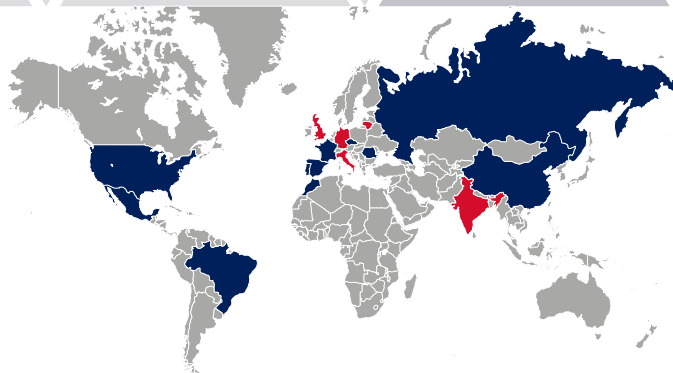


Annual Report 2016



Mahindra *CIE*



THE PARENT ..

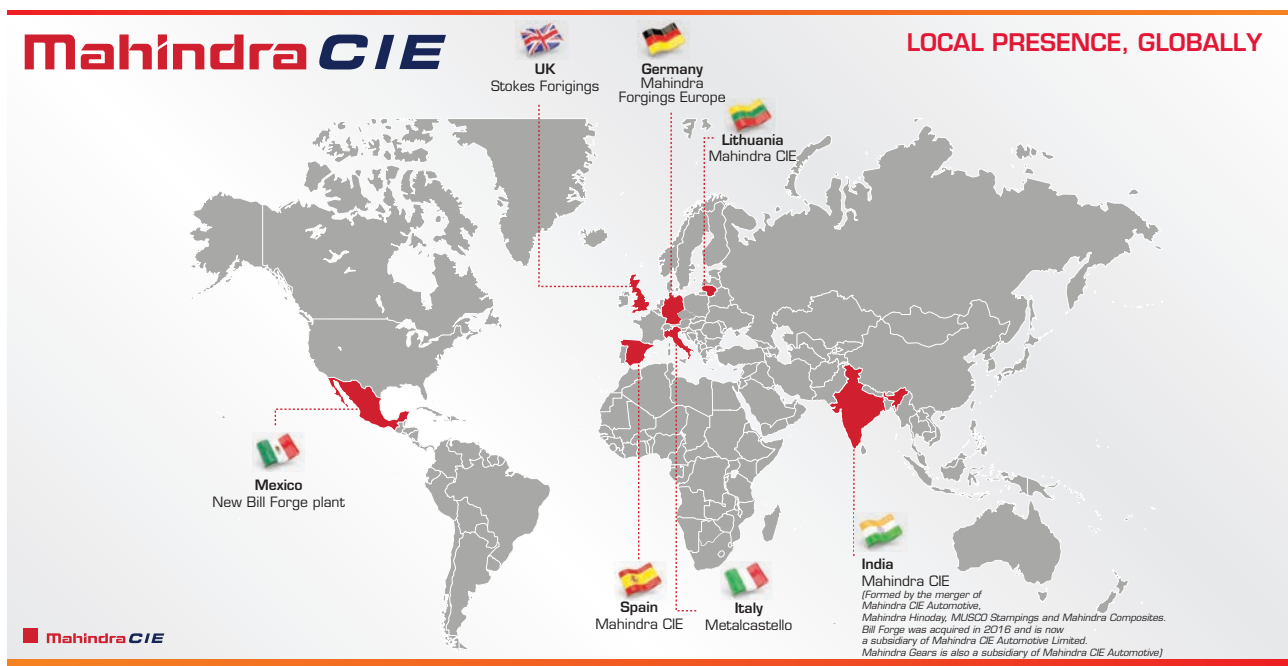


CIE Automotive is an industrial group specialised in managing HIGH VALUE-ADDED PROCESSES, and is supplying components and subassemblies for the automotive market. It is listed on the Madrid and Bilbao stock markets, and it has presence in 4 continents and 15 countries.

CIE Automotive focuses its resources on three strategic business areas:

- Automotive components (with 6 basic technologies – Aluminium, Forging, Stamping and Tube Welding, Machining, Plastic and Casting, present in 9 countries),
- Biofuels, (with biodiesel plants operating in Spain and Italy, presence in Brazil and Guatemala, and its own sales network) and
- Dominion, Technological solutions and services (with plants in Spain, Mexico, Brazil, Argentina and Chile)

.. AND THE SUBSIDIARY



FORGINGS



CASTINGS



STAMPINGS



GEARS

Annual Report 2016

Contents

1. Board of Directors	2. Chairman's Note	3. Products & Applications	4. Directors' Report
Page - 2	Page - 3	Page - 4	Page - 9
<hr/>			
5. Management Discussion & Analysis	6. Report on Corporate Governance	7. Auditors' Certificate on Corporate Governance	8. Business Responsibility Report
Page - 48	Page - 57	Page - 76	Page - 77
<hr/>			
9. Auditors' Report on Standalone Financial Statements	10. Balance Sheet (Standalone)	11. Income Statement (Standalone)	12. Statement of Changes in Equity (Standalone)
Page - 86	Page - 92	Page - 93	Page - 94
<hr/>			
13. Cash Flow Statement (Standalone)	14. Notes forming part of Standalone Financial Statements	15. Auditors' Report on Consolidated Financial Statements	16. Balance Sheet (Consolidated)
Page - 95	Page - 96	Page - 133	Page - 138
<hr/>			
17. Income Statement (Consolidated)	18. Consolidated Statement of Changes in Equity	19. Cash Flow Statement (Consolidated)	20. Notes forming part of Consolidated Financial Statements
Page - 139	Page - 140	Page - 141	Page - 142
<hr/>			

Board of Directors

Mr. Hemant Luthra - Chairman
Mr. K. Ramaswami - Managing Director
Mr. Ander Arenaza Álvarez - Executive Director
Mr. Antonio Maria Pradera Jauregui
Mr. Daljit Mirchandani
Mr. Dhananjay Mungale
Mr. Jesus Maria Herrera Barandiaran
Mr. Jose Sabino Velasco Ibanez
Mr. Juan Maria Bilbao Ugarriza
Mr. Manoj Maheshwari
Mrs. Neelam Deo
Mr. Shriprakash Shukla
Mr. Suhail A. Nathani
Mr. Zhooben Dosabhoy Bhiwandiwalla

Chief Financial Officer

Mr. K. Jayaprakash

Company Secretary & Head - Legal

Mr. Krishnan Shankar

Committees of the Board

Audit Committee

Mr. Daljit Mirchandani - Chairman
Mr. Dhananjay Mungale
Mr. Manoj Maheshwari
Mr. Jose Sabino Velasco Ibanez
Mr. Juan Maria Bilbao Ugarriza

Nomination and Remuneration Committee

Mr. Manoj Maheshwari - Chairman
Mr. Daljit Mirchandani
Mr. Hemant Luthra
Mr. Jesus Maria Herrera Barandiaran

Stakeholders' Relationship Committee

Mr. Dhananjay Mungale - Chairman
Mr. Daljit Mirchandani

Corporate Social Responsibility Committee

Mr. Daljit Mirchandani – Chairman
Mr. Dhananjay Mungale
Mr. Hemant Luthra

- **Auditors**

B. K. Khare & Co. Chartered Accountants
706/708, Sharda Chambers,
Mumbai - 400 020

- **Bankers**

State Bank of India
Barclays Bank
ICICI Bank

- **Registrar and Share Transfer Agents**

Karvy Computershare Private Limited
Karvy Selenium, Tower B, Plot 31 & 32,
Financial District, Gachibowli,
Hyderabad - 500032
Website : www.karvy.com
E-mail : support@karvy.com
einward.ris@karvy.com



Dear Shareholders,

From a standing start a little over 10 years ago, your company has established leadership and in its new avatar now commands a market cap of \$1 bn. It has been my privilege to lead a fine team and to welcome a new member to the family this year.

You will recall, Mahindra CIE had started its journey three years ago when we had laid out a two phased strategy. The first phase focused on financial consolidation which I am happy to report, has progressed well.

This year your company has now entered the second phase of its strategy and intends to take advantage of earnings accretive inorganic opportunities as the primary driver for growth.

And it is this strategy that has seen us acquiring Bill Forge, a market-leading precision forging company with the same values and a complementary set of customers and technologies. Anil Haridas and his team are based in Bangalore, India and have 6 manufacturing facilities in India across Bangalore, Coimbatore and Haridwar and a recently commissioned plant in Celaya, Mexico.

This phase of growth necessitates a much tighter integration with the parent group. And as part of this integration process, we are pleased to welcome Ander Arenaza, a seasoned CIE hand as our new CEO. He and I will work together with the global team in an endeavor to deliver on an ambitious strategic plan.

The European operations have seen some pain and I am happy to report that it is behind us. The Indian operations have concentrated on maintaining profitability and have resulted in maintaining their performance level despite challenging market conditions.

We intend to build on the base we have set for ourselves and embark on our growth journey with a view of maximizing every reasonable opportunity that comes our way. At the same time we are building our capabilities by fine tuning our processes to improve overall ability to deliver on our promises.



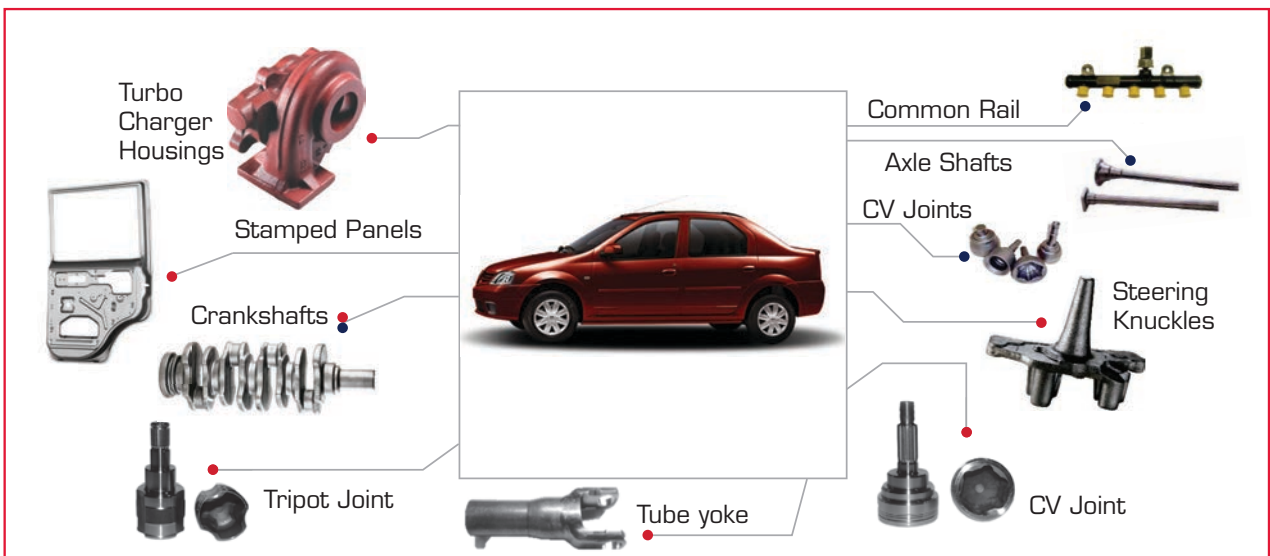
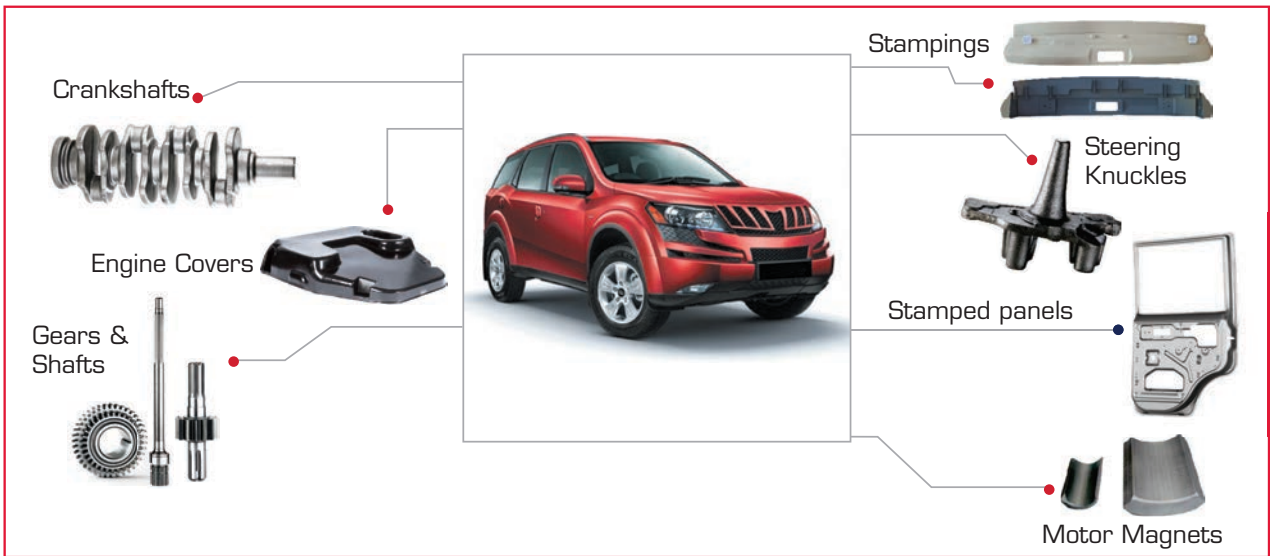
In implementing the strategic plan we are fortunate to have strong personal support of both Chairmen at M&M and CIE and are grateful for the trust that has been reposed in us by shareholders, customers and our employees.

Given that support and combined commitment to the highest standards of governance and performance, we expect to be able to deliver to your expectations.

Yours Sincerely, Atentamente,

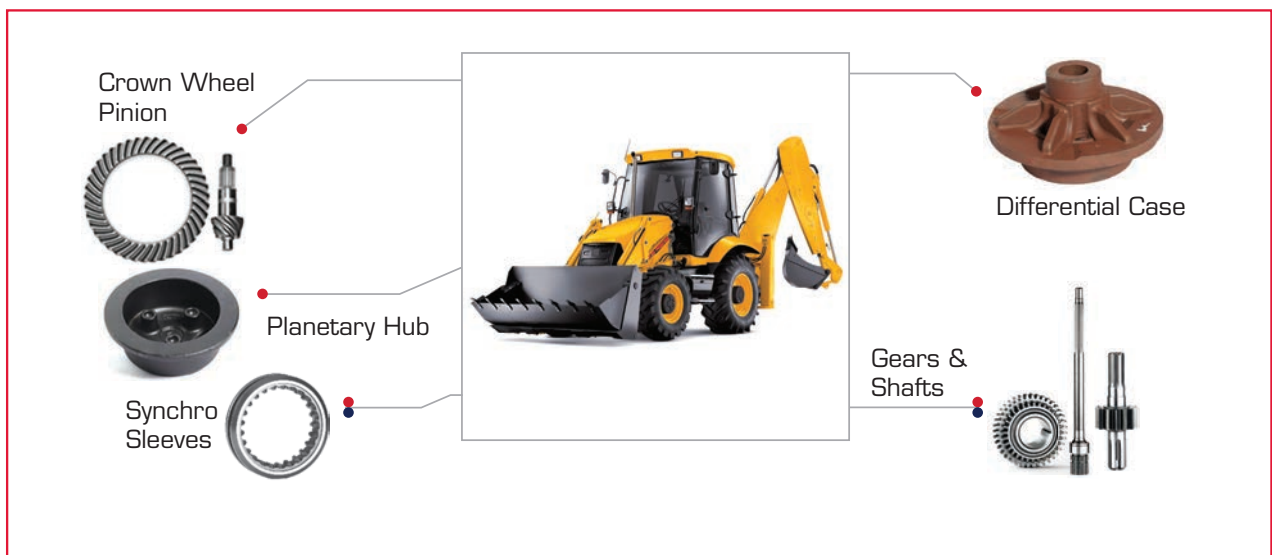
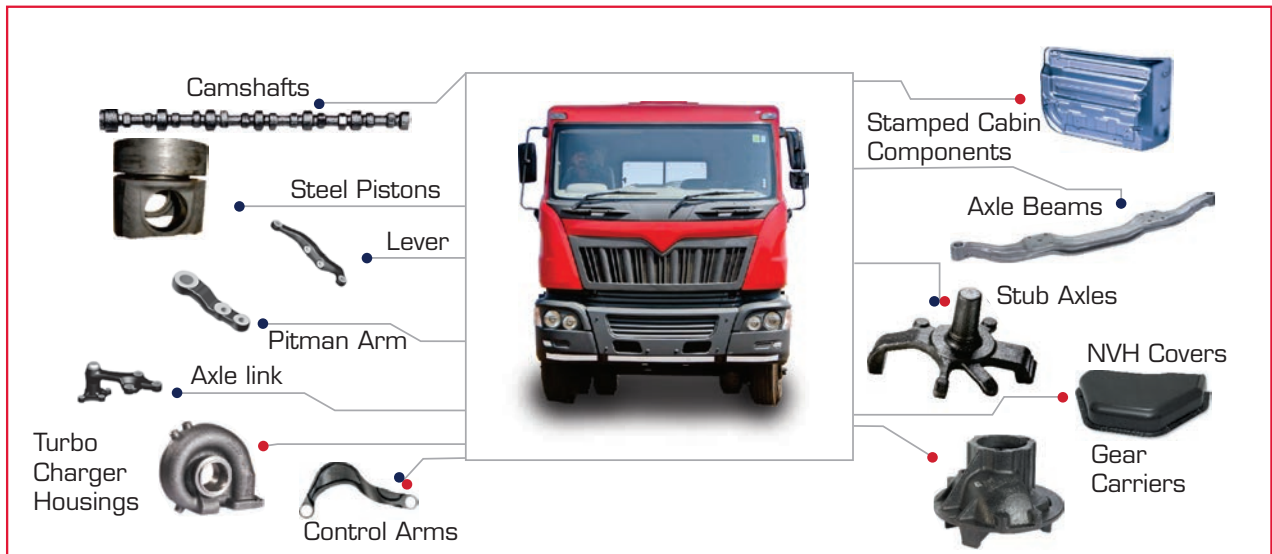
Hemant Luthra
Chairman – Mahindra CIE





● INDIA

● EUROPE



● INDIA

● EUROPE

ADDITION TO THE FAMILY.. BILL FORGE



OUR FACILITIES



