547	558	739
	f)		Other expenses	1,085	1,199	1,383	3,648	4,120	5,442
			Total Expenses (IV)	4,539	5,104	5,941	15,489	17,411	23,072
V			Profit before exceptional items and tax (III-IV)	224	371	649	1,322	1,921	2,519

STATEMENT OF PROFIT & LOSS ACCOUNTS- Standalone.. Contd.

Rs. In Million

			Particulars	STANDALONE					
				Quarter Ended			Nine Months Ended		Year Ended
				September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	December 31, 2018
				Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
V			Profit before exceptional items and tax (III-IV)	224	371	649	1,322	1,921	2,519
VI			Exceptional items (Refer Note 4)	269	-	-	269	-	1,286
VII			Profit before tax (V-VI)	(45)	371	649	1,053	1,921	1,233
VIII			Tax expense (Refer Note 11)						
	1)		Current tax	368	139	223	762	642	831
	2)		(Excess)/short provision for tax of earlier years	-	-	-	-	-	(35)
	3)		Deferred tax	(87)	(2)	0.3	(86)	29	82
			Total tax expense (VIII)	281	137	224	676	671	878
IX			Profit after tax (VII-VIII)	(326)	234	426	377	1,250	355

STATEMENT OF PROFIT & LOSS ACCOUNTS- Standalone.. Contd.

Rs. In Million

			Particulars	STANDALONE					
				Quarter Ended			Nine Months Ended		Year Ended
				September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	December 31, 2018
				Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
IX			Profit after tax (VII-VIII)	(326)	234	426	377	1,250	355
X			Other Comprehensive income						
	A	i)	Items that will not be reclassified to profit or loss	-	-	-	-	-	(12)
		ii)	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	4
	B	i)	Items that will be reclassified to profit or loss	-	-	-	-	-	-
		ii)	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
			Total Other Comprehensive Income	-	-	-	-	-	(8)
XI			Total comprehensive income for the period (IX+X)	(326)	234	426	377	1,250	347
			Earnings per equity share face value INR 10 each						
		1)	Basic	(0.86)	0.62	1.12	0.99	3.30	0.94
		2)	Diluted	(0.86)	0.62	1.12	0.99	3.30	0.94

MCIE - Notes

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

2 In September 2018, the Board of Directors of Mahindra CIE Automotive Limited decided to dispose off the forging business in the United Kingdom, corresponding to the company Stokes Group Limited. Due to that decision, the company has discontinued the operations of Stokes Group Limited, classifying them as a disposal group, and reclassifying the profit and loss account of the Company to results from discontinued operations in its consolidated result.

3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on October 23, 2019. These results are subjected to Limited Review by the auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

4 **Exceptional items relating to the statement of standalone and consolidated unaudited results for the quarter and nine months ended September 30, 2019**:

a. Bill Forge Private Limited (BFPL) entered into settlement agreement dated August 21, 2019 with Donald J. Ulrich Associates, Inc. ("DJU") (a former Independent sales agent of BFPL) to pay USD 3 million in full settlement against the damages claimed of USD 10 million. Hence, excess provision amounting to USD 7 million (INR 473 million) was reversed during the quarter.

b. Provision for impairment of investment in Sai Wardha Power Generation Limited, amounting to INR 49 million during the quarter. The Company did not anticipate any amount to be recovered from this investment. Hence, the Company had recognised full impairment loss on the said investment.

c. Provision against likely levy of cross subsidy charges and additional surcharge by Maharashtra State Electricity Distribution Company Limited amounting to INR 100 million during the quarter.

d. Provision recognised for Provident Fund liability basis Supreme Court judgement in 'Regional provident fund commissioner (II) West Bengal vs Vivekananda Vidyamandir and Others' amounting to INR 120 million and INR 145 million respectively in the standalone unaudited results and consolidated unaudited results respectively.

e. Provision made for expenses pertaining to employees of Bill Forge Private Limited under The Voluntary Retirement Scheme amounting to INR 128 million.

MCIE – Notes Cont…

Exceptional items in the Standalone Financial Results for the year ended December 31, 2018 pertain to:

a. Provision for impairment on additional investment in Stokes Group Limited, wholly owned subsidiary of the Company, amounting to INR 1,161 million, to facilitate closure of business. The Company did not anticipate any amount to be recovered from this investment. Hence, the Company had recognised full impairment loss on the said investment.

b. Loss on sale of investment in Mahindra Forgings Europe AG (MFE), one of the wholly owned subsidiaries of the Company, to CIE Galfor S.A.U. (Galfor), another wholly owned subsidiary of the Company amounting to INR 125 million.

5 Ind AS 115 - Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018 replaces existing revenue recognition requirements. Application of Ind AS 115 to the Company (w.e.f. January 1, 2019) did not have any material adjustments on recognition and measurement of revenue and related items in the financial results of the Company.

6 The Board of Directors of the Company at its meeting held on September 25, 2018, approved the scheme of merger between Bill Forge Private Limited, wholly owned subsidiary, and the Company. The scheme of merger was filed with the National Company Law Tribunal (NCLT) on October 29, 2018. The scheme of merger has been approved by Hon'ble NCLT, Bengaluru on September 6, 2019 and the Order has been filed with Registrar of Companies, Karnataka on October 3, 2019. The petition for the scheme of merger with Hon'ble NCLT, Mumbai was heard on September 20, 2019. Impact of this merger will be given once the scheme is approved by the NCLT, Mumbai and filed with Registrar of Companies.

7 On April 9, 2019 (the "Acquisition date"), the company has acquired 100% equity of Aurangabad Electricals Limited for a purchase consideration of INR 8,759 million. Given that the acquisition has recently been completed, the purchase price has been allocated to assets and liabilities on a provisional basis as per Ind AS 103- Business Combinations. Accordingly provisional goodwill amounting to INR 6,750 million (As at September 30, 2019 : INR 6,761 million) has been recognised in the consolidated balance sheet as at the acquisition date. The management expects to identify and measure the identifiable assets acquired and liabilities assumed at their acquisition date fair value by March 31, 2020. Any new information obtained during measurement period about facts and circumstances that were existing as of the acquisition date, that would have affected the measurement of the amounts recognised as of that date will be adjusted against the provisional amount of goodwill recognised. Due to the acquisition, the numbers of the current period are not comparable to the previous periods disclosed.

MCIE – Notes Cont…

8 The subsidiaries and associate companies forming part of consolidated financial results of Mahindra CIE Automotive Limited (MCIE) are listed in "Annexure A" annexed herewith the statement.

9 The consolidated net profit of the company also includes net profit of it's associate companies which is not material.

10 The consolidated financial results of the company for the quarter and nine months ended September 30, 2018 as reported in these financial results have been approved by the Board of Directors, but have not been subjected to review / audit by the auditors.

11 The Company elected to exercise the option under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured it's opening Deferred Tax Liability as on April 1, 2019 and recognised Provision for Income Tax for the quarter ended September 30, 2019 at the revised 'effective' annual tax rate to it's interim pre-tax profits.

12 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 : October 23, 2019

Place : Mumbai

Executive Director

MCIE – Notes Cont…

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

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

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

Annexure 2: Market Overview and Outlook

India Market: Key Segments Update - Quarterly

Demand Uncertain

Market - Production Numbers

	Cars + UV's		<6T Vehicles**		Tractors		Two Wheelers	
Period	Units	Δ%	Units	Δ%	Units	Δ%	Units	Δ%
9M C19	**2,805,031**	**-11.8**	**3,255,168**	**-11.8**	**378,065**	**-8.8**	**17,063,990**	**-11.7**
Q3 C19	867,330	-19.7	995,035	-20.6	903,027	-2.5	5,848,239	-14.9
Q2 C19	903,027	-12.0	1,046,644	-12.0	187,537	-21.3	5,810,619	-10.1
Q1 C19	1,034,674	-3.7	1,213,489	-3.0	190,528	-0.8	5,405,132	-9.8

Source: SIAM, TMA

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

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

Market Outlook - India

- Light Vehicles (less than 6 Tons)
  Short Term: IHS forecasts growth at a -13.6% between CY2018-CY 2019
  Long term: IHS forecasts growth at a CAGR of 5.7% over a period of 2019-2024
- MHCVs:
  Short Term: IHS forecasts growth at a -0.8% between CY2018-CY 2019
  Long term: IHS forecasts growth at a CAGR of -0.5% over a period of 2019-2024
- Tractors:
  "CRISIL Research expects domestic tractor sales volumes to decline by (9)-(11)% in fiscal 2020"…" The long term tractor industry CAGR from fiscal 2019 to fiscal 2024 is expected to be 1-3%" … CRISIL Research report
- Two Wheelers:
  "CRISIL Research expects two-wheeler industry to decline by 6-8% in fiscal 2020"… ".. domestic two-wheeler sales to record a compound annual growth rate (CAGR) of 1-3% from fiscal 2019 to fiscal 2024" … CRISIL Research report

Europe Market Update - Quarterly

Market Sliding

Market - Production Numbers

Passenger Vehicles (Mn Units)

Period	C19	Δ%
9M CY 2019	**15.7**	**-4.2%**
Q3 CY 2019	4.59	0.3
Q2 CY 2019	5.53	-7.3
Q1 CY 2019	5.58	-4.6

Source: IHS Global

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

Market Outlook - Europe

Long Term Growth Stable

- EU – Light Vehicles:
  - *IHS Global has forecasted that the Passenger Vehicle production will grow at a slow but steady pace of 1.0% CAGR between C19 to C24*
- EU – MHCV's:
  - *IHS Global has forecasted that the MHCV production will grow at 2.5% CAGR between C19 to C24*

Thank you
Mahindra CIE