

MAHINDRA CIE AUTOMOTIVE LIMITED (Formerly known as MAHINDRA FORGINGS LIMITED)

Regd. Office : Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai - 400 018.

CIN: L27100MH1999PLC121285

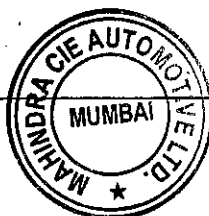
Tel: +91 2135 663300 Fax: +91 2135 663407

Website: www.mahindra-cie.com E-mail: mcie.investors@mahindra.com

STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER ENDED 30th Jun 2014

Rs. In Lakhs

Sr. No.	Part-I Particulars	Quarter Ended			Year Ended
		Jun-14	Mar-14	Jun-13	Mar-14
		Un Audited	Audited *	Un Audited	Audited
1	Income from operation				
	(a) Net sales (Net of Excise duty)	8,892.20	8,887.42	9,503.02	35,121.95
	(b) Other operating income	970.12	934.19	846.50	3,531.58
	Total Income from operation (net)	9,862.32	9,821.61	10,349.52	38,653.53
2	Expenses				
	(a) Cost of material consumed	5,100.69	5,044.28	5,482.18	20,027.71
	(b) Change of inventories of finished goods and work-in progress	40.13	(7.73)	(45.01)	291.01
	(c) Employee benefit expenses	986.67	893.39	777.79	3,451.27
	(d) Depreciation and amortisation expenses	613.01	708.54	704.63	2,829.49
	(e) Power and Fuel	701.59	804.98	911.45	3,368.36
	(f) Other Expenses	1,437.37	1,337.69	1,809.16	6,282.10
	Total expenses	8,879.46	8,781.15	9,640.20	36,249.94
3	Profit (loss) from operation before other income finance cost and exceptional items (1 - 2)	982.86	1,040.46	709.32	2,403.59
4	Other Income	138.67	66.02	132.03	645.20
5	Profit / (Loss) from ordinary activities before finance cost and exceptional items (3 +4)	1,121.53	1,106.48	841.35	3,048.79
6	Finance cost	169.24	206.57	2.20	372.67
7	Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)	952.29	899.91	839.15	2,676.12
8	Exceptional items				
9	Profit/(Loss) from ordinary activities before tax (7-8)	952.29	899.91	839.15	2,676.12
10	Current Tax	153.84	175.89	170.00	531.43
	(Less): Mat Credit entitlement	-	(175.89)	(170.00)	(531.43)
	Prior year Tax				
	Deferred Tax (Credit) / Charge	144.37	253.05	283.22	878.81
11	Net Profit/(Loss) from ordinary activities after tax(9-10)	654.08	646.86	555.93	1,797.31
12	Net Profit / (Loss) for the period	654.08	646.86	555.93	1,797.31
13	Paid -Up equity share capital (Face value of Rs. 10 per equity share)	9,246.23	9,234.05	9,217.33	9,234.05
14	Reserve excluding revaluation reserve as per balance sheet of previous accounting year				83,917.24
15	Earning per share (after extraordinary items) (of Rs 10 /- each) (Not annualised)				
	(a) Basic	0.71	0.70	0.60	1.95
	(b) Diluted	0.71	0.70	0.60	1.95



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STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER ENDED 30th Jun 2014

Part II		Quarter ended			Year ended
Particulars	Jun 30,2014	Mar 31,2014	Jun 30,2013	Mar 31,2014	
	Un Audited	Un Audited	Un Audited	Audited	
A	Particulars of shareholding				
1	Public Shareholding				
-	Number of shares	19,134,499	19,012,664	43,347,697	19,012,664
-	Percentage of shareholding	20.69%	20.59%	47.03%	20.59%
2	Promoters and Promoter group shareholding				
a)	Pledged/ Encumbered				
-	Number of shares	-	-	-	-
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	-	-	-	-
-	Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
b)	Non - encumbered				
-	Number of shares	73,327,802	73,327,802	48,825,609	73,327,802
-	Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%
-	Percentage of shares (as a % of the total share capital of the company)	79.31%	79.41%	52.97%	79.41%

Particulars	Quarter ended
	Jun 30,2014
INVESTOR COMPLAINTS	
Pending at the beginning of the quarter	Nil
Received during the quarter	11
Disposed of during the quarter	11
Remaining unsolved at the end of quarter	Nil



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STATEMENT OF UNAUDITED RESULTS FOR THE QUARTER ENDED 30th Jun 2014

Notes

- 1 The above results are standalone results of Mahindra CIE Automotive Limited (Formerly known as Mahindra Forgings Limited) (MCIE)
- 2 The Company has invested in Mahindra Forgings Europe AG(MFE AG), Germany through its wholly owned subsidiaries in Mauritius namely Mahindra Forgings International Limited (MFIL) and Mahindra Forgings Global Limited (MFGL). After a prolonged and significant decline in demand due to economic downturn in Europe, market demand showed some recovery in Q4 F14. The management has initiated further actions to improve operating efficiencies and combined with the expertise of CIE's European Technical Team expects improvement in performance.
Since the management is of the view that, the diminution if any, in the value of its investment in MFE, is temporary, the investment need not be impaired. During their limited review the Auditors while taking note of the actions initiated by the management, have mentioned this as a "matter of emphasis"
- 3 The Company has revised depreciation rates on fixed assets effective April 1, 2014 in accordance with requirements of schedule II of Companies Act 2013 ("the Act").
The remaining useful life has been revised by adopting standard useful life as per New Companies Act, 2013 except for plant & machineries, where management estimate for remaining useful life has been taken. The carrying amount as on April 1, 2014 is depreciated over the revised remaining useful life.
As a result of these changes :
(a) the depreciation charge for the quarter ended 30th June, 2014 is lower by Rs. 95.25 Lakhs.
(b) there is a debit to retained earnings of Rs 127.39 lakhs net (net of deferred tax) for the assets whose remaining life on April 1, 2014 is reduced to NIL in accordance with revised life as considered by management.
- 3 a) The Board of Directors of the Company, at their meeting held on 15th June, 2013, duly considering the recommendation of the Audit committee, has approved the Integrated-Scheme of Amalgamation under Sections 391 to 394 of the Companies Act, 1956, involving the Company, Mahindra Hinoday Industries Limited, Mahindra Gears International Limited, Mahindra Investments (India) Private Limited and Participaciones Internacionales Autometal Tres S.L. ("Transferor Companies") with Mahindra CIE Automotive Limited (formerly known as Mahindra Forgings Limited) ("Transferee Company"), with effect from 1st October, 2013 (the "Scheme").
- 3 b) The Company on June 15, 2013 intimated the Stock Exchanges on which it is listed detailing the SWAP ratios.
- 3 c) The BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), vide their Observation letters both dated March 7, 2014, have conveyed their respective no-objections to file the Integrated Scheme and the Composite Scheme referred to in point No 3 a) above with the Honourable High Court of Bombay.
- 3 d) Subsequently, as per the directions of the High Court, a meeting of the equity shareholders of the Company was held on 5th June 2014 to seek their approval to the Scheme. The equity shareholders approved the Scheme with requisite majority. The High Court had dispensed with the requirement of convening meeting of the secured creditors and unsecured creditors of the Company to seek their approval to the Scheme. The results of the meeting were informed to the Stock Exchanges on 7th June 2014.
- 3 e) Further, as required under the provisions of the relevant circulars issued by the Securities Exchange Board of India ("SEBI"), approval of the public shareholders of the Company to the Scheme was also sought through postal ballot and e-voting. The public shareholders approved the Scheme with requisite majority. The results of the Postal ballot and e-voting were informed to the Stock Exchanges on 19th June 2014.
- 3 f) Thereafter, the Company has filed a petition under Sections 391-394 of the Companies Act, 1956 before the High Court seeking its approval to the Scheme. The said petition is expected to be listed for admission before the High Court shortly
- 4 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. *Figures for the quarter ended March 31, 2014 are balancing figures between the audited figures of the full financial year ended Mar 31, 2014 and the published year to date figures up to third quarter ended December 31, 2013.
- 5 The results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on July 29, 2014.

For & on behalf of the Board of Directors,



K. RAMASWAMI
Managing Director

Jul 29, 2014



B. K. KHARE & Co.
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The Board of Directors
Mahindra CIE Automotive Limited
Mumbai

Dear Sirs,

Limited Review Report

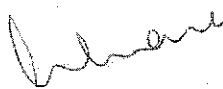
We have reviewed the accompanying statement of unaudited financial results ("the Statement") of Mahindra CIE Automotive Limited for the quarter ended June 30, 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

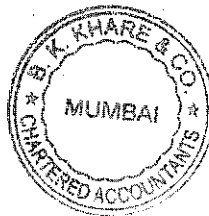
We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly we do not express an opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the Accounting Standards notified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

We draw attention to Note no. 2 of the Statement and for the reasons detailed therein, management of the Company does not perceive any permanent diminution in the value of long term investment of Rs. 73,493.41 lakhs in the wholly owned subsidiaries namely Mahindra Forgings Global Limited and Mahindra Forgings International Limited in view of the measures for improving financial performance being taken by the management of the Company. Our opinion is not qualified in respect of this matter.

For B.K.Khare & Co.
Chartered Accountants
Firm Registration No. 105102W


Padmini Khare Kaicker
Partner
Membership No. 044784
Place: Mumbai
Date: July 29, 2014



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For immediate release

MAHINDRA CIE AUTOMOTIVE LIMITED (Formerly known as MAHINDRA FORGINGS LIMITED) ANNOUNCES UNAUDITED FINANCIAL RESULTS

Mumbai, July 29, 2014: The Board of Directors of Mahindra CIE Automotive Limited (MCIE) today announced the unaudited financial results for the Quarter ended 30th June, 2014 of the company.

MCIE Consolidated Highlights

Particulars (Rs Mio)	Q1 (2014-15)	Q1 (2013-14)	F 2014 (2013 - 14)
Revenue	6,478	5,886	25,908
EBIDTA	346	297	1,087
PAT	-185	-248	-815

MCIE Standalone Highlights

Particulars (Rs Mio)	Q1 (2014-15)	Q1 (2013-14)	F 2014 (2013 - 14)
Revenue	987	1,035	3,865
EBIDTA	161	141	523
PAT	65	56	180

Highlights : April - June '14

India

Revenue in Q1 F15 is Rs 987 mio , 4.6% lower than in Q1 F14 mainly due to slow down in auto market in India.

EBITDA Margin has improved to 16.3 % in Q1 F15 as compared to 13.6% in Q1 F14 due to operational efficiencies.

Europe

Revenue in Q1 F15 is Euro 68 Mio which is at the same level as that of Q1 F 14.

EBITDA margin in Q1 F 15 is 3.3%, which has marginally improved from 2.9% in Q1 F 14.

Consolidated

The revenue numbers for the current quarter include a currency translation gain of Rs 607 mio due to fluctuation in Euro-Rupee Exchange Rate between Q1 F15 and Q1 F 14 .

Revenue has increased by 10 % in Q1 F15 as compared to Q1 F14. Without considering Currency Translation Gain, Revenue is almost at the same level as that of Q1 F14.

EBITDA margin in Q1 F 15 is 5.3%, which has marginally improved from 5.0% in Q1 F 14. Q1 F 14 numbers of foreign subsidiaries have been restated by translating inventory and depreciation at average exchange rates instead of period end rates.

OUTLOOK

India

MCIE target segments in India are the passenger car, utility vehicles (UV) & tractor markets.

- In the first quarter of the current financial year (Q1F15), the production of UVs has grown by 10% compared to the corresponding quarter from the previous year.
- The production of cars in Q1F15 has grown marginally by 1% compared to the corresponding period in the previous year.
- Overall, passenger vehicle (cars + UVs) production Q1F15 has grown marginally by ~2% compared to the previous year. In the same period production at our top3 customers grew marginally by 2.3%. Meanwhile production at Indian owned OEMs; who are 2 out of our top 3 customers, has degrown by 22.3% in Q1 F15 as compared to the corresponding period in F14.
- The cumulative Tractor industry production has shown ~ 4% growth compared to the corresponding period in the previous year.
- Leading auto industry analyst CRISIL, expects the Auto industry to return on to the growth trajectory in 2014-15. But this return to growth is expected to be gradual. In line with this we expect a slight growth in next quarter. The domestic tractor market is expected to retain its growth momentum, even though CRISIL expects the growth to slow down

Europe

- MCIE target segment in Europe is heavy trucks. Data on heavy truck (>6T) registrations in Germany an uptick of 6.5% over the same period in the previous year. The market conditions in the next year are expected to maintain slight growth, thus we see a cautious recovery with a few key customers.

ABOUT MAHINDRA CIE AUTOMOTIVE LIMITED (MCIE)

- We are one of the leading automotive forging companies in the world. We manufacture and supply engine and chassis forged components for commercial and passenger vehicles and other non-automotive products.
- We have a diversified and complementary product portfolio across geographies. In India, our Company is focused on design, development and machining of crankshafts and steering knuckles for cars and multi-utility vehicles. Schöneweiss, our German subsidiary, is one of the leading axle beam manufacturers in the world. Jeco-Jellinghaus GmbH ("Jeco"), Gesenkschmiede Schneider GmbH ("GSA") and Falkenroth Umformtechnik GmbH ("Falkenroth"), our other German subsidiaries, are providers of a diverse range of forging products, primarily for heavy commercial vehicles, and collectively manufacture more than 250 products. Stokes Group Limited, our subsidiary in UK, has an expertise in flashless forgings for passenger car applications.
- We are also now a part of CIE Automotive Group.
- As of 28th November 2013 Mahindra Forgings Limited has been renamed to Mahindra CIE Automotive Limited and continues to be listed under a new name (Ticker: BSE: 532756, NSE: MAHINDCIE)
- We continue to be optimistic about the benefit that MCIE can derive from technical and commercial synergies out of this global alliance which is subject to approval for proposed merger schemes.

ABOUT CIE AUTOMOTIVE

CIE Automotive; headquartered in Bilbao – Spain, is one of the main suppliers of components and sub-components for the automobile sector operating in Europe, Brazil, NAFTA and China with sales of EUR 1.65 Billion / USD 2.2 Billion. CIE develops its entire line of products through seven processes or technologies (forging, machining, aluminum, stamping, plastic, iron casting and painting). CIE's operations in Brazil, Mexico, USA and China are constituted under its subsidiary, Autometal, listed on the Sao Paulo stock exchange (Ticker: AUTM3).

CIE Automotive (Listed; Madrid, Bilbao: CIE.SM)

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