

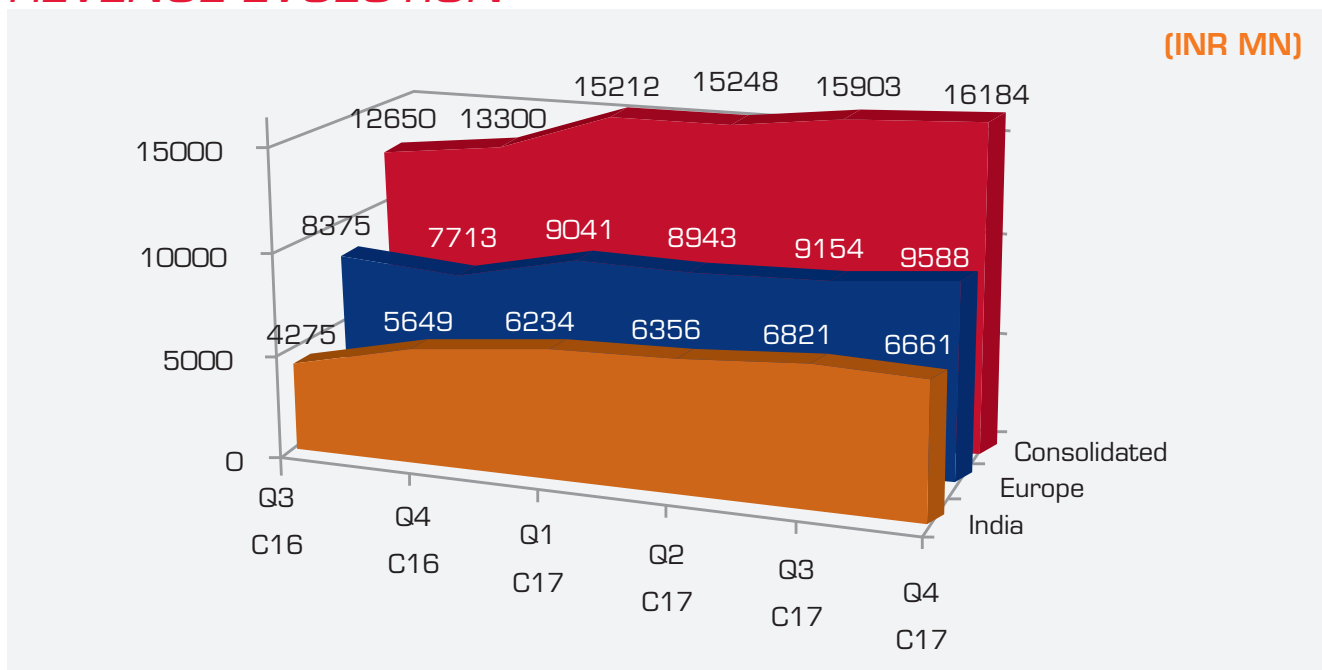
The image shows a large, complex industrial machine, likely a press or a mill, in a factory environment. The machine is made of heavy metal and has a large, curved, light-colored component on its right side. The Mahindra CIE logo is prominently displayed on a horizontal beam of the machine. In the background, there are various industrial structures, including scaffolding and other machinery. The overall scene is industrial and brightly lit.

Mahindra *CIE*

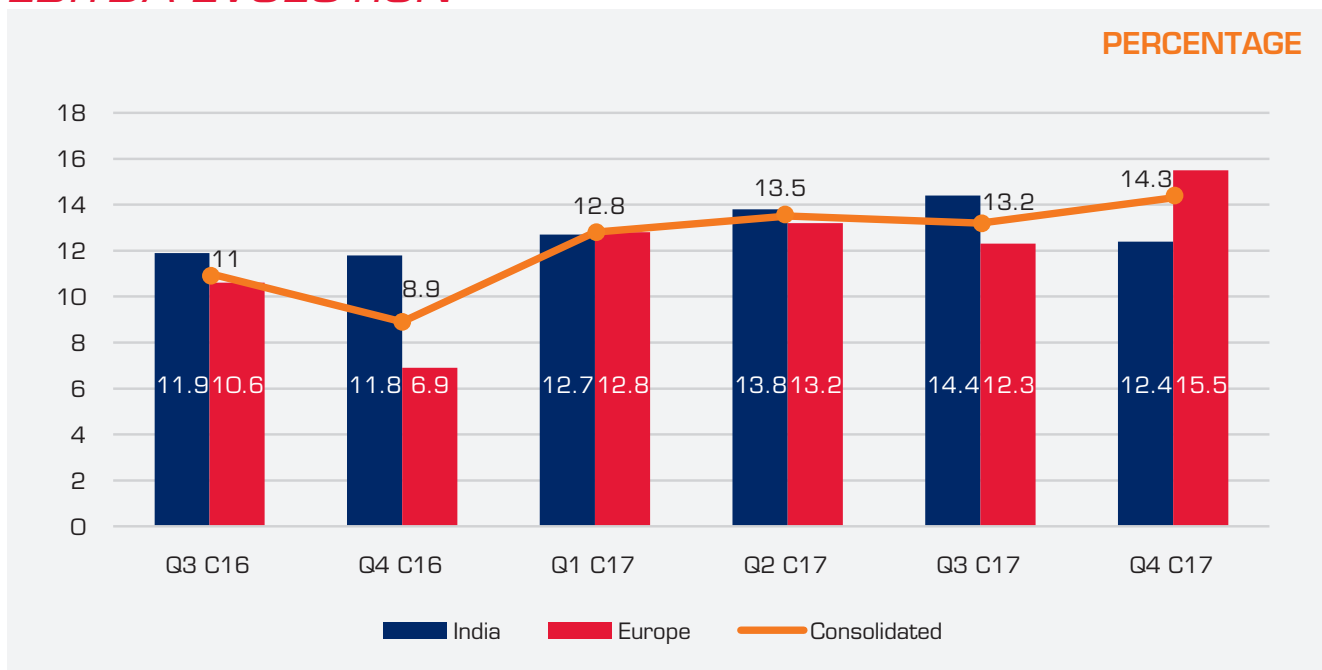
Mahindra *CIE*

Annual Report
2017

REVENUE EVOLUTION



EBITDA EVOLUTION



Annual Report 2017

Contents

1. Board of Directors	2. Chairman's Note	3. Products & Applications	4. Directors' Report
Page - 2	Page - 3	Page - 4	Page - 9
5. Management Discussion & Analysis	6. Report on Corporate Governance	7. Certificate on Corporate Governance	8. Business Responsibility Report
Page - 47	Page - 55	Page - 72	Page - 73
9. Auditors' Report on Standalone Financial Statements	10. Balance Sheet (Standalone)	11. Income Statement (Standalone)	12. Statement of Changes in Equity (Standalone)
Page - 83	Page - 88	Page - 89	Page - 90
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 - 91	Page - 92	Page - 125	Page - 128
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 - 129	Page - 130	Page - 131	Page - 132

Board of Directors

Mr. Hemant Luthra - Executive Chairman
Mr. Ander Arenaza Alvarez - Executive Director
Mr. Antonio Maria Pradera Jauregui
Mr. Daljit Mirchandani
Mr. Dhananjay Mungale
Mr. Jesus Maria Herrera Barandiaran
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. 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**

Price Waterhouse Chartered Accountants LLP
7th Floor, Tower A, Business Bay, Air Port Road,
Yerwada, Pune - 411 006

- **Bankers**

State Bank of India
Barclays Bank
ICICI Bank Limited

- **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
inward.ris@karvy.com



Dear Shareholders,

Congratulations to us all; first of all, on the excellent performance of Mahindra CIE in terms of all round profitability and growth. It reinforces in my mind the continued pleasure to serving as the Chairman of this exciting company. We had previously stated that we would like to build on our excellent base of last year and embark on our growth journey and margin improvement. I am happy to report, that on both parameters we have done well.

This year due to Ander's presence we have seen a lot of movement on the integration with CIE. We have seen the benefits of tighter integration with CIE Experts as well as Mahindra CIE employees going to each other's plants and learning about how to adopt and leverage on the technical expertise to improve processes and productivity.

The European operations have in the past faced some difficulties and as reported last year have been turned around. This year we are seeing the realizations from those past actions. The Indian operations have grown both top line and bottom line thus improving the performance levels despite challenging market conditions.

We intend to build on this base we have set for ourselves and embark on our growth journey with a view of maximizing every 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.

All that we can say is that with the combined reputation of Mahindra and CIE from the point of view of corporate governance and CIE's track record and performance, we should be able to continue this growth trajectory.

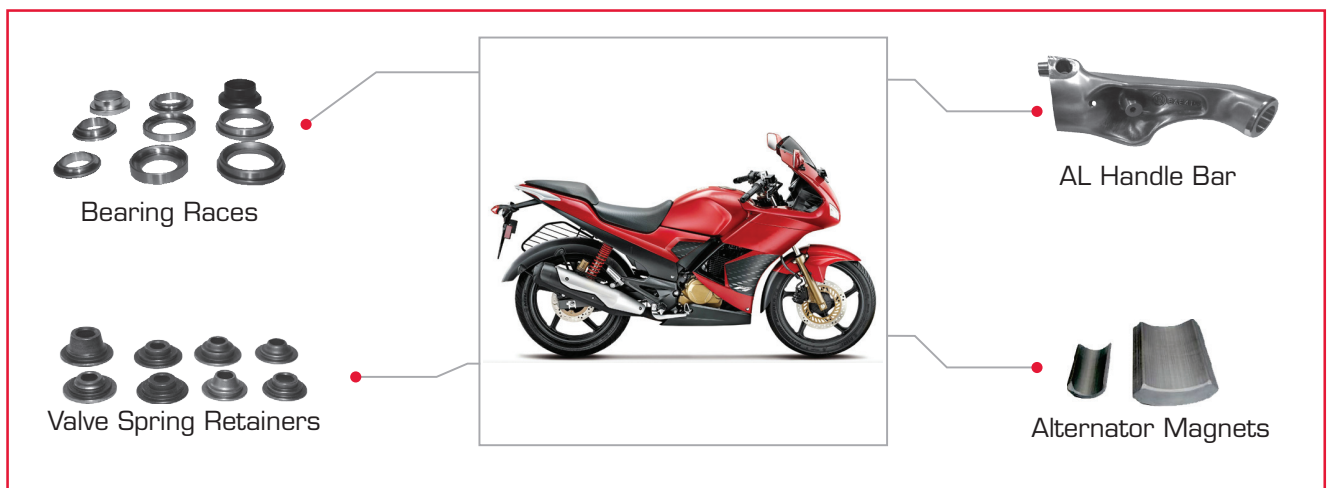
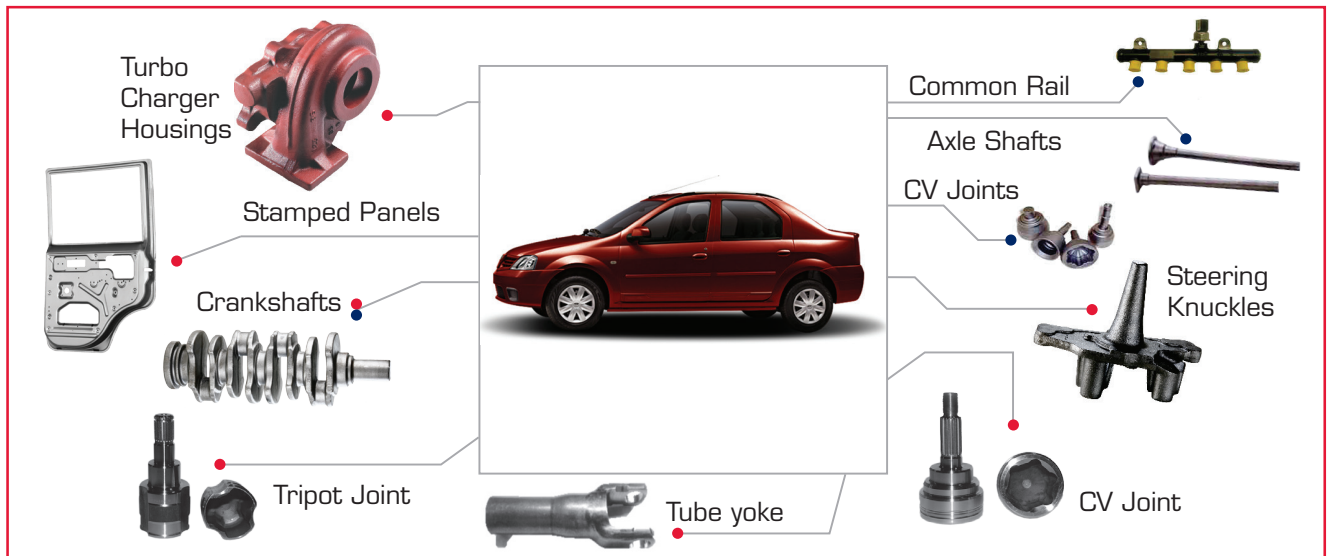
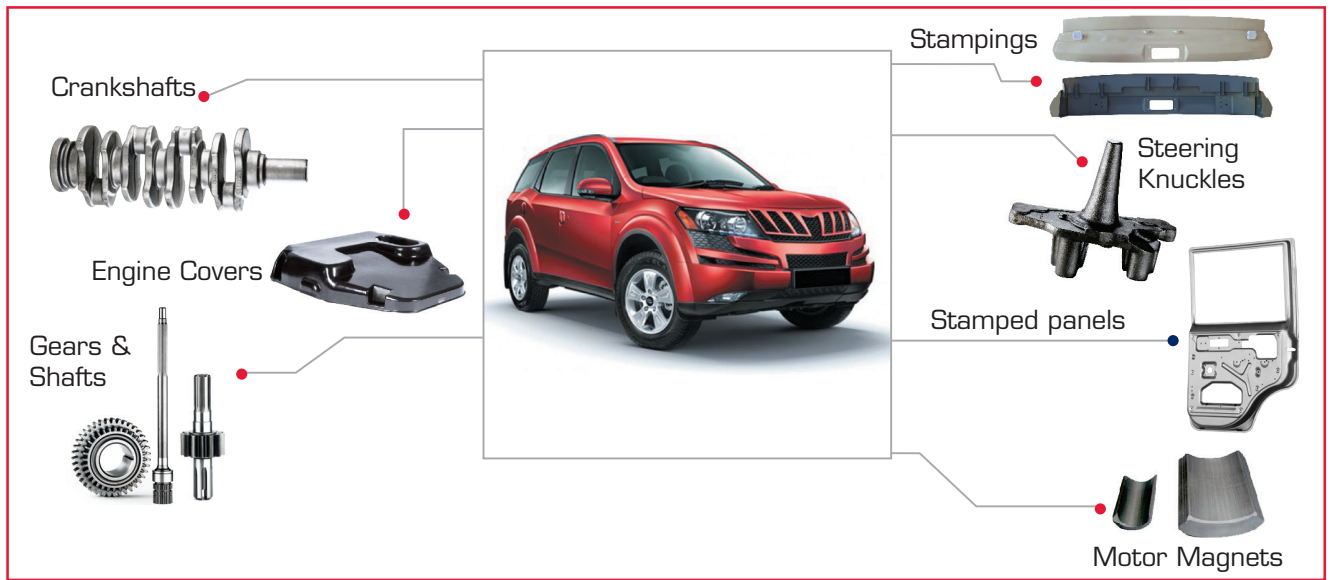
The management will continue to push for operating results and we will continue to work towards realizing your dreams and aspirations of generating better returns on the capital employed.

Thank you for the trust reposed in us and for being invested in Mahindra CIE.

Yours Sincerely,

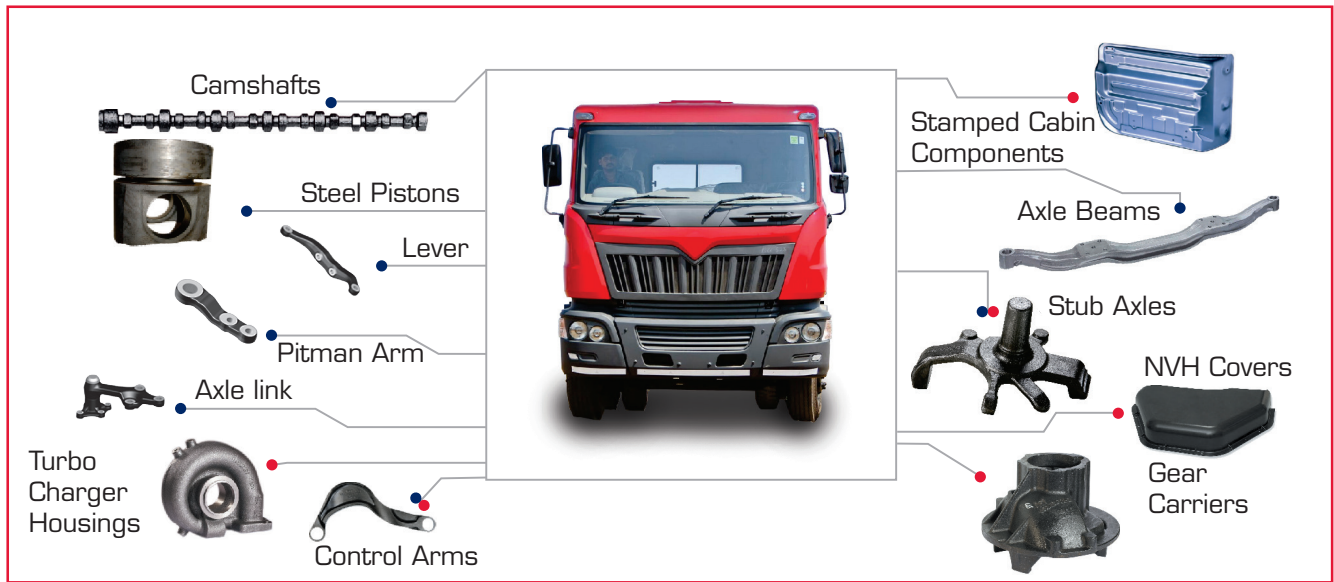
Hemant Luthra

Chairman, Mahindra CIE



● INDIA

● EUROPE



● INDIA

● EUROPE

NEW ADDITIONS THIS YEAR AT MCIE



▲ Bill Forge Mexico Plant



▲ Heavy Duty Flange Automated line at Bill Forge, Bengaluru

SYNERGIES REALISED

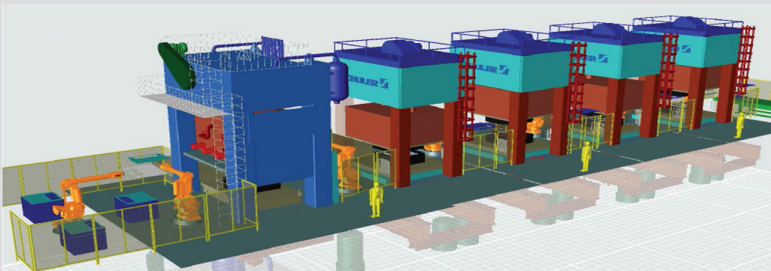
PROJECT OBJECTIVE: Develop capability to manufacture Welded Assembly and complex machined components in MCIE India - **Gears Division**



BENEFITS:

- **Business retention** within MCIE worth **INR 340 Mn**
- Technology transfer and capability building within group company
- A WIN –WIN proposition:
 - MCIE Gears :
 - Revenue growth & **capability improvement**
 - Market opportunity to develop similar programs
 - Metalcastello: Additional programs awarded to Metalcastello
 - Caterpillar: Smooth migration of the program with desired cost reduction

PROJECT OBJECTIVE: In-house Engineering for commissioning of fully automated tandem press line at MCIE India – **Stampings Division**



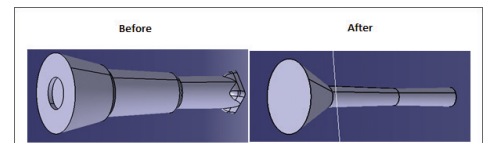
BENEFITS:

- Enhance ability to attract new global customers
- Robust engineering to ensure flawless execution
- Increase in the potential to supply value added parts with improved productivity and better profitability

PROJECT OBJECTIVE: To Launch a Quality and Efficiency improvement plan through collaboration with CIE Experts at MCIE India – **Foundry Division**

BENEFITS:

- **Rejection levels reduced** in complex Si-Mo parts by **50%**
- **Total Savings** accrued by **Rs 1 million/month**
- Yield Improvement actions have saved Rs 1 million/month
- Design optimization and Standard Operating Process defined for New Product Development.



Lined area for notes.