

SEC/2021/060

28th May, 2021

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 22nd Annual General Meeting

Dear Sir/Madam,

In compliance with General Circular No. 02 of 2021 read with General Circular Nos. 14 of 2020, 17 of 2020 and 20 of 2020 issued by Ministry of Corporate Affairs, the transcript of the 22nd Annual General Meeting of the Members of the Company held on 29th April, 2021 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 the summary of frequently asked questions.

Yours faithfully,

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

Encl : As above

Transcript of 22nd Annual General Meeting of Mahindra CIE Automotive Limited
held on 29th April 2021

Chairman:

Good afternoon, Ladies and Gentlemen,

Welcome to the 22nd Annual General Meeting of Mahindra CIE Automotive Ltd. It is for the second year running that I have had to address you virtually. As the second wave of the Covid pandemic rolls through our country we are all in a somber mood, but it is still a great pleasure for me to be with you. While I would have very much liked to meet you in person, these virtual meetings have now become a new normal and while we try to take care of all eventualities, the odd technical glitch may slip through, I request your kind indulgence in advance.

In compliance with General Circular No. 02 of 2021 read with General Circular Nos. 14 of 2020, 17 of 2020 and 20 of 2020 issued by Ministry of Corporate Affairs, and other applicable provisions of the Companies Act, 2013 and Rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this meeting is being conducted through Video Conferencing without the physical presence of the members at a common venue. However, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

It is now 3:30 P.M. (IST) and the requisite quorum is present, I, as the Chairman, call the 22nd Annual General Meeting (AGM) of Mahindra CIE Automotive Limited to order.

Before we begin AGM proceedings, I would bring your attention to the common instructions already communicated to the members through email today and also displayed on your screen at the time of login. I assume the same has been read. Request the members to adhere to the same for smooth conduct of the meeting.

May I welcome the members of the Board at this AGM who have participated through video conference from their respective locations. For the benefit of members, I request the members of the board and chairman of various Board Committees, as I call out to kindly identify themselves and the location from which they are participating.

Chairman: It is my pleasure to first invite Mr. Dhananjay Mungale.

Moderator : Mr. Dhananjay's camera is not open at the moment sir. Thank you.

Chairman : So, we'll come back to him later.

Chairman: Mr. Manoj Maheshwari.

Manoj Maheshwari: Hi, this is Manoj Maheshwari. I am an Independent Director on the Board. I am also the Chairman of the Nomination and Remuneration Committee. I am attending this AGM from my residence in Mumbai. Thank you.

Chairman: Thank you. Mr. Kadambi Narahari

Kadambi Narahari: Hello, Good afternoon. I'm Kadambi Narahari, independent director and also the chairman of the Stakeholder Relationship Committee and chairman of the Corporate Social Responsibility Committee. I am attending the meeting from my residence in Bangalore.

Chairman: Now I invite Mr. Ander Arenaza, the CEO.

Ander Arenaza: Hello, good afternoon. This is Ander Arenaza, I am the CEO of Mahindra CIE company. I'm attending the AGM from my residence in Bilbao in Spain. Thank you very much.

Chairman: Thank you. Mr. Anil Haridass.

Anil Haridass: Hello, and good afternoon. This is Anil Haridass, Executive Director of Mahindra CIE. I am attending this meeting from my residence in Bangalore. Thank you.

Chairman: Thank you. Mr. Manoj Menon.

Manoj Menon: Good afternoon. I'm Manoj Menon, the Executive director and the CEO of the divisions of Stampings, Composites, Foundry, Magnetic Products and Gears and I'm also the chairman of the Risk Management Committee. I am attending the AGM from our office in Pune. Thank you.

Chairman: Thank you. Mr. Jesus Maria Herrera.

Jesus Maria Herrera: Hi, Good afternoon, everyone. This is Jesus Maria Herrera. I have attended the meeting from my office in Spain in Basque Country.

Chairman: Thank you. Mr. Zhooben Bhiwandiwala.

Zhooben Bhiwandiwala: Good afternoon. I'm Zhooben Bhiwandiwala. I'm a Nominee Director of Mahindra and Mahindra Limited. I'm attending from my residence in Mumbai.

Chairman: Thank you. Mr. Alan D'Silva.

Alan D'Silva : Hello, I'm Alan D'Silva. I'm an independent director, and I'm attending the meeting from my residence in Madrid, Spain.

Chairman: Thank you. Mr. Suhail Nathani.

Suhail Nathani: Hi, this is Suhail Nathani. I am an independent director and I'm attending this meeting from my residence in Mumbai, India.

Chairman: Thank you. Mrs. Roxana Meda.....

Chairman : I think she have some technical problem ... So Mr. Dhananjay Mungale if he has joined.

Dhananjay Mungale: Yes. This is Dhananjay Mangle. I'm Independent Director and also I chair the Audit Committee. I'm participating in this meeting from my residence in Mumbai and I can hear and see everyone properly and no one has access to the proceedings of this AGM. Thank you.

Chairman: Thank you so much. Once again, I will check if Mrs. Roxana Meda is connected.....

So apart from the Directors, Members of Senior Management team of the Company are also participating in the AGM through video conferencing. Representatives of Messrs. Price Waterhouse Chartered Accountants LLP, the Statutory Auditors, Representatives of Messrs. Dhananjay V. Joshi and Associates, the Cost Auditors and Mr. Sachin Bhagwat, the Secretarial Auditor of the Company are also present at this AGM. Since this AGM is being held through VC, the facility for appointment of proxies by the Members was not available for the AGM.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 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 specific request for inspection by sending an email to the Company.

In Compliance with MCA Circulars, the Company had on 20th March 2021 issued a notice by way of an advertisement in newspapers informing that the 22nd Annual General Meeting shall be held through Video Conferencing and that the Notice of the AGM along with the Annual Report for the financial year ended on 31st December, 2020, shall be sent to the members only in electronic mode on their registered email addresses.

In the said notice the Company had also provided the manner, in which the members who have not registered their email addresses 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 the login credentials for participating and voting at AGM. The Company had also availed facilities of NSDL and CDSL to enable the shareholders, who have registered their mobile numbers, to register the email addresses directly with respective Depositories.

The Notice of the AGM along with the Annual Report for financial year ended on 31st December 2020 were sent to the Members on their registered e-mail addresses on 5th April 2021. The Company had published another notice by way of advertisement in the newspapers on 7th April 2021 providing information relating to the AGM, the remote e-voting and details of participation in the 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 and website of Company's Registrar and Transfer Agent, KFin Technologies Pvt. Ltd. So dear members, thus, the Company has indeed made all efforts feasible under circumstances for enabling members to participate and vote on the items being considered in this AGM.

The Notice of the AGM setting out the Ordinary and Special Businesses to be transacted, the explanatory statement thereto along-with the Annual Report of the Company for the financial year ended on 31st December 2020 which inter-alia comprises the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st December, 2020 and Report of the Board of Directors and Auditors Report thereon, were also 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, 2020 and the Secretarial Audit report for the said period do not contain any qualifications, observations or comments on financial transactions or matters, which have adverse effect on the functioning of the Company, hence, the same need not be read at this Annual General Meeting.

Now, I come to remote E-voting. I would like to inform you that, as per the provisions of Section 108 of the Companies Act, 2013 and rules made thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 your Company had 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 5:00 p.m. yesterday. Members who are attending the AGM today who have not already cast their vote by remote e-Voting shall be able to cast their vote electronically during the meeting. E-Voting during the AGM is integrated with the VC 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 Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

I will first proceed with my statement as is customary. Thereafter, I will move to the item of businesses to be transacted at this AGM, when the window for a voting shall also be activated at that time.

Thereafter, we will move to our discussions and question and answer session. The members who have registered as Speaker shall be able to express their views during this session.

Now, I will go ahead with this flow of the AGM proceedings.

The Chairman continues with his Statement:

Ladies and gentlemen, welcome once again to the 22nd Annual General Meeting of Mahindra CIE Automotive Limited, let me begin by paying tribute to the hardships faced by many of our colleagues of their loved ones, some of whom fought of the COVID-19 virus, and a few who sadly succumbed to it. The year gone by has been one which is unprecedented in living memory, one, which has taken an immense toll on the people and the economy. The pandemic affected almost every country on the planet to varying degrees, causing all round economic and social devastation. IMF in its January 2021, Global Economic Outlook estimates the global growth contraction for 2020 to be 3.5%. 0.9% higher than projected in his previous forecast, which was issued in October 20. This reflected a stronger momentum than half of 2020 which brought in New Year with some light at the end of the tunnel.

The year 2021 continues to be challenging given the situation caused by the Pandemic but we are optimistic, based on a global push for anti-covid vaccination and strong policy support by governments across the World. IMF in its Jan 21 report estimates that Europe contracted by 7.2% in 2020 but expects the region to grow by 4.2% in 2021. Similarly, IMF estimates India's GDP contracted by 8% in 2020, less than earlier estimate of a contraction of 10.3%. IMF also expects India to grow at a rate of 11.5% in 2021, significantly higher than its earlier estimate of 8.8%. In line with these estimates, automotive markets in both Europe and India are expected to bounce back in 2021.

There are significant risks that can cloud these rosy predictions. The turnaround in the global economy is predicated on the rollout of the vaccination program on a scale and with such rapidity that has never been attempted before. In the euphoria of a turnaround, global policy makers should not prematurely withdraw support extended during the pandemic. The rapid increase in the prices of steel and oil can make vehicles expensive, thereby reducing demand. A shortage of semiconductors may lead to supply side problems for automotive majors. Your company aims to navigate any demand turbulence in a way that the financials are least affected.

On this note, let me return to what your company did in 2020. As mentioned in my address last year, the market demand at the start of 2020 was sluggish. The full impact of Covid started unravelling itself towards the end of Q1 2020 when many of the countries went into lockdown to counter the spread of the virus. Subsequently, Q2 2020 saw the impact of Covid induced downturn on MCIE's operations. I am happy to report that your company took swift and sure steps early on to counter the downturn. The company initiated a program for cost reduction and cash protection. Q3 and Q4 of 2020 also saw a sharp recovery in India and a slow & steady one in Europe. This has ensured that your company was able to contain the drop in EBITDA margins (9.6% in C20 vs 13.2% in C19) even as consolidated revenues in

CY20 declined by 23%. Net profits after tax also remained positive in CY20 despite such a drop in revenues.

On a standalone basis, the total revenue of the Company in CY20 was INR 21,645 million while Profit from ordinary activities before exceptional items was INR 1,015 million. The net profit after tax and after exceptional item for the year stood at INR 740 million. On a consolidated basis, the total revenue of the Company in CY20 was INR 61,050 million while Profit from ordinary activities before tax was INR 1,953 million. The net profit from ordinary activities after tax for the year stood at INR 1,066 million.

The first quarter 2021 results are uploaded on the website, MCIE consolidated total revenue stood at INR 22,088 Million and Profit from ordinary activities before tax stood at INR 2,037 Million. You will notice a considerable improvement in that quarter which we are just completed January to March.

The business environment in which your company operates is also changing in ways which are sometimes difficult to predict. In the automotive sector for example, safety fears have pushed people to move away from public to private transport, it is to be seen whether this is a transient phenomenon or not. There has also been a renewed push towards green transportation solutions including electrification in some parts of the world. The manufacturing industry finds itself in the midst of what is euphemistically called the fourth industrial revolution. As the physical and digital worlds become increasingly intertwined, new avenues to improve operations keep emerging. Your company is gearing itself to face any challenge that gets thrown its way.

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.

Let me thank our team that showed great resilience in the face of an unprecedented pandemic and ensured that your company was quickly on its way to normalcy and well placed to exploit opportunities as market conditions became more favorable. The dedicated effort and positive approach of our employees and unions is praiseworthy.

I also thank our suppliers and our financiers for their continued support in these un-precedented times.

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

And to you dear shareholders we express our deepest gratitude for continued faith in the Company, we assure you that we will strive harder to meet your expectations.

In closing, I would like to say that 2021 brings with it new challenges and hopefully a return of growth in the automotive industry. We believe that the inherent strengths of our team, the resilience of our

company and our partners will help us deliver the best possible operating results and financial performance.

Thank you very much.

We will now move to the item of businesses to be transacted at this AGM.

The remote E-voting is already concluded and many members have already cast their vote there will be no proposer or seconder for the businesses, as set out in the notice of AGM. For the benefit of the members present, I will read out the item on the agenda, which are placed before this meeting.

First Item on Agenda is to receive and adopt the Audited Financial Statements (including Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st December, 2020 and the Reports of the Board of Directors and Auditors thereon.

I am interested in the Second Item on Agenda which is relating to my re-appointment, since I retire by rotation and have offered myself for re-appointment. If the shareholders raise any queries during the question-and-answer session, relating to my re-appointment, I will recuse from conducting discussion on the Item as Chairman and would request Mr. Manoj Maheshwari, the Chairman of the Nomination and Remuneration Committee, to conduct the proceedings thereon.

The Third Item on agenda is re-appointment of Mr. Jesus Maria Herrera Barandiaran who retires by rotation and being eligible, offers himself for re-appointment.

The fourth item on Agenda is ratification of the remuneration payable to M/s. Dhananjay V. Joshi & Associates, the Cost Accountants who have been appointed as Cost Auditors of the Company.

And The fifth item on Agenda is for revision in remuneration payable to Mr. Manoj Mullassery Menon as Whole-time Director of the Company.

All resolutions along-with objectives and implications of all the Agenda items are set out in the additional information and explanatory statement annexed to the Notice of AGM and the Annual Report.

For the sake of brevity, I am not going to repeat the same. Members were able to seek any clarifications or ask any questions relating to the agenda.

All the questions which have been received before the AGM, and the questions which may be asked by members who have registered as speaker will be responded after all the speakers have completed, expressing their views or asking their queries.

Before beginning with the question and answer session, I request the moderator to please activate e-voting window to enable the members who are attending the AGM but who have not already cast their vote by remote E-voting to cast their vote electronically during this AGM.

The window for electronic voting shall remain open till 15 minutes post conclusion of question and answer session, thereafter, the same shall be closed.

Members may choose to vote now. For voting, please click on the 'Vote' as appearing on bottom at left side of your screen. You will be re-directed to voting page while you continue to be part of the meeting at the same time.

We move on to our discussion and question answer session. A list of speakers has already been placed before me.

Before I call on those who wish to speak on the proposed resolutions, I request you to be brief and avoid being repetitive. Also, in the interest of all present, I request you to strictly confined, limit your queries only to the points arising out of the agenda items. May I also request the members to complete their views within three minutes to enable other speakers also to kindly express their views.

I would now begin with Speaker number one. Mr. Saket Kapoor from Calcutta.

Moderator: Mr. Saket Kapoor has not joined the meeting sir. Thank you.

Chairman: Okay, so we go to the next speaker. Mr. Satish Jayantilal Shah from Mumbai.

Satish Shah: *(Mrs. Lekha Shah participated being a 2nd / joint shareholder)* Hello. Can you hear me sir?

Chairman: Yes, please. We can hear you.

Satish shah: Thank you, sir.

The respected Chairman Sir, Board of Directors and my fellow members. Good afternoon to all of you. Myself Lekha Shah from Mumbai. First of all, I am very much thankful to our Company Secretary Mr. Pankaj Goyal Ji and his team specially Mandar ji for assenting for very good investor services and also sending me the AGM notice by email within time in such a difficult situation. So I am very grateful to our Company Secretary Mr. Pankaj Goyal ji and Mandar ji. This is our second AGM is conducted through video conference. I hope next year by the grace of God the situation gets better and we have a physical meeting. Thank you, Chairman sir, for updating us about the company. Chairman Sir, I pray to God that he always Shower his blessing upon you. Sir, I am confident that with your vision and determination, you will lead our company to greater height and also, I pray to God the company should progress more and more under you and your team. Sir, I would like to ask few questions. My first question is, in this

pandemic, how the Europe operations, our associates and subsidiaries are performing?. My second question is, has our business effected due to slackness in demand for automobile customers? My third question is, we have spent rupees 2 million on energy reduction project whether this project have started giving results. So, I wish your company Good Luck for a bright future and I support all the resolutions. Thank you, sir.

Chairman: Thank you So much. First and foremost, thank you so much for your time good wishes to me personally, I would like to say that it is the entire team led by the Chief Executive who have delivered the performance. I thank you and I will convey your good wishes to entire team.

We will be taking up all the answers at the end of all the questions. So, now, I will invite....

Satish Shah : Thank you sir.

Chairman: Our next speaker Mr. Tushar D Sodha from Mumbai. Tushar ji?

Tushar Sodha: Good evening to all. Am I audible and visible?

Chairman: You're very much audible and you are visible also.

Tushar Sodha: Thank you so very much. very respected Chairman Sir, esteemed Board of Directors and my fellow shareholders, I acknowledge the timely, email receipt of annual report of our company along with the notice and I thank our secretarial Department officials for the same. As broadly expected, financial reserves for 2020 was not up to the mark, largely due to the COVID impact. Revenues from Europe were adversely affected to 3100 crores as against 4300 crores of last year, there has been a renewed push for transportation solutions and electrification in most parts of the world. Mahindra CIE, along with associates and subsidiary companies needs to be prepared for changes in product portfolio. To counter the impact of changes in automotive technology, like electrical engines and hybrids. I request you to kindly share with us our readiness in this regard. Thanks to the presence of our Chief Executive Officer, Mr. Ander Alvarez, Mahindra CIE has witnessed speedy integration and better synergies with CIE Spain.

Chairman Sir, going ahead, do you anticipate any business conflicts or conflict of interest with CIE automotive globally. Sir, I refer to consolidated accounts. on page number 162, Financial assets have gone up to 162 crores as against only 4 crores of last year. As a note number 10 on page 194, there have been explained as incentives receivable. Financial liabilities have been stated that 214 crores as compared to Nil for last year. These are mainly explained as lease liabilities on page 202 as per note number 20. So, I request you to kindly elaborate on both of them.

As against the requirement of CSR expenditure of 11.6 crores. Our company has spent 7.1 crores, I am hopeful that the balance 4.5 crores, which has already been allocated will be spent within the next two

years. My confidence in our company is manifested and strengthened with the great resilience displayed by key Mahindra CIE the ability to adapt to new circumstances, I'm confident that we are best placed to fully exploit the opportunities as and when market conditions become more favorable. And optimistic about better financial performance of our company on a sustainable basis in the coming years and extend my wholehearted support to Mahindra CIE. Thank you very much Chairman sir for giving me this opportunity to put forth my queries and express my views. Thank you so very much, sir.

Chairman: Thank you so much. You've asked some very thoughtful questions. And we will definitely be answering it at the end of the session.

We come to now next Speaker Mr. Tamal Kumar Mazumder from Calcutta. Mr. Mazumder?

Moderator: Mr. Tamal Kumar Mazumder, has not joined sir.

Chairman: Okay. We come to the next speaker, Mr. Dinesh Amrutlal Kotecha from Vasai.

Dinesh Kotecha: Yes, sir. Good afternoon sir. Can you hear my voice?

Chairman: Yes, very clearly.

Dinesh Kotecha: Okay, Thank you. First of all, I request the Secretary to send me a physical copy of the annual report if possible, at my address. Sir, I was not happy with the results, because you know, out of the basically something like 21 subsidiaries and associate companies' Stokes Forgings Dudley dissolved on July 30 2020. Stokes Forgings Limited dissolved on 1st August, 2020. That means, from 21 companies 2 companies are gone out also on your notes, you know, you have clearly mentioned the Stokes group UK a business has to be disposed off, with much celebration and you know, proving about when was acquired five six years ago. In this, whether, previous planning was not done properly by the group or it was done with flaws or are we disappointed with acquisition. Whatever you acquire, you must be acquiring with long term view. And you explained in the AGM that with this acquisition, our company will become number one in India in the Forgings industry and all that, but nothing happened. I mean, I'm very much disappointed with poor planning, which is there for the acquisition, you know, which the group does. So please, I mean, I would like you to you know reconsider all this acquisition, whatever you're doing. Sir again, my some other questions are, you know, are we addressing growth opportunities differently? And is the market trying to reward us? I mean, going ahead, what are the bumps likely to be faced by the company? Is the Company prepared for it? and what is the strategy now further with the subsidiary or the JV that we have got. So, what are the internal activities for cost reduction that I would like to know and how it is benchmarked. Again, you know, can you describe the what the company is the pressure that company is facing the competitors, in any line of business? And how are we addressing it? Sir, do we have a 2030 aspiration? I would like to know in detail about it. And some other questions, you know describe the role of R&D for improve production productivity, and in this second round of COVID, you know, coming out fiercely now compared to the first round. I mean, how do you view a

situation, you know, in India, in foreign countries where we have got collaborations and JV's? I mean, is this situation going to become normal? Soon, people are saying that still one more European strain is remaining. Third, third round will come forth on will come. I mean, we are not here. So, what what is going to happen? And what was the work from home progress in the company? How many percent? What is the percentage of the personnel were doing work from home? I would like to know that Sir. Then again, you know, I'm a big fan of Mahindra group, but you know, again, so their performance comes every one or two years, we have something lacking somewhere. Now, this year, we made a huge provision for deferred tax, because of that as you see, no doubt, I mean, the change of the tax laws and you have to make it, but you know, our bottom line is very, very small as compared to first quarter also. When then then there is a cancer sir you need an operation, you cannot do band aiding. And I did not complain, but I think the top management must seriously see to it, that this company is brought on the back to the profitable growth path with good products and some monopoly products will be there in the company, sir.

Thank you very much for give me a patient listening and please instruct the company Secretary and I request him to send me an annual copy of the balance sheet sir, thank you very much. All the best.

Chairman: Thank you Mr. Kotecha. Thank you so much for your good counsel and advice. And we will come back to your questions at the end of the session.

Now, request Mr. Dinesh Gopaldas Bhatia from Mumbai to kindly unmute and ask questions, if any.

Dinesh Bhatia: Hello, first, I congrats Chairman and entire team, Board of teams. Such a COVID period, pandemic period, we are earning something, even we are earning lesser than last year no doubt. But we earned something. Last year our net profit was 172.3 crore and this year only 74.01 crore. So, no doubt we are earning something, but I don't know why you not keep the dividend. Shareholder are looking on dividends, Sir. This company is foreign controlled company, most of the holding is foreign holding and most of the foreign holding companies are giving dividend, major part of, 70 to 80% of earnings they are distributing as a dividend. Because of some dividend taxation benefit also. So, this is my suggestion. and Secondly, I'm insist for dividend because of that, many investors are looking after dividend paying companies. They are not interested in non dividend paying companies. So, it is not a good sign for our company, other than that, I'm supporting our company. But this is my suggestion ,you look after debt and if it is possible to try to give dividends to the shareholders. Thank you for giving me a chance. Thank you and your secretarial team also.

Chairman: Thank you Bhatia Sahab. Your suggestion is noted. I will come back to you after the question answer session. Thank you.

Now I request Mr. Rajesh Kewalram Chainani to kindly ask his question.

Moderator : Mr. Rajesh has not logged in at this moment sir. Thank you.

Chairman : Okay. So, then we move to Mr. Aspi Bhesania. ...Please unmute before you speak.

Moderator : Mr. Aspi you can continue to speak sir. thank you.

Aspi Bhesania: Can you see me, and you hear me?

Chairman: We are able to see on the screen, but we cannot see you, but we can hear you.

Aspi Bhesania: Okay sir.

Chairman : अब आप दिखाई दे रहे हैं.

Aspi Bhesania : Ok sir.

Aspi Bhesania : Sir, Stokes Group was acquired a few years back and it closed in 2019. How much loss we suffered for the period Stokes was with us. What steps have you taken so that in future we acquired a company after due diligence. Sir, page 34 item 15 our company has given rupees two crores to PM Cares Fund. It is mentioned that amount was spent for projects in Pune. How did you ensure that it was used in Pune only? When nobody was aware of where funds going from PM Cares Funds. I'm sure I employees would have done a much better job, had you given them rupees two crore for spending. Sir how CIE group ready for the electric vehicle. Do you have any niche products for EVs? Sir I congratulate our CEO and CFO for reducing inventory and receivables. When do we become debt free? The Q1 result growth, is it due to ramp up demand or the same growth can continue. In Q1 have such a big deferred tax provision, can somebody explain.

Chairman: Mr. Bhesania? Have you completed? Can I go to the next speaker? I will go to next speaker Smita Bharat shah please.

Smita Shah: Hello. Hello, sir आवाज आ रही है मेरी?

Chairman: बिल्कुल, आवाज साफ आ रही है।

Smita Shah: Hello. Thank you sir. Thank you sir, माननीय चेयरमैन, श्री शुक्ला जी और अन्य माननीय डायरेक्टर सर मेरा नाम स्मिता शाह, सर मेरे आगे तो कई शेयरहोल्डर्स काफी कुछ बोल चुके हैं तो मैं भी ज्यादा बोलना नहीं चाहती हूँ, और कंपनी ने ऑलरेडी बहुत ही ग्वाथ के साथ अच्छे बढ़ोतरी के साथ आगे बढ़ रही है, बहुत-बहुत अभिनंदन सर, यह सभी आप सभी की और पूरे छोटे-बड़े एंप्लाइज की बहुत बहुत मेहनत के साथ यह कंपनी आप आगे बढ़ा रहे हो और साथ ही हम शेयरहोल्डर्स का भी हमेशा आपको साथ रहा है तो हमने हमेशा आपको सपोर्ट

किया है और आज के रेजोल्यूशन में मैं आपको फुल सपोर्ट करती हूँ और सर 3 साल के बाद अपनी जो सिल्वर जुबली आ रही है उसके लिए आप अभी से कुछ सोच कर रखिए, शेयरहोल्डर्स के लिए सर, जरूर मुझे लगता है कि तब तक यह सिचुएशन पूरी पूरी निकल जाएगी, और ईश्वर को हम प्रार्थना करते हैं कि नेक्स्ट एजीएम में हम वापस पहले तराहा फिजिकल एजीएम में मिल सके, बहुत अच्छा लगेगा सर बस हम यही चाहते हैं और आपके फ्यूचर की बेस्ट शुभ कामना करते हुए पूरी सेक्रेटरीकल टीम और सभी इन फैक्ट टीम को बहुत-बहुत धन्यवाद दूंगी क्योंकि इसमें उन्होंने मुझे बहुत मदद की है ईजीएम में जुड़ने के लिए, बहुत-बहुत धन्यवाद सर थैंक्यू सर

Chairman : स्मिता जी आपका बहुत-बहुत धन्यवाद, भगवान करे कि आप के वचन सत्य हो,नेक्स्ट एजीएम में हम सभी लोग आपस में मिल सके वर्चुअल की जगह बहुत-बहुत धन्यवाद आपका

I've come to next speaker Mrs. Celestine Elizabeth Mascarenhas.

Moderator : Ms. Celestine you have muted yourself we request you to kindly unmute yourself and speak Mam. Thank you.

Celestine : Hello, hello. Am I audible?

Chairman : Yes, very much audible.

Celestine: Hello. Am I audible?

Chairman : Yes, you are. You're most welcome.

Celestine: Yeah. Yes Yes. Thank you sir. Respected Chairman Prakash Shukla, the honorable, Chairman. I am Celestine Elizabeth Mascarenhas and I am from Mumbai. Greetings to one and all. I thank the company's secretarial team specially Pankaj Goyal and his team Mandar Sadhu for helping me to attend this virtual meeting on KFin platform. Revenue is down from; profitability is down but dividend is the main support for the small shareholders. And even if there is no dividend, our market capitalization doesn't seem to go very much high like some of the companies so they can get something from there and we'll get very, very deep pocketed HNI investors also in our company, but we have got full faith in Mahindra management and your team and I know you will not leave one stone untouched to see the great glory like we have in M&M even in our company and also in EPC. Now I'm a shareholder there also. Now, I congratulate you all for the awards received. Also very good CSR done like distribution of kits to 200 plus and other lot of works as given in the E-report. How many employees infected by COVID, we have total employees in India 8670. How many of them are working from home any facilities, any financial support in terms of COVID victims and their family? Number two, we are in forging which is in 63% of the total presence among Casting, Stamping, gears, Composites, Magnetics Sir, I would like to know where in which vertical, we have very good margins, and when which one will be the sort of the

future. What is capex for the next three years, any acquisitions in inorganic growth any plan for So, what this COVID, what sort of lesson we have learned from this covid. And so, I would like to know, the roadmap for the next three years with COVID in mind and the world economy, rest measures are asked by my speakers, and many will coming also to us, I support, I have supported all the resolutions. I have full faith in the team. And I wish the company all the best. Thank you for this patient hearing.

My husband wants to say a few words.

Chairman: Yes, please.

Mr. Celestine: Hello, hello, Mr. Celestine wants to say something. We are both shareholders.

Chairman: Sir your Voice is breaking.

Chairman : Your voice was breaking.

Mr. Celestine: Can you hear me.

Chairman : Yes. What is the question sir.

Mr. Celestine: Who are our competitors? what is our market share, both nationally and internationally? How far we are comparable to Motherson Sumi or Atul, are we in that line of business, please let me know and going forward what is a future map. and COVID the Government has said that Industries and others should come forward for vaccination. So, this is a hot topic. Are you going to vaccinate employees? If so, please let me know. Other questions have already asked by my wife and other shareholders. I would like to stop here. Wishing personally, all the Board of Directors and employees for the very best in the days and years to come. Thank you for patiently hearing. Thank you

Chairman: Thank you. so much. Thank you so much. I really liked the questions you ask. Very tough question. We will come back. But I really like this two in one approach. Both of you came together to ask. Thank you very much.

May I request to now Mr. Bharat Shah, to ask his question. Mr. Shah please.

Moderator: Mr. Shah has not logged in this moment sir. Thank you.

Chairman: Okay. So that was the last speaker in my list. Has any one of the earlier speakers joined back because Mr. Saket Kapoor had not joined right in the beginning. Mr. Mazumder had also not joined. If they have by now joined they are welcome to ask their question.

Moderator: They have not joined yet sir. Thank you.

Chairman: So, I will now first of all, thank all the speakers who ask questions. I must say that quality of questions was very insightful. Some of the questions almost required the entire strategy discussion of the company. We may not be able to do justice in this forum in a small time, but I will do my best to answer the questions you have raised as best as possible.

I will begin with Speaker, Mrs. Shah. She had asked about the impact on various operations. So, let me first talk about Europe. In Europe, our revenues were down by 28% in 2020, because of pandemic. As you know, from March onwards, Europe was very badly affected. Some countries in Europe were affected in February itself, you are aware, Italy, Spain. So operations were down by 28% in terms of revenue, and as a result, our margins came down from 12.7% to 7.6%. But, Ma'am, I'm very happy to inform you, due to the efforts of our team, lead by our CEO, Mr. Ander, operations are recovering very well now. Our margins are almost back to pre COVID levels. India also was affected in the same way, our revenues in India were down 27%. However, second half of the year saw the business bouncing back, our demand have comeback for automotive industry. In quarter one, we are back to pre COVID level, as you would notice from the results already posted on the website. Our margins are also better now at 15%.

Plants are all opening up and they are expected to give benefits.... this is the question about your solar, you had inquired that rupees 2 million have been spent on solar and has it started giving results? The answer is yes and in second half of this year, we will see the benefit from the savings in energy costs. Thank you.

Then we come to third shareholder. Very interesting question was asked. Mr. Sodha, First of all, I would like to say thank you to you. Very insightful question, are we ready for EV? it shows that you have already applied a lot of mind and perhaps you know, if not the full, part of the answer already. But I will try to fill you in with some more information. We at MCIE are monitoring transition to EV very carefully we are tailoring our strategy, region by region, country by country and customer by customer to this transition. EV's will mean a greater emphasis on stamped, plastic and aluminum parts in comparison to forged, casting or machined parts. We are a player in a multi technology portfolio. As a result, we are better placed than any other company which is an automotive component business. Because of the nature of our multi technology portfolio, we will be able to handle the transition so much better. Another great benefit which we have is we are able to draw upon the experience of CIE Automotive in Europe. As you know, transition is taking place at a different pace in different parts of the world. So, CIE automotive can globally see what is happening in different parts of the world. And we are beneficiary of that in MCIE. All our businesses are tracking the EV transition separately and very carefully. We supply to electric platforms of different companies, which include Bajaj, Mahindra and Kia. While the orders at the moment are small for the electric platforms, I'm happy to say that our revenues from electric platforms have already started growing from the customers in India. Demand for EV's will slowly grow, it will not happen in a hurry, it will not happen immediately, it will be a long-drawn process. Much data is already available in the public domain, different forecasts are available that, by 2030, some are expecting

15%, some expect 20%, some expect 30%, it is a long transition. We are confident that your company will be able to handle that transition seamlessly.

There was also a question again, a forward-looking question. If there is any conflict with CIE, I will only humbly submit there can be no conflict. CIE is majority shareholder in Mahindra CIE. Actually, MCIE is a vehicle for forgings worldwide and for other businesses in India and Southeast Asia. Both teams, CIE and Mahindra CIE team, they work seamlessly, they work together, in very close coordination. MCIE has seamlessly integrated to entire CIE system, we have not come across any conflict whatsoever all these years.

There was one more question and I'm sure you are a financial expert. So, that is why you asked this question, how the figure of 162 crores came, on page 162. The breakup is as follows - out of this 162 crores, 100 crore is incentive receivable by a AEL under the investment linked State Government incentive scheme where you get incentive on SGST collected. This is collected and paid by the company and later on it becomes an incentive. So, we have already received approvals from the State Government, our incentive has been approved and as per cash availability with the state government, we are going to get refund in due course, so, 100 crores is accounted by that and that is why it's showing an increase. Other item is 60 crores of bank guarantee. This has been received from the AEL promoter when we acquired the company and this is because of consideration paid, these 60 crores remains till the time conditions are met and that is when this bank guarantee comes to an end. I hope I've been able to explain - 100 crores is one single entry, 60 crore is second entry that is what is total 162 crore and 160 crore is this.

You had one more question. CSR expenditure 11.6 crore spent 7.4 crore, hopefully, it will be spent in next two years. Yes, your company is committed to be a model a good citizen of corporate India, we try to make a positive impact in the society, in the community, in the cities and towns where we operate. We are committed to doing good. CSR is our commitment. It is not only a legal obligation, it is also the commitment which the management takes it to heart and we wish to do good. The amount which you talked about will definitely get spent. As you know some of the projects are long term projects. So, when we earmark the money for those projects, some of it gets spent in year one the rest of it goes in year two year three. Second reason some of these long-term projects they got delayed because of COVID and therefore money is getting spent whenever window of opportunity has arisen. So, this year we have been able to progress the projects again. So please rest assured all our CSR commitments will be met. We are in full compliance of all legal obligations.

You have asked what the major projects., We actually have several projects. We focus on education; we focus on healthcare. Your company has set up CIE India Institute of School in Bhosari near Pune. We also have green education movement. We have a project Dhai Akshar, which is aimed towards improving literacy. We are doing a lot of good work; you will be proud to know about the good work we are doing, some of the details you can find on our website also. So this was one question.

We heard a question from Dinesh Kotecha ji. Dinesh Kotecha ji you asked some very interesting questions. So first, let me speak a little general, having handled many businesses and companies, how does it work? I hope you will understand in any case, I'm only explaining it further. When decisions are taken to acquire companies, very often they are taken at that moment in time, which can be five years ago, seven years ago. Market conditions change. We are in a B2B business, where our business also depends upon how the business of our customer is. Sometimes we may acquire a business in a particular region depending upon business of a customer, if that customer is not doing well, it is possible that our business will also get affected. So, this is a general statement, and this is true for any company in B2B business. It is also applicable to us. You asked about the UK company. This acquisition was made in 2008. Now we are in 2021. 13 years have passed. The investment made at that time you had asked how much investment was made; it was 300 crore rupees. Unfortunately, the industry in UK has not progress as well as it was thought. And performance of our business is linked to the performance of the automotive industry in the country.

Yes, your question was, have we improved our EBIDTA margins, we have improved our EBIDTA margins by 5% over the last five years, and management team is continuously working to improve the EBIDTA margins continuously. Results and numbers speak for themselves. Company is consistently improving the EBIDTA margins.

Your question was do we benchmark? answer is yes, we benchmark ourselves against the best practices of CIE, the best global practices.

There was a question on competitors. This is a very difficult question to answer. There if you were to look at it as a matrix, on one hand, we have products we are a multi technology company. So, we have Forging, Casting, Stamping, Plastics, a whole lot of, aluminum also, we have a whole lot of subjects. On other side, we have different geographies. So, we compete in India, as well as we compete in different countries of Europe as well as some other geographies globally. So, in every country, we have a different set of customers and we also have a different set of competitors. Therefore, our market share varies from product to product, technology to technology and country to country. I will just give one or two examples. If we talked about passenger vehicle Forgings business, our competitors could be ThyssenKrupp, Musashi, Sifcor, Farinia group etc. If I talk about commercial vehicles Forgings in Europe, again ThyssenKrupp, Ramakrishna Forging or Bharat Forge could be in Europe. If we talk Gears in Italy we have several competitors, Merlo, CIMA etc. Similarly, in India Casting business we'll have competitors like brakes India, Sriram foundries, stampings we have competitors like JBM, Mungi, I will not read out the list, but in every product category, there is a different set of competitors in different countries.

What are the aspirations? Our aspirations is improve shareholder wealth, which means, we generate higher return on investment by increasing revenues and the margin on revenues. We want to reach return on net assets towards 15% and more and we want to beat the markets. Our aspirations are high and management team is working towards them.

Your last question was opinion on pandemic. Sir, you asked very difficult question. Opinion on this subject has been asked from the Prime Ministers and Presidents and Chief Ministers, it has been asked from UN and IMF and World Bank, World Health Organization, it will be too much to give an opinion on this subject as vast as this. I will try to share some thoughts. But it all comes from our perspective from where we sit and look at the world, different people sitting in different countries sitting in different cities or in different industries, will have a different perspective of the same subject. Based on our experience of the first wave, which was in 2020, automotive demand got pushed back, it got delayed, it was not lost. People postpone their purchases by one month, two month, one quarter, two quarter and then as the market opened up, they came back and made those purchases. So, we believe demand is getting postponed and not being lost as per as automotive industry is concerned. That was the experience in first wave. Rural demand continues to be very good in India, fantastic demand. Rural demand will continue to grow as the time passes. This is because of scattered population in rural areas. The population density per square kilometer is low as a result spread of COVID what it was seen in first wave was much less in rural areas compared to a densely populated urban area. So, that has been another good factor for supporting the demand from rural population.

You asked about supply side also impact of pandemic. Yes, to some extent suppliers have been affected, which can sometimes delay supplies. But overall, I would say that management team at your company has managed supply side very well. We have very good relationships with our vendors, we have had contingencies in place, for most products there is more than one vendor. So, in case there is any small disruption it has been very well effected. Thank you.

There is also a question about work from home. We are a manufacturing company. In a manufacturing company there is a limited scope for work from home. IT, Accounts, Finance, HR, some more things can be done working from home. But when it comes to manufacturing, people need to visit plants and the factories. So, we have a rotational plan as far as officers are concerned, people go to office as and when necessary, work from home is working well for them, but in the plants and factories, we are taking utmost precaution. All the standards of safety and hygiene have been put in place. As a result, we have been able to contain to some extent harmful effects of pandemic on our employees and we will continue to take utmost precautions to maintain safety, high levels of sanitation at our plants and factories.

Your question was also it was more like advice, we should develop monopoly products. Well, I will tell the team sitting here that they should look at your suggestion. Though, it is very difficult to have monopoly products in today's world, the moment you develop a new design, you develop a new process. Soon thereafter, somebody else will try to follow you immediately. But I'm happy to say that there are many products where we are number one and we enjoy majority market share. Take for example, crank shafts, we are number one in both India as well as Eastern Europe. Take ductile iron castings, we are number one in India. We are top supplier of stampings to Mahindra, We are number one in magmatic in India, we are one of the largest truck forging suppliers in Europe. So, we are number one and a major

supplier in most of our categories. Monopoly is somewhat difficult to do in today's world, but I'm definitely passing your suggestion to the team.

Dinesh Bhatia ji, Bhatia ji ने पूछा था, why net profit is down from last year. Sir, there's only one reason COVID, our revenues were down so profit was down.

Your second question was shareholders looking for dividend? I will answer this question in two parts. First is, during COVID, we will be careful it is important to conserve cash to take care of any unforeseen circumstances. So, we are going to be careful. However, what you are saying we understand, we appreciate, in fact Board has considered the thoughts given by shareholders and you would notice that we have published updated dividend distribution policy, which is on the website. We will revisit the issue after the current COVID is over and take a suitable action depending upon the financial situation of the company, our growth plans and any acquisition taking in account all the factors we will take a suitable decision in the best interest of the shareholders. Thank you once again for conveying your thoughts. I can assure you, your board will very carefully consider and take into account what you have suggested. Thank you, Sir.

Mr. Bhesania, your question regarding Stokes has already been answered. There was an interesting point about PM Cares fund. This contribution sir was made in the month of May-June last year. At that time COVID was breaking havoc on the country and PM had made an appeal to everybody to contribute. Your next question was niche products for EVs. Very interesting question Mr. Bhesania, Niche products. Let me take one minute to describe our position. What your company is doing, we intend to utilize next few years to implement a strategy that will help maintain utilization at our MCIE plants in Europe, that is where EV transition is happening at a little faster pace than in India. So, we are confident of maintaining utilization, capacity utilization at our plants that will ensure that investments continue to generate returns. Second aspect of strategy is increase our market share with our customers who are buying our existing products like crankshaft. So, if our market share goes up, even if there is a slight decline in overall demand, we will be able to maintain our sales and capacity utilization. In India, we are already supplying to various electric platforms and as I mentioned earlier also we have started receiving business from them and business will only grow.

You have also asked when do we become debt free? There are different people who have different opinion on this. Some people say debt is good and some people say become debt free. Your company has taken a balanced approach. We do have some debt. But if you see India is practically debt free, our European companies have some debt. It is a balanced approach which we follow because one cannot be going to any one extreme as you know in management. But thank you for your suggestion.

Smita ji Mrs. Smita Bharat Shah. बहुत अच्छा सजेशन था कि 3 साल में सिल्वर जुबली आने वाली है, तो please think about the shareholders. Smita ji . Thank you so much. Your Board of Directors present here. I'm

sure all the members of the Board have heard your suggestion. Our CEO is also here. Thank you for the suggestion, we have three years to plan for the Silver Jubilee. Thank you so much.

And now I come to suggestion from Celestine. I hope you are still there in the meeting Celestine. The question on dividend was answered earlier also. Let me say once again, you're very observant. The dividend policy has already been updated. And now it is on the website, as you will see after the Board meeting today. Once the covid situation has eased, that is the time they will review the situation. Coming to the share price, it is a function of market dynamics. A company does not have control over the share price, market forces decide. Overall automotive industry performance will decide the performance of the shares of companies who are in that space. So, our share price also moves, to some extent, you will see correlation with automotive shares. But we are confident that as we continue to improve our performance, the same will reflect in the share price also. Our share price has a high correlation with NSE auto index. We do not see any structural risk in our business. COVID possess challenges in the short term, but as COVID comes under control we'll find that we have grown both revenue profit....

Thank you for your concern about our employees, your question was how many have affected, unfortunately, employees are part of the society they live in same towns and cities where the rest of the population lives. And therefore, positivity rate among them is very similar to positivity rate, which is there in this respective city where they reside. As of today, we are testing our employees regularly. Positivity rate is approximately 10%. Sadly, we have had few fatalities, but majority of the employees have recovered very well. We are helping them with whatever medical help we can provide, as well as vaccinations. We are doing our best to help our employees.

Your question was about verticals. I'm happy to say that all verticals are expected to improve their performance quarter on quarter. In fact, when you see that Q1 results on the website, you will find that we have done extremely well in comparison to same quarter last year as well as in comparison to preceding quarter i.e. October- December quarter.

You inquired about capex. Our capex generally has been in the range of 5 to 6% annually of the sales and lesson learned from COVID, ma'am one of the lessons which is learned from any

Moderator: Chairman sir you are on mute, sir can you unmute Thank you, sir.

Moderator: Chairman Sir, kindly unmute your audio sir.

Chairman: Every company goes through a learning process in such times. I am happy to say that your company has absorbed the learnings from COVID we follow two strategies one of cost reduction and second of cash conservation. Both the learnings have become permanent learning for us. The way we handle wave one, we will be able to handle second wave also. Thank you so much for asking that. And we appreciate your concern. Help provided to employees in COVID situation, ma'am, we are regularly testing our employees so that any early signs are detected and employee gets timely medical help. We

are also assisting employees with vaccinations and of course, through various medical schemes. Your husband also asked some questions. So, I will take the liberty of answering them in one sequence who are competitors? Sir, I answered this question earlier also, we are a multi technology company. So, for different products, we have different competitors in different countries. So, stampings, castings, forgings or aluminum or in Europe, passenger forging, truck forging, they all have different competitors. We will be able to, you can see them perhaps on the website and public domain. The list is too long. I will not bore you with that. But I had mentioned some of these earlier.

I think that brings me to the end of questions. Okay, all questions have been covered. Yes. So, with that we have completed the questions which were asked by different shareholders. I'm just checking that I have not missed out anyone. I Hope I've been able to answer the questions raised by the shareholders in the AGM.

That brings us to the question answer session.

The combined results of remote e-voting and e-voting along with the scrutinizers report shall be communicated to BSE limited and National Stock Exchange of India Limited where the shares of your company are listed. The results will also be placed on the company's website and on the website of Kfin Technologies Private Limited by 30th of April 2021. Now, it is 5:03 pm, I request moderator to close and deactivate the e-voting window at 5:18 pm. That is 15 minutes from now, when the proceedings of 22nd Annual General Meeting shall stand closed. All participants who have completed their vote may kindly log off now.

Let me acknowledge the pain many of us have gone through in last one year of pandemic. And I hope and pray for good health and safety of you and your families.

I thank the members for their presence and active participation and support extended to the company. Thank you so much.

That brings the AGM to a close today.

Thank you.

Mahindra CIE Automotive Limited
Summary of Frequently Asked Questions

1.	Covid-19 Pandemic impact
Ans.	<ul style="list-style-type: none"> a. End Demand <ul style="list-style-type: none"> i. Based on experience of first wave, automotive demand gets pushed back but is not lost unlike some other sectors ii. Rural demand still looking good – normal monsoon forecast by both IMD & Skymet b. Supply side – there could be loss of production at OEMs & suppliers. <ul style="list-style-type: none"> i. Micro Lockdowns could affect the supply chain by affecting the ability of plants to remain open and may delay production. c. Steel <ul style="list-style-type: none"> i. Supply may get affected as oxygen diverted for Covid issue. ii. Prices may increase further from a high base. d. Manpower <ul style="list-style-type: none"> i. Contract workers could be scarce as migrant workers go home. ii. Absenteeism could increase. e. Semi-conductor shortage persists. f. Costs could increase due to <ul style="list-style-type: none"> i. Overtime costs ii. More precautions & testing at plants
2.	Readiness for Electric Vehicles (EVs).
Ans.	<ul style="list-style-type: none"> a. MCIE commitment <ul style="list-style-type: none"> i. MCIE is monitoring the transition to EV’s carefully. We will tailor our strategy and approach to this transition. ii. EVs will mean a greater emphasis on stamped, plastic and aluminium parts compared to forged, cast or machined parts. MCIE being a player with a presence across different processes especially in India, is also well placed to tackle this change. iii. MCIE is also able to draw upon experience of CIE Automotive about EVs. CIE as a group is working closely with Tesla and Renault on EVs. It already supplies parts to these EVs largely plastic and stamped parts. iv. All our businesses are tracking the EV order book separately. MCIE India supplies to M&M, Bajaj & KIA electric vehicle platforms. While the orders to EVs currently are small, they are expected to grow in the future. b. Demand for EVs <ul style="list-style-type: none"> i. While the pace of electrification is going to be slow in India, it could be much faster in Europe. Battery Electric Vehicles (BEVs) which constitute roughly 5% of European

	<p>car registrations in Q3C20 is expected to grow to 15% by 2025. This change has been accelerated especially in Europe as introspection about the pandemic has led to a greater focus on green transport strategies.</p> <ul style="list-style-type: none"> ii. A point to be noted here is that a shift to plug in hybrid EVs (PHEVs) as compared to pureplay Battery EVs (BEVs), will actually be beneficial to your company as number of parts available increases. iii. In India, this change will be more gradual with the first segments to make the transition being 3Wheelers, scooters and buses. MCIE India dependence on these segments is not very large. 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 less. iv. There are some caveats to the above analysis. 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 have budgetary constraints to support EV subsidies on a large scale. EVs require lot of investment in public infrastructure by way of charging stations. <p>c. MCIE dependence</p> <ul style="list-style-type: none"> i. Roughly little more than 1/4th of MCIE consolidated sales is towards powertrain parts that will be affected by the EV transition. ii. On the other hand, as OEMs invest less and less in ICE 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>d. MCIE preparedness</p> <ul style="list-style-type: none"> i. Your company intends to utilize the next few years to implement a strategy that will help maintain capacity utilization at MCIE’s European forgings plants even after this change happens – increase share of business at existing crankshaft customers, focus on non-engine parts & introduce Aluminium forgings. ii. MCIE India supplies to M&M, Bajaj & KIA electric vehicle platforms. While the orders to EVs currently are small, in the range of Rs 150-200mn per annum, they are expected to grow in the future.
3.	Company had spent INR 2 Million for the Captive Solar Power Project. When the same would start yielding results?
Ans.	The Solar Power Plants are being developed by the respective developers and full benefits expected by way of reduction in power cost could be realized from the 2 nd half of this year.
4.	Any business conflicts or conflict of interest with CIE automotive globally?
Ans.	<ul style="list-style-type: none"> a. MCIE is CIE’s vehicle for forgings worldwide and for other businesses in India and South East Asia. b. The CIE and MCIE operating teams work seamlessly.

	c. MCIE has seamlessly integrated in the CIE system and we have not come across any conflict.
5.	Explain other receivables and lease liabilities
Ans.	<p>Out of 162 crores in other receivables, 100 crores are incentive receivable by AEL under the investment linked state government incentive scheme of SGST collected and paid by the company. Approvals have been received and basis cash availability with the state government this shall be received by the company. The other major item is value of Bank Guarantee (₹60 crores) received from AEL promoter against conditional consideration paid to them.</p> <p>IND AS 116 on lease contracts was made mandatory to the company effective 1st January 2020. As a consequence of this, all lease contracts are to be shown as 'Right of Use' Assets, basis future cash outflows fair valued. Similar amount is shown as financial liability.</p>
6.	Would the CSR unspent amount be spent in coming two years? And what are the key CSR projects.
Ans.	<p>The Company has spent an amount of INR 71.12 Million during the year. The unspent amount in CY20 of INR 45.01 Million has been allocated to existing long term CSR project. Implementation of some of these CSR Projects was delayed due to Covid-19 pandemic and related expenditure is deferred to next year. The implementation of these approved projects shall be on the track as the situation improves and although with some delays, the Company is confident of achieving its social objectives.</p> <p>MCIE's key CSR projects:</p> <p>During CY2020, the Company has made specific efforts to support / help the people including migrant labour affected by Covid-19 pandemic in the areas located around Factories of the Company, by way of distribution of food packets, sanitization kits (which includes Soap, sanitizer, masks and gloves) and creating awareness about Covid-19 pandemic. Further, the Company has participated in the initiatives undertaken by Mahratta Chamber of Commerce, Industries & Agriculture (MCCIA) for setting up Jumbo Covid Centre in Pune by way of providing financial assistance. The Company has also contributed to PM CARES fund setup by the Central Government.</p> <p>Many of the long-term CSR Projects are in the area of Education and Skill Development. The Company has set-up CIE India Institute of School in Bhosari Pune. Various other projects like Project Saksham, Green Education Movement in Schools (GEMS), Project Lotus and Project Dhai Akshar were undertaken in this area.</p> <p>Another area of focus has been Health and Hygiene. Apart from the specific efforts made for Covid-19, Projects like Adoption of Helpline Charitable Trust, Project Mamta, setting up of Medicine Bank at Worli Mumbai, Project Santulan were key projects undertaken in this area.</p>

7.	What is MCIE's ESG strategy?
Ans.	<p>a. Generation of shared value for the Company and for Society by integrating Social, Environmental and Governance principles into the business model, business strategy and everyday operations is the objective of ESG.</p> <p>b. MCIE operates forgings, foundry, magnetic, aluminum casting & machining plants. Most of these are required be operated under strict environmental control. MCIE adheres to all statutory norms laid down by the governmental authorities and periodically makes improvements based on their suggestions. The Company has been focusing external certifications for achieving world class environmental standards. All the plants will be upgrading their EMS to include the requirements of the revised international standard by June 2021.</p> <p>c. MCIE operational strategy focuses on reducing the consumption of water and energy at its plants. Details of these activities are reported in the Director's report and Business Responsibility Report.</p> <p>d. The Company continued its efforts to increase the proportion of green energy in the total energy consumption of the Company. The Company has installed roof top solar systems at seven plants. The Company has also signed long term contracts to source green energy from captive generating plants through open access. Due to various efforts, the Company has consumed 30.28% of total energy consumption through green energy sources.</p>
8.	Reasons for closure of Stokes
Ans.	The acquisition made in 2008. An investment of about 300 crores. UK was not growing well enough. The performance of our business is linked to the performance of the automotive industry in the country.
9.	What is the preparedness of the MCIE to deal with uncertainties in the Market? How MCIE addressing growth opportunities differently? Is the market trying to reward us? What is the company doing to improve order book through new business?
Ans.	<p>a. We have moved our EBITDA margin by almost 5% over 5 years through operational improvement and significantly grown the business organically & inorganically. In order to tide over any uncertainties, we keep reviewing our break- even point. We also look to diversify ourselves geographically, product-wise and customer wise.</p> <p>b. All the market segments that your company operates in are expected to experience good growth in the short and medium term.</p> <p>c. MCIE plans to make use of these opportunities and grow faster than the underlying market segments, specially in India.</p> <p>d. We are increasing our focus on value added products and on exports.</p>
10.	How we go about the cost reduction and benchmarking?
Ans.	We constantly benchmark against CIE best practices and operating parameters.
11.	Who are MCIE's Competitors? What is MCIE's market share or share of business?
Ans.	<p>Competitors</p> <p>a. MCIE is a multi-technology company. We have Forging, Casting, Stamping, Plastics, Gears, Aluminum. We have our manufacturing facilities in India and Europe.</p>

	<p>b. So, we compete in India, as well as we compete in different countries of Europe as well as some other geographies globally. So, in every country, we have a different set of customers and we also have a different set of competitors.</p> <p>c. Europe</p> <ol style="list-style-type: none"> i. Passenger Vehicle Forgings could be competing with Thyssen Krupp, Musashi, Hirsch Vogel, Sifcor, Farinia group ii. Commercial Vehicles Forgings -Thyssen Krupp, Bharat Forge, Parsan, Ramakrishna Forgings Limited iii. Gears Italy – Oerlikon Graziano, Ital Gear, Merlo, CIMA <p>d. India</p> <ol style="list-style-type: none"> i. Forgings - Bharat Forge, Ramakrishna, Roop Auto, MM forge, Happy Forgings ii. Castings – Nelcast, RICO, Brakes India, Sriram Foundries iii. Stampings – JBM, Mungi, Panse, Magna, Badve Group. iv. Aluminium Castings – Endurance, Rico and Rockman v. Gears – Bharat Gears, RIJ, Hi Tech Gears, Dana Graziano vi. Magnets - Delta Magnets, Cosmo Ferrites, Bajaj Electricals, Fulham vii. Composites – Devi Polymers, Sintex, Tata Advanced Materials <p>Market Share</p> <ol style="list-style-type: none"> a. Being a multi-technology company with various technologies operating in different geographies, our market share varies from product to product, technology to technology and country to country. b. Thus, it is very difficult to provide a definitive answer to this question. However, MCIE is a key player in the individual business areas in which they operate in. c. In India, MCIE is amongst the top crankshaft manufacturer, the top cast crankshaft maker, one of the more profitable gear manufacturers, the top supplier of sheet metal stampings to M&M, the top magnetics maker for automotive purposes, key player in composites. d. In Europe, MCIE is one the top forged crankshaft makers, a key manufacturer of Front Axle Beams for Heavy Commercial Vehicles. MCIE Gears is one of the top supplier of gears and shafts to the off highway and construction industry as well.
12.	What are your Aspirations:
	RONA of 15% and Growth ahead of markets in 3-5 years.
13.	Role of R&D
Ans.	We are a process company, not a product company. Our R&D is focused on improving the processes so that we deliver optimum products to our customers in terms of price, quality and delivery.
14.	Covid impact on the employees and precautions taken by the Company. Company policy about Work From Home.
Ans.	We are testing our employees regularly. Sadly have had few fatalities but majority of the employees have recovered very well. We are helping them with whatever medical help we can provide, as well as vaccinations. We are doing our best to help our employees.

	<p>We are a manufacturing company. In a manufacturing company there is a limited scope for work from home. IT, Accounts, Finance, HR, some things can be done working from home. But when it comes to manufacturing, people need to visit plants and the factories. So, we have a rotational plan as far as officers are concerned, people go to office as and when necessary, work from home is working well for them, but in the plants and factories, we are taking utmost precaution all the standards of safety and hygiene have been put in place. As a result, we have been able to contain to some extent harmful effects of pandemic on our employees and we will continue to take utmost precautions to maintain safety, high levels of sanitation at our plants and factories.</p>
15.	What is the impact of deferred tax?
Ans.	<p>The Finance Act, 2021 has introduced an amendment to section 32 of the Income Tax Act, 1961 whereby Goodwill of a business will not be considered as a depreciable asset and depreciation on goodwill will not be allowed as deductible expenditure effective April 1 2020.</p> <p>In accordance with the requirements of Ind AS 12 Income Taxes, the Company has recognized a one time tax expense amounting to 1 425 million as the outcome of the difference between Goodwill as per the books of account and its updated tax base of NIL resulting from the aforementioned amendment, in addition to the current tax expense debited to the statement of profit and loss.</p> <p>This deferred tax liability is not expected to be a cash outflow in the future and its reversal is deemed unlikely as the value of its associated goodwill is expected by value in use.</p>
16.	Why has the Company not paid any Dividend? When is the Company expected to start dividend payout
Ans.	<ol style="list-style-type: none"> a. the pandemic is not completely behind us. We need to conserve cash to meet unexpected operational requirements until we are sure that the Pandemic will no more have any impact on business. b. We also need to conserve cash for any organic or inorganic opportunity that may come up. c. But we are aware that paying regular dividends is something on the minds of our shareholders. d. We have therefore suitably revised our dividend policy. e. We will revisit the issue after current Covid situation has eased.
17.	Why market cap is not well? Why has the share price come down so much? Is there any major risk to the Company's Business or any other material development for such fall in market price?
Ans.	<ol style="list-style-type: none"> a. Reduction in the share price is a function of market dynamics. MCIE share price has suffered in the recent past but it is mostly in line with the trajectory of NSE Auto Index. b. We do not foresee any structural risks in our business. Covid continues to pose some immediate challenges which the company is confident of dealing with. We 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.

18.	Does company have any niche products for EVs?
Ans.	<p>a. Your company intends to utilize the next few years to implement a strategy that will help maintain capacity utilization at MCIE's European forgings plants even after this change happens - increase share of business at existing crankshaft customers, focus on non-engine parts & introduce Aluminum forgings.</p> <p>b. MCIE India supplies to M&M, Bajaj & KIA electric vehicle platforms. While the orders to EVs currently are small, in the range of Rs 150-200mn per annum, they are expected to grow in the future.</p>
19.	When will the Company become debt free?
Ans.	We do have debt. In India we are relatively debt free, our European companies have debt. Your company has taken a balanced approach.
20.	Which business vertical has good margin and has good future
Ans.	All our verticals are expected to improve operations quarter on quarter. We expect to grow all verticals in India.
21.	What is capex for the next three years?
Ans.	5-6% of sales annually
22.	Lesson we have learned from this covid?
Ans.	We focused on cost reduction and cash protection. We were able to make sure that the drop in margins was not as high as the drop in revenues. This focus will continue.
23.	Inorganic growth plans in near future?
Ans.	<p>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 current situation, some suppliers could face difficulties, especially in India.</p> <p>b. Our current priority is to deal with the uncertainties that the 2nd wave has wrought. 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</p> <p>c. At the same time, we continue to evaluate acquisition opportunities. Currently, there is no opportunity at an advanced stage of discussion.</p>
