

24th July, 2020

BSE Limited Corporate Relationship Department, P.J. Towers, Dalal Street, Fort, Mumbai - 400 001. BSE Scrip Code: 532756	National Stock Exchange of India Ltd., Corporate Relationship Department, Exchange Plaza, 5 th Floor, Plot no.C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051. NSE Scrip Code: MAHINDCIE
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Sub: Transcript of 21st Annual General Meeting

Dear Sir/Madam,

In compliance with General Circular No. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs, the transcript of the 21st Annual General Meeting of the Members of the Company held on 25th June, 2020 through Video Conference ("VC") / Other Audio Visual Means (OAVM) has been uploaded on the website of the Company www.mahindracie.com. We are enclosing herewith the Transcript along-with question-answers pertaining to all the queries raised by the members.

Yours faithfully,

For Mahindra CIE Automotive Limited**Pankaj V. Goyal**
Company Secretary and Compliance Officer
Membership No. A 29614

Encl : As above



Transcript of Mahindra CIE Annual General Meeting held on 25th June, 2020

Chairman:

Good afternoon ladies and gentlemen, Good morning to fellow directors who have joined us from Europe. As the Chairman of Mahindra CIE, I take great pleasure in welcoming all the members attending this 21st Annual General meeting through video conferencing. At the outset, in the light of pandemic, our thoughts are with those affected by the Coronavirus around the globe. I wish you and your loved one's health and safety. In compliance with general circular No. 14 of 2020, 17 of 2020 and 20 of 2020 issued by Ministry of Corporate affairs this meeting is being conducted through video conferencing without the physical presence of members in a common venue. However, the proceedings of the meeting shall be deemed to have been conducted at the registered office of the company. It's now 3 PM, IST and the requisite quorum is present. I as the Chairman, call the 21st Annual General Meeting of Mahindra CIE Automotive Ltd. to order.

Before we begin our AGM proceedings, I would bring to your attention the common instructions which have already been communicated to the members through email today. They are also displayed on the screen at the time of login. I assume that the same have been read. I request the members to kindly adhere to the same for the smooth conduct of the meeting.

I welcome the members of the board at this AGM who have participated through this video conference from their respective locations. For the benefit of our members, I request the members of the board, as I call out, to kindly identify themselves and the location from where they are participating. It is now my pleasure to call one by one.

Chairman: Mr. Dhananjay Mungle

Mr. Dhananjay Mungle: I am Dhananjay Mungle. I am an Independent Director and Chairman of Audit Committee and I am participating from my residence in Mumbai.

Chairman: Mr. Manoj Maheshwari

Mr. Manoj Maheshwari: I am Manoj Maheshwari. I am an Independent Director and the Chairman of nomination and remuneration Committee. I am at my residence in Mumbai.

Chairman: Mr. Kadambi Narahari

Mr. Kadambi Narahari: I am Kadambi Narahari member of Mahindra CIE and the Chairman of Stakeholders Relationship Committee and Chairman of the CSR

Committee. I have joined the video conference from my residence in Bangalore.

Chairman: Mr Ander Arenaza

Mr Ander Arenaza: Hello, good afternoon everybody. I am Ander Arenaza. I am the CEO of the company and connected from Bilbao, Spain.

Chairman: Mr Manoj Menon

Mr Manoj Menon: I am Manoj Menon. I am the executive of the director and the CEO of Business division of Stampings, Foundry, Gears, MPD and Composites. I am joining from my Pune office.

Chairman: Mr Anil Haridass

Mr. Anil Haridass: Good afternoon everyone. I am Anil Hairdass, joining from Bangalore

Chairman: Mr. Zhooben Bhiwandiwala:

Mr. Zhooben Bhiwandiwala : Good afternoon, I am the Director on board of MCIE and I am joining this meeting from my residence in Mumbai.

Chairman: Mr. Alan D'silva:

Mr. Alan D'Silva: I am Alen D'silva. I am an Independent Director and I am joining from my residence in Madrid, Spain.

Chairman: Mr. Suhail Nathani

Mr. Suhail Nathani: Hi, this is Suhail Nathani. I am an Independent Director and I am joining from my residence in Mumbai.

Chairman: Mrs. Roxana Meda

Mrs. Roxana Meda: I am Roxana Meda. I am an Independent Director. I am joining the meeting from my residene at Barcelona, Spain.

Chairman:

Mr. Jesus Maria, one of the directors of the Company has conveyed his inability to join this meeting due to unavoidable circumstances. Apart from the directors, members of the senior management team of the company are also participating through this video conferencing.

Representatives of Messers Price Waterhouse Chartered Accountants LLP who are our Statutory Auditors, Representatives of M/s. Dhananjay V Joshi and Associates, the Cost Auditors and Mr. Sachin Bhagawat, the Secretarial Auditor of the Company are also present at the AGM.

Since this AGM is being held through video conference, the facility for the appointment of proxies by the members are not available for this AGM. The Register of Directors and Key Management Personal and their shareholding maintained under Section 170 of Companies Act, 2013, the Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act of 2013 and the certificate of auditors on the implementation of employee stock option scheme under SEBI (Share-based employee benefits) Regulations, 2014 was made available for inspection in electronic mode to every member who had made a specific request for inspection by sending an email to the Company.

In compliance with MCA circulars the company had on 30th May , 2020 issued a notice by way of an advertisement in Business standard in English language and Sakal in Marathi language informing that the 21st Annual general meeting shall be held through video conferencing and the notice of the AGM along with the annual report for the financial year ended 31st December 2019 shall be sent to the members, only in electronic mode on the registered email addresses. In the said notice, the Company had also provided the manner in which the members who have not registered their email address can register the same. A facility was provided to all the members whose email addresses were not registered to register the same for limited purpose of receiving the AGM notice, the annual report and login credentials for participating and voting at the AGM. The notice of the AGM along with the annual report for the financial year ended 31st December 2019 was sent to the members on their registered email address on 1st of June 2020. The Company has published another notice by way of advertisement in the same newspapers on 3rd of June 2020 providing information relating to the AGM, the remote e-voting and participation in AGM through video conferencing. The notice of the AGM along with the Annual Report has been uploaded on the website of the Company and the website of the stock exchanges, also the website of the companies Registrar and Transfer Agent Kfin Technologies Pvt. Ltd.

Thus, the Company has indeed made all efforts feasible under the circumstances for enabling the members to participate and vote on the items being considered in the AGM.

Notice of the AGM setting out the ordinary and special businesses to be transacted, the explanatory statements thereto along with the annual report for the financial year ended on 31st December 2019, which inter alia comprises the standalone and consolidated financial statements of the company for the financial year ended 31st December 2019 and the report of the Board of Directors and Auditors Report thereon

was circulated to the members in advance. I consider the same as read.

The statutory auditors report on the annual financial statements of the company for the financial year ended 31st December 2019 and the secretarial audit report for the set period do not contain any qualification, observations or comments on financial transactions or matters which would otherwise have adverse effect on the functioning of the company. Hence the same need not be read at this Annual General Meeting.

I would like to inform you that as per the provisions of section 108 of the companies act 2013 and the Rules made thereunder and the Regulation 44 of the SEBI regulation 2015 your Company has provided the facility of remote e-voting for ensuring wider participation of the members and to enable them to cast their vote electronically. As per the timeline mentioned in the notice of the AGM the remote e-voting has already concluded at 5 P.M. Indian time yesterday. Members attending the AGM who has not already cast their vote by remote e-voting shall be able to cast their votes electronically during the meeting. E-voting during the AGM is integrated with the video conferencing platform and no separate login is required for the same. Members can cast their vote after the window for e-voting is activated and at the same time continue to participate in the proceedings of the meeting.

Mr. Sachin Bhagwat, Practicing Company Secretary has been appointed as the Scrutiniser to scrutinise the remote e-voting process in a fair and transparent manner.

I will first proceed with the statement of the chairman as is customary and thereafter I will move to the items of business to be transacted at the AGM and that is when the window for e-voting shall also be activated. Thereafter we will move to discussions and question and answers session, the members who have registered as speakers shall be able to express their views during the session. Now I will go with the flow of the AGM proceedings.

The Chairman continues with his Statement:

Ladies and gentlemen once again welcome to 21st Annual general meeting of your Company. It is my privilege to be speaking to you as the Chairman of Mahindra CIE Automotive Limited for the first time. In happier times I would have loved to meet you in person nevertheless I am glad to be speaking to you virtually. A virtual Annual General Meeting is a novelty for most of us and I hope you will excuse the inconvenience and any other glitches such an event invariably leads to. My apologies, in advance, if something in the technical front doesn't work at the last minute.

I took over as the non-executive Chairman from Mr. Hemant Luthra and I thank him for his long stewardship of the Company successfully.

I am humbled to be talking to you at a momentous time in our history. The last two months have been some of the toughest that I have experienced in the long inning of business of 40 years. The world is faced with an unprecedented pandemic caused by the COVID-19 virus whose trajectory is hard to predict and which has affected every part of the globe. The global economy stands devastated and the recovery seems a hard and adverse trek up the hill. The lockdown that was implemented from March-April of this year in both India and Europe, cut-off customer demand and shutdown our plants in almost every location. With the lockdown being eased all our plants have restarted functioning from early May but the demand is picking up slowly. The demand is expected to reach a semblance of normalcy towards the end of this calendar year. The crisis had come particularly at a bad time for the automotive industry. The Indian automotive industry has been affected by the BS-6 implementation and the NBFC crisis which has caused disruptions in the supply chains. Europe has seen a period of volatility in the automotive markets also.

There is a silver lining to the dark clouds that hover around us. It may be a cliché but the saying that one shouldn't allow a good crisis to waste is very apt for today's circumstances. Your company will refocus itself on the basics of the CIE of manufacturing module of manufacturing excellence that involves improving operating efficiencies cost optimization and the financial discipline. A down-turn is the best time to focus on improving the health of the manufacturing process and thus this will make your company much better prepared for the market when it does return. In the short term, the cash position of your company is solid, and the liquidity is assured. Your company is in a secured position to not only manage this crisis and fall-out of the crisis but is quietly optimistic that it will emerge stronger when the crisis will be behind us.

On this note, let me return to what your company did in 2019.

2019 was the sixth year of operation of MCIE and has seen your company diversify its customer product portfolio with the acquisition of Aurangabad Electricals Limited. The integration of AEL has proceeded very well. Your company has also completed the merger of Bill Forge into MCIE this has made BF Precision Pvt..Ltd. and Bill forge Mexico direct subsidiaries of MCIE.

On the standalone basis, the total revenue of the Company in the calendar year 2019 was INR 29,271 million, while profit from the ordinary activity is before exceptional items were INR 2517 million. The net profit after tax and after exceptional item for the year stood at INR 1723 million. On a consolidated basis, the total revenue of the company in the calendar year 2019 was INR 79,409 million while profit from ordinary activities before tax and exceptional items was INR 6,325 million. The net profit from ordinary activities after tax for the year stood at INR 3,538 million. The first quarter 2020 results are uploaded on the website. Mahindra CIE consolidated revenue stood at INR 16,676 million and the profit from ordinary activities before tax stood at INR 455 million. These

figures when viewed in isolation do not give a complete picture since they were achieved in a demanding market scenario both in India and Europe. In 2019, we faced an unusual scenario where we saw all the key markets amidst come under pressure pretty much at the same time. A scenario which has not been seen in almost two decades.

MCIE follows the strategy of pursuing operational excellence and diversification to drive profitable growth and provide sustainable returns. CEO Ander and the entire team have built systemic capability which will be instrumental in our quest for delivering operating results consistent with our aim of generating better returns on both equity and capital employed.

Automotive OEMs and our Tier-I customers continue to partner with well-capitalized suppliers like your company who can serve them with the best in class technology and products. I would like to acknowledge the confidence that customers have placed in us. They are the backbone of our existence.

I also thank our suppliers and our financiers for their continued support in these unprecedented times. The dedicated effort and positive approach of our employees and unions is praiseworthy.

On behalf of the team and myself, I place on record our appreciation for the boards of MCIE and CIE Automotive for their advice and support.

And to you dear shareholders we express our deepest gratitude for continued faith in the Company.

We look forward to the future with a mixture of fortitude and optimism. We believe that the inherent strengths of our team, the resilience of our company and our partners will help us to come out of the current crisis much stronger than before. Thank you.

The Chairman continues:

We will now look through the items of businesses to be transacted at this AGM. Since the remote e-voting is already concluded and many members have cast their vote, there will be no proposer or seconder for the resolutions as set out in the notice of AGM.

Agenda item no 1: Ordinary resolution

I am presenting the audited financial statements along with audited consolidated financial statements of the company for the financial year ended 31st December 2019 together with the reports of the board of directors and auditors thereon. Following resolution has been proposed for the adoption of audited financial statements by the members as an ordinary resolution.

“RESOLVED THAT audited financial statements including audited consolidated financial statements of the company for the financial year ended 31st December 2019 and the reports of the board of directors and auditors thereon be received and adopted.”

Item Agenda No 2: Again an ordinary resolution

The second item on the agenda is the re-appointment of Mr. Zhooben Bhiwandiwala who retires by rotation and being eligible offers himself for re-appointment. Following resolution has been proposed for the approval of the members as an ordinary resolution.

“RESOLVED THAT Mr. Zhooben Dossabhai Bhiwandiwala (Director Identity Number 00110373) director who retires for rotation and be eligible for re-appointment, be and is hereby re-appointed as a director of the Company.”

Item No 3:

The third item on Agenda is the ratification of the remuneration payable to Messers Dhananjay V. Joshi and Associates Cost Accountants (the firms’ registration number is 000030) appointed as cost auditors of your company. The resolution, as set out in the item number three of this notice of this AGM, has been proposed for the approval of the members as an ordinary resolution.

Item No 4:

The fourth item on the agenda is for the appointment of Mr. Manoj Menon as director of the company liable to retire by rotation. The resolution, as set out at item number 4 of this AGM, has been proposed for the approval of members as an ordinary resolution.

Item No 5:

The fifth item on our agenda is for the appointment of Mr. Manoj Menon as a whole-time director of the company for a period of three years from 17th October 2019 on aggregate remuneration not exceeding Rs 20 million p.a..

The resolution, as set out at item number five of the notice at this AGM, has been proposed for the approval of the members as an ordinary resolution.

Item No 6:

The sixth item on the agenda is for the appointment of Mr Anil Haridass as director of the company liable to retire by rotation.

The resolution, as set out at item no six of this notice of the AGM, has been proposed for the approval of members as an ordinary resolution.

Item No 7:

The seventh item on the agenda is for the appointment of Mr. Anil Haridass as the full-time director of the company for a period of three years from 10th December 2019 on the aggregate remuneration not exceeding Rs 20 million p.a.

The resolution, as set out at item no seven of the notice of this AGM, has been proposed for the approval of members as an ordinary resolution.

The Chairman Continues

The objectives and implications of all agendas has been set out in the additional information and explanatory statement annexed to the notice of the AGM and the annual report. For the sake of brevity, I am not going to repeat them. Members were able to seek any clarifications or ask any questions relative to the agenda. All the question received before the AGM and the questions which will be asked by the members who have registered as speaker will be responded after all the speakers have completed expressing their views or asking their queries.

Those were the business items on our agenda. Before beginning the question and answer session, I request the moderator to activate the e-voting window so as to enable the members attending the AGM who have not already cast their vote by remote e-voting to cast their vote electronically during this meeting. The window for electronic voting shall remain open till 15 post conclusion of question and answer session. Thereafter the same shall be closed. members may choose to vote now, please.

Chairman: "Moderator I trust, the e-voting has been activated."

Moderator: Done sir

Chairman: For Voting please click on the vote as occurring on the lower bottom appearing on your screen. You will be redirected to the voting page while you continue to be part of the meeting.

Chairman: As we proceed. Next is question and answer session. But, first I would like to invite Mr. Hemant Luthra. who is present and he wishes to share some thoughts and express his views and emotions. We welcome you, Mr. Hemant Luthra.

Mr. Hemant Luthra: I want to thank Anton and Anand for the privilege of allowing me to lead a team of the best people to create what is an integral part of one of the leading

auto components company in the world and I want to thank all you shareholders that you all stood by us during this adolescent period and hic-cups of the Company that mirrors any child's journey into adulthood. I must keep it brief since, I have jumped the queue and at Prakash's graceful invitation. I only want to add something that has been plagiarized from Andrew Carnegie's – The famous entrepreneur and philanthropist from the US. When asked which of his creations he took greatest pride in. He responded by saying that on his grave should be inscribed the epitaph " Here lies a man who had the wisdom to keep in his employ, people smarter than himself "

Thank you Team of Mahindra CIE, you the shareholders, who are present here and not present here can take comfort from the fact that you are on the safest pair of hands that Chairman Prakash and CEO Ander can provide and are the best pair of the hands in the business. Thank you very much for all your support over the years and over to you Prakash and Ander as you march forward into the future.

Chairman: Thank you Hemant for those kind warm wishes. I also wish you well in the inning ahead.

Chairman: Now we move on to our discussions on the question and answer session. A list of speakers has already been placed before me. Along with the queue number allotted to them through the system. Before I call on those who wish to speak on the proposed resolutions. I request you to be kindly brief and avoid being repetitive. Also, in the interest of all present here. I would request you to strictly confine your comments only to issues arising out of the agenda item as far as possible. I request the members once again to please try and limit your contribution to the discussion within three minutes, so that, we can allow other speakers to also speak. Thank you for your understanding and cooperation.

Now I am going to request Mr. Vishal Prasad as the first speaker from Bangalore.

Moderator: Mr Vishal you can unmute and speak, if you are comfortable you can switch on your camera.

Chairman: Vishal we cannot hear you, you need to unmute.

Moderator: Mr. Vishal we request you check your earphones and you can speak sir. Thank you.

Chairman: Is Mr. Vishal still logged on? Mr. Moderator?

Moderator: He is online. We are waiting for him to speak sir.

Chairman: Vishal, unmute button is the left one. Even if your video is not on you will

be able to see. You should just switch on the unmute.

Moderator: He has texted to please go on for the next speaker.

Chairman: Yes, let us move to Karan Seth from Mumbai.

Moderator: Mr. Karan you can unmute yourself and speak sir. Thank you.

Moderator: Mr. Karan Bharat Sheth you are yet to unmute yourself.

Chairman: I can see that the next speaker Tushar has logged on.

Moderator: Yes sir.

Chairman: So, Shall we invite Tushar Sodha to speak, please?

Moderator: Sure sir. Mr Tushar please go ahead and speak sir.

Mr. Tushar Sodha: Good afternoon to my fellow shareholders. Good afternoon. I am Tushar Sodha. In spite these tough times and a challenging year we have recorded revenue of 7900 crores. We have achieved these numbers in these extremely demanding market scenarios both in India and Europe. Thanks to our executive director Mr. Ander Alvarez –there has been speedy integration and better Synergies with parent company CIE. Chairman Sir, Dividend still remains, however, a matter of concern for the shareholders. The strategic acquisition of Aurangabad electricals has demonstrated our company's commitment to long-term goals and I am pretty sure that AEL would expand and diversify our existing customer base. Chairman sir, I request you to kindly discuss how we are gearing up for challenges emerging from electrical vehicles and also please inform about steps-initiated to win new business in the existing segments. Going ahead, do you foresee any business conflicts of interest with CIE Automotive globally? I take this opportunity to thank the entire team Mahindra CIE who have been prudent in financial management efficiently though these times, have come unpredictably. I am optimistic about our company's ability to deliver growth in the coming years and convey the confidence that Mahindra CIE committed to enhancing stakeholder's wealth. I extend my whole-hearted support for seven resolutions. Thank you, Chairman sir, for giving this opportunity to express my views. God bless all of us.

Chairman: Thank you Tushar, much appreciate your views and kind sentiments. Will come back to your questions later. Next, I would request Mr. Bhesania to kindly come online. Mr. Moderator, please facilitate it.

Moderator: Mr. Bhesania is yet to activate the microphone sir. You may consider going to the next speaker sir. Thank you.

Chairman: Okay, the next speaker is Ms. Homayun Pouredahi. I couldn't see her online.

Moderator: Ms. Homayun is not online sir.

Chairman: She is not and Beruz? Both of them were one after another.

Moderator: Beruz as well didn't join sir.

Chairman: I guess then we move on to our next speaker. Mr. Anil Parekh. Mr. Anil Parekh has joined or not?

Moderator: Mr. Anil has not joined sir.

Chairman: So, do we move to next?

Moderator: Mr. Tamal Kumar Majumder you can go and speak sir.

Chairman: Mr. Majumder is there, Very good.

Majumdar: Respected Shukla Sir and other Directors of the Company, my point you also mentioned in your opening remark regarding the bad situation. What I noted from the suspension of manufacturing, is manufacturing was suspended from 23rd March to 1st week of May. Are you hearing sir?

Chairman: yes, please.

Majumder: So, the first week of May and during the month of May and during the month of May, the plant capitalizes to 20 to 25 per cent in Europe what said was 10 per cent in a April, 20 to 25 per cent in May month. What is the current position now? and you also mentioned that towards the end of the year the situation will be set. What is the expectation so what per cent of capital influential will be there a current year, the average the First-quarter and other. Considering this dismal performance of vehicle companies during the current year what are your expectations for Q2 as well as for the whole year in this calendar year.

Sir, the Maharashtra government has raised the electricity charges by 7 to 8 per cent in addition to that rising sanitation cost, labour cost as well as social distancing norms are there. How is our company will be coping with those problems, whether that will impact on our financials?

Sir, out of turnover of 2895 crores on standalone basis 42% turnover or 1214 crores contributed by Mahindra and Mahindra alone. What is your expectation from the

company giving the current year? Because the situation is really bad.

Sir, out of the Goodwill balance of 1017 crores merger of Bill Forge contributed a massive 978 crores during the year, whether the company has any proposal to write it off for the over year. As per page 150 during the last eight years, there is no hearing on the writ petition filed against the aviation department. Company-paid some amount 58 crores And what is the present status? And what is the present status of liquidation of Stokes Group? Is there any liability provided regarding this?

Sir, the company took over 100 per cent of Aurangabad electricals limited at a cost 876 crores. It booked a pack of 47 crores during the calendar year 2019. How the unit is doing in the current year. Is there any possibility of merger with the its parent in the near future? The company used its major portion of 47 crores credit on account of reversal liability related to erstwhile Bill Forge Private Limited (it is on page 155) for impairment of investment provision for PF, etc. Why the company has showed levy of cross subsidy and additional surcharge on account of power consumption under exceptional items instead power and fuel under other expenses and Sir, in respect of some unspent expenditure, I hope it will be made during the current year. In page 20 also there is a printing error the date of the effective date of merger was mentioned as 15th November 2020 instead of 15th November 2019. And Sir, Mahindra Forgings Europe AG has a negative reserve balance of Rs 366 crores including this year loss of 43 crores the calendar year 19. What is the present status of the company? Last question sir, I am supporting of keeping free reserves of 1453 crores 31st March 2019, relating to share premium retained earnings, general reserves for the purpose of organic and inorganic growth. Is there any possibility of dividend and possibility of takeover during the current year? Whether Company is thinking for any inorganic and organic growth. Thank you, Sir.

Chairman: Thank you Mr. Tamal. There were many many questions, we will do our best to answer your queries.

Let me go to next speaker please, Mr. Moderator.

Moderator: Yes Sir. Mr. Anil Parekh you have joined back. You can go ahead Sir.

Anil Parekh: Chairman Sir, can you hear me?

Chairman: Yes. I can hear you, thank you.

Anil Parekh: Chairman Sir, First I would like to welcome you on behalf of the Shareholders being the chairman of this company first time and hope you would be a great asset to this company. Secondly, Our past Chairman Mr. Luthra has done exceedingly well during his tenure as Chairman and we have been able to achieve many

milestones during his tenure and we have done exceedingly well in his career and we wish him best health and the hope in future, whenever we need any advice, he is there to assist us. Sir are you able to hear me.

Chairman: yes, we are able to hear thank you.

Anil Parekh: Thirdly, I would like to thank the secretarial team Pankaj, Mandar and Deepika and all for assisting us whenever we need any help. Sir, this was a very challenging year for everybody of us and due to pandemic COVID-19 and I hope this will remain for quite some time. In spite of that if we go to financials of this year of our company we have done exceedingly well and doing a very well in coming year also that is what I hope but Sir we are still skipping dividend for minority shareholders you made a reason at due to organic and inorganic growth you require funds. But Sir, you should understand that minority share-holders are depends on dividends so what is your Dividend policy please, if you can give me details on that that would be fine Sir, and also on our acquisition of Aurangabad Electricals plant and Merger of Bill Forge and closure of stocks group. What are the impacts of all thing on our top and bottom line, I would like to know. Secondly, can you give us an overall scenario of auto industry in this coming year and next year also. Have we planned any CAPEX this current year? and also I would like to know, what kind of other products you would like to add in our future? I would like to end hear since there are many speakers to speak. Thank you for patient hearing and I support all the resolution thank you.

Chairman: Thank you Parekh ji, thank you for your kind words and thank you for your wishes will come back after this session.

Chairman: So, shall me move to our next speaker please, Mr. Moderator?

Moderator: Mr. Kirti shah, I request you to please unmute yourself and go ahead and speak.

Chairman: Kirti Ji are you there? You will need to unmute to speak.

Moderator: Sir, Homayun is also present online to speak.

Homayun: Hello. Can you hear me Sir.

Chairman: Yes, we can here you.

Homayun: Thank you Sir. Today, we are missing Mr. Luthra very much hope we will able to meet you next year. Sir, just wanted to know that when will the company give us the dividend and when was the last time company paid the dividends. We would like to know. And is your MD sit in Spain sir or does sit here and look after everything.

Moderator: Ms. Homayun can you please unmute yourself and go ahead and speak? You are on mute.

Homayun: Sir can you hear me, my first question was about dividends and the second question was about MD. Is he stationed in Spain or is he here in Mumbai? And the third question is about the lockdown, how has it affected us and what are the losses? We are happy that all your units have started production. And Sir, last I wanted to know that Mr. Luthra had said if we are given loans to acquire any entity in India, in abroad you are granted loans by the bank. Has it been reversed here? As a rule, applicable that you can get a loan from the bank if you acquire or acquisition in India. Want to ask these questions thank you so much.

Chairman: Thank you very much, waiting for Beruz to speak.

Beruz: Can you hear me?

Chairman: Absolutely, loud and clear please go-ahead.

Beruz: Sir, are we very old shareholders are attending these meetings for a very long time. This is our 21st meeting. Mr. Anand Mahindra was very pleased with Mr. Hemant Luthra. When he brought the Spanish people, CIE people those are very well diversified in forging and so we have the collaboration of Spain between the company and now CEO is based in Spain and we would like to visit Madrid if you can take us a because we have already seen Pune and Mr. Krishnan Shankar of the company secretary. Now the Company Secretary is now Mr.

Chairman: you remembering Pankaj Goyal, I guess?

Beruz: Yes. Pankaj, Pankaj Goyal. Pankaj is a very dedicated and sincere fellow and he was told us join and he gave us a link to join, this video conference because always internet problem. If we are physically present we can meet very well but the platform is very difficult to manage. I am very glad that all the director are at home in Mumbai and joined the conference so we will but make sure we shall be able to meet soon physically because I am always used to the meetings be held of our company in KC college. Our is well-diversified and the best company in forging company.. We wish our company very best and support for all seven resolutions and thanks to Secretarial Team for supporting. We are very much happy and we convey our feelings and supporting all the resolutions. Thank you very much.

Chairman: Thank you very much. Mr Moderator, next speaker, please.

Moderator: Mr Aman Maurya, you can unmute yourself and speak. Thank you.

Moderator: Mr Aman Maurya, you have unmuted yourself sir, you can go and speak. Thank you.

Chairman: I don't see him online.

Moderator: We have Kirti Shah.

Chairman: We can request Mr Shah.

Moderator: Mr Shah, you can unmute yourself and speak, thank you.

Chairman: Mr Shah? I think he is not appearing online. So, I guess we can go to Mr. Sunil Kothari.

Moderator: Yes, Mr Sunil Kothari. You can unmute yourself and speak sir. Thank you.

Chairman: I am not seeing him also.

Moderator: Yes sir. Mr Sunil, can you try once?

Chairman: no luck.

Moderator: Chairman sir, Mr. R Venkat Subramanian is online.

Chairman: ok, let us request him to kindly speak.

Moderator: Mr Subramanian sir.

R Subramanian: I like to thank Vikas and team for keeping shareholders informed about all cycles of the business. Our question is to Mr. Ander in getting out with the current tough situation what is going to differentiate in cost control or is it flexible in manufacturing? Product hopefully will make a difference. I would like to hear Mr. Ander, I hope he will give us some insights. We sincerely thank the everything company is doing.

Chairman: Thank you, Mr. Venkata Subramanian. Has anyone of the previous speaker joined in? or we go to next?

Moderator: Mr. Kirthi Shah, can you speak now? Can you unmute yourself and speak?

Kirti Shah: Good afternoon sir. *[Translated from Hindi language- Sir, you should give dividends now. It's a very big company in the market. Mahindra group public shareholders*

are 33 per cent and you should give the dividends to them]

Why the company's FII holding is zero? When you have allover worldwide plants and you are progressing and how the borrowing at lowest rate is possible, if the government is permitting borrowing from abroad. Kindly explain it, Sir. Kindly reply to my question sir. Thank you.

Moderator: Chairman sir. Kindly unmute yourself.

Chairman: We will come back to all the questions after we have allowed all speakers to ask. So, do we go to Mr. Hariram Chaudhary?

Hariram Choudhary: Hello, I am Hariram Choudhary Mr. Chairman.

Chairman: You are welcome, Mr. Choudhary.

Hariram Choudhary: Chairman Sir, this is the beauty of this video conference facility that I am sitting at home and can participate to this meeting. I have attended the VC meetings of Tata's TCS, there we used to see the photo of the speaker and the name. Here we can see only the name and not the photo. Agency should go with Cisco webex. What I suggest Chairman Sir from the next time speakers photo to be visible to shareholders as well and to the Chairman. So, either you can change to Cisco webex or agency can do such arrangements.

Chairman: You have to open your video as well as camera.

Hariram Choudhary: Okay. Anyways, can you hear me Mr. Chairman? Hello... Hello.

Chairman: Yes. We can here you.

Hariram Choudhary: Mr. Chairman, I wanted to know during COVID-19 how much money we have donated for the good cause for the COVID affected people under CSR. Kindly let us know how much amount we had given. Here, I have one suggestion, if any shareholder comes for the meeting and making an application for financial help who is affected by COVID, to give sum of Rs.1 lakh as there are so much of expenditure, this is my suggestion, this should be liberal. And also please let us know how many shareholders have joined for today's meeting and how many speakers are there after me. I convey my best wishes for the progress and prosperity of the Company and I praise lord Ganesh that we should pay dividend next year. And one more suggestion that next meeting should be physical meeting for the benefit of shareholder. Thank you very much.

Chairman: Thank you very much Hariram ji. Appreciated your views. Moderator, I think

we have completed the list of registered speakers.

Moderator: The list of registered speakers is completed.

Chairman: Thank you for your help. I know it's not easy to conduct through a distance forum. AGM. This is first time for all of us. Now time is a 4.08, I guess e-voting is in progress. You will have another 15 min to complete the e-voting. In the meanwhile, we will take up question which came up during the conversation of the speakers one by one.

Let me begin, first of all by thanking all the members who have welcomed me as well as wished the management team all the success in the coming year. We all are working together in the best interest of your company and it will be our goal that we are able to do much better performance as the crisis come under control. This remains our endeavor and all work together towards that goal.

Some very interesting questions came up and we will take them one by one. Tushar had asked some very interesting questions. Kamal has also asked very interesting questions I will try to take them one by one. As you know, we try to give answer as best as possible and what we are not able to answer on the spot, where those often depend upon number, we generally encourage members, this being a digital conference, to get in touch with the company for more details which may be statistical in nature. Always, in a digital conference there are constraints.

A little while ago Hariram ji suggested and hope that the next meeting will be a physical AGM, one the way it always happens. I thank him for his hope and his good wishes. we also hope that epidemic comes under control, vaccine is found, treatment is found and we are able to do a meeting which we always do in a hall. A digital meeting does put constraints in our interaction. I can see Hariram ji, earlier he was saying that he was not visible. Hariram ji, you are very much visible now, you were referring to another company's video conference I hope now you can see that our conference is also equally clear. So, I hope we have come up to your expectations. Thank you Hariram ji it's always a pleasure to see our members and you know it's not the same thing when you're not able to see them. So, these are members, we all together, make the company, none of us individually alone makes the company; none of us alone can do anything; we are all together. So, thank you Hariram ji for your good wishes. I do hope in our next AGM we will see you personally. I can see Tushar ji also over there. Tushar ji earlier we were not able to see you. I'm taking this opportunity to acknowledge your presence here. I am happy to see Sodha ji here. Thank you. I am happy to see whom we were not able to see earlier. This is a digital conference, so audio, video, camera all needs to be right for it to work.

I am beginning with Tushar, there was a question about e-vehicles, let me share one or

two thoughts. First of all even today electric vehicles account for very small percentage of the vehicle population as well as vehicle sale if you take different geographies together if you see where we operate you will find that electric vehicles are still less than 5% of the total vehicle business. Now we do expect that in the coming three to five years electrical vehicles will account for increasing percentage of overall o business but that is still away three to five years is what we are looking at and that is in line with what analysts all over the world are expecting that it will take time. there's also feeling better this epidemic perhaps would have some impact on the transition from Petrol and Diesel to Electric. The investment required by different companies, the investment required by government, investment required for infrastructure required for recharge. Feeling that may also be impacted it may slow down. Therefore, it will be safe to say that three to five years is when there will be more prominence. Until then, I think we are well-positioned. Government subsidies are another important factor in the electric vehicle business. It has been seen that in whichever country the government reduced the subsidies sales came down. Given the COVID situation, which is putting pressure on revenues of the government, it's not clear how much the government will be able to support the subsidy programs. Therefore, the transition to an electric vehicle to that extent we expect will be influenced or impacted. In the long term there's no doubt, in the long-term electric vehicles will play a prominent role in the vehicle industry and you can rest assured that our company under the guidance of our CEO Ander and CIE Automotive in Spain we will be taking steps in the long term to address the emerging segment which is electrical vehicle. But the next three to five years it will remain a relatively very small part of the overall business.

If we talk about the next question, which Tushar has asked was the preparedness of MCIE. Preparedness for handling COVID-19, as well as Market disruptions, if any both in India and Europe. It is a very good question. Allow me to first begin with the electric so that I can complete one though. Mahindra CIE is already supplying electrical vehicle parts of Mahindra and Mahindra to that extent you can say in India Mahindra CIE is perhaps well-positioned making its presence felt in the electrical vehicle when an electric vehicle becomes a larger part. An excellent job has been done by the management team.

Another question which was asked, whether technology-wise we are well prepared for the future. I will say that MCIE and the parent CIE are both multi-technology companies. They are present across technology segments. So, for example, we are present in forging, castings, stampings, machining, aluminium. CIE is also present in Plastics. Mahindra CIE today is not in Plastics but I'm sure we will be. Companies which are in multi-technology platforms they are well diversified and disruption in one segment doesn't impact them as much as it impacts a company which may only pertain to one particular technology. So, if a company is only in forging if a company is only in casting or if a company is only in aluminum that will be far more impacted than a diversified company like your company MCIE. I believe the team has put a wonderful strategy plan a wonderful roadmap going forward and that will enable us to handle any challenges

any market disruptions any market transitions very well.

In fact, on new business was another question which you had asked. Our teams are working with customers to understand their demand and their delivery schedules. Customers themselves today do not know how today much they will be able to sell to their customers. So, let us be realistic here. Question has been asked by some other speakers also. Our customers themselves do not know what will be their sales pattern which way which vehicles will they sell what how many vehicles will they sell what will the mix of the vehicle so they also have a challenge in sharing their requirements with us. So, we are doing our best through a very closed dialogue with both our suppliers as well as our customers and manage it. I would say, there is nothing written on stone today that we can do this next week and we can do this next month or next quarter it is completely a developing scenario. A very iterative process in which we interact with suppliers on one hand and customers on another and work together. All I can tell you is our management team led by Ander is right on the job and we will not let any opportunity pass by we will capitalize on any opportunity arises including from disruption from those smaller suppliers who may not be able to supply in this difficult time and customer will approach us for the business which we will happily take up.

We would like to move to questions which have been asked by Tamal. Some very good and interesting questions have been asked by Mr. Tamal. Some of them we may not have the answers but thank you for asking, we will do our best to answer as best as we can. One question was capacity utilisation. You have already summarised and you have done a better job than I can do. You talked about India, you talked about Europe. You have actually summarised the situation so well, that, maybe I am not offering you any new information. The month of June is better than April and May, but the month is not yet over when the month is over we will know. But we hope that June will be definitely higher than May. We expected it to be better than 25 per cent. How much it will be I will be able to get a number by only the end of the month. You asked about next quarter we definitely hope by next quarter things will be much better but let me address one small trivia. There are talks about second wave of infections, a second wave of the corona, we do not know. We hope for the best that every month conditions will get better and the second wave of corona will not come. If we are able to control the pandemic all I can say is every vehicle manufacturer is reporting a better demand month by month and we hope accordingly our supplies to our customers will be better. By the end of the calendar year we are quite confident that we will reach very close to normal. That is our best hope as of now. You had asked about if we are looking at any takeovers. So, there are only two things I will say, we were always looking at opportunities which may be available in the market as we did in the past. We will keep our eyes and ears open for opportunities which can come up. As of today we don't have anything in hand which we can discuss with you. Even if there was one it would not be possible for us to discuss in a public forum. I am sure you will appreciate that.

You have also asked about Stokes. The production of this company was already discontinued, last set of formalities are going on before it can be formally wound up. But, at the moment there is neither production nor any commercial activity. That has been already ceased.

There has been a question on dividend, this has been asked by some other members also, this answer has been given before and I am repeating. There are two elements. The first element is we acknowledge that there is a sentiment our shareholders would like a dividend. We hear you and we acknowledge what you are saying very respectfully. You are aware that in India a foreign company, a foreign-controlled company is not allowed to raise debt in India for any acquisitions in India. Therefore your management had taken a conscious call that we will preserve cash so that we will grow and so that cash was put to good use. Recently Aurangabad Electrical was brought out in a full cash deal. These are the opportunities that will position the company for future growth. The second factor which has come into recent play is COVID situation. Every company is trying to conserve cash in today's situation. I am happy to say that your company is very well placed, and we will be able to pass through the crisis strong. Therefore, at this time, your board is unable to declare dividend, but I thank you for sharing your suggestion. We will definitely revisit the matter, at the appropriate time. But I thank you for the suggestion again.

Other question came from Anil Ji. I hope Anil Ji is there. Anil Ji, first of all, thank you for your good wishes and you appreciated company's performance I thank you. It is a very difficult time and every word of encouragement which comes from our members it's a great moral boost for the team. I thank you really for that. I also thank you for your query on dividend policy. I have just answered that to another member. I hope you have taken note. We will revisit the subject at an appropriate time.

Hodayun had asked some very good questions. While dividend question has been answered in the context of queries from the other members. There was a question on our CEO Ander. Whether he is in Spain or in India? Hodayun thank you, I know you would like our handsome CEO to be seen in Mumbai more often. Thank you, I am going to convey this to Ander that our members want to see him here more. Ander is hearing this. To answer your question, ours is a multi-national business You know we have as much business in India as much in Europe and Mexico. So, while the business headquarters is in India the business is global. Therefore, is only fair that the CEO will be travelling all over the countries, he spends a fair amount of time in India and as you can see he is also available on the video conference to the team wherever he may be in Europe or Mexico. So, therefore, rest assured in today's world with remote working, availability of a person is assured notwithstanding where he is in fact it doesn't even matter if a person is at the office or home or even sitting at the airport or railway station. So, I hope it addresses your query. So, there was a query for acquisition which I have already answered. Regarding allowing debt for acquisition is again a policy of the

government of India. And I would not add any further comment on the existing policy.

Beruz asked some very good questions. So Beruz first of all I would like to thank you as well as Homayun being shareholders for 21 years and attending all or all most all shareholder meetings. Supporter like you are the bedrock or backbone of any company. I thank you for that. Like your idea, so let me know when are you visiting Spain on a holiday. Let me know when are you visiting to Spain, we will organize a visit to the factory. I will make a special request to Ander that whenever you are in Spain we will make sure that you get to visit the plant and you can see what technologies are available and what technologies Mahindra CIE has access to. So thank you Beruz for your interest. And do let us know whenever you are in Spain next. Sorry about the video conference, I know you would have loved to be at AGM and I would have loved to see you in AGM. It's my first time as Chairman of the AGM I would have loved to see all our shareholders including those who have been there for 21 years. It would have been a pleasure. What to do as you rightly pointed out we have gone from KC to VC. Our meetings used to happen in KC college now they are happening in Video conference. But KC to VC still rhymes well. I hope vaccine and treatment come out well we will go to KC next year. Let us hope for the best. And there was, you had given good wishes to the team, thank you I will take care to convey the good wishes to all the members. I will let them know that our oldest shareholder is sending us best wishes. Thank you Beruz.

Next question was from Kirti Shah. Kirti ji, your question on dividend I have already answered on the context of other members. There was any other question. Yes. You have also pointed out that FII shareholding in our company is less. I am going to communicate this to management team. To make an effort and get more FII's so that you are happy as well as we are able to show that we have more FII's as a shareholder of the company. Thank you for that suggestion.

Can we have questions from Venkat Subramaniam? How do we differentiate ourselves from other companies? Venkat Ji it's difficult to answer this in an AGM. It's a very complex subject you will appreciate as I can see you are a well learned and well-educated person. You would have already gone through pro's and cons', our advantages, our USP's compared to other companies I don't have any doubt. So, therefore, I am going to say what you already know. And forgive me if I'm repeating which you already know and I'm not saying anything new. First and foremost, we are a multilocation company and therefore if one market goes up and down there are other markets which do well that is a very good advantage in today world. We are a global company. Secondly, we are the multi-technology company which means if one segment of the market is down another segment will be doing well a multi-technology company has the advantage over other. So, we are a multi-customer company number of customers we have been acquiring every year our customer base is getting Diversified every year whether it is India whether it is Europe. We have an increasing range of customers who come to us because of our multi-technology portfolio. So, a customer selling one particular segment say forging,

when the time comes also, becomes our customer for other segments it allows us to address the same customer for different products to different Technologies. These three are the biggest advantages for us which we call hard advantages. When we come to what is known as soft advantages as Mahindra CIE we have access to the best technology from CIE which is a global leader, our soft advantages also come from being a well capitalized Company which is a big advantage in difficult times like today COVID Crisis. So, if we see our hard and our soft advantages together you will find that we are well placed under our management team to compete with any company it differentiates us very well from others. I hope I have been able to answer the question I'm a hundred per cent sure you already knew it you had already studied it so if all repetitive my apologies.

Then Hariram Choudhary Ji. he had asked several questions of course first was video conference why we are not able to see him. I'm happy to say that we were able to see Hariram ji. So, I hope I get to see him in person next year. His question was.. it's an interesting question how much we are spending on COVID relief. I'm not sure I have a ready answer immediately for that generally this data is compiled on the monthly quarterly basis and we are still running in the first quarter. So at the end of June, we will know how much we have done. But a ballpark figure which we have under CSR which mostly go to COVID will be approximately 25 million. You know CSR is a regulation already in place and as per that companies spend their money. There was a question regarding if shareholders can be given financing by the company. It is not possible for a company which is a manufacturing company. We are not in the financing business that is one reason. But the second reason also, shareholders are not a fixed set of people they change day-to-day, month-to-month, quarter-to-quarter, year-to-year. And therefore, there is no tangible criteria valid criteria on which something can be individually done for a shareholder. Whatever happens, it happens on a total basis. I hope you will understand. Your question was also how many shareholders have joined today? the answer is 89 shareholders have joined today on the digital platform. And 14 speakers have registered who have all spoken. I think Hariram Ji was the last speaker. With that, I believe I have answered queries from all of our esteemed members.

Yes, Hariram Ji was the last.

So the combined result of remote e-voting and voting along with the scrutinizes report shall be communicated to BSE and National Stock Exchange of India limited where the shares of the company are listed and will also be placed on the company's website and on the website of Kfin Technologies private limited within 48 hours from the conclusion of the meeting.

I request the moderator to close and de-activate the e-voting window. Now it is 4:37 PM so I would request you to kindly close to the e-voting window at 4.55 p.m. and the proceedings of 21st annual general meeting will stand closed. All participants who have completed their vote now please log off. I thank the members for their presence and

active participation and the support extended to the company.

Mr. Moderator you have made the note.

Moderator: Yes sir, the e-voting will close at 4:55, as advised. Thank you.

Chairman: I guess with that I can declare. Is there anything we have left? I think I have completed all. So, with the permission of my fellow directors as well as members I now declare that the 21st Annual general meeting of our company has closed. Thank you very much. stay safe stay in good health. Good luck to all.

End.

Mahindra CIE Automotive Limited

Questions asked by the members at the 21st Annual General Meeting
held on 25th June, 2020

1.	How we are gearing up for challenges emerging from electrical vehicles
Ans.	<p>a. Demand for EVs</p> <ul style="list-style-type: none">i. EVs are a minuscule part of vehicle sales today: <5% in all geographies and segments.ii. It is expected that EVs will become more prominent in the coming 3-5 years viz. buses and 2W. In 2W segment in India, scooters are expected to be electrified more and motorcycle segment by virtue of being more price sensitive as it has large sales in rural and semi urban areas is expected to be affected lessiii. The Covid crisis will shift emphasis in the vehicle industry from EVs to plain survival in the next couple of yearsiv. EVs require lot of investment in public infrastructure by way of charging stations. This will also slowdown both in India and Europe as govts focus on reviving the economyv. EV demand is very dependent on govt subsidies as the price differential between and ICV and EV is quite high. While some European govts have announced increased subsidies to EVs in the light of covid crisis, countries like India may not be able to support EV subsidies on a large scalevi. Thus, EVs are not expected to make significantly large inroads in the next 2-3 years. In the long term, there will steady increase in its share as price of EVs decline steadily <p>b. MCIE dependence</p> <ul style="list-style-type: none">i. Roughly 25% of MCIE consolidated sales (20% in India and 25-30% in Europe) are towards powertrain parts that will be affected by the EV dependenceii. As EV demand is expected to remain muted in the next 2-3 years, we do not expect any real decline in these revenuesiii. On the contrary, as OEMs invest less and less in IC technology, there will be more outsourcing of IC engine parts and we will benefit due to this outsourcing. For example, machining of crankshafts was done inhouse by OEMs, but many are considering outsourcing this as they do not want to invest in this area anymore. <p>c. MCIE preparedness</p> <ul style="list-style-type: none">i. CIE as a group is working closely with Tesla and Renault on EVs. It already supplies parts to these EVs largely plastic and stamped partsii. MCIE supplies to M&M Electric Vehicle platforms and includes E2O and the alfa e-rickshaw. MCIE's Bill forge division has also bagged orders for supply to KIA motor's electric vehicle.

	<p>iii. Shift from ICV to EV would mean reduction in forged, cast, and machined parts and increase in stamped, aluminum and plastic parts. CIE/ MCIE being a multi technology group that covers forgings, castings, stampings, machining, Aluminum and Plastics (currently MCIE is not into plastics) is well positioned to make this transition</p>
2.	Brief us on the steps initiated to win new business in the existing segments.
Ans	<p>a. Our teams are working with customers to understand demand and delivery scenario.</p> <p>b. As many suppliers' face difficulty, we are being asked to increase our share of business at many OEMs</p> <p>c. Some of our businesses are also benefiting as global customers de-risk their supply chain by reducing dependence on China</p> <p>d. We are also constantly contacting OEMs for new business - our internal target is to ensure that at least 10% of sales in any year is through new business</p>
3.	Do you foresee any business conflicts of interest with CIE Automotive globally?
Ans.	<p>MCIE is CIE's vehicle for forgings worldwide and for other businesses in India and South East Asia. The CIE and MCIE operating teams work seamlessly. Currently, experts from CIE are working in many MCIE plants on joint improvement projects. CIE does not charge any royalty for any knowhow transfer. MCIE has seamlessly integrated in the CIE system and we have not come across any such conflict.</p>
4.	What is the outlook for the coming quarters and the year as a result of COVID-19?
Ans.	<p>a. Revenues at Indian plants in April was close to zero and in May it was at 20-25% of capacity utilisation. Operations in Europe were approx. at 10% of capacity in April and this has increased to 40% in May. During following months, we expect a gradual recovery.</p> <p>b. The demand is expected to reach a semblance of normalcy towards the end of this calendar year.</p> <p>c. We generally do not make forward looking statements but given this crisis we will definitely say this much</p> <p>d. The sudden and unexpected drop in the demand will generate a relevant drop on the profitability of the quarter (Q2C20).</p> <p>e. MCIE team has taken it upon itself to try and achieve cash breakeven at a consolidated level in difficult circumstances.</p> <p>f. The performance will improve progressively in following periods as the demand recuperates. In the short term, the cash position of the company is solid, and the liquidity is assured, having enough unused financial facilities.</p>
5.	Is there any possibility of any new acquisition?
Ans.	<p>There are only two things we would say, we were always looking at opportunities which may be available in the market so like we did in the past. We will keep our eyes and ears open for opportunities which can come up. As of today, we don't have</p>

	anything in hand which we can discuss with you and between you and us, it's a transparent way of working.
6.	When the Company would pay the dividend?
Ans.	<ul style="list-style-type: none"> a. MCIE is a foreign owned, foreign operated company in India and as such not allowed to take domestic debt to acquire companies b. That's why, we have conserved our cash to make acquisitions c. As part of this strategy, the acquisition of Aurangabad AEL was an all cash deal financed by cash on MCIE's balance sheet d. But we are aware that paying regular dividends is something on the minds of our shareholders. e. We will revisit the issue after current Covid situation has eased
7.	Maharashtra government has raised the electricity charges by 7 to 8 per cent in addition to that rising sanitation cost, labour cost as well as social distancing norms are there.
Ans.	Yes, it hurts. But our team in production continuously works on reducing electricity consumption by improving productivity.
8.	how are we coping with extra cost to COVID situation and what is impact on P&L?
Ans.	Whatever it takes is being spent on health as safety of our Employees is our topmost priority.
9.	M&M is a large customer on standalone basis. What are prospects?
Ans.	M&M Continuous to be an important customer. Efforts to develop Non Mahindra business continues and various new customers have been added like PSA, Kia are getting added.
10.	Out of the Goodwill balance of Rs. 1017 crores merger of Bill Forge contributed a massive Rs. 978 crores during the year, whether the company has any proposal to write it off for the over year
Ans.	Goodwill of Bill forge or of subsidiaries in Consolidated accounts is tested for impairment annually and appropriate decisions taken.
11.	There is no hearing on the writ petition filed against the irrigation department. Company-paid some amount 58 crores and what is the present status?
Ans.	This is related to old case coming from MUSCO. Unfortunately, the case has not come up for hearing so far hence there is no change in status of the case.
12.	What is the present status of liquidation of Stokes Group? Is there any liability provided regarding this?
Ans.	The production of Stokes was already discontinued. Last set of formalities are going on before it can be formally wound up. At the moment there is neither any production nor any commercial activity; that has been already ceased. No further liability is expected.
13.	What is the possibility of merger of Aurangabad Electricals with Mahindra CIE Automotive Limited?
Ans.	We will wait for complete integration and the business to settle down before thinking of any merger. No such plans at this stage.

14.	How the Bill Forge unit is doing in the current year.
Ans.	Bill Forge acquisitions has served the purpose of diversification of our order book and is doing well considering the very bad market situation.
15.	Why the company has showed levy of cross subsidy and additional surcharge on account of power consumption under exceptional items instead power and fuel under other expenses?
Ans.	It is shown as exception because this is a one time claim made by MSEB on incorrect grounds and is being contested by the company. Provision is made as good accounting practice.
16.	Mahindra Forgings Europe AG has a negative reserve balance of Rs 366 crores including this year loss of 43 crores the calendar year 19. What is the present status of the company?
Ans.	MFE in Germany continues to suffer due to high cost and low demand. The management team is working on various alternates to improve the performance and is hopeful of success in the future.
17.	Is there any possibility of Acquisition during the current year? Whether Company is thinking for any inorganic and organic growth?
Ans.	<ul style="list-style-type: none"> a. Automotive OEMs and our Tier 1 customers continue to look to partner with well capitalized suppliers like MCIE, who can serve them with the best in class technology and products. Given the Covid situation, many suppliers are facing difficulties. b. Our current priority is to ramp up production. In case customers approach us to acquire struggling suppliers our preference is that they shift the business to us rather than we acquire those suppliers. c. At the same time, we continue to evaluate acquisition opportunities. Currently, there is no opportunity at an advanced stage of discussion.
18.	Are you confident that you will be able to tide over the downturn caused by the Covid crisis and why?
Ans.	<ul style="list-style-type: none"> a. MCIE's Cash position is secure, and it has unused working capital limits to be comfortable even if demand recovery is much slower than even what the worst-case scenarios are envisaging. b. MCIE plants have successfully worked on reducing their cash breakeven to less than 50% of their capacity in India and 60% in Europe. c. MCIE's parent, CIE Automotive of Spain, is a global MNC and has a robust system of managing cash across its worldwide businesses. It is willing and able to help MCIE in the event of any liquidity requirement. CIE has reinforced its faith in the company and recently bought MCIE shares in the open market.
19.	What is the existing demand situation post lockdown?
Ans.	<ul style="list-style-type: none"> a. Revenues at Indian plants in April was close to zero and in May it was at 20-25% of capacity utilisation. Operations in Europe were approx. at 10% of capacity in April and this has increased to 40% in May. During following months, we expect a gradual recovery. b. The demand is expected to reach a semblance of normalcy towards the end of this calendar year.

20.	What is expected to be the Covid impact on Q2C20 results? What is MCIE breakeven levels and will it lose money in Q2C20?
Ans.	<p>a. We generally do not make forward looking statements but given this crisis we will definitely say this much.</p> <p>b. The sudden and unexpected drop in the demand will generate a relevant drop on the profitability of the quarter (Q2C20).</p> <p>c. MCIE team has taken it upon itself to try and achieve cash breakeven at a consolidated level in difficult circumstances.</p> <p>d. The performance will improve progressively in following periods as the demand recuperates. In the short term, the cash position of the company is solid, and the liquidity is assured, having enough unused financial facilities.</p>
21.	Have we planned any CAPEX this current year and what kind of other products you would like to add in our future?
Ans.	About 250 crores is kept for CAPEX. For growth, capex will not be restricted. However, discretionary spend will be held back.
22.	Any other product development in forgings
Ans.	Business development is a continuous activity.
23.	Does our MD sit in Spain sir or does sit here and look after everything?
Ans.	MCIE is a multi-national business You know we have as much business in India as much in Europe and Mexico. So, while the business headquarters is in India the business is global. Therefore, it is only fair that the CEO will be travelling all over the countries, however, he spends a fair amount of time in India and as you can see from the video conference he is also available on the video conference to the team wherever he may be in Europe or Mexico. So, therefore, rest assured in today's world with remote working, availability of a person is assured notwithstanding where he is in fact it doesn't even matter if a person is at the office or home or even sitting at the airport or railway station.
24.	With the current tough situation, what is going to differentiate men from boys – productivity and reliability?
Ans.	First and foremost, we are a multilocation company and therefore if one market goes up and down there are other markets which do well that is a very good advantage in today's world. We are a global company. Secondly, we are multi-technology company which means if one segment of the market is down another segment will be doing well. Therefore, a multi-technology company has the advantage over other. We are a multi-customer as we have been acquiring new customers inorganically and every year organically. Our customer base is getting Diversified every year whether it is India or in Europe. We have an increasing range of customers who come to us because of our multi-technology portfolio. So, a customer buying one particular segment say forging or casting, when the time comes also, becomes our customer for other segments. It allows us to address the same customer for different products to different Technologies. These three are the biggest advantages for us which we call hard advantages. When we come to what is known as soft advantages, as Mahindra CIE, we have access to the best technology from CIE which is a global leader. The

	<p>other soft advantage come from being a well-capitalized Company, which is a big advantage in difficult times like the current COVID Crisis. So, if we see our hard and our soft advantages together you will find that we are well placed under our management team to compete with any company and these advantages differentiates us very well from others.</p> <p>In addition to the above:</p> <ol style="list-style-type: none"> MCIE's Cash position is secure, and it has unused working capital limits to be comfortable even if demand recovery is much slower than even what the worst-case scenarios are envisaging. MCIE plants have successfully worked on reducing their cash breakeven to less than 50% of their capacity in India and 60% in Europe. MCIE's parent, CIE Automotive of Spain, is a global MNC and has a robust system of managing cash across its worldwide businesses. It is willing and able to help MCIE in the event of any liquidity requirement. CIE has reinforced its faith in the company and recently bought MCIE shares in the open market.
25.	Why the company's FII holding is zero, when you have all over worldwide plants and you are progressing?
Ans.	It is not zero, March end 14.5% holding was of FPI's.
26.	How much money we have donated for the good cause for the COVID affected people under CSR.
Ans.	CSR which mostly gone to COVID would be approximately 25 million.