

The logo for Mahindra CIE, with 'Mahindra' in red and 'CIE' in blue, set against a background of repeating car parts icons.

**Mahindra CIE**

**Q2 and Half Year CY20 Results**  
**21<sup>st</sup> July 2020 | Mumbai**

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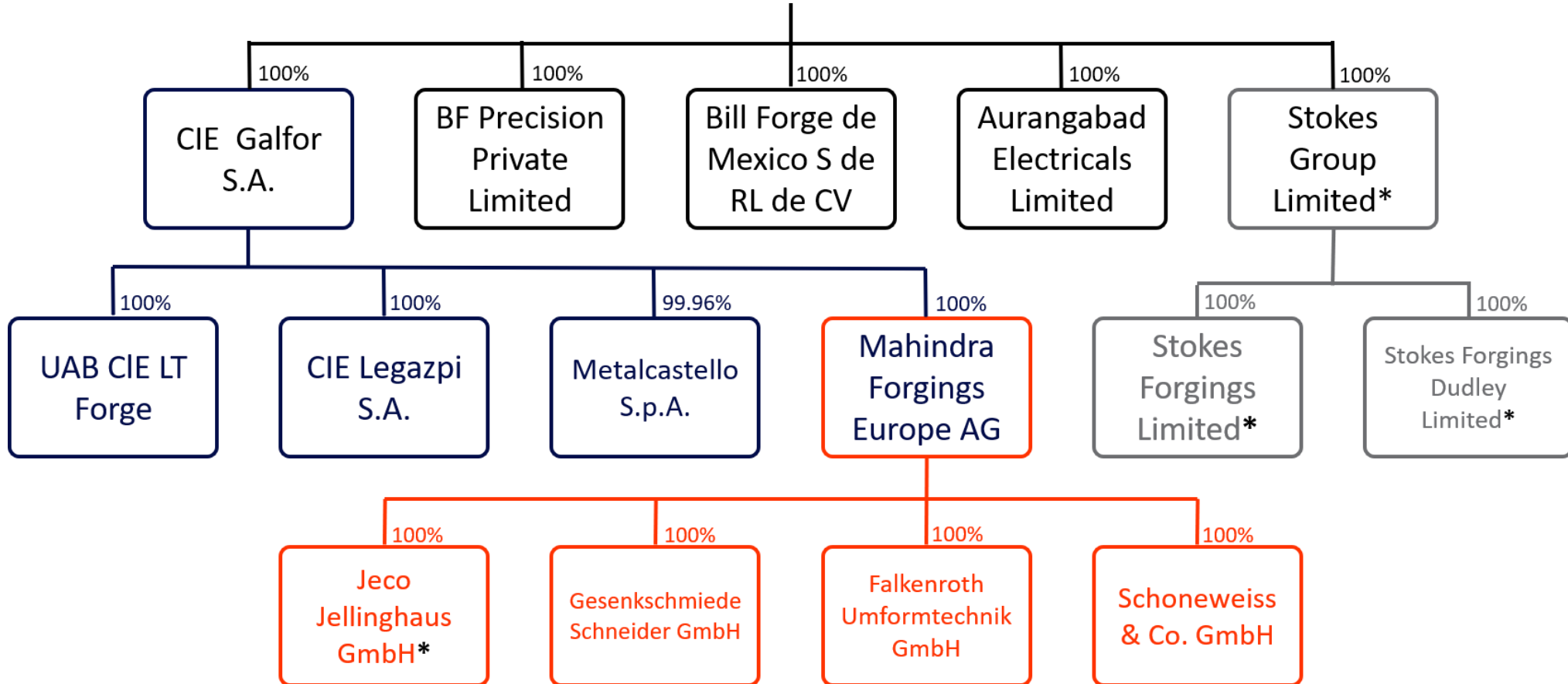
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MVML (M&M Subsidiary) and Promoter Group 11.44%

**Mahindra CIE**

CIE through its subsidiaries 58.02%



\* - Dormant Companies

Financial Update

(INR Mio)	Apr-Jun 2020	Change	Apr-Jun 2019	Jan-Mar 2020 (**)
SALES	2,523	-73%	9,179	7,440
EBITDA (*)	-324	-127%	1,214	970
EBITDA%	-12.8%		13.2%	13.0%
EBIT (*)	-621	-178%	795	528
EBIT %	-24.6%		8.7%	7.1%
EBT	-701	-191%	774	434
EBT%	-27.8%		8.4%	5.8%

(\*) EBITDA: Net Operating Income + Depreciation , EBIT: Net Operating Income.  
 (\*\*) BF Mexico has changed it's functional currency to USD, with effect 01/01/2020. This has generated a restatement of Q1 figures, with an impact of 418 mio INR in exchange rate fluctuation gains. Rest of P/L items have no change.

Market Update (Production)

	Apr-Jun 2020 v/s Apr-Jun 2019	Apr-Jun 2020 v/s Jan-Mar 2020
Pass Cars#	-84.0%	-83.8%
LCV#	-84.6%	-79.3%
<6T#	-84.1%	-83.3%
Two Wheelers	-78.5%	-71.5%

# - Does not include Tata Motors for Q2CY20 as the same wasn't reported  
 Pass Cars includes PV+UV+Vans

Key Customer update is difficult this quarter as various data points are not available

Source: SIAM

- Sales drop below break even point due to COVID-19 impact.
- April and May heavily affected by the lockdown so the negative EBITDA was generated mainly in that period. June already with positive EBIT
- EBITDA includes 122 mio of positive impact due to AEL mega subsidy
- Restructuring actions already launched to reduce our break even levels
- Customer demand for the following months is improving. If that demand confirms, we will recuperate our profitability soon

Financial Update

(INR Mio)	Apr-Jun 2020	Change	Apr-Jun 2019	Jan-Mar 2020
SALES	4,590	-59%	11,316	8,593
EBITDA (*)	-461	-131%	1,480	901
EBITDA%	-10.1%		13.1%	10.5%
EBIT (*)	-682	-165%	1,055	528
EBIT %	-14.9%		9.3%	6.1%
EBT	-769	-180%	961	440
EBT%	-16.7%		8.5%	5.1%

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

Market Update (Production)

	Apr-Jun 2020 v/s Apr-Jun 2019	Apr-Jun 2020 v/s Jan-Mar 2020
Light Vehicles	-63.1%	-55.5%

Closing MHCV data for Q2 is released only in August, hence the same is not available as of today.

Source: IHS Global

- Sales drop below break even point due to COVID-19 impact
- Restructuring actions already taken. EBITDA includes about 344 mio INR of restructuring cost (in MFE and Metalcastello)
- June already with positive EBITDA (excluding restructuring costs)

(INR Mio)	Apr-Jun 2020	Change	Apr-Jun 2019	Jan-Mar 2020 (**)
SALES	7,113	-65%	20,495	16,034
EBITDA (*)	-785	-129%	2,694	1,871
EBITDA%	-11.0%		13.1%	11.7%
EBIT (*)	-1,303	-170%	1,850	1,056
EBIT %	-18.3%		9.0%	6.6%
EBT	-1,470	-185%	1,735	873
EBT%	-20.7%		8.5%	5.4%

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

(\*\*) BF Mexico has change it's functional currency to USD, with effect 01/01/2020. This has generate a restatement of Q1 figures, with an impact of 418 mio INR in exchange rate fluctuation gains. Rest of P/L items have no change.

HALF YEAR CY2020 RESULTS

Financial Update

(INR Mio)	Jan-Jun 2020	Change	Jan-Jun 2019
SALES	9,963	-41%	17,019
EBITDA (*)	647	-74%	2,510
EBITDA%	6.5%		14.7%
EBIT (*)	-93	-105%	1,788
EBIT %	-0.9%		10.5%
EBT	-267	-115%	1,764
EBT%	-2.7%		10.4%

Market Update (Production)

	Jan-Jun 2020 v/s Jan-Jun 2019
Pass Cars#	-48.1%
LCV#	-59.9%
<6T#	-49.9%
Two Wheelers	-49.8%

# - Does not include Tata Motors for Q2CY20 as the same wasn't reported  
Pass Cars includes PV+UV+Vans

Key Customer update is difficult this quarter as various data points are not available

Source: SIAM

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

- **H1 CY 2020 negatively affected by:**
  - Indian market slow down in Q1 due to Bharat Stage VI transition
  - COVID-19 worldwide pandemic in Q2
- **Despite the huge and unexpected sales drop the results are not dramatic and, after the restructuring activity deployed, the expectations are positive**

Financial Update

(INR Mio)	Jan-Jun 2020	Change	Jan-Jun 2019
SALES	13,184	-45%	24,160
EBITDA (*)	439	-86%	-3,157
EBITDA%	3.3%		13.1%
EBIT (*)	-154	-107%	2,296
EBIT %	-1.2%		9.5%
EBT	-329	-116%	2,102
EBT%	-2.5%		8.7%

Market Update (Production)

	Jan-Jun 2020 v/s Jan-Jun 2019
Passenger Vehicles	-40.5%

Closing MHCV data for Q2 is released only in August, hence the same is not available as of today.

Source: IHS Global

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

- In Europe, we also suffered the negative market trend, worsened by COVID-19 pandemic impact
- Strong actions taken to accommodate to new market scenario: 344 mio INR of restructuring cost in H1 2020
- Despite this difficult situation, the EBT (excluding restructuring cost) is positive



<b>(INR Mio)</b>	<b>Jan-Jun 2020</b>	<b>Change</b>	<b>Jan-Jun 2019</b>
SALES	23,147	<b>-44%</b>	41,179
EBITDA (*)	1,086	<b>-81%</b>	5,668
EBITDA%	4.7%		13.8%
EBIT (*)	-247	<b>-106%</b>	4,084
EBIT %	-1.1%		9.9%
EBT	-596	<b>-115%</b>	3,865
EBT%	-2.6%		9.4%

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

## OTHER OPERATING REVENUE, OTHER INCOME AND EXCHANGE RATES

(INR Mio)	For Q2 CY20			For Half Year CY20		
	India	Europe	Consolidated	India	Europe	Consolidated
Other Operating Revenue	127	114	<b>241</b>	506	329	<b>835</b>
Other Income	150	30	<b>180</b>	185	43	<b>228</b>

## Exchange Rates

Period	INR/ Euro
Average for Q2 CY20	<b>83.21</b>
Average for H1 CY20	<b>81.61</b>
As on 30 Jun' 2020	84.62

CY20 HALF YEAR RESULTS BALANCE SHEET

<i>Million Rupees</i>	<b>30/06/2020</b>	<b>31/12/2019</b>
Fixed Assets	65,367	61,008
Net Working Capital	-181	1,087
<b>Total Net Assets</b>	<b>65,186</b>	<b>62,095</b>
Equity	46,351	46,338
Net Financial Debt (*)	14,541	11,488
Others (Net) (#)	4,294	4,268
<b>Total Equity and Liabilities</b>	<b>65,186</b>	<b>62,095</b>

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

(1) RONA = "Return on Net Assets": EBIT (last 12 months) / Net Assets (Fixed Assets + Net Working capital + Goodwill)

(2) NFD/EBITDA = NFD / EBITDA (Last 12 months)

(3) ROE = PAT (last 12 months) / Equity

<b>RATIO</b>	<b>CY 2020</b>	<b>CY 2019</b>
<b>RONA<sup>(1)</sup></b>	<b>3.8%</b>	<b>11.0%</b>
<b>NFD/EBITDA<sup>(2)</sup></b>	<b>2.70</b>	<b>1.15</b>
<b>NFD/EQUITY</b>	<b>0.31</b>	<b>0.25</b>
<b>ROE<sup>(3)</sup></b>	<b>2.5%</b>	<b>7.6%</b>

<i>(Mn INR)</i>	<b>MCIE</b>
<b>EBITDA</b>	<b>1,086</b>
Financial	(349)
Maintenance CAPEX	(810)
Tax Payment	(55)
<b>OPERATING CASH FLOW</b>	<b>(128)</b>
% EBITDA	-12%
Growing Capex	(535)
Working Capital Variation	1,268
INDAS16 Debt Impact	(2,524)
Others	(1,133)
<b>FINANCIAL CASH FLOW</b>	<b>(3,053)</b>
<b>BEGINNING NFD</b>	<b>11,488</b>
<b>ENDING NFD</b>	<b>14,541</b>

NFD increase due to:

- Currency forex exchange fluctuation between Euro and INR (840 mio INR of impact, included in "Others")
- IndAS 16 debt impact

Without these 2 impacts, NFD keeps stable despite the negative business environment



Use the downturn as an opportunity for achieving **CIE'S MODEL OF MANUFACTURING EXCELLENCE** through productivity improvement

- Short Term (3-6 Months) – Cost reductions, Profitability Improvements, restructuring at Metalcastello and MFE
- Medium Term (6-12 Months) – OEE improvement, Labor Productivity Improvement, VAVE and Bought Out Parts (BOP) Insourcing
- Long Term (12 Months and beyond) – OEE improvement, Value Stream Mapping, TPM / 5S



**GROW FASTER** than the market

- **INCREASE** business with **EXISTING CUSTOMERS** owing to the possible condition of their smaller suppliers and urge to move away from Chinese suppliers
- Increase **EXPORTS**
- Acquire **NEW CUSTOMERS**



Continue with even **GREATER SCRUTINY** for **CAPEX** on every new project, and investing only if it meets the **STRICT PROFITABILITY THRESHOLD**



Short term target to recuperate **PRE-VIRUS MARGINS IN ALL VERTICALS.**

# MARKET AND FORECASTS

### Market - Production Numbers

Period	Cars+UV's+Vans		<6T Vehicles**		Two Wheelers	
	Units	Δ%	Units	Δ%	Units	Δ%
H1 CY20	981,198#	-48.1#	1,111,162#	-49.9#	22,062,013	-49.8
Q2 CY20	136,797#	-84.0#	159,067#	-84.1#	4,998,023	-78.5
Q1 CY20	844,401	-18.4	952,095	-21.6	5,848,239	-19.0

Source: SIAM

\* Δ % - means comparison of Quarter volumes of this financial year with that of the same quarter of the previous financial year. E.g. Q1 C120 Volume is compared to Q1 C19 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

# - Excluding Tata Motors for Q2 CY20 as they have not reported for that period



- Passenger Vehicles

- Light Vehicles (less than 6 Tons – European Classification)

- Short Term: IHS forecasts production growth at a -35.4% between CY2019-CY 2020*

- Long term: IHS forecasts production growth at a CAGR of 11.6% over a period of 2020-2025*

- “CRISIL Research expects domestic PV sales volumes to decline by 24-26% in FY 2021.” ... “CRISIL Research projects domestic sales of cars and utility vehicles (UVs) to increase at a compound annual growth rate (CAGR) of 3-5% over FY2020-FY2025” ... CRISIL Research report*

- MHCVs:

- Short Term: IHS\* forecasts production growth at -26.6 % between CY2019-CY 2020*

- Long term: IHS\* forecasts production growth at a CAGR of 12.5% over a period of 2020-2025*

- “CRISIL Research expects domestic commercial vehicle (CV) sales to fall ~26-28% in FY2021”...*

- “CRISIL Research expects sales growth of MHCV, LCV and buses to grow by a combined 5-7% CAGR in the next five years between FY2020 and FY2025 ” ... CRISIL Research report*

- Tractors:

- “CRISIL Research expects domestic tractor industry to remain flat at (1)-1% in fiscal 2021” ... “..*

- domestic tractor sales to expand at 2-4% compound annual growth rate (CAGR) during FY2020 to FY2025” ... CRISIL Research report*

- Two Wheelers:

- “CRISIL Research expects the two-wheeler industry to decline by ~22% in FY 2021” ... “.. expects domestic two-wheeler sales to record a compound annual growth rate (CAGR) of 2-4% from FY 2020 to FY 2025” ... CRISIL Research report*

\* - As per it's forecast in May 2020



## Market - Production Numbers - Light Vehicles

Period	Mn Units	Δ%
<b>Half Year CY 2020</b>	<b>6.64</b>	<b>-40.5</b>
Q2 CY 2020	2.04	-63.1
Q1 CY 2020	4.59	-18.1

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 C20 Volume is compared to Q2 C19 volume respectively.



- EU – Light Vehicles:
  - IHS Global has forecasted that the Passenger Vehicle production will decline in CY20 by 25% as compared to CY19
  - But will grow at a strong pace of 5.3% CAGR between C20 to C25
- EU – MHCV's:
  - IHS Global has forecasted\* that the Europe (Western + Eastern) MHCV sales will decline in CY20 by at least -22.1%
  - But production is forecasted\* to grow at 7.1% CAGR between C20 to C25

\* - As per it's forecast in May 2020

# ANNEXURE - SEBI RESULTS

# STATEMENT OF PROFIT & LOSS ACCOUNTS-STANDALONE

Rs. In Million

			STANDALONE					
			Quarter Ended			Six Months Ended		Year Ended
			June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019	December 31, 2019
Particulars			Un Audited	Un Audited	Un Audited (Refer Note 8)	Un Audited (Refer Note 8)	Audited	
I		Revenue from operations	1,886	5,786	7,396	7,672	15,823	28,944
II		Other Income	44	78	60	122	202	326
III		Total Revenue (I+II)	1,930	5,864	7,456	7,794	16,025	29,271
IV		Expenses						
	a)	Cost of materials consumed	810	2,820	3,688	3,631	8,010	14,247
	b)	Changes in stock of finished goods and work-in-progress	95	-211	66	(115)	46	314
	c)	Employee benefit expense	780	963	983	1,743	1,996	3,834
	d)	Finance costs	20	25	40	45	57	136
	e)	Depreciation and amortisation expenses (Refer Note 4)	190	283	271	473	538	1,127
	f)	Other expenses	654	1,541	1,768	2,195	3,725	7,096
		Total Expenses (IV)	2,550	5,422	6,816	7,972	14,372	26,754
V		Profit/(Loss) before exceptional items and tax (III-IV)	(620)	442	640	(177)	1,653	2,516
VI		Exceptional items (Refer Note 7)	-	-	-	-	-	(119)
VII		Profit/(Loss) before tax (V-VI)	(620)	442	640	(177)	1,653	2,635

# STATEMENT OF PROFIT & LOSS ACCOUNTS-STANDALONE CONT'D..

Rs. In Million

Particulars		STANDALONE					
		Quarter Ended			Six Months Ended		Year Ended
		June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019	December 31, 2019
		Un Audited	Un Audited	Un Audited (Refer Note 8)	Un Audited	Un Audited (Refer Note 8)	Audited
VII	Profit/(Loss) before tax (V-VI)	(620)	442	640	(177)	1,653	2,635
VIII	Tax expenses						
1)	Current tax	-	58	231	58	588	(72)
2)	Deferred tax	(152)	60	1	(92)	2	985
	Total tax expense (VIII)	(152)	118	232	(34)	590	913
IX	Profit/(Loss) after tax (VII-VIII)	(467)	324	408	(143)	1,063	1,723
X	Other Comprehensive income						
A	i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(31)
	ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	8
	Total Other Comprehensive Income	-	-	-	-	-	(23)
XI	Total comprehensive income/(loss) for the period (IX+X)	(467)	324	408	(143)	1,063	1,699
	Earnings per equity share face value ₹ 10 each						
1)	Basic	(1.23)	0.86	1.08	(0.38)	2.81	4.55
2)	Diluted	(1.23)	0.86	1.08	(0.38)	2.81	4.55

# STATEMENT OF ASSETS & LIABILITIES - STANDALONE

			Rs. Million	
Particulars			STANDALONE	
			As at June 30,2020	As at December 31,2019
			Un Audited	Audited
A		<b>ASSETS</b>		
	1	<b>Non-current assets</b>		
		a) Property, Plant and Equipment	10,468	9,953
		b) Capital work-in-progress	602	384
		c) Goodwill	10,167	10,167
		d) Other Intangible assets (other than goodwill)	55	60
		e) Financial Assets		
		I) Investments in subsidiaries	15,800	15,800
		II) Investments in Associate & others	75	75
		f) Income Tax Asset (Net)	218	183
		g) Other non-current assets	1,012	955
		<b>Total Non - Current Assets</b>	<b>38,547</b>	<b>37,745</b>
	2	<b>Current assets</b>		
		a) Inventories	2,829	2,808
		b) Financial Assets		
		i) Investments	2,028	847
		ii) Trade receivables	1,764	5,214
		iii) Cash and cash equivalents	307	239
		iv) Other Bank Balances	267	127
		c) Income Tax Assets (Net)	-	87
		d) Other current assets	275	409
		<b>Total Current Assets</b>	<b>7,470</b>	<b>9,731</b>
		<b>Total Assets (1+2)</b>	<b>46,017</b>	<b>47,476</b>

# STATEMENT OF ASSETS & LIABILITIES - STANDALONE CONT'D..

			Rs. Million	
Particulars			STANDALONE	
			As at June 30,2020	As at December 31,2019
			Un Audited	Audited
B		<b>EQUITY AND LIABILITIES</b>		
	1	<b>Equity</b>		
		a) Equity Share capital	3,790	3,790
		b) Other Equity		
		i) Share premium	15,285	15,285
		ii) Other reserves	19,481	19,639
		<b>Total equity (I+II)</b>	<b>38,557</b>	<b>38,714</b>
		<b>LIABILITIES</b>		
	2	<b>Non-current liabilities</b>		
		a) Financial Liabilities	466	-
		b) Provision	535	868
		c) Deferred tax liabilities (Net)	1,211	1,320
		d) Other non-current liabilities	-	2
		<b>Total Non - Current Liabilities</b>	<b>2,211</b>	<b>2,190</b>
	3	<b>Current liabilities</b>		
		a) Financial Liabilities		
		i) Borrowings	953	971
		ii) Trade payables	2,200	3,877
		iii) Other financial liabilities	266	87
		b) Provisions	511	219
		c) Other current liabilities	1,319	1,417
		<b>Total Current Liabilities</b>	<b>5,249</b>	<b>6,572</b>
		<b>Total Equity and Liabilities (1+2+3)</b>	<b>46,017</b>	<b>47,476</b>

# CASH FLOW- STANDALONE

Amount in Mio

	Particulars	Six month Ended 30 June 2020	Year ended 31 December 2019
	<b>Cash flows from operating activities</b>		
	Profit before tax	(177)	2,636
	Adjustments for:		
	Finance costs recognised in profit or loss	45	136
	Interest income recognised in Profit or Loss	(10)	(119)
	Allowance of trade receivables	(4)	(30)
	Net gain on sale of Investment and Changes in fair value of Investment h	(19)	(16)
	Net gain on sale of Property, Plant and equipment	(1)	(3)
	Depreciation and amortisation of non-current assets	473	1,127
	Provision for slow / non moving inventories	8	8
	Impairment of non-current assets	-	49
	Net foreign exchange (gain)/loss	41	(30)
	Employees Shared based payment expenses	-	2
		355	3,760
	Change in operating assets and liabilities:		
	(Increase)/ Decrease in trade and other receivables	3,413	268
	(Increase)/Decrease in inventories	(30)	1,020
	(Increase)/Decrease in other assets	71	119
	Incease/(Decrease) in trade and other payables	(1,677)	(244)
	Increase/(Decrease) in provisions	(40)	(440)
	Increase /(Decrease) in other liabilities	26	(94)
	Cash generated from operations	1,762	629
	Income taxes paid	-	(420)
I	Net cash generated from operating activities	2,117	3,969



# CASH FLOW- STANDALONE CONT'D...

Amount in Mio

	Particulars	Six month Ended 30 June 2020	Year ended 31 December 2019
I	Net cash generated from operating activities	2,117	3,969
	<b>Cash flows from investing activities</b>		
	(Purchase) / Sale of current Investments	(1,162)	5,956
	Interest received	10	119
	Proceeds from sale of Plant, Property and Equipment	34	27
	Investment in Associate Companies	-	(69)
	Purchase of property, plant and equipment	(647)	(1,871)
	Investment in Subsidiary company	-	(8,137)
II	Net cash used in investing activities	(1,764)	(3,976)
	<b>Cash flows from financing activities</b>		
	Proceeds from issue of equity instruments of the Company	-	30
	Proceeds from / (Repayment) of borrowings	(18)	107
	Principal elements of lease payments	(83)	-
	Interest paid	(45)	(136)
III	Net cash inflow / (Outflow) from financing activities	(146)	1
	<b>Net increase / (decrease) in cash and cash equivalents</b>	207	(6)
	Cash and cash equivalents at the beginning of the year	366	372
	Effects of exchange rate changes on Cash and Cash equivalents	-	-
	<b>Cash and cash equivalents at period end</b>	573	366

# STATEMENT OF PROFIT & LOSS ACCOUNTS-CONSOLIDATED

Rs. in Million

			Consolidated					
			Quarter Ended			Six Months Ended		Year Ended
			June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019	December 31, 2019
			Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
				(Refer Note 5)		(Refer Note 9)	(Refer Note 9)	
I		Revenue from operations	7,355	16,627	21,420	23,982	43,164	79,078
II		Other Income (Refer Note 6)	179	49	78	228	226	331
III		Total Revenue (I+II)	7,534	16,676	21,498	24,210	43,390	79,409
IV		Expenses						
	a)	Cost of materials consumed	2,981	7,461	10,004	10,442	20,179	36,590
	b)	Changes in stock of finished goods, work-in process	466	168	-141	634	(171)	896
	c)	Employee benefit expense	2,850	3,145	3,648	5,995	7,207	13,080
	d)	Finance costs (Refer Note 5)	167	182	115	350	218	523
	e)	Depreciation and amortisation expenses (Refer Note 4)	518	815	844	1,333	1,584	3,161
	f)	Other expenses	2,021	4,031	5,293	6,052	10,507	18,834
		Total Expenses (IV)	9,002	15,803	19,763	24,805	39,525	73,085
V		Profit/(Loss) before exceptional items and tax (III-IV)	(1,468)	873	1,734	(595)	3,865	6,324

# STATEMENT OF PROFIT & LOSS ACCOUNTS-CONSOLIDATED CONT'D.

Rs. in Million

Particulars			Consolidated					
			Quarter Ended			Six Months Ended		Year Ended
			June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019	December 31, 2019
			Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
				(Refer Note 5)		(Refer Note 9)	(Refer Note 9)	
V		Profit/(Loss) before exceptional items and tax (III-IV)	(1,468)	873	1,734	(595)	3,865	6,324
VI		Share of Profit/(Loss) of Associate Companies	(2)	1	-	(1)	-	-
VII		Exceptional Items (Refer Note 7)	-	-	-	-	-	46
VIII		Profit/(Loss) before tax (V+VI-VII)	(1,470)	874	1,734	(596)	3,865	6,279
IX		Tax expense						
	1)	Current tax	19	194	456	212	1,059	710
	2)	Deferred tax	(202)	54	17	(148)	6	2,030
		Total tax expense (IX)	(183)	247	472	64	1,065	2,741
X		Profit/(Loss) after tax (VIII-IX)	(1,287)	627	1,262	(660)	2,799	3,538
XI		<b>Discontinued Operation (Refer Note 2)</b>						
		Profit/(Loss) for the year for Discontinued Operation	(1)	-	-	(1)	(13)	-
		Tax Expenses on discontinued Operation	-	-	-	-	-	-
XII		Profit/(Loss) after tax (Continuing and Discontinued Operations) (X+XI)	(1,287)	627	1,262	(661)	2,786	3,538

# STATEMENT OF PROFIT & LOSS ACCOUNTS-CONSOLIDATED CONT'D..

Rs. in Million

Particulars			Consolidated					
			Quarter Ended			Six Months Ended		Year Ended
			June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019	December 31, 2019
			Un Audited	Un Audited	Un Audited	Un Audited	Un Audited	Audited
				(Refer Note 5)		(Refer Note 9)	(Refer Note 9)	
XII		Profit/(Loss) after tax (Continuing and Discontinued Operations) (X+XI)	(1,287)	627	1,262	(661)	2,786	3,538
XIII		Other Comprehensive income						
	A	i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(221)
		ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	12
	B	i) Items that will be reclassified to profit or loss	75	592	(271)	667	(504)	89
		Total Other Comprehensive Income	75	592	(271)	667	(504)	(120)
XIV		Total comprehensive income/(loss) for the period (XII+XIII)	(1,212)	1,219	991	6	2,283	3,418
		Earnings per equity share face value INR 10 each						
	1)	Basic EPS						
		Continuing Operation	(3.40)	1.65	3.33	(1.74)	7.39	9.34
		Discontinued Operation	-	-	-	-	(0.03)	-
	2)	Diluted EPS						
		Continuing Operation	(3.40)	1.65	3.33	(1.74)	7.39	9.33
		Discontinued Operations	-	-	-	-	(0.03)	-

# STATEMENT OF ASSETS & LIABILITIES - CONSOLIDATED

			Rs. in Million	
			CONSOLIDATED	
Particulars			As at June 30,2020	As at December 31,2019
			Un Audited	Audited
A		<b>ASSETS</b>		
	1	<b>Non-current assets</b>		
		a) Property, Plant and Equipment	28,073	24,862
		b) Capital work-in-progress	655	542
		c) Goodwill	36,358	35,260
		d) Other Intangible assets (other than goodwill)	292	313
		e) Financial Assets		
		I) Investments	78	80
		II) Loans	523	568
		III) Other financial assets	247	788
		f) Deferred tax assets	1,688	1,384
		g) Income Tax Asset	218	183
		h) Other non-current assets	1,172	1,299
		<b>Total Non - Current Assets</b>	<b>69,305</b>	<b>65,279</b>
	2	<b>Current assets</b>		
		a) Inventories	10,256	10,566
		b) Financial Assets		
		i) Investments	2,032	875
		ii) Trade receivables	3,697	7,368
		iii) Cash and cash equivalents	692	1,100
		iv) Other Bank Balances	500	399
		v) Loans	4	10
		vi) Other financial assets	14	46
		c) Income Tax Assets	122	371
		d) Other current assets	2,024	856
		<b>Total Current Assets</b>	<b>19,341</b>	<b>21,590</b>
		Disposal group assets classified as held for sale	104	141
		<b>Total Assets (1+2)</b>	<b>88,749</b>	<b>87,011</b>

# STATEMENT OF ASSETS & LIABILITIES - CONSOLIDATED CONT'D..

			Rs. in Million	
			CONSOLIDATED	
Particulars			As at June 30,2020	As at December 31,2019
			Un Audited	Audited
B		<b>EQUITY AND LIABILITIES</b>		
	1	<b>Equity</b>		
		a) Equity Share capital	3,790	3,790
		b) Other Equity		
		i) Share premium	15,285	15,285
		ii) Other reserves	27,276	27,263
		<b>Total Equity</b>	<b>46,351</b>	<b>46,338</b>
		<b>LIABILITIES</b>		
	2	<b>Non-current liabilities</b>		
		a) Financial Liabilities		
		i) Borrowing	7,169	8,256
		ii) Other financial liabilities	2,157	-
		b) Provision	3,386	3,608
		c) Deferred tax liabilities	2,422	2,296
		d) Other non-current liabilities	870	530
		<b>Total Non - Current Liabilities</b>	<b>16,005</b>	<b>14,691</b>
	3	<b>Current liabilities</b>		
		a) Financial Liabilities		
		i) Borrowings	8,370	6,435
		ii) Trade payables	12,320	14,771
		iii) Other financial liabilities	930	656
		b) Provisions	771	562
		c) Current Tax Liabilities	286	441
		d) Other current liabilities	3,595	2,977
		<b>Total Current Liabilities</b>	<b>26,272</b>	<b>25,843</b>
		Disposal group Liabilities classified as held for sale	121	139
		<b>Total Equity and Liabilities (1+2+3)</b>	<b>88,749</b>	<b>87,011</b>

# CASH FLOW- CONSOLIDATED

Amount in Million

	Particulars	Six Month Ended 30 June 2020	Year Ended 31 December 2019
	<b>Cash flows from operating activities</b>		
	Profit/ (Loss) before tax	(596)	6,279
	Adjustments for:		
	Finance costs recognised in profit or loss	350	525
	Interest income recognised in Profit and Loss Account	(40)	-
	Allowance of trade receivables	(6)	(68)
	Net gain on sale of Investment and Changes in fair value of Investment FVTPL	(19)	(183)
	(Net gain)/ Loss on sale of plant/ Property and equipment	(37)	22
	Depreciation and amortisation of non-current assets	1,333	3,168
	Provision for obsolescence of inventories	(46)	144
	Impairment of non-current assets	-	49
	Non cash income- Grant	(166)	(57)
	Lease rent eliminated in Profit and loss	(203)	-
	Expenses recognised in respect of ESOPs	-	2
		570	9,881
	Movements in working capital:		
	(Increase)/decrease in trade and other receivables	3,672	3,398
	(Increase)/decrease in inventories	309	2,489
	Increase/(Decrease) trade and other payables	(2,140)	(4,333)
		1,841	1,554
	Income taxes paid	(96)	(1,161)
I	Net cash generated by operating activities	2,316	10,274

# CASH FLOW- CONSOLIDATED CONT'D...

Amount in Million

	Particulars	Six Month Ended 30 June 2020	Year Ended 31 December 2019
I	Net cash generated by operating activities	2,316	10,274
	<b>Cash flows from investing activities</b>		
	(Purchase) / Sale of Investment	(1,156)	5,911
	Net gain on sale of Investment and Changes in fair value of Investment FVTPL	19	183
	Interest received	40	-
	Proceeds from sale of Plant, Property and Equipment	37	96
	Investment in Associate Companies	-	(71)
	Payments for property, plant and equipment	(1,980)	(4,238)
	Payment for acquisition of subsidiary	-	(7,782)
II	Net cash (used in)/generated by investing activities	(3,040)	(5,901)
	<b>Cash flows from financing activities</b>		
	Proceeds from issue of equity instruments of the Company	-	30
	Net Proceeds from / (Repayment) of borrowings	898	(3,545)
	Principal elements of lease payments	(213)	-
	Interest paid	(315)	(525)
III	Net cash used in financing activities	370	(4,040)
	<b>Net increase / (decrease) in cash and cash equivalents</b>	(354)	332
	Cash and cash equivalents at the beginning of the year	1,590	1,247
	Effects of exchange rate changes on the balance of cash held in foreign currencies	33	11
	Cash and cash equivalents at period end	1,270	1,590
	Reconciliation of Cash and Cash Equivalent		
	Total Cash and Cash Equivalent as per Balance Sheet	692	1,100
	Cash and Cash Equivalent in Discontinue Operation	78	91
	Bank Balance	500	399
	Total Cash and Cash Equivalent as per Cash Flow	1,270	1,590



# SEGMENT REVENUE RESULTS

Rs. in Million

Particulars		CONSOLIDATED					
		Quarter Ended			Six Months Ended		Year Ended
		June 30, 2020 Un Audited	March 31, 2020 Un Audited (Refer Note 5)	June 30, 2019 Un Audited	June 30, 2020 Un Audited (Refer Note 9)	June 30, 2019 Un Audited (Refer Note 9)	December 31, 2019 Audited
1	Segment Revenue						
	a) India	2,684.46	7,951.68	9,734.24	10,636.13	18,258.67	36,507.79
	b) Europe	4,704.62	8,807.88	11,733.41	13,512.51	25,058.21	43,123.43
	Total	7,389.08	16,759.56	21,467.65	24,148.64	43,316.88	79,631.23
	Less:						
	Inter Segment Revenue	34.41	132.51	47.72	166.92	153.04	553.00
	Net Sales / Income from Operations	7,354.67	16,627.05	21,419.93	23,981.72	43,163.84	79,078.23
2	Segment Results						
	Profit before tax and interest						
	a) India	(620.96)	528.37	795.35	(92.59)	1,787.99	3,047.63
	b) Europe	(681.69)	528.30	1,054.47	(153.39)	2,295.17	3,753.65
	Total	(1,302.65)	1,056.67	1,849.82	(245.97)	4,083.16	6,801.27
	Less						
	i) Interest	167.44	182.39	115.41	349.83	218.34	522.72
	Total Profit before Tax	(1,470.09)	874.28	1,734.41	(595.81)	3,864.82	6,278.55

# SEGMENT REVENUE RESULTS CONT'D...

Rs. in Million

		CONSOLIDATED					
		Quarter Ended			Six Months Ended		Year Ended
		June 30, 2020 Un Audited	March 31, 2020 Un Audited (Refer Note 5)	June 30, 2019 Un Audited	June 30, 2020 Un Audited (Refer Note 9)	June 30, 2019 Un Audited (Refer Note 9)	December 31, 2019 Audited
3	Segment Assets						
	a) India	45,035.35	46,852.06	49,265.12	45,035.35	49,265.12	46,470.82
	b) Europe	43,610.29	42,892.05	42,098.19	43,610.29	42,098.19	40,399.66
	Total	88,645.64	89,744.11	91,363.31	88,645.64	91,363.31	86,870.48
4	Segment Liabilities						
	a) India	13,927.87	15,302.03	19,565.21	13,927.87	19,565.21	14,942.27
	b) Europe	28,349.57	27,322.21	26,725.28	28,349.57	26,725.28	25,590.97
	Total	42,277.43	42,624.24	46,290.49	42,277.43	46,290.49	40,533.24

Note:

1. Segment information is exclusive of Discontinued operations.
2. India includes Mexico operations.

- 1 The statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable.
- 2 In September 2018, the Board of Directors of Mahindra CIE Automotive Limited decided to dispose off the forging business in the United Kingdom, corresponding to the company Stokes Group Limited. Due to that decision, the Company has discontinued the operations of Stokes Group Limited, classifying them as a disposal group, and reclassifying the profit and loss account of the Company to results from discontinued operations in its consolidated result.
- 3 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on July 21, 2020. The 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 The management, based on a detailed technical assessment of its plant and machinery, has changed the depreciation method for certain assets from straight line to unit of production method to better reflect the pattern of consumption and also align the method with the depreciation method used by the holding company of the Group. The change has been made effective January 1, 2020.  
As a result of this change, the depreciation charge for the six months ended June 30, 2020 is lower by ₹ 141 million and ₹ 357 million in the standalone and consolidated unaudited results respectively. Impact of the change in the standalone and consolidated unaudited results for the quarter ended March 31, 2020 is not material. Impact of this change on the subsequent periods would depend on the actual usage of these assets.
- 5 Pursuant to review of the facts and circumstances of the operations of subsidiary, Bill Forge Mexico S.A. de. C.V. (BFM), the management has changed the functional currency from Peso to USD effective January 1, 2020 in accordance with the requirements of Ind AS 21 -The Effects of Changes in Foreign Exchange Rates.  
Due to this change, previously recognised foreign currency loss of ₹ 418 million for the quarter ended March 31, 2020, arising mainly from restatement of the loan in USD taken by the subsidiary from a CIE Automotive Group company, has been reversed and March 31, 2020 have accordingly been revised.

6 Pursuant to receipt of eligibility certificate under Maharashtra Government Package Scheme of Incentives (PSI) 2013 by the Company's subsidiary, Aurangabad Electrical Limited (AEL), the Group has recognised grant income of ₹ 122 million for the quarter and six months ended June 30, 2020 in accordance with requirements of Ind AS 20- Accounting for Government Grants and Disclosure of Government Assistance.

This incentive is in the form of refund from the Government of Maharashtra on actual VAT/SGST paid by the company from the period February 1, 2016 to March 31, 2023 (7 Years) with a maximum limit of ₹ 2,522 million.

## 7 Exceptional items

S.no.	Particulars	STANDALONE	CONSOLIDATED
		Year Ended December 31, 2019	Year Ended December 31, 2019
a)	Excess provision reversed due to settlement of a legal case pertaining to Bill Forge Private Limited (BFPL)	(473)	(473)
b)	The Company does not anticipate any amount to be recovered from one of its investment and hence provision for impairment made.	49	49
c)	Based on the managements assessment, provision has been recognised for Provident Fund liability basis Supreme Court judgement in 'Regional provident fund commissioner (II) West Bengal vs Vivekananda Vidyamandir and Others'.	145	145
d)	Provision against levy of cross subsidy charges and additional surcharge by Maharashtra State Electricity Distribution Company Limited on account of power consumption from non-captive generating plant.	100	100
e)	Provision for Voluntary Retirement Scheme in Bill Forge Division.	60	60
f)	Provision for additional benefit offered by GSA (Subsidiary of MFE) to its employees.	-	165
	<b>Total</b>	<b>(119)</b>	<b>46</b>

- 8 During the year 2019, Bill Forge Private Limited was amalgamated with the Company with an appointed date of April 1, 2018 under a Scheme of Amalgamation approved by the Hon'ble NCLT Mumbai vide order dated November 4, 2019 and effective date November 15, 2019 (being the date of filing of the Order with Registrar of Companies). Hence, the impact of amalgamation in the financial results was taken from the appointed date as per the approved scheme of merger i.e. April 1, 2018. As a result, the standalone financial results of the company for the quarter and six months ended June 30, 2019 as reported in these financial results have been restated on account of such amalgamation. These figures have been approved by the Board of Directors, but have not been subjected to review / audit by the
- 9 The Company acquired 100% equity shares of Aurangabad Electricals Limited (AEL) on April 9, 2019. Hence, the consolidated numbers for the six months ended June 30, 2019 includes amounts of AEL from April 9, 2019. Accordingly, the consolidated numbers for the six months ended June 30, 2020 are not comparable to the six months ended June 30, 2019.
- 10 The spread of COVID 19 has severely impacted businesses in many countries, including India and there has been severe disruption to regular business operations due to lockdown and other emergency measures. The Company has made assessment of liquidity, recoverable values of its financial and non-financial assets including carrying value of its subsidiaries and has concluded that there are no material adjustments required in the interim financial results. However the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results. The Company will continue to closely monitor any material changes to future economic conditions.
- 11 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.
- 12 Previous period figures have been regrouped/reclassified, wherever necessary to conform to the current period classification.

Date : July 21, 2020

Place : Pune

Manoj Menon

(Executive Director)

## Annexure A - Subsidiaries forming part of the Mahindra CIE Automotive Limited (MCIE) Group and its Associate Companies

S. No.	Name of the entity	Relationship	% of Holding	Country of Incorporation
			June 30, 2020	
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	Gesens Schmiede 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	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	BF Precision Private Limited	Subsidiary of MCIE	100%	India
15	Bill Forge Mexico, S.A de C.V	Subsidiary of MCIE	100%	Mexico
16	Clean Max Deneb Power LLP	Associate of MCIE	26%	India
17	Gescrap India Private Limited	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



**Mahindra *CIE***