CIE India

SEC/2024/79
23rd May 2024

BSE Limited Corporate Relationship Department, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001. **BSE Scrip Code: 532756**	**National Stock Exchange of India Limited** Corporate Relationship Department, Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. **NSE Scrip Code: CIEINDIA**

Dear Sir/ Madam,

Sub: Annual Report for financial year ended 31st December 2023 including Business Responsibility and Sustainability Report along-with the Notice of the 25th Annual General Meeting

Ref: Regulation 34(1), 34(2) read with Regulation 30 and paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is further to our letters dated 19th February, 2024 and 10th May, 2024, we wish to inform that, the 25th Annual General Meeting (AGM) of the members of CIE Automotive India Limited (the Company) will be held on Thursday, 20th June, 2024 at 3:30 p.m. (IST) through Video Conference (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue, compliance with General Circular Nos. 09/2023 dated 25th September 2023, 10/2022 dated 28th December 2022, 20/2020 dated 5th May 2020, 02/2022 dated 5th May 2022, and other relevant circulars issued by Ministry of Corporate Affairs and other applicable provisions of the Companies Act, 2013 (the Act) and Rules made thereunder. The proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company situated at Suite F9D, Grand Hyatt Plaza (Lobby Level), Off Western Express Highway, Santacruz (E) Mumbai 400055 which shall deemed to be Venue of the AGM. All the Members holding shares as on the cut-off date i.e. Thursday, 13th June, 2024 will be able to attend the AGM through VC/OAVM platform provided by KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company ("RTA"/"KFintech") at https://emeetings.kfintech.com.

Pursuant to Regulation 34(1), 34(2) read with Regulation 30 and paragraph A of Part A of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the following:

1. copy of the Annual Report for the financial year ended 31st December 2023 which *inter- alia* comprises the Standalone and Consolidated Financial Statements of the Company for the

Financial Year ended 31st December 2023 and Report of the Board of Directors and Auditors thereon (the Annual Report);

2. copy of the Notice calling the 25th Annual General Meeting (AGM) inter-alia setting out the Ordinary and Special Businesses to be transacted at the AGM and the explanatory statement thereto (Notice of AGM); and
3. the Business Responsibility and Sustainability Report (BRSR) for the financial year ended 31st December 2023, forms part of the Annual Report.

The Notice of AGM is available on the website of the Company at the web-link: https://www.cie-india.com/periodic-public-information8.html#General-Meetings and the Annual Report is available on the website of the Company at the web-link: https://www.cie-india.com/periodic-public-information8.html#Annual-Reports

Kindly take the same on the record.

Thanking you,
Yours faithfully,
For CIE Automotive India Limited

PANKAJ VIJAY GOYAL Digitally signed by PANKAJ VIJAY GOYAL Date: 2024.05.23 16:29:09 +05'30'

Pankaj Goyal
Company Secretary, Chief Compliance Officer,
and Head- Legal
Membership No.: F13037

Encl.: As above

NOTICE

The **TWENTY FIFTH ANNUAL GENERAL MEETING** of the Members of **CIE AUTOMOTIVE INDIA LIMITED [formerly known as Mahindra CIE Automotive Limited] (the Company)** will be held on Thursday, 20th June, 2024 at 3:30 p.m. (IST) through Video Conference ("VC") / Other Audio Visual Means ("OAVM") without the physical presence of the Members at a common venue, to transact the businesses mentioned below.

The proceedings of the 25th Annual General Meeting ("AGM") shall deemed to be conducted at the Registered Office of the Company situated at Suite F9D, Grand Hyatt Plaza (Lobby Level), Off Western Express Highway, Santacruz (E), Mumbai – 400055 which shall be the deemed venue of the AGM.

ORDINARY BUSINESS

1. Consideration and adoption of the Audited Financial Statements (along-with Audited Consolidated Financial Statements) of the Company for the Financial Year ended 31st December, 2023 along-with the reports of the Board of Directors and Auditors thereon and in this regard to consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st December, 2023 along-with the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. Declaration of Dividend of ₹ 5/- per ordinary Equity Share of the face value of ₹ 10 each for the financial year ended 31st December, 2023 and in this regard to consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** a Dividend of ₹ 5/- (Five rupees only) per Ordinary Equity Share of the face value of ₹ 10 each for the financial year ended 31st December, 2023 as recommended by the Board of Directors be declared and that the said Dividend be distributed out of the accumulated balance of retained earnings representing the accumulated surplus in the profit and loss account as at 31st December, 2023."

3. To re-appoint Mr. Ander Arenaza Alvarez (DIN: 07591785), who retires by rotation and being eligible offers himself for re-appointment, as a director liable to retire by rotation and in this regard to consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Ander Arenaza Alvarez (DIN: 07591785) who retires by rotation at this Annual General Meeting and being eligible for re-appointment, be re-appointed as a Director of the Company, liable to retire by rotation."

4. To re-appoint Mr. Anil Haridass (DIN: 00266080), who retires by rotation and being eligible offers himself for re-appointment, as a Director liable to retire by rotation and in this regard to consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Anil Haridass (DIN: 00266080), who retires by rotation at this Annual General Meeting and being eligible for re-appointment, be re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

5. Ratification of Remuneration to Cost Auditor and in this regard to consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force] and in accordance with the recommendation of the Audit Committee and the Board of Directors of the Company, the Company ratifies the remuneration payable to Messrs. Dhananjay V. Joshi & Associates, Cost Accountants, (Firm Registration Number 000030), appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year ending 31st December, 2024, amounting to ₹ 13,86,000 (Rupees Thirteen Lakhs Eighty Six Thousand Only) plus taxes as may be applicable and reimbursement of such other out of pocket expenses, as may be incurred by them during the course of Audit.

   RESOLVED FURTHER THAT approval of the members is hereby accorded to the Board of Directors of the Company (including any Committee of the Board) to do all such acts, deeds, matters and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this resolution and to settle any questions, difficulties or doubts that may arise in this regard."

6. Approval of material related party transactions of the Company with Mahindra and Mahindra Limited and in this regard to consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to Regulation 23(4) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), as amended from time to time, read with SEBI Master Circular dated 11th July, 2023 and the Company's Policy on materiality of and dealing with related party transactions, and in accordance with the omnibus approval of the Audit Committee and recommendation of the Board, approval of the members be and is hereby accorded to material related party transactions of the Company with Mahindra and Mahindra Limited, which inter-alia are in the nature of sale, purchase or supply of goods or materials, availing or rendering of services, payment or receipt of interest for delayed or advance payments, leasing/renting of property of any kind and paying/receiving the lease or rent or giving/receiving the security deposit for such property, selling or otherwise disposing off or buying property of any kind including plant and equipment, reimbursements to be made or received ("Transactions"), entered into or to be entered into in ordinary course business and on arm's length basis, which taken together during a financial year may exceed 10% of the Consolidated Turnover of the Company, provided that aggregate amount of all such Transactions taken together during a Financial Year shall not exceed ₹ 23,000 Million (Rupees Twenty Three Thousand Million).

RESOLVED FURTHER THAT in accordance with the omnibus approval of the Audit Committee and the recommendation of the Board, the approval of members be and is hereby accorded to Related Party Transactions of the Company with Mahindra and Mahindra Limited which may be entered into by the Company, where the need for related party transaction cannot be foreseen and requisite details are not available, provided that value of such transaction does not exceed ₹ 10 million per transaction provided that the aggregate value of such transactions taken together with the Transactions during a Financial Year in aggregate shall be within the aforesaid limits of ₹ 23,000 Million (Rupees Twenty Three Thousand Million).

RESOLVED FURTHER THAT approval of the members be and is hereby accorded to the Board of Directors of the Company (which includes any Committee of the Board) to do all necessary acts, deeds, things and execute all such documents, undertakings as may be necessary in this regard from time to time to give effect to this resolution."

7. Approval of material related party transactions of CIE Galfor SA with CIE Automotive SA and in this regard to consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

"**RESOLVED THAT** pursuant to Regulation 23(4) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations"), as amended from time to time, read with SEBI Master Circular dated 11th July 2023 and the Company's Policy on materiality of and dealing with related party transactions and in accordance with the omnibus approval of the Audit Committee and recommendation of the Board, approval of the members be and is hereby accorded to the material related party transaction(s) of CIE Galfor SA (a wholly-owned subsidiary of the Company) (hereinafter referred to as Galfor) with CIE Automotive SA (ultimate holding Company of the Company) (hereinafter referred to as CIE), which taken together with previous transactions during a financial year may exceed 10% of the Consolidated Turnover of the Company, and which are in the nature of :

i. Cash Pooling Arrangement, provided that:

   a. the aggregate amount of funds transferred by Galfor to CIE's Common Cash Pool Account during a Financial Year, shall not exceed Euro 250,000,000 (Euro Two Hundred Fifty Million) and at any point of time during the Financial Year the maximum amount receivable by Galfor from CIE, shall not exceed Euro 50,000,000 (Euro Fifty Million).

   b. the aggregate of funds drawn by Galfor from CIE's Common Cash Pool Account during a Financial Year shall not exceed 200,000,000 (Euro Two Hundred Million) and at any point of time during the Financial Year the maximum amount payable by Galfor to CIE, shall not exceed Euro 40,000,000 (Euro Forty Million).

   c. the interest payable/receivable if any on the amount involved in the Cash Pooling Arrangement shall be determined, on arm's length basis and shall be calculated on the amount receivable/ payable at the end of each day during a Financial Year.

ii. Rendering or availing of services in ordinary course of business and on arm's length basis ("Transactions") provided that aggregate amount of all the Transactions taken together during a Financial Year shall not exceed Euro 4,000,000 (Euro Four Million).

RESOLVED FURTHER THAT in accordance with the omnibus approval of the Audit Committee and the recommendation of the Board, the approval of members be and is hereby accorded to the transactions to be entered into between Galfor and CIE where the need of the related party transaction could not be foreseen and requisite details are not available, provided that value of such transaction does not exceed ₹ 10,000,000 (Rupees Ten Million) per transaction (equivalent to Euro 121,167) provided further that aggregate value of such transactions taken together with the value of the Transactions during a Financial Year in aggregate shall be within the aforesaid limits for the Transactions of Euro 4,000,000 (Euro Four Million).

RESOLVED FURTHER THAT approval of the members be and is hereby accorded to the Board of Directors of the Company (which includes any Committee of the Board) to do all necessary acts, deeds, things and execute all such documents, undertakings as may be necessary in this regard from time to time to give effect to the above resolution."

8. Re-appointment of Mr. Alan Savio D'Silva Picardo (DIN: 08513835) as Independent Director of the Company to hold the office for a second term of five consecutive years from 29th September, 2024 till 28th September, 2029 and in this regard to consider and, if thought fit, pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) Mr. Alan Savio D'Silva Picardo (DIN: 08513835) who was appointed as an Independent Director of the Company and who holds the said office upto 28th September, 2024 and who meets the criteria of independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and is qualified to be Director of the Company, being so eligible, be re-appointed as an Independent Director of the Company, who shall hold the office of the Independent Director for the second term of five consecutive years with effect from 29th September, 2024 till 28th September, 2029."

9. Re-appointment of Ms. Roxana Meda Inoriza (DIN: 08520545) as Independent Director of the Company to hold the office for a second term of five consecutive years from 29th September, 2024 till 28th September, 2029 and in this regard to consider and, if thought fit, pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), the Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) Ms. Roxana Meda Inoriza (DIN: 08520545) who was appointed as an Independent Director of the Company and who holds the said office upto 28th September, 2024 and who meets the criteria of independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations and is qualified to be Director of the Company, being so eligible, be re-appointed as an Independent Director of the Company, who shall hold the office of the Independent Director for the second term of five consecutive years with effect from 29th September, 2024 till 28th September, 2029."

10. Appointment of Ms. Nuria Gisbert Trejo (DIN: 10607049) as an Independent Director of the Company to hold the office for a term of five consecutive years from 1st July, 2024 till 30th June, 2029 and in this regard to consider and, if thought fit, pass the following resolution as a **Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act), Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force) and in accordance with the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, Ms. Nuria Gisbert Trejo (DIN: 10607049) who meets the criteria of independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations being qualified to be Director of the Company, and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, being so eligible, be appointed as an Independent Director of the Company, to hold office for a term of five consecutive years from 1st July, 2024 till 30th June, 2029."

11. Approval of revision in remuneration payable to Mr. Manoj Mullassery Menon (DIN: 07642469) as Whole-time Director of the Company and in this regard to consider and if thought fit, pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** in partial modification of the ordinary resolution passed by shareholders at the 23rd Annual General Meeting of the Company held on 25th April, 2022 in respect of re-appointment Mr. Manoj Menon (DIN 07642469), as a Whole-time Director (designated as Executive Director) of the Company for a period of 3 (Three) years with effect from 17th October, 2022 and pursuant to provisions of the Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (the Act), read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force, the Articles of Association of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, the approval of the members of the Company, be and is hereby accorded for revision in remuneration payable to Mr. Manoj Mullassery Menon (DIN: 07642469), such that the remuneration (excluding the Stock Appreciation Benefit) payable to Mr. Menon shall not exceed INR 25,000,000 (Rupees twenty five million) per annum by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, during his remaining tenure as the Whole-time Director of the Company from 1st April, 2024 till 16th October, 2025.

RESOLVED FURTHER THAT approval of the members be and is hereby accorded to the Board of Directors of the Company to decide, from time to time, on recommendation of the Nomination and Remuneration Committee of the Company, the salary, perquisites and other allowances and benefits which shall be paid to Mr. Menon subject to condition that the remuneration in aggregate (excluding the Stock Appreciation Benefit) shall not exceed the limit of remuneration of INR 25,000,000 (Rupees twenty five million) per annum as mentioned above.

RESOLVED FURTHER THAT Mr. Menon shall be entitled to Stock Appreciation Benefits in accordance with the Stock Appreciation Benefit Policy of the Company and the amount payable under the Stock Appreciation Benefit Policy shall be over and above the aforesaid limits of INR 25,000,000 (Rupees twenty five million); provided that the aggregate remuneration payable to Mr. Menon along-with remuneration payable to other Whole-time Director(s) or Managing Director(s) of the Company, if any, shall be subject to the overall ceiling of 7% of the net profits of the Company in a financial year or such other limits as may be approved by the members of the Company from time to time."

By Order of the Board of Directors of

CIE Automotive India Limited

Pankaj V. Goyal
Company Secretary & Compliance Officer
Membership No.: F13037

Pune, 2nd May, 2024

Registered Office:
CIE Automotive India Limited
(formerly known as Mahindra CIE Automotive Limited)
CIN: L27100MH1999PLC121285
Suite F9D, Grand Hyatt Plaza (Lobby Level),
Off Western Express Highway, Santacruz (E),
Mumbai - 400055
E-mail: contact.investors@cie-india.com
Website: www.cie-india.com
Tel: +91 22 62411031
Fax: +91 22 62411030

NOTES:

1. In compliance with General Circular No. 20/2020 dated 5th May, 2020, 09/2023 dated 25th September, 2023 and other relevant circulars issued by Ministry of Corporate Affairs, ("MCA Circulars"), and other applicable provisions of the Companies Act, 2013 ("the Act") and Rules made thereunder the 25th Annual General Meeting ("AGM" or "Meeting") of the Company is being conducted through Video Conferencing / Other Audio Visual Means ("VC" / "OAVM") without physical presence of the Members at a common venue. In accordance with the Secretarial Standard-2 on General Meeting issued by the Institute of Company Secretaries of India ("ICSI") read with Guidance/Clarification issued by ICSI, the proceedings of the AGM shall deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the AGM.

2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. However, as the AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, pursuant to Section 113 of the Companies Act, 2013 Institutional / Corporate members (i.e., any Body Corporate) may appoint its representative to attend the AGM on

their behalf and to vote electronically either during the remote e-voting period or during the AGM. For this necessary Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at sbhagwatcs@yahoo.co.in with a copy marked to contact.investors@cie-india.com.

3. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.

4. The Explanatory Statement as required under Section 102 of the Act is annexed hereto. Further, additional information with respect to Item Nos. 3 and 4, pursuant to the Secretarial Standard - 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is also annexed to the Notice of AGM. The Board of Directors have considered and decided to include the Special Businesses as mentioned under Item Nos. from 5 to 11 of the Notice of AGM, as they are unavoidable in nature.

5. **Attending AGM:** All the Members will be provided with a facility to attend the AGM through VC/OAVM facility provided by KFin Technologies Limited, ("KFintech" or "KFin"), the Registrar and Share Transfer Agent of the Company. Kindly refer Note No. 18, 19 (C) and 20 below for detailed instructions for participating in the AGM through VC/OAVM facility. A member logging in into the VC/OAVM facility using the remote e-voting credentials provided by KFin Technologies Limited shall be considered for record of attendance of such member at the AGM and such member attending the AGM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

6. **Remote e-Voting**: The Company is providing facility of remote e-voting during the remote e-voting period to its Members through KFin Technologies Limited, the Registrar and Share Transfer Agent of the Company. Kindly, refer Note No. 18, 19 (A) and 19 (B) below for detailed instructions for remote e-voting.

7. **Voting during the AGM:** Members who are present at the AGM through VC/OAVM facility but have not cast their vote on resolutions through remote e-voting may cast their vote through e-voting during the AGM. Kindly refer Note No. 18 and 19 (C) below for instruction for e-voting during the AGM.

8. The Register of Members and Transfer Book of the Company will be closed from Friday, 14th June, 2024 to Thursday, 20th June, 2024 (both days inclusive) for the purpose of AGM and identifying the members entitled for dividend.

9. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with Rule 18(1) of the Companies (Management and Administration) Rules, 2014 read with the MCA Circulars, the Notice of AGM along-with the Annual Report which inter- alia comprises the Standalone and Consolidated Financial Statements of the Company for the Financial Year ended 31st December, 2023 and Report of the Board of Directors and Auditors thereon ("the Annual Report") is being sent only by email to those Members whose e-mail addresses are registered with the Company/ Depository(ies).

10. Members who wish to obtain printed copies of above-mentioned documents can send a request on contact.investors@cie-india.com. The Notice calling the AGM and the Annual Report is available on the website of the Company at https://www.cie-india.com. The Notice of AGM and Annual Report is also accessible from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The same is also available on the website of KFin Technologies Limited at https://evoting.kfintech.com/

11. All the members whose names are recorded in the Register of Members or in the List of Beneficial Owners maintained by the depositories as on Friday, 17th May, 2024 will be considered for the purpose of sending the Notice of AGM and the Annual Report. However, instructions have been given at Note No. 19 (B) (II) to enable those persons who become members after Friday, 17th May, 2024 to receive the Notice of AGM and the Annual Report.

12. **Submission of questions / queries prior to AGM:**

 a) Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query in relation to items of businesses as set out in the Notice of AGM, are requested to send an email from their registered email address, to the Company Secretary of the Company, on the Company's investor email address: contact.investors@cie-india.com at least 24 hours before the date of the AGM i.e., till 5:00 p.m. (IST) on 19th June, 2024, so as to enable the Management to keep the information ready. Please note that Members' questions will be answered only if they holds shares as on the cut-off date.

 b) Alternatively, shareholders holding shares as on the cut-off date may also visit https://emeetings.kfintech.com/ and login through the user id and password provided in the email received from KFintech/generated as per procedure provided in Note No. 19 (B) (II). On successful login click on the tab "Post Your Queries Here" to post queries/ views/ questions. The window shall be available from Saturday, 15th June, 2024 9:00 a.m. (IST) to Wednesday, 19th June, 2024, 5:00 p.m. (IST).

13. **Speaker Registration before AGM:**

Members of the Company who would like to speak or express their views or ask questions during the AGM needs to register themselves as speaker. For this member holding shares as on the cut-off date should visit https://emeetings.kfintech.com and login through the user id and password provided in the email received from KFintech/ generated as per procedure provided in Note No. 19 (B)(II). On successful login, select 'Speaker Registration' and follow the process as guided on the screen. The window for Speaker Registration shall open from Saturday, 15th June, 2024 9:00 a.m. (IST) to Wednesday, 19th June, 2024 5:00 p.m. (IST), during which the registration must be completed.

Please note that, only those members holding shares as on the cut-off date who have registered themselves as 'Speaker', by following the procedure as mentioned above, shall only be able to speak and express their views/raise queries, during the meeting. If a member is not registered as 'Speaker', such member attending the AGM will be placed under 'listen only' module. **Due to limitations of transmission and coordination during the AGM, the Company may have to dispense with or curtail the Speaker Session, hence shareholders are encouraged to send their questions etc. in advance as provided in Note No. 12 above.**

14. **Procedure for inspection of documents:**

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM i.e. Thursday, 20th June, 2024. Members seeking to inspect such documents can send an email to contact.investors@cie-india.com.

15. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023, Members are provided with the facility to cast their vote electronically on all resolutions set forth in this Notice, through remote e-voting during the remote e-voting period. It is hereby clarified that a Member may vote either through availing the remote-e voting facility or using the facility of e-voting during the AGM at his/her/its discretion, as per the instructions provided herein below.

16. The remote e-voting facility will be available during the following period:

   I. Day, date and time of commencement of remote e-voting: Saturday, 15th June, 2024 at 9:00 a.m. (IST).

   II. Day, date and time of end of remote e-voting beyond which remote e-voting will not be allowed: Wednesday, 19th June, 2024 at 5:00 p.m. (IST)

The remote e-voting will not be allowed beyond the aforesaid date and time and the remote e-voting module shall be disabled upon expiry of aforesaid period.

17. The Company has fixed Thursday, 13th June, 2024 as the **"cut-off date"** for identifying the Members who shall be eligible for participation in the AGM through VC/OAVM facility and voting either through remote e-voting during the remote voting period or through e-voting during the AGM. A person whose name is recorded in the Register of Members or in the List of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to attend the AGM and to vote on the resolutions as set-forth in the Notice. The voting rights of the Members, in respect of remote e-voting or e-voting during the AGM, shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

18. For accessing the remote e-voting platform provided by KFintech and the platform provided for attending the AGM through VC/OAVM (including e-voting during the AGM), the members are provided with the Login ID and Password (Login Credentials) in the following manner:

   a) **For individual shareholders holding shares in demat mode:** The Login Credentials, as provided in the e-mail received from KFintech/ as may be generated as per procedure provided in Note No. 19(B) (II), shall be required for attending the AGM through VC/OAVM and e-voting during the AGM which is integrated with the VC platform. For remote e-voting, such shareholders i.e. Individual Shareholders holding shares in Demat Mode, can use the facility of single login and access the remote e-voting platform from their demat account(s) / website(s) of Depositories / Depository Participants (DPs).

   For further details please refer Note No. 19 (A) and Note No. 19 (C) of this AGM notice.

   b) **For non-individual shareholders holding shares in demat mode and all shareholders holding shares in physical mode:** The Login

Credentials, as provided in the mail received from KFintech as provided in Note No. 19(B)(I) /as may be generated as per procedure provided in Note No. 19(B)(II), are required for remote e-voting during the remote e-voting period as mentioned above and for attending the AGM through VC/OAVM and e-voting during the AGM which is integrated with the VC platform provided by RTA.

For further details please refer Note No. 19 (B) and Note No. 19 (C) of this AGM notice.

19. **Instructions for members for remote e-Voting, e-voting during the AGM and for attending the AGM through VC/OAVM:**

A) Login method for remote e-Voting for Individual shareholders holding Shares in demat mode:

Pursuant to SEBI Master Circular No.: SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023 on "e-Voting facility provided by Listed Companies", all the individual shareholders holding shares in demat mode, may cast their vote electronically through remote e-voting during the remote e-voting period by way of single login credential through their demat accounts / websites of Depositories / Depository Participants (DPs). Individual shareholders holding shares in demat mode, would be able to cast their vote without having to register again with the e-Voting service provider (ESP) (i.e. KFin Technologies Limited). Shareholders are advised to update their mobile number and e-mail ID with their DPs to access remote e-Voting facility.

It is hereby clarified that the facility of login through demat accounts / websites of Depositories / Depository Participants (DPs) is only available for remote e-voting. However, for attending the AGM through VC/OAVM and e-voting during the AGM, the remote e-voting credentials as provided by KFin Technologies Limited will be required and members must follow the detailed procedure as provided in Note No. 19 (C) below.

The procedure to login and accessing remote e-voting platform, as advised by the Depositories, is given below:

Type of shareholders	**Login Method**
Individual Shareholders holding shares in demat mode with NSDL	**1. User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting". IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. **2. User not registered for IDeAS e-Services:** I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in point 1. **3. Alternatively, by directly accessing the e-Voting website of NSDL:** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.

Type of shareholders	Login Method
	IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period. **4.** Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding Shares in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest:** I. Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or URL: www.cdslindia.com II. Login with your registered user id and password. III. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. **2. User not registered for Easi/Easiest:** I. Option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiestRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1. **3. Alternatively, by directly accessing the e-Voting website of CDSL:** I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e., KFintech where the e-voting is in progress.
Individual Shareholder login through their demat accounts/ Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding Shares in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Shares held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-4886 7000
Shares held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no: 1800 22 55 33

B) Login method for remote e-Voting for Shareholders other than Individual shareholders holding shares in demat mode and for all shareholders holding shares in physical mode:

I. In case of Members holding shares as on Friday, 17th May, 2024 and receiving this Notice of AGM by email (in cases where email id of member is registered):

Member will receive an e-mail from KFintech [for Members whose e-mail IDs are registered with the Company/RTA Depositories] which includes details of E-Voting Event Number ("EVEN"), USER ID and password. Kindly follow the following steps:

a. Launch internet browser by typing the URL: https://evoting.kfintech.com.

b. Enter the login credentials (i.e. User ID and password) as mentioned in the email. However, if you are already registered with KFintech for e-voting, you must use your existing User ID and password for casting the vote.

c. In case of physical folio, User ID will be EVEN (E-Voting Event Number) followed by Folio Number. In case of Demat account, User ID will be your DP ID and Client ID.

d. After entering these details appropriately, click on "LOGIN".

e. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

f. You need to login again with the new credentials.

g. On successful login, the system will prompt you to select the "EVENT" of "CIE Automotive India Limited ".

h. On the voting page, the item as mentioned in the Notice of AGM shall be listed.

i. Voting has to be done separately for each folio/demat accounts.

j. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as on the Cut-off date for the voting. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

k. You may then cast your vote by selecting an appropriate option and click on "Submit".

l. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).

m. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: sbhagwatcs@yahoo.co.in copy to evoting@kfintech.com. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the format "Corporate Name_ EVENT NO."

II. In case the persons who become member of the Company after Friday 17th May, 2024 and holding shares as on the Cut- off Date:

Any person who acquires Shares of the Company and becomes Member of the Company after Friday, 17th May, 2024 being the date reckoned for sending the AGM Notice & Annual Report and who holds/continue to hold shares as on the cut-off date i.e. Thursday, 13th June, 2023, may obtain their User Id and password in the manner as mentioned below:

a. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399.

- ➢ Example for NSDL:

  MYEPWD <SPACE> IN12345612345678

- ➢ Example for CDSL:

  MYEPWD <SPACE> 1402345612345678

- ➢ Example for Physical:

  MYEPWD <SPACE> XXXX1234567890

b. **If e-mail address or mobile number of the member is registered against Folio No. / DP ID- Client ID**, then on the home page of https://evoting.kfintech.com the member may click "Forgot Password" and enter Folio No. or DP ID-Client ID and PAN to generate a password.

c. **Members whose email addresses and mobile numbers are not registered must follow the process below:**

- First register the same by following the procedure mentioned below:
- **Physical Holding:** Send relevant documents to the RTA along-with duly filled 'Form ISR 1' (please see detailed instructions in Note No. 31 to Note No. 34 regarding updation of KYC details)
- **Demat Holding:** By contacting respective Depository Participant ("DP") and registering e-mail address and mobile number in demat account, as per the process advised by the DP.
- Upon updation of Mobile Number and/or e-mail ID, the shareholders may generate the password by using any of the method mentioned in (II) above to reset/generate the password.

Once the password is received/retrieved by the shareholder, you may kindly follow the instructions as mentioned under Note No. 19 (B) (I) above and cast vote by remote e-voting.

C) Login Method for attending the AGM through VC/OAVM and e-voting during the AGM for all shareholders including the individual shareholders holding shares in Demat Mode:

I. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members can access the VC / OAVM platform at https://emeetings.kfintech.com/

II. For attending the AGM all the shareholders (including the individual shareholders holding shares in Demat Mode) need to use the remote e-voting login credentials as provided by KFintech/Company.

III. The remote e-voting credentials will either be received through email from the Company/KFintech (as mentioned in Note No. 19 (B)(I)) or can be generated or retrieved by following the procedure as mentioned in Note No. 19 (B)(II).

IV. After logging in, using the remote e-voting credentials provided by Company/KFintech, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting.

V. Members attending the AGM through VC/OAVM and who have not already cast their vote by remote e-Voting shall be able to cast their vote electronically during the AGM (e-voting) when window for e-voting is activated.

VI. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. For voting, an icon will appear on your screen, once the voting is activated. You will be re-directed to voting page once you click on the icon. You can continue to be part of the meeting while you cast your vote. The shareholders shall be guided on the process during the AGM.

VII. Members who have voted through Remote e-Voting will be eligible to attend the AGM, however, they shall not be allowed to cast their vote again during the AGM.

20. **Instructions for all the shareholders, for attending the AGM of the Company through VC/OAVM:**

a. Members can join the AGM through VC/OAVM facility 30 minutes before the scheduled time of the commencement of the AGM by following the procedure mentioned at Note No. 19 (C) above in the Notice, and this mode will be available throughout the proceedings of the AGM.

b. As per the MCA Circular, up to 2,000 members will be able to join the AGM through VC/OAVM facility on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

c. Members will be required to grant access to the web-cam, if they intend to speak at the AGM and have registered as 'Speaker Shareholder' (kindly refer Note No. 13 for registration as Speaker Shareholder.)

d. Members may join the Meeting through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of any of Google Chrome, Safari, Internet Explorer 11, MS Edge or Firefox browsers. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches. Members are encouraged to join the Meeting through Laptops with latest version of Google Chrome for better experience.

e. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

f. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

g. In case of any query and/or help, in respect of attending AGM through VC/OAVM mode, Members may refer to the Help & Frequently Asked Questions (FAQs) and 'AGM VC/OAVM' user manual available at the download Section of https://emeetings.kfintech.com/ or contact at contact.investors@cie-india.com or KFin's toll free No.: 1800-3454-001 for any further clarifications or can email queries to evoting@kfintech.com or contact.investors@cie-india.com.

21. **Details of Scrutinizer:**

Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No.: ACS 10189) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer's decision on the validity of the vote shall be final.

22. Once the vote on a resolution stated in this notice is cast by a Members through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the AGM, however such Member shall not be allowed to vote again during the AGM.

23. The Scrutinizer after scrutinising the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the AGM to the Chairman of the

Company or a person authorised by him in writing, who shall countersign the same.

24. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e., https://www.cie-india.com/periodic-public-information8.html#General-Meetings and on the website of KFin Technologies Limited i.e., https://evoting.kfintech.com/ the results shall simultaneously be communicated to BSE Limited and the National Stock Exchange of India Limited. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

25. The Resolutions shall be deemed to be passed at the Registered Office of the Company on the date of the AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

26. **Details of persons to be contacted for any queries/issues:**

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available in the download section of https://evoting.kfintech.com or call on KFintech's toll free number 1800-3454- 001 or can send email to evoting@kfintech.com Any grievances connected with the remote e-voting, attending the e-AGM through video conferencing or e-voting during the AGM may be addressed to Mr. Premkumar Maruturi, Senior Manager - Corporate Registry, KFin Technologies Limited, Unit: CIE Automotive India Limited, Selenium Tower B, Plot 31- 32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Contact No. 040 - 6716 22 22/1518, E-mail: einward.ris@kfintech.com. The grievances can also be addressed to Mr. Pankaj Goyal, Company Secretary and Compliance Officer of the Company by sending e-mail to contact.investors@cie-india.com

Individual Shareholders holding shares in demat mode for any technical issues related to login through Depository i.e., NSDL may contact the helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 022-48867000.

Individual Shareholders holding shares in demat mode for any technical issues related to login through Depository i.e., CDSL may contact the helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

27. **DIVIDEND**

The dividend, as recommended by the Board of Directors, if approved at the AGM, would be paid subject to deduction of tax at source, as may be applicable, on or after 24th June, 2024, to those members or their mandates:

- whose names appear as Beneficial Owners as per the data made available by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form at the close of business hours on 13th June, 2024; and
- whose names appear as Members in respect of shares held in Physical Form as per the Register of Members of the Company on the close of business hours 13th June, 2024.

28. **ELECTRONIC CREDIT OF DIVIDEND**

SEBI has made it mandatory for all companies to use the bank account details furnished by the Depositories and the bank account details maintained by the Registrar and Share Transfer Agents for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/National Electronic Fund Transfer (NEFT)/ Real Time Gross Settlement (RTGS)/Direct Credit, etc.

As directed by SEBI, the Members holding shares in physical form are requested to submit duly filled in form ISR 1 inter-alia with the original cancelled cheque in the manner as provided in Note No. 34 herein below to KFintech to update their KYC details.

Members holding shares in demat form are requested to update their bank account details with their respective Depository Participant. The Company or KFintech cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants by the Members. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode.

Members are requested to ensure that their bank account details in their respective demat accounts are updated, to enable the Company to provide timely credit of dividend in their bank accounts.

Kindly note that pursuant to the SEBI Master Circular No.: SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17th May, 2023 read with SEBI Circular SEBI/HO/MIRSD/POD-1/P/CIE/2023/181 dated 17th November 2023, w.e.f. 1st April, 2024, the Dividend will be paid only through Electronic mode to the Members who have updated their KYC details (including bank account details) against their demat account/folios. In the absence of KYC details, the Company shall withheld dividend till the date of Updation of KYC details and the said dividend payment shall be made through Electronic Mode only upon complying with the requirements of updation of KYC as provided in the aforesaid SEBI Circulars. You may also refer to the FAQ issued by the SEBI by accessing the link: https://www.sebi.gov.in/sebi_data/faqfiles/jan-2024/1704433843359.pdf (FAQ No.: 38 & 39).

29. **TDS ON DIVIDEND**

Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income has become taxable in the hands of shareholders with effect from 1st April, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, shareholders are requested to refer to the Finance Act, 2021 and amendments thereof. Shareholders are requested to update their Permanent Account Number ("PAN") with the Company/KFin (in case of shares held in physical mode) and depositories (in case of shares held in demat mode) on or before Thursday, 13th June, 2024.

For Resident Shareholders: Tax shall be deducted at source under Section 194 of the Income-tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the Financial Year 2024 (FY 2024-25 as per Income Tax Act, 1961) provided a valid PAN is provided by the shareholder. If PAN is not submitted/ PAN is invalid, TDS would be deducted @ 20% as per section 206AA of the Income-tax Act, 1961.

a) For Resident Individual: No TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2024-25 does not exceed ₹ 5,000/-

Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm) / Form 15H (applicable to an Individual above the age of 60 years), no tax at source shall be deducted provided that the eligibility conditions are being met.

Further, if a shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company, tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

Needless to say, PAN is mandatory. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

As per Section 139AA(2) of the Act read with Rule 114AAA of the Income tax Rules, 1962, currently, PAN is mandatorily required to be linked with Aadhaar. If not so linked, such PAN will be deemed inoperative and tax at source will be required to be deducted at higher rates under section 206AA of the Act.

b) For Resident Non-Individual: No tax shall be deducted on the dividend payable to the following resident non-individuals where they provide relevant details and documents:

i. Insurance Companies: Self declaration that it qualifies as 'Insurer' as per section 2(7A) of the Insurance Act, 1938 and has full beneficial interest with respect to the ordinary shares owned by it along with self-attested copy of PAN card and certificate of registration with Insurance Regulatory and Development Authority (IRDA)/ LIC/ GIC.

ii. Mutual Funds: Self-declaration that it is registered with SEBI and is notified under section 10 (23D) of the Income-tax Act, 1961 along with self-attested copy of PAN card and certificate of registration with SEBI.

iii. Alternative Investment Fund (AIF): Self-declaration that its income is exempt under section 10 (23FBA) of the Income-tax Act, 1961 and they are registered with SEBI as Category I or Category II AIF along-with self-attested copy of the PAN card and certificate of AIF registration with SEBI.

iv. National Pension Scheme (NPS): Self-declaration that it is exempt under section 10(44) of the Income-tax Act, 1961 along with self-attested copy of the PAN card.

v. Other Non-Individual shareholders: Self-attested copy of documentary evidence supporting the exemption along with self-attested copy of PAN card.

Please note that Section 206AB has been introduced by the Finance Act, 2021 effective 1st July, 2021, whereby in case a person has not filed Return of Income for the previous year immediately preceding the financial year in which tax is required to be deducted for which the due date of filing return of income is expired and the aggregate tax deducted at source or tax collected at source is more than ₹ 5,000/- TDS will be higher of the following:

a) Twice the rate specified in the relevant provision of the Income- tax Act, 1961; or

b) Twice the rate or rates in force; or

c) The rate of five per cent.

The non-resident who does not have the permanent establishment is excluded from the scope of a "specified person" i.e., levy of higher TDS under section 206AB of Income-tax Act, 1961.

c) **For Non-resident Shareholders**: Taxes are required to be deducted in accordance with the provisions of Section 195 of the Income-tax Act, 1961 at the applicable rates in force. As per the relevant provisions of Section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of GDRs and Foreign Portfolio Investors ("FPI")/ Foreign Institutional Investors ("FII"), the withholding tax shall be as per the rates specified in section 196C and 196D of the Income-tax Act, 1961 respectively plus applicable surcharge and cess on the amount of Dividend payable to them.

However, as per Section 90 read with Section 195 of the Income-tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") read with applicable Multilateral Instrument ('MLI') between India and the country of tax residence of the shareholder, if they are more beneficial to them.

For this purpose, i.e., to avail the DTAA benefits, **the non-resident shareholder** will have to provide the following:

a. Self-attested true copy of Tax Residency Certificate ("TRC") obtained from the tax authorities of the country of which the shareholder is resident for the FY 2024-25;

b. Self attested acknowledged copy of Form 10F electronically filed on the Indian Income tax portal;

c. Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities;

d. Self-declaration to be provided under Rule 37BC(2) of the Income Tax Rules, 1962;

e. Self-declaration in the format prescribed by the Company, certifying the following points:

    I. Shareholder is and will continue to remain a tax resident of the country of its residence during the FY 2024-25;

    II. Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company;

    III. Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;

    IV. Shareholder does not have a taxable presence or a Permanent Establishment ("PE") in India during the FY 2024-25. In any case, the amounts paid/payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise;

    V. Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and

    VI. Self-declaration by the shareholder regarding the satisfaction of the place of effective management (POEM), principal purpose test, GAAR, Simplified Limitation of Benefit test (wherever applicable), as regards the eligibility to claim recourse to concerned Double Taxation Avoidance Agreements.

f. In case of FPI/FII, copy of SEBI Registration certificate:

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident shareholder.

Members may submit the aforementioned documents at https://ris.kfintech.com/form15/forms.aspx?q=0 on or before Monday, 17th June, 2024 in order to enable the Company to determine and deduct appropriate tax. No communication on the tax determination / deduction shall be entertained post Monday, 17th June, 2024. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible.

The above referred documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the Act.

In addition to the above, please note the following:

I. In case you hold shares under multiple accounts under different status / category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.

II. In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.

III. For deduction of tax at source, the Company would be relying on the above data shared by KFintech as updated up to the record date

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the aforementioned details/ documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information/ documents and co-operation in any appellate proceedings.

The Company shall arrange to email the soft copy of TDS certificate to the Shareholders at the registered email ID in due course, post payment of the said Dividend. The said certificate can also be viewed in Form 26AS at TRACES https://www.tdscpc.gov.in/app/login.xhtml or the website of the Income Tax department of India https://www.incometax.gov.in/home.

For further details and formats of declaration, please refer FAQs on Dividend Distribution which are available on the Company's website at www.cie-india.com.

GENERAL INSTRUCTIONS AND INFORMATION FOR SHAREHOLDERS

30. Pursuant to the Integrated scheme and the Composites scheme of Amalgamation Mahindra Ugine Steel Company Limited (MUSCO) and Mahindra Composites Limited (MCL) merged with the Company, both MUSCO and MCL had unclaimed dividends which were transferred in the Books of the Company. Pursuant to the provisions of section 124 of the Companies Act, 2013 and the Companies (Declaration and Payment of Dividend) Rules, 2014, the Company has already transferred the entire unclaimed dividend pertaining to MUSCO and MCL which was transferred in the books of the Company to Investor Education Protection Fund. No claim lies against the Company in respect of these dividends.

Further, pursuant to the Integrated scheme and the Composites scheme, the fractional entitlement of the member(s) of the Transferor Companies were consolidated and equity shares arising out of such consolidation were allotted to a Trustee who in turn had sold said shares in the open market at the prevailing market prices and transferred the net sale proceeds thereof to the Company and the Company had in turn distributed the said proceeds to respective members in the ratio of their fractional entitlements by permitted mode. The Period of seven years was completed on 14th February, 2022 and the Company has transferred such unclaimed fractional entitlement to IEPF in due course of time and therefore no claim lies against the Company in respect of these unclaimed fractional entitlements.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as may be amended from time to time, the Company has uploaded the details of said unpaid and unclaimed amounts transferred to IEPF by the Company on its website at https://www.cie-india.com/periodic-public-information8.html#IEPF and also on the website of IEPF viz. www.iepf.gov.in.

The Members whose dividend/fractional entitlement is transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority http://iepf.gov.in/IEPFA/refund.html.

31. We draw your attention to the SEBI Master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023 read with circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/158 dated September 26, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023, whereby SEBI has mandated the following:

a. furnishing of PAN, nomination / declaration to opt-out of nomination, contact details (i.e. present postal address with PIN code, email address, mobile number), bank account details and specimen signature by holders of physical securities;

b. any service request and complaint shall be entertained only upon registration of the PAN, KYC and nomination documents / details as stated above;

c. to ensure that your PAN was linked to Aadhaar by June 30, 2023 or any other date as may be specified by the Central Board of Direct Taxes.

You are requested to forward the duly filled in Form ISR-1, Form ISR-2 and Form SH-13/Form ISR-3 along with the related proofs as mentioned in the respective forms as the earliest. Kindly refer Note No. 32 to 35 hereinunder.

Issuance of Securities in dematerialized form in case of Investor Service Requests:

32. We would further like to draw your attention to SEBI Master circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated May 17, 2023. Accordingly, while processing service requests in relation to; 1) Issue of duplicate securities certificate; 2) Claim from Unclaimed Suspense Account and Suspense Escrow Demat Account; 3) Replacement / Renewal / Exchange of securities certificate; 4) Endorsement; 5) Sub-division / Splitting of securities certificate; 6) Consolidation of securities certificates/folios; 7) Change in name of the holder; 8) Transposition and 9) Transmission, the Company shall issue securities only in dematerialised form. For processing any of the aforesaid service requests the securities holder/ claimant shall submit duly filled up Form ISR-4/ISR-5.

33. We hereby request to holders of physical securities to furnish the documents/details, as per the table below for respective service request, to the Registrars & Share Transfer Agents i.e., M/s. KFin Technologies Limited:

Sr. No.	Particulars	Please furnish details in
1	PAN	Form No.: ISR-1
2	Address with PIN Code	
3	Email address (Optional w.e.f. 1st April, 2023)	
4	Mobile Number	
5	Bank account details (Bank name and Branch, Bank account number, IFS Code)	
6	Demat Account Number	
7	Specimen Signature	Form No.: ISR-2
8	Nominee details	Form No.: SH-13
9	Declaration to opt out nomination	Form No.:ISR-3
10	Cancellation or Variation of Nomination	Form No.: SH-14
11	Request for issue of Securities in dematerialized form in case of below: i. Issue of duplicate securities certificate ii. Claim from Unclaimed Suspense Account & Suspense Escrow Demat Account iii. Replacement/Renewal / Exchange of securities certificate iv. Endorsement v. Sub-division / Splitting of securities certificate vi. Consolidation of securities certificates/folios vii. Transposition viii. Change in the name of the holder	Form No.: ISR-4
12	Transmission	Form No.: ISR-5

A member needs to submit Form ISR-1 for updating PAN and other KYC details to the RTA of the Company. Member(s) may submit Form SH-13 to file Nomination. However, in case a Member do not wish to file nomination 'declaration to Opt-out' in Form ISR-3 shall be submitted.

In case of major mismatch in the signature of the members(s) as available in the folio with the RTA and the present signature or if the signature is not available with the RTA, then the member(s) shall be required to furnish Banker's attestation of the signature as per Form ISR-2 along-with the documents specified therein. Hence, it is advisable that the members send the Form ISR-2 along-with the Form ISR-1 for updating of the KYC Details or Nomination.

All the aforesaid forms can be downloaded from the website of the Company at: https://www.cie-india.com/investors-faqs1.html and from the website of the RTA at https://ris.kfintech.com/clientservices/isc/.

34. **Mode of submission of form(s) and documents**

Submitting Hard copy through Post/Courier etc.

a) Members can forward the hard copies of duly filled-in and signed form(s) along with self-attested and dated copies of relevant documentary proofs as mentioned in the respective forms, to the following address:

KFin Technologies Limited,

Unit: CIE Automotive India Limited

Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032

b) Through Electronic Mode with e-sign

In case members have registered their email address, they may send the scan soft copies of the form(s) along with the relevant documents, duly e-signed, from their registered email id to einward.ris@kfintech.com or upload KYC documents with e-sign on RTA's website at the link: https://kprism.kfintech.com/.

c) Submitting Hard copy at the office of the RTA

The form(s) along-with copies of necessary documents can be submitted by the securities holder (s) / claimant (s) in person at RTA's office. For this, the securities holder/claimant should carry Original Documents against which copies thereof shall be verified by the authorized person of the RTA and copy(ies) of such documents with IPV(In Person Verification) stamping with date and initials shall be retained for processing.

Mandatory Self-attestation of the documents

Please note that, each page of the documents that are submitted in hard copy must be self-attested by the holder. In case the documents are submitted in electronic mode then the same should be furnished with e-sign of scan copies of the documents.

E-Sign

E-Sign is an integrated service which facilitates issuing a Digital Signature Certificate and performing signing of requested data by eSign user. The holder/claimant may approach any of the empanelled eSign Service Provider, details of which are available on the website of Controller of Certifying Authorities (CCA), Ministry of Communications and Information Technology (https://cca.gov.in/) for the purpose of obtaining an e-sign.

35. The members holding shares in demat are requested to update with respective Depository Participant, changes, if any, in their registered addresses, mobile number, Bank Account details, e-mail address and nomination details.

Additional information pursuant to the Secretarial Standard - 2 on General Meetings and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 / Explanatory Statement in respect of the Special Businesses pursuant to Section 102 of the Companies Act, 2013

Item No. 3

Mr. Ander Arenaza Alvarez (DIN: 07591785), Executive Director of the Company, is liable to retire by rotation and being eligible, have offered himself for re-appointment.

Mr. Arenaza was first appointed as an Additional Director of the Company with effect from 13th September, 2016 and as Director, liable to retire by rotation at the 18th Annual General Meeting of the Company held on 27th April, 2017. Mr. Arenaza had retired by rotation and was re-appointed by the members of the Company at the 23rd Annual General Meeting of the Company held on 25th April, 2022.

Mr. Arenaza has also been appointed as the Whole-time Director (designated as Executive Director) of the Company since 13th September 2016 and his current term as the Whole-time Director of the Company, as approved by the members at the 23rd Annual General Meeting of the Company held on 25th April, 2022, is from 13th September, 2022 till 12th September, 2025. Mr. Arenaza is the head of the management of the Company and is the whole-time key managerial person in accordance with the provisions of Section 203(1)(i) of the Companies Act, 2013 (the Act).

In view of the changes in the Organizational Structure, the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, redesignated Mr. Ander Arenaza as "Executive Director and Group CEO" and appointed him as 'Chief Executive Officer' of the Company under Section 203(1)(i) of the Companies Act, 2013 w.e.f. 2nd May, 2024. There are no changes in the terms of appointment of Mr. Arenaza as the Whole-time Director of the Company in the current term.

Brief profile of Mr. Arenaza including the nature of expertise in specific functional area

Mr. Arenaza, 55, holds degree in Industrial Engineering (Industrial Engineering School of Bilbao) and a master's in business administration (MBA) from Deusto University (Bilbao).

Mr. Arenaza has more than 30 years' of experience in the automotive sector and, prior to joining CIE Automotive in 2007, he held relevant positions in different automotive companies. Within CIE Automotive Group, Mr. Arenaza has led Machining and Aluminum HPDC Divisions worldwide with an extensive international development. In 2016, he was appointed as the Executive Director of the Company and has been leading Company and its subsidiaries Businesses in India and Europe.

Directorships and Committee positions

As on the date of this notice, Mr. Arenaza holds Directorship in CIE Aluminium Casting India Limited, wholly-owned subsidiary of the Company. Further, he neither holds Directorships in any listed entity other than the Company nor holds any committee positions in Audit Committee or Stakeholders Relationships Committee in any public company including the Company. He is a member of Risk Management Committee of the Company. Further, he has not resigned from any other listed entity in past 3 years.

Further, he holds Directorships in the subsidiaries and fellow subsidiaries of the Company incorporated outside India namely Metalcastello S.p.A., CIE Newcor, CIE Somaschini, CIE Recyde, Nova Recyd A.U., Componentes de Automocion Recytec S.L.U., Gameko fabricacion de componentes S.A., CIE Praga Louny A.S., CIE Zdanice S.R.O., Componentes de Dirección Recylan S.L.U., CIE Mecauto S.A.U., CIE Mecasur, CIE Compiegne S.A.S., CIE Mar SK, CIE Denat, Industrias Amaya Telleria S.A.U., CIE Automotive Goiain S.L.U., CIE Alcasting, Inyectametal, S.A., CIE Vilanova, CIE Matricon, CIE Rus.

Attendance at Board Meeting during the previous financial year

During the financial year ended on 31st December 2023, 7 (seven) Board Meetings of the Company were held and Mr. Arenaza attended all the meetings.

Remuneration drawn in the previous financial year and Shareholding

Mr. Arenaza does not hold any shares in the Company and is not related to any Director of the Company. Mr. Arenaza was paid an aggregate remuneration, including the perquisites, of INR 2.29 Million in Financial Year ended 31st December, 2023. Mr. Arenaza received appropriate compensation from CIE Automotive S.A., the ultimate holding company of the Company, for those of his responsibilities pertaining to CIE group and the Company continues to benefit from the resultant synergy.

Mr. Arenaza is not disqualified from being appointed as Director in terms of Section 164 of the Act and he is not restrained from holding position of director in any company by virtue of any order of SEBI or any such authority.

Apart from Mr. Arenaza, who would be interested in his re-appointment and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution as set-out in item no. 3 of the Notice. None of the Directors and Key Managerial Personnel of the Company are inter-se related.

Accordingly, the Board recommends the Resolution as set out at Item No. 3 of this Notice for approval of the Members as an Ordinary Resolution.

Item No. 4

Mr. Anil Haridass (DIN: 00266080), Non-executive Director of the Company is liable to retire by rotation and being eligible, have offered himself for re-appointment.

Mr. Anil Haridass was first appointed as an Additional Director of the Company with effect from 10th December, 2019 and as Director liable to retire by rotation at the 21st Annual General Meeting of the Company held on 25th June, 2020. Mr. Anil Haridass had retired by rotation and was re-appointed by the members of the Company at the 23rd Annual General Meeting of the Company held on 25th April, 2022.

Brief profile of Mr. Haridass including the nature of expertise in specific functional area

Mr. Haridass, 65, is Graduate in Metallurgical Engineering from PSG College of Technology, University of Madras. Mr. Haridass has more than thirty-eight years of experience in the automotive segment with setting up Bill Forge Private Limited (Bill Forge) in 1982 (an erstwhile wholly-owned subsidiary of the Company which is now merged with the Company). He has been with Bill Forge from its very inception and under his leadership, Bill Forge witnessed sustained growth. Mr. Haridass was primarily involved with the marketing and new product development footprint of Bill Forge. Bill Forge served many customers within India and overseas including the US, Mexico, Europe, Asia and Japan. He has also been actively involved with bodies such as the Automotive Component Manufacturers Association of India, Association of Indian Forging Industry and the International Cold Forging Group.

Directorships and Committee positions

As on the date of this notice, Mr. Haridass holds directorship in BF Precision Private Limited (a company under voluntary liquidation) and CIE Hosur Limited, both are the wholly-owned subsidiaries of the Company. Further, he neither holds Directorships in any listed entity other than the Company nor holds any committee positions in Audit Committee or Stakeholders Relationships Committee in any public company including the Company. He is a member of Corporate Social Responsibility Committee of the Company. Further, he has not resigned from any other listed entity in past 3 years.

Attendance at Board Meetings during the previous financial year

During the financial year ended on 31st December, 2023, 7 (Seven) Board Meetings of the Company were held and Mr. Haridass had attended 6 (six) board meetings.

Remuneration drawn in the previous financial year and Shareholding

The members of the Company at the 23rd Annual General Meeting held on 25th April, 2022 had approved payment of remuneration of INR 2.5 million per annum by way of a monthly or quarterly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, to Mr. Anil Haridass (DIN: 00266080) as the Non-Executive Director of the Company for the period of three years from 23rd February, 2022 to 22nd February, 2025.

Mr. Haridass was paid an aggregate remuneration, of INR 2.5 million in the Financial Year ended 31st December, 2023 as the Non-Executive Director of the Company.

Mr. Haridass is not disqualified from being appointed as Director in terms of Section 164 of the Act and he is not restrained from holding position of director in any company by virtue of any order of SEBI or any such authority.

Mr. Haridass together with his relatives holds 3,248,530 Equity Shares of the Company aggregating to 0.86% of the paid-up equity of the Company as on the date of this Notice.

Apart from Mr. Haridass, who would be interested in his re-appointment and his relatives to the extent of their shareholding interest, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution as set out at item No. 4 of this Notice. None of the Directors and Key Managerial Personnel of the Company are inter-se related.

Accordingly, the Board recommends the Resolution as set out at Item No. 4 of this Notice for approval of the Members as an Ordinary Resolution.

Item No. 5

The Board of Directors, at their Meeting held on 19th February, 2024, on the recommendation of the Audit Committee, approved the re-appointment of M/s. Dhananjay V. Joshi & Associates, Cost Accountants, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending 31st December, 2024, at a remuneration of ₹ 13,86,000 (Rupees Thirteen Lakhs Eighty Six Thousand Only) plus taxes as may be applicable and reimbursement of such other out of pocket expenses, as may be incurred by them during the course of Audit.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Members are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, the Members of the Company are requested to ratify remuneration payable to the Cost Auditors for conducting the Audit of Cost records, for the Financial Year ending 31st December, 2024.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this item.

Accordingly, the Board recommends the Resolution as set out at Item No. 5 of this Notice for approval of the Members as an Ordinary Resolution.

Item No. 6

The Company enters into various transactions with Mahindra and Mahindra Limited (M&M), a related party of the Company, which *inter-alia* are in the nature of sale, purchase or supply of goods or materials, availing or rendering of services, payment or receipt of interest for delayed or advance payments, leasing/renting of property of any kind and paying/receiving the lease or rent or giving/receiving security deposit for such property, selling or otherwise disposing off or buying property of any kind including plant and equipment, reimbursements to be made or received ("Transactions"). All the Transactions with M&M are in the Ordinary Course of Company's business and are at Arm's Length basis.

In accordance with the Regulation 23(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") all related party transactions and subsequent material modifications requires prior approval of the Audit Committee. Further as per Regulation 23(4) of the Listing Regulations, all material related party transactions and subsequent material modifications shall require prior approval of the shareholders through resolution.

Pursuant to Regulation 23 of Listing Regulations, a transaction with a Related Party, undertaken by the listed entity and any of its subsidiaries, shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000 crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower ("materiality threshold").

The aggregate value of the Transactions of the Company with M&M in a financial year exceeds the Materiality Threshold.

In accordance with Regulation 23(4) of the Listing Regulations, the Members of the Company by a resolution passed at the 24th Annual General Meeting held on 9th June, 2023 had approved material related party transactions of the Company with M&M for an aggregate amount not exceeding INR 22,000 Million (Rupees Twenty Two Thousand Million) in a financial year.

In accordance with SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023, which superseded earlier circular issued in this regards, the said approval of the members is valid upto this 25th Annual General Meeting of the Company.

In view of the above, approval of the members of the Company is being sought for the Material Related Party transaction entered into or to be entered into by the Company during a financial year with M&M, the aggregate value of which exceeds the materiality threshold of the Company.

Information required vide SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023 is as below:

Particulars	**Remarks**
Name of the related party;	Mahindra and Mahindra Limited ("M&M")
Name of the director or key managerial personnel who is related, if any;	None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise, in the proposed transactions. However, Mr. Shriprakash Shukla, Director of the Company may be concerned or interested in the proposed transactions to the extent of his employment or the number of share held by him in M&M.
Nature of relationship;	Mahindra and Mahindra Limited (M&M) is an Entity exercising significant influence over CIE Automotive S.A. the Ultimate Holding Company of the Company.
Nature, material terms, monetary value and particulars of the contract or arrangements;	Transactions are in the nature of sale, purchase or supply of goods or materials, availing or rendering of services, payment or receipt of interest for delayed or advance payments, leasing/renting of property of any kind and paying/receiving the lease or rent or giving/receiving the security deposit for such property, selling or otherwise disposing off or buying property of any kind including plant and equipment, reimbursements to be made or received. All the transactions are on arm's length basis and in the ordinary course of business.

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Subject to the approval of the members of the Company, the Audit Committee at its meeting held on 12th December, 2023 has granted its omnibus approval to the related party transaction with M&M, to be entered into during 1st January, 2024 to 31st December, 2024 as per below details:
<table>
<tr><th>Particulars</th><th>₹ in Million</th></tr>
<tr><td>Sale of goods</td><td>22,000</td></tr>
<tr><td>Purchase of fixed assets</td><td>15</td></tr>
<tr><td>Purchase of goods</td><td>30</td></tr>
<tr><td>Rent Paid & other services</td><td>40</td></tr>
<tr><td>Purchase of Service</td><td>20</td></tr>
<tr><td>payment or receipt of interest for delayed or advance payments</td><td>50</td></tr>
</table>
The transactions to be entered into by the Company with M&M upto 20nd June, 2024 shall be within the approval limits granted by the shareholders vide their resolution dated 9th June, 2023 i.e. the same shall not exceed INR 22,000 Million.
Further, the Audit Committee have accorded its omnibus approval to transactions where the need for related party transaction cannot be foreseen, and requisite details are not available, subject to the value of such transaction does not exceed rupees one crore per transaction.
The Audit Committee, at their meeting held on 19th February, 2024 considered the matter of seeking shareholders' approval to the Material Related Party Transactions and approved to keep the same terms of the shareholders' approval as sought in the previous year, with the only change that the maximum amount of transaction is proposed to be increased to ₹ 23,000 Million.
</td>
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<tr>
<td>Tenure of the proposed transaction (particular tenure shall be specified)</td>
<td>
The Transactions are repetitive in nature.
Audit Committee of the Company considered and granted approval to the Related Party Transactions which are repetitive in nature before the commencement of a Financial Year, which is valid for one Financial Year in accordance with Regulation 23(3) of the Listing Regulations. The transactions to be entered into pursuant to the Omnibus Approval are to be placed before the Audit Committee on quarterly basis for review.
In line with the same, the Audit Committee, at its meeting held on 12th December 2023 has granted its omnibus approval for the transactions to be entered into during 1st January 2024 to 31st December 2024 with M&M.
In accordance with Regulation 23(4) read with the SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023, the approval of the members granted at this 25th AGM shall be valid for upto the date of the 26th AGM to be held in the year 2025 subject to the period not exceeding fifteen months from the date of the 25th AGM.
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<tr>
<td>Justification for why the proposed transaction is in the interest of the Company</td>
<td>The Company being an auto component maker, targets to have all key OEMs in its customer portfolio. M&M is one of the leading Original Equipment Manufacturer in India and has been a major customer for the Company which is also substantiated by the sale of goods to M&M during CY2023 which accounted for around 15% of the consolidated sales of the Company. The Company always looks for opportunities to participate in new programs launched by the OEMs as well as increasing the Share of Business in the Existing Programs. The Company also makes similar efforts for its business with M&M.</td>
</tr>
</table>

<table>
<tr><td></td><td>Other transactions are also linked to or relevant for ensuring smooth supply of products to M&M.

All the Transactions with M&M are in Ordinary Course of Company's Business and are at arm's length basis.</td></tr>
<tr><td>Where the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the Company or its subsidiary?,

If yes, provide the specified details as below:</td><td>No</td></tr>
<tr><td>Details of the source of funds in connection with the proposed transaction</td><td>Not applicable</td></tr>
<tr><td>Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances, or investments (Nature of indebtedness, cost of funds, tenure)</td><td>Not applicable</td></tr>
<tr><td>Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security</td><td>Not applicable</td></tr>
<tr><td>If the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the listed entity or its subsidiary, then the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT</td><td>Not applicable</td></tr>
<tr><td>A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;</td><td>In this case valuation report is not required.

All the Transactions with M&M are in the Ordinary Course of Company's business and are at Arm's Length basis.</td></tr>
<tr><td>A summary of the information provided to the Audit Committee</td><td>All the information as provided in this table was presented to the Audit Committee in its meeting held on 19th February, 2024.

Further, the summary of actual transactions entered into by the Company during CY2023 are as under:

<table>
<tr><th>Nature of contracts/ arrangements/ transactions</th><th>Value of contracts/ arrangements/ transactions (in Million)</th></tr>
<tr><td>Rent paid</td><td>17.12</td></tr>
<tr><td>Sale of Goods</td><td>16,452.74</td></tr>
<tr><td>Purchase of Goods and Services</td><td>0.35</td></tr>
<tr><td>Interest Paid</td><td>2.13</td></tr>
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</table>

Based on the information on Related Party Transactions, summarised in this explanatory statement and the omnibus approval granted by the Audit Committee, the Board of Directors of the Company has recommended the Resolution set out at Item No. 6 for the approval of the members. The Audit Committee and the Board of Directors are of the opinion that the related party transactions between the Company and M&M shall not be detrimental to the interest of minority members and are in the best interest of the Company and its members.

The details of transactions entered into by the Company pursuant to the said approval shall be placed before the Audit Committee of the Company as per the requirements of the Listing Regulations and shall remain within the limits as approved by the members. Any subsequent material modifications in the proposed transactions, as defined by the Audit committee, which forms part of the Policy, shall be placed before the members for approval, in terms of Regulation 23(4) of the Listing Regulations.

In accordance with the Circular the approval of the members of the Company shall be valid upto the date of the 26th AGM subject to maximum period of fifteen months from the date of this 25th AGM. The Company shall seek fresh approval of the members, before the expiry of this approval in case of need.

Pursuant to Regulation 23 of the Listing Regulations, members may also note that no related party of the Company shall vote to approve the resolution at Item No. 6 whether the entity is a related party to the particular transaction or not. Accordingly, no Member of the Company being a Related Party of the Company as per the Listing Regulations shall vote to approve the said resolution.

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise in the Resolution set out at Item No. 6. However, Mr. Shriprakash Shukla, Director of the Company may be concerned or interested in the proposed transactions to the extent of his employment or shareholding in M&M.

Accordingly, the Board recommends the Resolution as set out at Item No. 6 of this Notice for approval of the Members as an Ordinary Resolution.

Item No. 7

CIE Galfor S.A., Spain (Galfor) is a wholly owned subsidiary of the Company. CIE Automotive S.A. (CIE) is the ultimate holding company of the Company and Galfor. Galfor and CIE both incorporated under Laws of Spain have been entering into various transactions in their Ordinary Course of Business which are in the nature of Cash Pooling Arrangement and rendering or availing of services during a year. All these transactions are governed and are in compliance with Spanish Law including transfer pricing.

The transactions amongst Galfor and CIE are related party transactions as per Regulation 2(zc) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) w.e.f. 1st April, 2022. As per the regulation 23(4) of the Listing Regulations, all material related party transactions, to which the Company and/ or any subsidiary of the Company is a party, requires approval of the Shareholders.

Regulation 2(1)(zc) of the Listing Regulations defines "related party transactions" to mean, transfer of resources, services or obligations between related entities. Further, pursuant to Regulation 23(1) of the Listing Regulations read with Company's Policy on Materiality of and Dealing with Related Party Transactions (the Policy), a transaction with a Related Party, undertaken by the Company and any of its subsidiaries, shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower ("materiality threshold").

The Cash Pooling Arrangement exceeds the materiality threshold as provided under Regulation 23(1) of the Listing Regulations read with Company's Policy on Materiality of and Dealing with Related Party Transactions (the Policy).

With effect from 1st April, 2022, prior approval of members of the Company is required for all material related party transactions to which subsidiary of the Company is a party (even if the Company is not a party to such transaction), in terms of Regulation 23 of the Listing Regulations.

Accordingly, in accordance with Regulation 23(4) of the Listing Regulations and the Policy, the Company had secured approval of shareholders for the said Material Related Party Transactions of Galfor with CIE at the 24th Annual General Meeting (AGM) held on 9th June, 2023, which was partially modified by a resolution passed through postal ballot on 22nd September, 2023.

In accordance with SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120dated 11th July, 2023 (the Circular) the said approval of the members is valid upto the date of the 25th Annual General Meeting of the Company.

In view of the above, approval of the members of the Company is being sought for the Material Related Party transaction entered into or to be entered into between Galfor and CIE, the aggregate value of which exceeds the materiality threshold of the Company.

Information required vide SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023 ("the Circular") is as below:

Particulars	**Remarks**
Name of the related party;	CIE Automotive S.A. (the ultimate holding Company of the Company). CIE Galfor S.A. (wholly-owned subsidiary of the Company) is entering into the Transactions with CIE Automotive S.A. (CIE).
Name of the director or key managerial personnel who is related, if any;	None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise in the proposed transactions. However, Mr. Ander Arenaza and Mr. Jesus Maria Herrera, Directors of the Company are in whole-time employment of CIE. Further, Mr. Jesus Maria Herrera and Mr. Shriprakash Shukla, Directors of the Company, are also Directors of CIE. Hence, they may be concerned or interested in proposed transactions to the extent of their Directorship, employment or number of shares, if any, held by them in CIE as may be applicable.
Nature of relationship;	CIE Automotive SA is the ultimate holding Company of the Company. The Company is seeking approval since its wholly owned subsidiary namely CIE Galfor S.A. is entering into transaction with CIE.
Nature, material terms, monetary value and particulars of the contract or arrangements;	The nature of Transaction of Galfor with CIE is broadly of two categories: i. Cash Pooling Arrangement ii. Other Transactions **i. Cash Pooling Arrangement** a. What is Cash Pooling Arrangement • Galfor transfers the funds, as may be available in its own bank accounts at the end of a day, to a Common Cash Pool Account of CIE; and • Galfor draws funds from the Common Cash Pool Account of CIE as may be required by Galfor for its business operations. The Cash Pool Account is a reciprocal current account between CIE and various entities in the CIE group. Galfor generates cash from its business operations, such as receipts against sales made to its customers. It also requires cash to meet various operational requirement such as payments to Suppliers etc. On a daily basis, Galfor may either have a positive cash position (when payments are lower than receipts) or a negative cash position (when payments are more than receipts). When Galfor has a positive cash position, the balance at the end of day in its bank account is transferred to the Cash Pool Account of CIE. In case Galfor has a negative cash position, Galfor draws funds as it may require from the Cash Pool Account of CIE to meet its operational requirements. b. The nature of transactions in Cash Pooling arrangement and its monetary limits **Loan by Galfor to CIE** At end of a certain day, on cumulative basis if the total amount transferred by Galfor to the Cash Pool Account of CIE is more than the aggregate amount drawn from the said Common Cash Pool Account, then Galfor will have receivable from CIE, which is reckoned as Loan given by Galfor. In such scenario, - Each instance of amount transferred by Galfor to the Cash Pool Account shall be reckoned as a Transaction as per Regulation 2(1)(zc). - the amount drawn by Galfor from the Common Cash Pool Account, will be a repayment of Loan by CIE.

Particulars	Remarks

The amount receivable by Galfor (i.e. Loan by Galfor) at any point during a year is not expected to cross EURO 50 Million, but the aggregate of amount transferred by Galfor to the Cash Pool Account on gross level is expected to be around Euro 250 Million.

Borrowing by Galfor from CIE

At end of a certain day, on cumulative basis, if the total amount transferred by Galfor to the Cash Pool Account of CIE is lower than the aggregate amount drawn from the said Common Cash Pool Account, then Galfor will have Payable to CIE which is reckoned as Borrowing by Galfor.

In such scenario,

- Each instance of amount drawn by Galfor from the Cash Pool Account shall be reckoned as a Transaction as per Regulation 2(1)(zc).
- the amount transferred by Galfor to the said Common Cash Pool Account, will be a repayment of Borrowing by Galfor.

The amount payable by Galfor (i.e. Borrowing by Galfor) at any point during a year is not expected to cross EURO 40 Million, but the aggregate of amount drawn by Galfor from the Cash Pool Account on gross level is expected to be around Euro 200 Million.

Monetary value of the Actual Transaction in CY2023 entered into in the past:

The actual amount of transactions involved in cash pooling arrangement is as under:

	Approval given in CY23	€ Million	Actual transactions during CY2023 (€ Million)	Maximum Peak during a year since 1st January, 2019 till 31st December 2023 (€ Million)
a.	Aggregate Amount transferred to Cash Pool Account	250	198.27	198.27
b.	Aggregate Amount drawn from Cash Pool Account	250	NA	145.61
c.	Max Outstanding Payable	80	NA	59.90
d.	Max Outstanding Receivable	80	49.41	49.41

It is worth noting that at the beginning of CY 2023 i.e. 1st January, 2023, Galfor had receivable position i.e. Loan receivable of Euro 5.39 Million. Further, as on 31st December, 2023 Galfor has a receivable Position of Euro 45.56 Million. However as on 31st March, 2024, post the investment by Galfor in the wholly owned subsidiary of the Company Bill Forge Mexico, Galfor has Payable of Euro One Million.

ii. Transactions other than Cash Pooling Arrangement

Other Related Party Transactions of Galfor with CIE, are in the nature of availing or rendering of services which are in Ordinary Course of Business of Galfor and are transacted on arms-length basis.

The aggregate value of the other Transactions during financial year ended 31st December 2023 was Euro 2.02 Million.

Approval of the Audit Committee for transactions between Galfor and CIE for CY2024

Subject to the approval of the members of the Company, the Audit Committee at its meeting held on 12th December, 2023 and 2nd May, 2024 has granted its omnibus approval to the related party transaction of Galfor with CIE, to be entered into during 1st January, 2024 to 31st December, 2024 as per below details:

<table>
<tr><th>Particulars</th><th>Remarks</th></tr>
<tr><td></td><td>i. Cash Pooling Arrangement, provided that–
a) the aggregate amount of funds transferred by Galfor to CIE's Common Cash Pool Account during a Financial Year, shall not exceed Euro 250,000,000 (Euro Two Hundred Fifty Million) and at any point of time during the Financial Year the maximum amount receivable by Galfor from CIE, shall not exceed Euro 50,000,000 (Euro Fifty Million).
b) the aggregate of funds drawn by Galfor from CIE's Common Cash Pool Account during a Financial Year shall not exceed Euro 200,000,000 (Euro Two Hundred Million) and at any point of time during the Financial Year the maximum amount payable by Galfor to CIE, shall not exceed Euro 40,000,000 (Euro Forty Million).
c) the interest payable/receivable if any on the amount involved in the Cash Pooling Arrangement shall be determined, on arm's length basis and shall be calculated on the amount receivable/payable at the end of each day during a Financial Year
ii. Rendering or availing of services in ordinary course of business and on arm's length basis ("Transactions") provided that aggregate amount of all the Transactions taken together during a Financial Year shall not exceed Euro 4,000,000 (Euro Four Million only).
Further, the Audit Committee have accorded its omnibus approval to transactions where the need for related party transaction cannot be foreseen, and requisite details are not available, subject to the value of such transaction does not exceed rupees one crore per transaction. Provided that the aggregate value of such transactions taken together with the value of the Transactions during a Financial Year in aggregate shall be within the aforesaid limits for the Transactions of Euro 4,000,000 (Euro Four Million only).
The transactions to be entered into by Galfor with CIE upto 20nd June, 2024 shall be within the approval limits granted by the shareholders vide their resolution dated 9th June, 2023 as modified vide resolution dated 22nd September, 2023.
The Audit Committee and Board of Directors of the Company, at their respective meetings held on 19th February, 2024 and 2nd May, 2024 considered the matter of seeking shareholders' approval to the Material Related Party Transactions and recommended the same to the members for their approval.</td></tr>
<tr><td>Tenure of the proposed transaction (particular tenure shall be specified)</td><td>The Cash Pooling Arrangement and the Transactions are repetitive in nature.
Audit Committee of the Company considers and grants approval to the Related Party Transactions which are repetitive in nature before the commencement of a Financial Year, which is valid for one Year in accordance with Regulation 23(3) of the Listing Regulations. The transactions entered pursuant to the Omnibus Approval are to be placed before the Audit Committee on a quarterly basis for review.
In line with the same, the Audit Committee at its meeting held on 12th December, 2023 and 2nd May, 2024 had granted its Omnibus Approval to the Material Related Party transactions between Galfor and CIE for the period from 1st January, 2024 till 31st December, 2024 which taken together with the earlier transactions during a year may exceed 10% of the Annual Consolidated Turnover of the Company as per the last audited financial statements of the Company, as stated herein above.
In accordance with Regulation 23(4) read with the SEBI Master Circular No.SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11th July, 2023, the approval of the members at this AGM shall be valid for up to the date of the next AGM i.e. 26th AGM to be held in 2025 subject to period not exceeding fifteen months from this 25th AGM.</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Remarks</th></tr>
<tr><td>Justification for why the proposed transaction is in the interest of the Company</td><td>The Cash Pooling Arrangement is a part of Galfor's daily cash management while optimizing its financial costs/returns.

For Galfor, this arrangement provides for a secure, liquid, optimal return, based on market linked rate, on its daily surpluses when it has a positive balance in the cash pool account. While borrowing, it provides quick and flexible access to liquidity at a market linked cost with clear visibility on repayment obligation.

For the Company's subsidiaries in Europe, CIE's scale provides access to bank funds wherever required at very competitive rates. Long term surpluses of Company's subsidiaries are deployed to maximize stakeholder returns by deploying them at appropriate locations avoiding exchange and tax inefficiencies.

The Other Transactions are part of Ordinary Course of Galfor's business and benefits the business operations of Galfor.</td></tr>
<tr><td>Where the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the Company or its subsidiary, provide the specified details as below:</td><td>(in Mio)
<table>
<tr><th></th><th>Approval Requested For Basis Estimation for CY24:</th><th>€ Million</th><th>% to Company's Consolidated Sales of CY2023*</th><th>% to Galfor Sales of CY 2023</th><th>% to CIE Consolidated Sales of CY2023</th></tr>
<tr><td>a.</td><td>Aggregate Amount to be transferred to Cash Pool Account (€ Million Per Year)</td><td>250</td><td>25.3%</td><td>140.2%</td><td>6.3%</td></tr>
<tr><td>b.</td><td>Aggregate Amount to be drawn from Cash Pool Account (€ Million Per Year)</td><td>200</td><td>19.25%</td><td>116.28%</td><td>5.04%</td></tr>
<tr><td>c.</td><td>Max Outstanding Payable</td><td>40</td><td>3.85%</td><td>23.26%</td><td>1.01%</td></tr>
<tr><td>d.</td><td>Max Outstanding Receivable</td><td>50</td><td>4.81%</td><td>29.07%</td><td>1.26%</td></tr>
</table>
Note: CIE India consolidated sales are presented in INR. To calculate the % above, average conversion rate of CY2023 is used which is Euro 01 = INR 89.30</td></tr>
<tr><td>Details of the source of funds in connection with the proposed transaction</td><td>The Source of funds for Cash Pooling Arrangement is Cash generated by Galfor from its operations.</td></tr>
<tr><td>Where any financial indebtedness is incurred to make or give loans, inter- corporate deposits, advances, or investments (Nature of indebtedness, cost of funds, tenure)</td><td>Not applicable</td></tr>
</table>

Particulars	Remarks
Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	The Cash Pooling Arrangement is unsecured. **Repayment Terms:** Payable amounts by Galfor (i.e. when borrowing) are due on 31st December, 2025 with a one year prior notice. Receivable amounts to Galfor (Loan made) can be called back by Galfor at any time. Interest Rate The interest is accrued on daily basis and is calculated on the net-outstanding in the Common Cash Pool Account at the end of each day. The rate of interest is determined on arm's length, every six months, on the basis of Bank Interest Rates published by European Central Bank. It is linked to "Bank Interest Rate – Loans to euro area non-financial corporations with an IRF period over one and upto three years – euro area". You may kindly refer the same at the link below: https://data.ecb.europa.eu/publications/financial-markets-and-interest-rates/3030664 At present, the applicable rate of interest is 5%. The rate of interest for Borrowing and Loan is the same. Interest is paid once per year within 10 days after yearly closing.
If the transaction relates to any loans, inter-corporate deposits, advances, or investments made or given by the listed entity or its subsidiary, then the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	Transaction of loan is part of Cash Pooling arrangement, hence not applicable.
A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders;	Valuation report is not required. All the Transactions including under the Cash Pooling Arrangement are in the Ordinary Course of business and are at Arm's Length basis.
A summary of the information provided to the Audit Committee	All the information as provided in this table was presented to the Audit Committee.

Based on the information on Related Party Transactions, summarised in this Explanatory Statement, omnibus approval granted by the Audit Committee, the Board of Directors of the Company has recommended the resolution set out at Item No. 7 for approval of the members. The Audit Committee and the Board of Directors are of the opinion that the related party transactions between Galfor and CIE shall not be detrimental to the interest of minority members and is in the best interest of the Company and its members.

The details of transaction entered into by the Company pursuant to the said approval shall be placed before the Audit Committee of the Company as per requirements of the Listing Regulations and shall remain within the limits as approved by the members. Any subsequent material modifications in the proposed transactions, as defined by the Audit committee, which forms part of the Policy, shall be placed before the members for approval, in terms of Regulation 23(4) of the Listing Regulations.

The approval of the members of the Company shall be valid upto the date of the 26th AGM to be held in the year 2025 subject to maximum period of fifteen months from the date of this 25th AGM. The Company shall seek fresh approval of the members, before the expiry of this approval if required as per the Applicable Laws in force at the relevant time.

Pursuant to Regulation 23 of the Listing Regulations, members may also note that no related party of the Company shall vote to approve the resolution at Item No. 7 whether the entity is a related party to the particular transaction or not. Accordingly, no Member of the Company being a Related Party of the Company as per the Listing Regulations shall vote to approve the said resolution.

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned, financially or otherwise in the Resolution set out at Item No. 7. However, Mr. Ander Arenaza and Mr. Jesus Maria, Directors of the Company are in whole-time employment of CIE. Further, Mr. Jesus Maria Herrera and Mr. Shriprakash Shukla Directors of the Company are also Directors of CIE. Hence, they may be concerned or interested in the resolution to the extent of their Directorship, employment or shareholding in CIE as may be applicable.

Accordingly, the Board recommends the Resolution as set out at Item No. 7 of this Notice for approval of the Members as an Ordinary Resolution.

Item No. 8 and 9

Mr. Alan Savio D'Silva Picardo (DIN: 08513835) and Ms. Roxana Meda Inoriza (DIN: 08520545) were appointed pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), as Independent Directors of the Company, by resolution passed through postal ballot by the members of the Company on 10th September 2019, for their first term of 5 (five) consecutive years with effect from 29th September, 2019. Their first term as Independent Directors will expire on 28th September, 2024.

The Nomination and Remuneration Committee at its meeting held on 16th February, 2024, on the basis of performance evaluation of Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza and taking into account their qualification, experience, professional background and their substantial contribution during the tenure, recommended to the Board that their continued association with the Company would be in the interest of the Company and its members.

The Board of the Company at its meeting held on 19th February, 2024, taking into account the recommendation of Nomination and Remuneration Committee and on the basis of performance evaluation, approved and recommended to the members of the Company the re-appointment of Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza for the second term as an Independent Director of the Company for 5 (five) consecutive years from 29th September, 2024 to 28th September, 2029.

The performance evaluation was based on various criteria, inter-alia, including attendance at Board and Committee Meetings, skill, experience, ability to challenge views of others in a constructive manner, knowledge acquired with regard to the Company's business, understanding of industry and global trends, etc.

Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza have consented to their proposed re-appointment as Independent Directors of the Company. Further, in accordance with Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a Member of the Company, proposing their candidature for the office of Independent Director of the Company.

Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza have confirmed that they are qualified to continue as Director of the Company pursuant to Section 164(1) and Section 164(2) of the Act and Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014 and that they are not debarred from accessing the capital markets and /or restrained from holding the position of Director in any company by virtue of any order of the Ministry of Corporate Affairs, Securities and Exchange Board of India or any other such authority.

Further, Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza have submitted required declarations confirming that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations and they are Independent of the management. They both have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

Brief details of Mr. Alan Savio D'Silva Picardo including the nature of expertise in specific functional area

Mr. Alan Savio D'Silva Picardo had been working with Pricewaterhouse Cooper(PwC) for over 30 years as a Senior Partner and retired from PwC in 2014. During his tenure in PwC, he took on various leadership roles and responsibilities both at the national and international level. Currently, he advises corporates, Small and Medium Enterprises and family-owned businesses and is also an entrepreneur in the technological and agricultural sector.

Mr. Alan Savio D'Silva Picardo, 65, is a Chartered Accountant from the Institute of Chartered Accountant, England & Wales (ICAEW) and the Spanish Institute of Auditors (ICJCE). He is a Life Member of the Institute of Directors. He has also completed his Bachelor's in Commerce (Hons) from the University of Mumbai (Sydenham College) and Brighton Polytechnic (University of Sussex).

Directorships and Committee positions

As on the date of this notice, apart from Company Mr. Alan Savio D'Silva Picardo is Director of Mantra Data Centers Private Limited. He is the Chairperson of Audit Committee and the Stakeholder Relationship Committee of the Company. He is also a member of the Nomination and Remuneration Committee, and the Risk Management Committee of the Company. Further, he has not resigned from any other listed entity in past 3 years.

Further Mr. D'Silva also holds directorships or administrative positions in the bodies corporates incorporated outside India, namely Livein Technologies Group SL, International Trading Eurojal SL, Tavros Gestion SL, Lo Rei TF Inmobiliaria y Servicios SL, Landex Group 2020 S.L. and Check Tech Solutions Group S.L.

Attendance at Board Meetings held during the previous financial year

7 (seven) meetings of the Board of Directors were held during the financial year ended on 31st December, 2023. Mr. Alan Savio D'Silva Picardo attended all the meetings.

Remuneration drawn in the previous financial year and Shareholding

Mr. Alan Savio D'Silva Picardo was paid/payable an aggregate remuneration, of ₹ 5,000,000 (Rupees Five Million) for the Financial Year ended 31st December, 2023 which included sitting fees for attending the meeting of the Board and Committees of the Board held during the year and commission for the financial year ended 31st December, 2023, which shall be paid in the financial year ending 31st December, 2024.

Mr. Alan Savio D'Silva Picardo together with his relatives doesn't hold any shares of the Company and is not related to any Director of the Company.

Brief details of Ms. Roxana Meda Inoriza including the nature of expertise in specific functional area

Ms. Roxana Meda Inoriza, 64, started her career with Pricewaterhouse Coopers (PwC) in 1982 as auditor. She held different positions in PwC for twenty years and served as Director of Audit and Business Advisory Services between 1996 to 2002. In the year 2002 she joined Acciona Energía, SA (Pamplona) and served in many leadership roles for the ten years. Ms. Roxana Meda Inoriza holds degree in Economics and Business Studies from the Universidad del País Vasco (Spain), she is also member of the Instituto de Auditores Censores de Cuentas Chartered Accountant) since 1988 and member of the Registro Oficial de Auditores de Cuentas (ROAC) (Official Register of Auditors - Spain).

Directorships and Committee positions

As on the date of this notice, apart from the Company Ms. Roxana Meda Inoriza is Director of CIE Aluminium Casting India Limited and CIE Hosur Limited, which are wholly owned subsidiaries of the Company. She is a member of Nomination and Remuneration Committee and Audit Committee of the Company. She is member of Corporate Social Responsibility Committee of CIE Aluminium Casting India Limited. Further, she has not resigned from any other listed entity in past 3 years.

Ms. Roxana Meda Inoriza also holds directorship in companies incorporated outside India namely CIE Galfor S.A., a wholly owned subsidiary of the Company, and Kutxabank SA. She is the Chairman of Audit and Compliance Committee and a member of Remuneration Committee of Kutxabank SA

Attendance at Board Meetings held during the previous financial year

7 (seven) meetings of the Board of Directors were held during the financial year ended on 31st December, 2023. Ms. Roxana Meda Inoriza attended all the Meetings.

Remuneration drawn in the previous financial year and Shareholding

Ms. Roxana Meda Inoriza was paid / payable an aggregate remuneration, of ₹ 5,000,000 (Rupees Five million) for the Financial Year ended on 31 December, 2023 which included sitting fees for attending the meeting of the Board and Committees of the Board held during the year and commission for the financial year ended on 31 December 2023, which shall be paid in financial year ending on 31 December 2024.

Ms. Roxana Meda Inoriza together with her relatives doesn't hold any shares of the Company and is not related to any Director of the Company.

Approval and Recommendation of the Nomination and Remuneration Committee and the Board of Directors, including the skills and capabilities required for the role and the manner in which the Independent Director meets such requirements

The Nomination and Remuneration Committee at its meeting held on 16th February, 2024 took into account the qualification, experience and professional background of Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza and reviewed all the declarations / confirmation they had submitted. Based on the confirmation given by Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza and members of the Committee not being aware of any circumstances that are contrary to the declarations so submitted, the Committee acknowledged the veracity of such confirmations. The Committee further acknowledged that both Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza meet the criteria of Independence as prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and was of the opinion that they shall be able to discharge their duties with an objective independent judgment and without any external influence and that they are independent of Management of the Company.

Further, the Committee was of the opinion that Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza are persons of integrity and have requisite qualification, experience (including proficiency) and possess relevant skills/expertise/competencies, as identified by the Board of Directors in the context of Company's business(es) and sector(s), as detailed in the "Policy on appointment of Directors, Key Managerial Personnel and Senior Management and succession planning". Specifically, they have skills/expertise/competencies in the areas of Strategy and Planning, Leadership, Financial Discipline and Risk Oversight, Mergers and Acquisition and Governance and Regulatory Oversight. Their re-appointment will ensure appropriate balance of core skills/expertise/ competencies are available on the Board to function effectively. Accordingly, the Committee approved and recommended to the Board and the members, their re-appointment for the second term as Independent Directors of the Company for 5 (five) consecutive years from 29th September, 2024 to 28th September, 2029.

The Board of Directors of the Company at its meeting held on 19th February, 2024 had considered the recommendation of the Nomination and Remuneration Committee. The Board concurred with the opinion of Committee including that both Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza are persons of integrity and possesses relevant expertise and experience (including the proficiency), they meet the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, they are proficient within the meaning of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and they will be able to discharge their duties with an objective independent judgment and without any external influence.

The Board was of the opinion that re-appointment of Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza as Independent Directors for the second term of five consecutive years will be in the interest of the Company and its members.

Accordingly, the Board approved and recommended to the members of the Company, their re-appointment as Independent Directors for the second term of five consecutive years from 29th September, 2024 to 28th September, 2029.

Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof of which they are members. In addition, they would be entitled to commission as may be determined each year by the Board of Directors within the limits approved by the Members of the Company from time to time.

Copy of the letter of re-appointment of Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza setting out the terms and conditions of their re- appointment and the notice received from the member of the Company as mentioned hereinabove are available for inspection by the members at the Registered Office of the Company in physical or electronic form between 11:00 a.m. to 1:00 p.m., on all working days (except Saturdays, Sundays and Public Holidays), up to the date of 25th Annual General Meeting. These documents will also be available for electronic inspection. Members seeking to inspect such documents can send an email to contact.investors@cie-india.com.

Apart from Mr. Alan Savio D'Silva Picardo and Ms. Roxana Meda Inoriza, who would be interested in their respective re- appointment and their relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this item. Mr. D'Silva and Mrs. Meda are not inter-se related to any other Directors and Key Managerial Personnel of the Company.

Pursuant to Section 150(2) of the Act the appointment of independent director need to be approved by the Company in general meeting. Pursuant to Section 149(10) of the Act an independent director shall hold office for a term up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the Company. Further, pursuant to Regulation 25(2A) of the Listing Regulations the re-appointment of an independent director shall be subject to the approval of shareholders by way of a special resolution.

Accordingly, the Board recommends the Resolution as set out at Item No. 8 and 9 of this Notice for approval of the Members as a Special Resolutions.

Item No. 10

Pursuant to Sections 149, 150, 152 and 160 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Companies (Appointment and Qualification of Directors) Rules, 2014 (the Rules) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company at its meeting held on 2nd May, 2024, on the recommendation of Nomination and Remuneration Committee, recommended the appointment of Dr. Nuria Gisbert Trejo (DIN: 10607049) as an Independent Director of the Company to hold the office of the Independent Director for the first term of five consecutive years from 1st July, 2024 to 30th June, 2029.

Pursuant to Schedule II Part D Para A of the Listing Regulations and Policy on Appointment of Directors, Key Managerial Personnel and Senior Management Employees and Succession Planning of the Company, the Nomination and Remuneration Committee of the Company at its meeting held on 16th February, 2024 reviewed the composition of the Board, the size of the Board as well as the balance of skills, knowledge and experience on the Board post completion of the second terms of the two independent directors of the Company during CY2024 and on the basis of such evaluation, and after having due regard to diversity, prepared the description of the role and capabilities required of the new independent director.

In line with the said descriptions, the NRC at its meeting held on 2nd May, 2024 considered, reviewed and evaluated candidature of Dr. Nuria Gisbert Trejo (DIN: 10607049), as forwarded to it by one of the member of NRC, for appointment as Independent Director of the Company, including following declarations and confirmations received from her:

1. Consent to act as a Director (Independent Director) of a Company in Form DIR-2
2. Intimation in Form DIR-8 confirming that she is qualified to be appointed as Director of the Company pursuant to Section 164(1) and 164(2) of the Act and Rule 14(1) of the Rules.
3. Confirmation of compliance with conditions of independence prescribed under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
4. Confirmation of compliance with conditions of independence prescribed under section 149(6) of the Act including compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014.
5. Confirmation that no order of SEBI or any other such authority:
   - Debarring her from accessing the capital markets
   - Restraining her from holding the position of Director in any Company

A Notice in writing is received from a Member of the Company in accordance with Section 160 of the Act supporting her candidature to the office of Director (Independent) of the Company.

Brief Profile of Dr. Nuria Gisbert Trejo including the nature of expertise in specific functional area

Dr. Gisbert, 47, holds a PhD in Business Management, Knowledge, and Innovation, and an Executive MBA from IE Business School, Madrid. She also earned a postgraduate degree in Project Management, a master's in Network Services, Telematics, and Internet, and a bachelor's degree in Industrial Engineering from the School of Engineering, Bilbao. With over 20 years of experience in the energy sector, she specializes in energy storage and network research, providing mentoring and coaching to foster professional development.

She is the General Director at CIC energiGUNE, a leading center specializing in electrochemical and thermal energy storage and conversion. In 2018, she founded BCARE, the first spin-off from the center, where she serves as chair. BCARE offers consulting services in the battery sector. In 2021, she launched another spin-off, BASQUEVOLT, which focuses on developing and manufacturing solid-state batteries, also serving as its chair.

Additionally, she is the Vice President of the Board of Directors at Innobasque, a nonprofit organization, and a member of the Scientific Advisory Committee of the Basque Council for Science, Technology, and Innovation.

Approval and Recommendation of the Nomination and Remuneration Committee and the Board of Directors, including the skills and capabilities required for the role and the manner in which the Independent Director meets such requirements

Basis the attributes required of the new independent director as previously identified by the Nomination and Remuneration Committee, the Committee at its meeting held on 2nd May, 2024 reviewed the qualification, experience and professional background of Dr. Gisbert and all the declarations / confirmation received from her. Based on the confirmation given by Dr. Gisbert and members of the Committee not being aware of any circumstances that are contrary to the declarations submitted by her, the Committee acknowledged the veracity of such confirmations. The Committee further acknowledged that she meets the criteria of Independence as prescribed under the Act and the Listing Regulations and was of the opinion that she shall be able to discharge her duties with an objective independent judgment and without any external influence and that she is independent of Management of the Company.

Further, the Committee was of the opinion that Ms. Dr. Gisbert is a person of integrity and have requisite qualification, experience (including the proficiency) and possess relevant skills/expertise/competencies, as identified by the Board of Directors in the context of Company's business(es) and sector(s), as detailed in the "Policy on appointment of Directors, Key Managerial Personnel and Senior Management and succession planning".

The Committee confirmed that the profile of Dr. Gisbert meets the description of the role and capabilities required of the new independent director, as prepared by the Committee. Specifically, Dr. Gisbert has skills/expertise/competencies in the areas of Strategy and Planning, Leadership, Financial Discipline and Risk Oversight, Manufacturing Excellence and Technology and Mergers and Acquisition. Her appointment ensures that appropriate balance of core skills/expertise/competencies are available on the Board to function effectively. Accordingly, the Committee recommended to the Board and the members appointment of Dr. Gisbert as an Independent Director to hold the office of the Independent Director for a term of five consecutive years from 1st July, 2024 to 30th June, 2029.

The Board of Directors of the Company at its meeting held on 2nd May, 2024 had considered the recommendation of the Nomination and Remuneration Committee. The Board concurred with the opinion of Committee including that

Dr. Gisbert is a person of integrity and possesses relevant expertise and experience (including the proficiency), she meets the criteria of Independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and she will be able to discharge her duties with an objective independent judgment and without any external influence.

The Board was of the opinion that appointment of Dr. Gisbert as the Independent Director will be in the interest of the Company and its members.

Accordingly, the Board recommended to the members the appointment of Dr. Gisbert as an Independent Director to hold the office for a term of five consecutive years from 1st July, 2024 to 30th June, 2029.

Directorships and Committee positions

As on the date of this notice, Dr. Gisbert does not hold any directorship in any Company in India. Further, she does not hold any Chairpersonship/Membership of any of the Board Committees in India.

Her positions in other companies outside India is already disclosed herein above.

Other Information

Dr. Gisbert does not hold any shares of the Company and is not related to any Director of the Company.

Dr. Gisbert would be entitled to sitting fees for attending the Meetings of the Board of Directors and Committees thereof. In addition, she would be entitled to commission as may be determined each year by the Board of Directors within the limits approved by the Members of the Company from time to time.

Copy of the proposed letter of appointment to be issued to Dr. Gisbert on her appointment as Independent Director setting out the terms and conditions of her appointment and the notice received from a member of the Company as mentioned hereinabove are available for inspection by the members at the Registered Office of the Company in physical or electronic form between 11:00 a.m. to 1:00 p.m., on all working days (except Saturdays, Sundays and Public Holidays), up to the date of 25th Annual General Meeting. These documents will also be available for electronic inspection. Members seeking to inspect such documents can send an email to contact.investors@cie-india.com.

Apart from Dr. Gisbert , who would be interested in her appointment and her relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this item. Dr. Gisbert is not inter-se related to any other Directors and KMP of the Company.

Pursuant to Section 150(2) of the Companies Act, 2013 (the Act) the appointment of independent director shall be approved by the Company in general meeting as provided in sub-section (2) of section 152. Further Section 152(2) of the Act provides that save as otherwise expressly provided in this Act, every director shall be appointed by the Company in general meeting. Further, in accordance with Regulation 17 (1C) read with Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (Listing Regulations), the approval of shareholders for appointment of an Independent Director be obtained, by way of special resolution, at the next general meeting or within a period of three months from the date of appointment, whichever is earlier.

Accordingly, the Board recommends the Resolution as set out at Item No. 10 of this Notice for approval of the Members as a Special Resolution.

Item No. 11

The members of the Company at the 23rd Annual General Meeting of the Company held on 25th April, 2022 have approved the re-appointment of Mr. Manoj Menon as Whole-time Director of the Company for a term of 3 years from 17th October, 2022 and approved payment of remuneration of ₹ 20 Million per annum to Mr. Menon excluding the amount payable towards stock appreciation benefit and the perquisite value of the employees stock options which may be exercised by him.

The members had further authorized the Board of Directors of the Company to decide, from time to time, on recommendation of the Nomination and Remuneration Committee of the Company, the salary, perquisites and other allowances and benefits which shall be paid to Mr. Manoj Mullassery Menon, subject to condition that the remuneration shall not exceed the limit of remuneration of ₹ 20 million per annum as mentioned above. The members had also approved that the perquisite value of the options exercised by Mr. Menon shall be over and above the aforesaid limits of ₹ 20 million.

Proposal

Mr. Manoj Menon's knowledge and experience has immense benefit and value to the Company, and he is key asset for the performance of the Company's Stampings, Castings, Magnetic Products, Composites and Gears divisions of the Company. During CY2023, Mr. Menon also assumed the position of Executive Director and CEO of CIE Aluminium Casting India Limited, a material wholly owned subsidiary of the Company.

In view of the forgoing the Board of Directors, on the recommendation of Nomination and Remuneration Committee at its meeting held on 2nd May, 2024 reviewed the limit of remuneration (excluding the Stock Appreciation Benefit) of Mr. Menon, as the Whole-time Director of the Company during his current tenure.

The Board, on the recommendation of Nomination and Remuneration Committee, approved and recommended to members for their approval, a revision in the limit of Mr. Menon's remuneration such that the remuneration (excluding the Stock Appreciation Benefit) payable to Mr. Menon shall not exceed INR 25,000,000 (Rupees twenty five million) per annum by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, during his remaining tenure as the Whole-time Director of the Company from 1st April, 2024 till 16th October, 2025.

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, have also revised the terms of employment of the Senior Management of the Company. In line with the same, the terms of employment of Mr. Menon have been also revised w.e.f. 2nd May, 2024. Further, the Board also approved re-designation of Mr. Menon from "Executive Director and CEO – Iron Casting, Stampings, Composites, Magnetic Products and Gears Divisions" to "Executive Director and CEO" with effect from 2nd May, 2024. However, please note that there were no changes in the roles and duties as well as the terms and conditions of his appointment pursuant to this change in designation.

ESOPs and SAUs

It is worth noting that, the Nomination and Remuneration Committee of the Board at its meeting held on 25th April, 2023, in terms of authority under the respective ESOP schemes, and in view of the fact that all the options granted under both of the ESOP schemes of the Company were either exercised or lapsed and that there were no plans to grant new ESOPs under these schemes in view of the separate Stock Appreciation Benefit Scheme approved by the Board, have terminated Employees' Stock Option Scheme (ESOS-2007) and Employees' Stock Options Scheme 2015 (ESOS-2015) with effect from 25th April, 2023. Accordingly, Mr. Menon does not have any outstanding ESOPs now.

The Board of Directors has granted 2,00,000 Stock Appreciation Units ("SAU") to Mr. Manoj Menon under the Stock Appreciation Benefit Policy of the Company. These SAUs only represents a numeric multiple for which the 'Stock Appreciation Benefit' shall be paid by the Company to Mr. Manoj Menon. The Base Price to be considered for Stock Appreciation Benefit has been fixed at ₹ 150/-. The Redemption Price for determining the Stock Appreciation Benefit shall be calculated as the volume-weighted average market price of the shares of the Company quoted on National Stock Exchange of India Limited for a period of sixty trading days immediately preceding the Pay-out Date. The appreciation in the price per Shares of the Company between the 'Base Price' and the 'Redemption Price' shall be the stock appreciation benefit per SAU, which shall be paid as a cash incentive to Mr. Manoj Menon for the number of SAUs granted to him. The pay-out shall be made on two dates viz: 22nd February 2023 (first pay-out) and 19th February 2025 (final pay-out reduced by the amount already paid in first pay-out). Mr. Manoj Menon is not entitled to any rights in the Shares of the Company nor has any kind of option to receive any Shares of the Company in future against the SAUs granted to him.

In accordance with the above, the First Pay-out of ₹ 196.72 per SAU i.e. INR 39,344,000/- was made to Mr. Menon during CY2023. The redemption price for the First Pay-out was INR 346.72/-.

The Final Pay-out is due on 19th February, 2025. As mentioned above, the Stock Appreciation Benefit as reduced by the amount already paid in first pay-out shall be payable as the Final Pay-out.

Brief Profile of Mr. Menon including the nature of expertise in specific functional area

Mr. Manoj Menon, aged 56 years, holds a degree of B. Tech in Production Engineering from National Institute of Technology, Calicut and has a Masters in Management Studies from Symbiosis Institute of Business Management. Mr. Menon has an experience of more than 34 years from setting up green field projects to heading operations and strategy. In 2017 Mr. Menon took over the Iron Castings and Magnetics products division of the Company as CEO in addition to his responsibility in the Gears Division. He also took over additional responsibility of Stampings and Composites Divisions of the Company. In 2023, Mr. Menon was also appointed as Executive Director and CEO of CIE Aluminum Casting India Limited, the Wholly Owned Subsidiary Company in india.

Directorships and Committee positions:

Apart from the Company, Mr. Menon holds directorships in wholly owned subsidiaries of the Company namely; BF Precision Private Limited (a company under voluntary liquidation), CIE Hosur Limited and CIE Aluminium Casting India Limited. He is Chairman of Corporate Social Responsibility Committee and Risk Management Committee of the Company and a member of Stakeholders' Relationship Committee of the Company. Further, he is also the Chairman of Corporate Social Responsibility Committee of CIE Aluminum Castings India Limited. Further, he has not resigned from any other listed entity in past 3 years.

Mr. Menon also holds directorship in Metalcastello S.p.A a wholly owned subsidiary of the Company incorporated outside India.

Attendance at Board Meetings during the previous financial year

During the financial year ended on 31st December, 2023, 7 (Seven) Board Meetings of the Company were held and Mr. Menon attended all the meetings.

Remuneration drawn in the previous financial year and Shareholding

Mr. Menon was paid an aggregate remuneration, including Stock Appreciation Benefit and the perquisites value of Employee Stock Option exercised by him, of ₹ 59.56 Mio during the Financial Year ended 31st December, 2023. This includes amount of INR 2.77 million as perquisite value of ESOPs exercised by him and INR 39.34 Million paid towards stock appreciation benefit.

Mr. Menon holds 23,558 equity shares of the Company as on the date of this notice.

Mr. Menon received remuneration of ₹ 1.71 million from CIE Aluminium Casting India Limited (CIEALCAST) during the financial year ended 31st December, 2023, for his responsibilities as Executive Director and CEO of CIEALCAST. The aggregate remuneration received by Mr. Menon from the Company and CIEALCAST during the financial year ended 31st December 2023, excluding the perquisite value of ESOPs exercised by him and the amount paid towards stock appreciation benefit, was ₹ 19.16 million.

The aggregate remuneration payable by the Company and CIEALCAST to Mr. Menon, excluding the stock appreciation benefit, for the remaining term of his appointment shall be within the proposed overall limits of INR 25 million.

Pursuant to Sections 197 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act, the proposal of revision in the remuneration of Mr. Manoj Menon as Whole-time Director (Designated as Executive Director) is now being placed before the Members for their approval. The Members of the Company are requested to consider and approve the maximum limit of remuneration of INR 25 million (excluding amount payable towards Stock Appreciation Benefit under the Stock Appreciation Benefit Policy) and authorize the Board of Directors of the Company, on recommendation of the Nomination and Remuneration Committee, to fix the remuneration payable to Mr. Manoj Menon within the said limits, in accordance with the Policy of the Company.

In accordance with Section 190 of the Act, the Terms of Employment of Mr. Menon as were applicable till 2nd May 2024 as well as those which are now applicable w.e.f. 2nd May 2024, the letter of Grant in respect of the Stock Appreciation Benefit and a copy of Stock Appreciation Benefit Policy are available for inspection by the members at the Registered Office of the Company in physical or electronic form between 11:00 a.m. to 1:00 p.m., on all working days (except Saturdays, Sundays and Public Holidays), up to the date of 25th Annual General Meeting. These documents will also be available for electronic inspection. Members seeking to inspect such documents can send an email to contact.investors@cie-india.com.

Except Mr. Manoj Menon None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item 11 of the Notice. None of the Directors and Key Managerial Personnel of the Company is related inter-se.

Accordingly, the Board recommends the Resolution as set out at Item No. 11 of this Notice for approval of the Members as an Ordinary Resolution.

By Order of the Board of Board of Directors of

CIE Automotive India Limited

Pankaj V. Goyal
Company Secretary & Compliance Officer
Membership No.: F13037

Pune, 2nd May, 2024

Registered Office:
CIE Automotive India Limited
(formerly known as Mahindra CIE Automotive Limited)
CIN: L27100MH1999PLC121285
Suite F9D, Grand Hyatt Plaza (Lobby Level),
Off Western Express Highway, Santacruz (E),
Mumbai - 400055
E-mail: contact.investors@cie-india.com
Website: www.cie-india.com
Tel: +91 22 62411031
Fax: +91 22 62411030

CIE India

2023 ANNUAL REPORT

Making a difference

CIE India

CIE Automotive India limited is a subsidiary of CIE Automotive, Spain. CIE Automotive is an industrial group specialised in managing high value-added processes in a sustainable, profitable and efficient way. Listed on the Madrid stock exchange, CIE Automotive is a global full-service supplier for automotive components and sub-assemblies.

2023 ANNUAL REPORT

Dear Shareholders,

The global economy is looking up from a period of geopolitical uncertainties and conflicts. India has been a bright spot in a difficult global environment for the last few years and the growth story is expected to sustain. Growth in the euro area is projected to recover gradually as the effect of the war in Ukraine attenuates, with energy prices stabilizing and inflation coming under control.

The medium-term demand situation in the Indian automotive market continues to be strong. On the other hand, the car market in Europe is not expected to show much growth in the coming years. The transition to Electric Vehicles (EVs) has been slower than expected but continues to be an important technological disruption in the automotive industry. Even on existing internal combustion engines, pollution norms are tightening at a rapid pace. Car buyers are looking for more premium features. Factors such as safety, comfort & lightweighting standards are advancing rapidly. Further, the automotive supply chain is being transformed by digitisation and Industry 4.0.

As the automotive industry transforms, the Company is focusing on being 'future ready'. The transition to EVs, lightweighting and higher safety standards all require components with higher precision, tighter tolerances and better quality. Our strategy is to continue to upgrade our processes and productivity levels to best in class. Many new opportunities and risks are emerging in this changing environment. Our approach has been to optimally balance growth, investments and returns to actively manage the uncertainties surrounding these changes. This will be enabled by the Company's strong balance sheet, good cash flow, healthy margins, improving return ratios and growing profits.

I place on record my appreciation for the Board of Directors, for its counsel and support. I whole heartedly thank the employees of the Company for their tremendous contribution during the year. I am grateful to our customers for giving us an opportunity to be a partner in their growth.

On behalf of the team and myself, I thank you for your continued support and trust placed in us.

CHAIRMAN'S STATEMENT

Yours Sincerely,

S. Shukla

S.P. Shukla

Chairman

Dear Shareholders,

Our endeavour has been to transform CIE India into a world class engineering company while delivering sustainable growth & profits. The CIE India team has been working towards matching the exacting performance benchmarks set by our parent Group.

What sets us apart from our competition? Our business is all about 'execution', as exemplified by the following principles that the CIE Group follows across the globe: make operations world class; diversify customer base, plant locations & technologies; invest in a disciplined manner; continuously improve profitability, decentralize plant management and focus on ESG. The success of our strategy can be gauged by the consistent improvement in performance over the years. Our EBITDA margins, PAT, free cash flows and return ratios are quite close to CIE Automotive's global benchmarks.

The year 2023 has been a mixed year for CIE India. Consolidated sales were INR 88.1bn which is a growth of 7% vs CY22. Sales growth in India was muted with the automotive market growing unevenly across segments, quarters and customers. Light vehicles grew reasonably well but two wheelers and tractors were underwhelming. The first quarter was good followed by a muted second quarter but the festive season was encouraging. The performance of our key customers was also mixed, with some suffering negative or flat demand growth. We had reported last year that all the business verticals were expanding capacity. There was a delay in ramp up of some these orders and this impacted our sales growth. On the other hand, recurrent PAT in CY23 grew by 18.4% even when sales grew by 7%. Return on Net Assets at the end of CY23 was 21.3%, the first time we have crossed the 20% mark. The company generated operating cash flows to the extent of 62% of consolidated EBITDA. Net financial debt at the end of last calendar year was negative. In CY 24, we aim to improve our growth performance while maintaining our profitability and return ratios.

Among other highlights, the name of the company was changed to CIE Automotive India in CY 23. Sale of our truck forgings business in Europe was completed in Oct 2023.

We continue to be optimistic about the long-term growth in the Indian automotive market. India is one of the priority global markets identified by CIE Automotive. In Europe the company must meet the twin challenges of rising costs in a stagnating market, as well as a transition to Electric Vehicles (EVs). We have a strategic roadmap to ensure that our European business continues to deliver high margins, returns and cash generation.

The automotive industry is changing with trends like lightweighting, safety, premiumisation and transition to EVs. These trends could lead to more opportunities for the company, especially in India. Though EV penetration varies widely across regions and segments, we have a comprehensive strategy to develop a range of products for EVs: shafts & gears for transmission; housings for motors & electronics; battery trays and parts for the cooling & auxiliary systems of batteries.

I commend my team for continuously improving the operations of the company year on year. We are confident that we can utilise emerging opportunities and face future challenges with agility. Thank you for the trust reposed in us.

Yours Sincerely,

Ander Arenaza Alvarez

CEO - CIE India

CEO'S STATEMENT

CIE INDIA STRATEGY

UNIQUE APPROACH THAT SETS US APART

PRODUCTS AND MARKETS

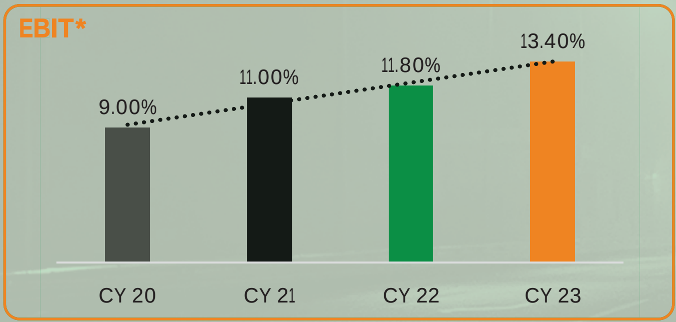
- Diversify customer base, plant locations & technologies
- Make operations world class
- Investment discipline

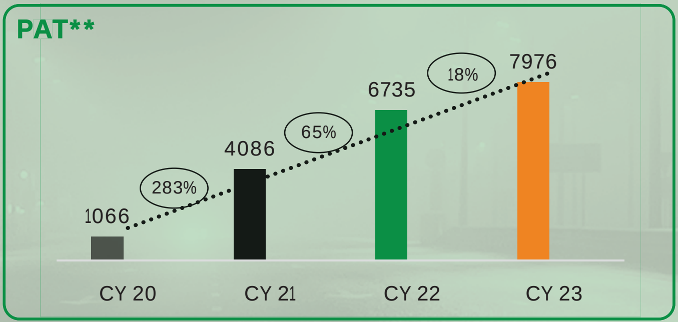
PROCESS & ORGANISATION

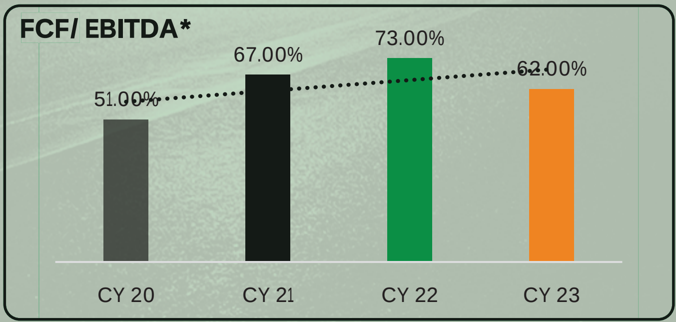
- Focus on continuous Improvement
- Decentralize plant management
- ESG Focus

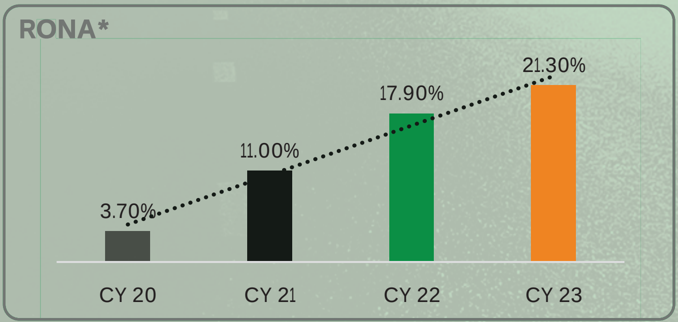
FOCUSSED ON PROFITABILITY

PERFORMANCE TRENDS









* Consolidated continuing operations
** Consolidated continuing operations excluding exceptional items

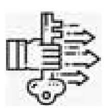
MAKE OPERATIONS WORLD CLASS

MANUFACTURING EXCELLENCE, DIGITISATION & EMPLOYEE MOTIVATION

MANUFACTURING EXCELLENCE

- INCREASING LABOUR PRODUCTIVITY through smart automation

- IMPROVING ASSET UTILISATION by optimising working capital



- Enhancing machine throughput
- Focusing on flexible machines.

DIGITISATION

INDUSTRY 4.0: Moving from Static to Dynamic manufacturing eco system

ROBOTIC PROCESS AUTOMATION (RPA): Automating repetitive and non-value-added activities

EMPLOYEE MOTIVATION

SAFETY – Well - being of employees and operational excellence are interrelated

EMPLOYEE VALUE PROPOSITION (EVP) is centred on four pillars

- Advancement opportunities for Career Growth
- Structured Reward and Recognition
- Respect & Dignity
- Care & Wellness

INVESTMENT DISCIPLINE

BALANCING CAPEX, GROWTH AND PROFITABILITY

CAPEX

Standard flexible machinery valid to produce for different customers and platforms, enabling high saturation of productive capacity.

≈5%recurrent capex level that implies maintenance and capacity renovation.

STRICT INVESTMENT DISCIPLINE

Investments based on meeting ROI requirements

Operating Working Capital (excluding factoring) ≈0.

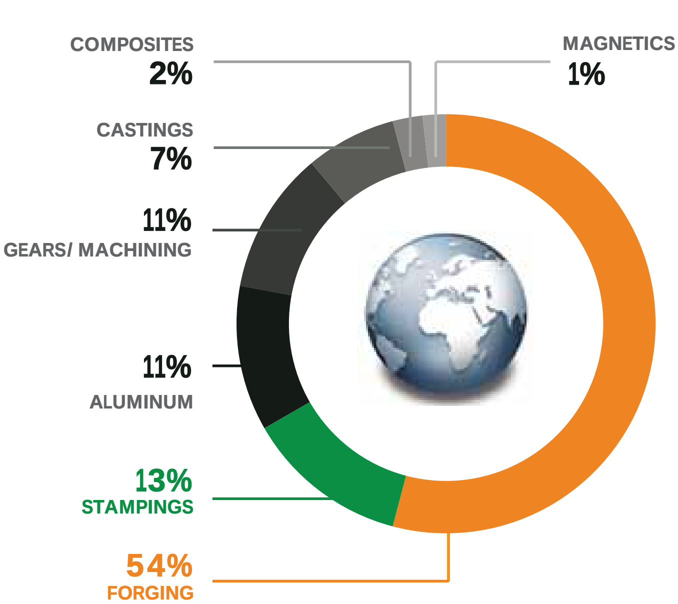
EBITDA CONVERSION INTO OPERATING CASH

Operational excellence, together with capex control and finance/tax strategies, enables **a high conversion of the EBITDA into Operating Cash.**

>60% conversion level target.

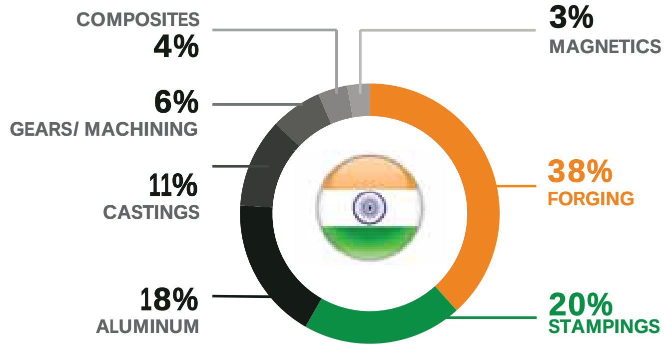
CY 2023 HIGHLIGHTS : GEOGRAPHY AND TECHNOLOGY

CIE India Consolidated

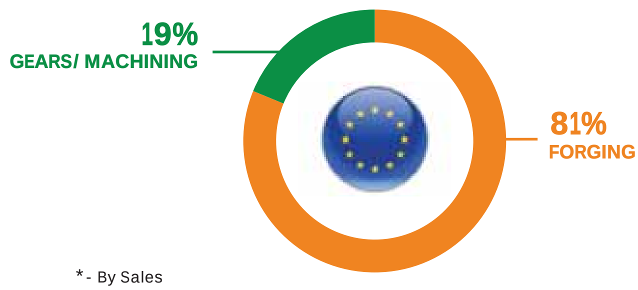


Sales do not include CFG discontinued operations

India



Europe



*- By Sales

CIE INDIA OVERVIEW

KEY PRODUCTS

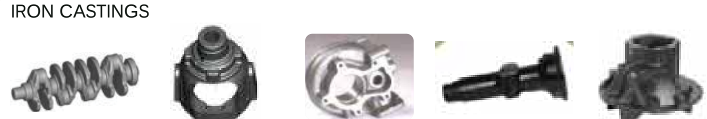
FORGINGS

CRANKSHAFTS | CV JOINTS | KNUCKLES | DIFF CROWNS | SPINDLES

GEARS

GEARS & SHAFTS | E-DRIVE COMPONENTS | FLANGES/ END YOKES | CLUTCH HUBS

IRON CASTINGS



CRANKSHAFTS | DIFFERENTIAL HOUSINGS | TURBINE HOUSINGS | AXLE HOUSINGS | GEAR CARRIER

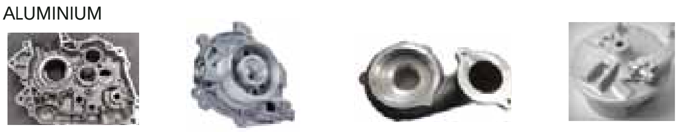
COMPOSITES

FRONT LID | WIND SHIELD - ELECTRIC -3WH | ELECTRIC BOX TOP TRAY | CRASH SHIELDS- FUEL TANKS | FRONT BUMPER

MAGNETICS

HARD MAGNETS | HARD MAGNETS | SOFT MAGNETS

ALUMINIUM



CRANK CASE | PUMP HOUSING | TURBO COVER (GDC) | BRAKE PANEL

STAMPINGS

CHASSIS & STRUCTURAL PARTS | BIW PANELS & ASSEMBLIES

CROSS CAR BEAM | SAFETY ASSEMBLIES | FUEL TANK

DIVERSIFICATION

TECHNOLOGIES AND SEGMENTS

TECHNOLOGIES		END USE SEGMENTS	TOP CUSTOMERS
63% OF OVERALL SALES	**TECHNOLOGIES** • Forgings • Aluminium • Stampings • Castings • Gears/Machining • Magnetic Products • Composites	CARS + UTILITY VEHICLES + LIGHT COMMERCIAL VEHICLE 52% TWO WHEELERS 21% TRACTORS 18% MHCV 9%	Mahindra, Bajaj, Maruti, Tata, Hero, GKN, Nexteer, Hyundai, Kia, Ola Electric, Stellantis, Brembo **50+ Customers** **20+ >Rs 50mn**
37% OF OVERALL SALES	**TECHNOLOGIES** • **Car Forgings** Spain, Lithuania • **Gears/Machining** Italy	CARS 60% MHCV 20% OFF HIGHWAY 19% TWO WHEELERS 1%	Renault, VW, Ford, JLR, BMW, FIAT, CAT, Eaton, CNH **Top OEMs + Tier 1**

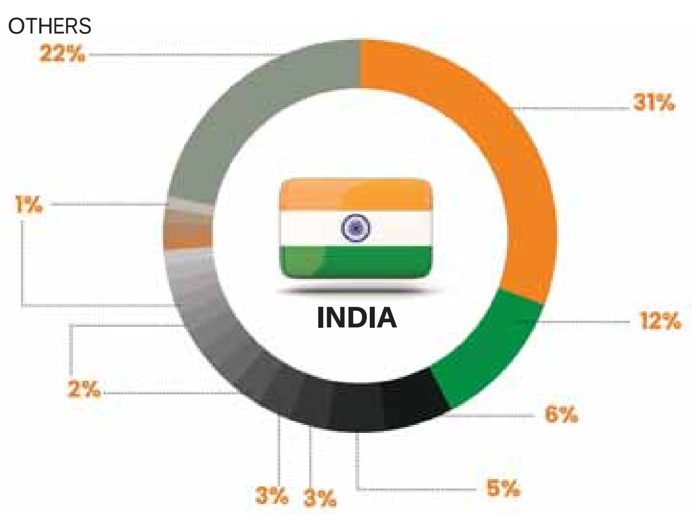
Sales do not include CFG discontinued operations

+ Unique Diversification + Market downturn risk reduced + Helps maintain high margins

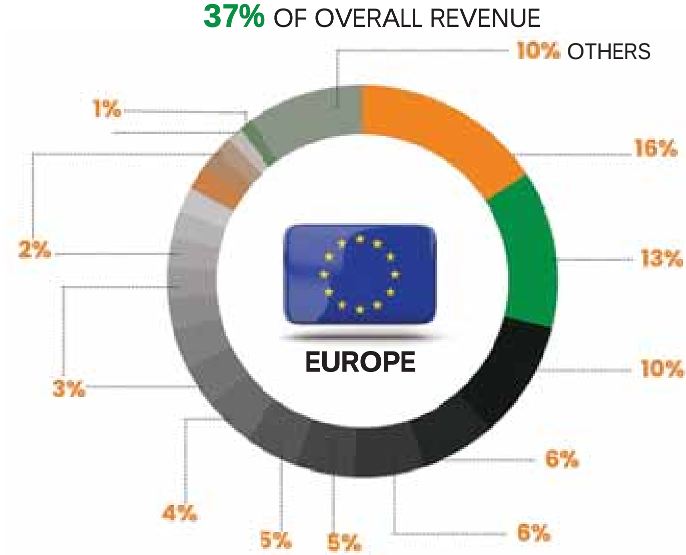
DIVERSIFICATION

CUSTOMERS

63% OF OVERALL REVENUE



37% OF OVERALL REVENUE



Sales do not include CFG discontinued operations

+ Diversified customer portfolio in both geographies + Strong relationships with key anchor customers

EV PORTFOLIO

BY APPLICATION AREA

MOTOR & GEARBOX

ELECTRONIC AREA

BATTERY (STRUCTURAL AREA)

BATTERY (COOLING AND AUXILIARIES)

ESG FOCUS

STANDOUT PROJECTS

RENEWABLE ENERGY projects implemented

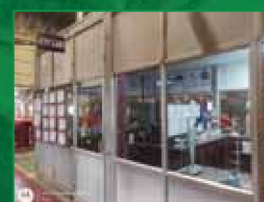
MODULES INSTALLATION

ICR UNIT

POOLING SUB-STATION

ALTERNATIVE ENERGY
Diesel Fuel replaced with BioGas

ETP /STP Parameters
TESTING LAB Inaugarated



CSR

CIE India Institute of Skills Practical Training

CIE India Institute of Skills Driving Simulator

School Inauguration Program, Bengaluru

Classes in the school constructed at Bengaluru

CSR awards received in 2023

CSRBOX
Doing Good in a Better Way
An Initiative by CSRBOX
India CSR Summit 2023 & ESG Forum

SOCIO CSR
OFFICIAL SELECTION IN SOCIO CSR FILM FESTIVAL
SCSR FiF

Board of Directors
Mr. Shriprakash Shukla - Chairman
Mr. Ander Arenaza Alvarez
Mr. Manoj Menon
Mr. Anil Haridass
Mr. Jesus Maria Herrera Barandiaran
Mr. Manojkumar Maheshwari
Mrs. Roxana Meda Inoriza
Mr. Alan Savio D'Silva Picardo
Mr. Suhail Amin Nathani
Mr. Jayaraj Purandare (w.e.f. 10th June,2023)
Mr. Kadambi Narahari (upto 10th June,2023)
Mr. Dhananjay Mungale (upto 10th June,2023)

Chief Financial Officer
Mr. K. Jayaprakash

Company Secretary & Compliance Officer
Mr. Pankaj Goyal

Committees of the Board
Audit Committee
Mr. Alan Savio D'Silva Picardo- Chairman
Mr. Manoj Maheshwari
Mrs. Roxana Meda Inoriza

Nomination and Remuneration Committee
Mr. Manojkumar Maheshwari - Chairman
Mr. Alan Savio D'Silva Picardo
Mr. Jesus Maria Herrera Barandiaran
Ms. Roxana Meda Inoriza

Stakeholders Relationship Committee
Mr. Alan Savio D Silva Picardo- Chairman
Mr. Manoj Menon
Mr. Suhail Amin Nathani

Corporate Social Responsibility Committee
Mr. Manoj Menon – Chairman
Mr. Alan Savio D Silva Picardo
Mr. Anil Haridass

Risk Management Committee
Mr. Manoj Menon – Chairman
Mr. Ander Arenaza Alvarez
Mr. Alan Savio D'Silva Picardo

Registered Office
Suite F9D, Grand Hyatt Plaza (Lobby Level),
Off Western Express Highway, Santacruz (E)
Mumbai - 400 055
CIN: L27100MH1999PLC121285
Tel: 022 62411031
Fax: 022 62411030
Website: www.cie-india.com
Email: contact.investors@cie-india.com

Pune Office
Office No. 602 & 603,
Amar Business Park, Opp. Sadanand Resort,
above Westside showroom Baner,
Pune - 411 045
Tel: 020-29804621

Statutory Auditors
B S R & Co. LLP
8th Floor, Business Plaza,
Westin Hotel Campus, 36/3-B,
Koregaon Park Annex, Mundhwa Road,
Ghorpadi, Pune - 411 001

• Bankers
ICICI Bank Limited
Kotak Mahindra Bank Limited
Bank of America
Barclays Bank

• Registrar and Share Transfer Agents
KFin Technologies Limited
Selenium, Tower B, Plot 31 & 32,
Financial District, Gachibowli,
Hyderabad, 500 032 Website : www.kfintech.com
E-mail : einward.ris@kfintech.com

BOARD'S REPORT

NOTES

BOARD'S REPORT

Dear Shareholders

The Board of Directors present their Report together with the Audited Financial Statements of CIE Automotive India Limited (Formerly known as Mahindra CIE Automotive Limited) (the Company) for the Financial Year (FY) ended 31st December, 2023.

A. FINANCIAL SUMMARY AND HIGHLIGHTS

(` in Million)

PARTICULARS (STANDALONE)	FY ended 31st December, 2023	FY ended 31st December, 2022
Total Income	47,202	45,184
Profit before Interest, Depreciation, Exceptional Items and Tax	8,632	7,422
Less: Depreciation	1,357	1,332
Profit before Interest, Exceptional Items and Tax	7,275	6,090
Less: Finance cost including interest	110	135
Profit before Exceptional Items and Tax	7,165	5,955
Less: Exceptional items	-	(379)
Profit before tax	7,165	6,334
Profit after tax	5,623	5,120

During the Financial Year under review, total standalone revenue of the Company increased to ` 47,202 Million from ` 45,184 Million for the previous year. Profit before Interest, Depreciation, Exceptional Items and Tax increased to ` 8,632 Million as against ` 7,422 Million for the previous year. The profit before exceptional items & tax for the Financial Year increased to ` 7,165 Million in the Financial Year 2023 from ` 5,955 Million in the Financial Year 2022.

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

Dividend

As per the Dividend Distribution Policy of the Company, dividend pay-out will be determined based on available financial resources, business environment, funds required for organic as well as inorganic growth and other factors which will ensure optimal shareholder return. Within these parameters, the Company would endeavour to maintain a total dividend pay-out ratio of upto 25% of the Annual Consolidated Profit After Tax (Consolidated PAT) of the Company for the corresponding year.

Considering strong cash flows and operational performance, the internal and external factors as provided in the Dividend Distribution Policy, the Board is pleased to recommend dividend of ` 5/- (Rupees five only) per equity share of face value of ` 10/- for the financial year ended 31st December, 2023 out of the standalone profit after tax of the Company for the Financial Year ended 31st December, 2023. The equity dividend outgo for the Financial Year 2023 would absorb a sum of ` 1,897 Million.

Dividend will be payable subject to approval of members at the ensuing Annual General Meeting and deduction of tax at source, as may be applicable, to those members whose names appear in the Register of Members as on the close of business hours of 13th June, 2024.

Transfer to Reserves

The Board of Directors has decided not to transfer any amount to the General Reserve for the year under review.

B. OPERATIONAL PERFORMANCE – THE COMPANY AND SUBSIDIARIES

India

Automotive market growth in India in CY23 was uneven across segments, quarters and customers. Light vehicles grew reasonably but two wheelers and tractors were flattish. A good first quarter was followed by a muted second quarter, but the festive season was encouraging. The performance of our key customers was also mixed with some suffering negative or flat demand growth. There was delay in ramp up of some of our orders and this impacted our sales growth. To safeguard margins and returns, the focus was on increasing labour productivity through smart automation and improving asset utilisation by optimising working capital, enhancing machine throughput and focusing on flexible machines. To keep expanding the order book, emphasis was on improving new product development with higher value add and the skills required for it.

Europe

The light vehicle market in Europe grew in double digits in CY23 driven by pent up demand but demand for off road vehicles declined especially in US which is a key market for our gear's unit. The ongoing war in Ukraine and the tense situation in Israel continues to cast a shadow on European customer outlook. Power costs in Europe stabilised and this helped in recovering margins to levels seen before the energy crisis that was triggered in the last quarter of CY21. But pressure on costs continues to be a concern. The endeavour is to maintain margins and focus on cash generation in Europe. Our Forgings Business in Europe is a leading producer of crankshafts for internal combustion engines and this business will decline in the long-term with the increasing penetration of electric vehicles in Europe. However, the delay in the Euro 7 norm entry will maintain current internal combustion engine volumes in the mid-term. For our Forgings Business in Europe we are developing aluminum forgings as an alternative to crankshafts. In addition, it has a healthy order book on steel forgings and transmission parts specific to electric vehicles.

C. INVESTOR RELATIONS (IR)

The Company strives for excellence in its investor relations ("IR") engagement with international and domestic investors. There is a structured conference call every quarter to discuss published results. The management has periodic interactions with the financial community including investors and analysts, through individual meetings and investor conferences. The Company participated in several investors meets, conferences and roadshows organized by reputed global and domestic broking houses, during the year. It is ensured that critical information related to the company is uploaded on the company's website and made available to the stock exchanges so that they can be accessed easily and equally by all.

D. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Total Income of the Company (from continued operations) for the financial year under review stood at ` 93,623 Million as against ` 88,113 Million in the previous year. Profit before Interest, Depreciation, Exceptional Items and Tax (from continued operations) for the financial year under review stood at ` 15,059 Million as against ` 12,302 Million for the previous year. The profit before exceptional items & tax for the Financial Year (from continued operation) stood at ` 10763 Million in Financial Year 2023 as against ` 9,113 Million in Financial Year 2022.

The subsidiary companies continue to contribute to the overall growth of the Company.

CIE Galfor S.A. registered consolidated revenue from continued operations of ` 33,818 Million during the financial year ended 31st December, 2023 as compared to ` 31,220 million in the previous year. The consolidated net profit after tax from continued operations for the financial year under review was ` 3,065 Million as compared to ` 2,316 Million in the previous year.

CIE Aluminium Casting India Limited (formerly known as Aurangabad Electricals Limited), registered a revenue from operations of ` 10,316 Million during the year as compared to ` 10,060 Million in the previous year and the net profit after tax for the year stood at ` 791 Million as compared to ` 730 Million in the previous year.

CIE Hosur Limited registered a revenue from operations of ` 1,134 Million during the year and the net loss after tax for the year stood at ` 141 Million.

The Company's consolidated revenue from the continuing operations was ` 92,803 Million in the financial year ended 31st December, 2023, of which about 50.7% was derived from the subsidiaries whereas about 49.3% was derived from operations of the Company.

The Consolidated Financial Statements of the Company and its subsidiary companies, prepared in accordance with the Companies Act, 2013 (hereinafter referred to as "**the Act**") and applicable Accounting Standards along with all relevant documents and the Auditors' Report forms a part of the Annual Report of 2023.

In accordance with Section 136 of the Act, separate annual accounts in respect of each of the Subsidiaries are uploaded on the website of the Company and is accessible at the web-link: https://www.cie-india.com/subsidiaries-annual-reports.html and soft copies of the same shall be provided to shareholders of the Company on request for such copies.

Subsidiary Companies

As on 31st December 2023, the Company has 9 subsidiaries namely CIE Galfor S.A.U. (Spain), CIE Legazpi S.A. (Spain), UAB CIE LT Forge (Lithuania), CIE Forging Germany GmbH (Germany), Metalcastello S.p.A. (Italy), Bill Forge de Mexico S. A. de. CV (Mexico), BF Precision Private Limited (India), CIE Aluminium Casting India Limited (Formerly known as Aurangabad Electricals Limited) (India) and CIE Hosur Limited (India).

Except CIE Forging Germany GmbH and BF Precision Private Limited, all other subsidiaries are operational.

CIE Forging Germany GmbH and its subsidiaries (German Forging Operations)

The Board of Directors of CIE Galfor S.A. at its meeting held on 14th December, 2022 had approved the proposal to launch an active program to locate a buyer for the German Forging Operations comprising of CIE Forging Germany GmbH (CFG) and its subsidiaries namely Jeco Jellinghaus GmbH (JECO), Gesenkschmiede Schneider GmbH (GSA), Falkenroth Umformtechnik GmbH (FUG) and Schoneweiss & Co. GmbH (SCG) (together referred to as German Forging Operations). In accordance with the applicable accounting standards all the German Forging Operations' "assets and liabilities" were categorized as "assets and liabilities held for sale".

The Board of the Company at its meeting held on 10th August, 2023 reviewed the proposal of sale of 100% stake held by CFG in its subsidiaries in Germany i.e. JECO, GSA, FUG and SCG to Mutares SE & CO (Buyer) (the Transaction) and accorded its approval to the Transaction. CFG as seller of JECO, GSA, FUG and SCG and the Buyer entered into binding agreements to give effect to the Transaction.

Further, the members of the Company accorded their approval to the Transaction in accordance with Regulation 24(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") through Postal Ballot on 22nd September, 2023.

On 16th October, 2023 in terms of the transaction documents, all the necessary actions required for completion of the Transaction were completed and all the shares held by CFG in each of JECO, GSA, FUG and SCG were transferred to the Buyer. Accordingly, effective from 16th October, 2023 JECO, GSA, FUG and SCG ceased to be subsidiaries of the Company. While the transaction was completed on 16th October, 2023, in terms of the transaction document, the transfer of business of JECO, GSA, FUG and SCG to the Buyer takes effect from 1st July, 2023 i.e. the business and operations including the revenue, profits & cash generated therefrom belongs to the Buyer w.e.f. 1st July, 2023.

Stokes Group Limited

In 2018, the Board of Directors of the Company, after reviewing the business situation, had agreed with the proposed closure of Stokes Group Limited (Stokes) and its business was classified as dis-continued operations. Stokes had completely stopped its production in FY2019 and a process of voluntary winding up and liquidation of Stokes was initiated. The said process was completed and Stokes was dissolved with effect from 5th September, 2023 in accordance with applicable laws and it ceased to be a subsidiary of the Company from that date.

BF Precision Private Limited (BFPPL)

BFPPL was set-up as a separate entity by erstwhile Bill Forge Private Limited (now merged with the Company) as per its business strategy in the year 2016. It continued to have a single plant in Coimbatore, that continued to cater to a single customer, which can also be catered from our other locations, if any. The premises at which the plant of BFPPL was set-up was a leased premises and the said lease was expiring in September 2023. Accordingly, the Board of Directors of the Company at its meeting held on 18th July, 2023 reviewed the overall operations of BFPPL. Continuing operations with a separate plant with such small operations and under a separate legal entity was not in line with the Group strategy of keeping the Group Entity structure simplified. Hence instead of continuing with such operations, the Board, agreed and approved the Plan to close the operations of BFPPL. Accordingly, the operations of BFPPL were closed in September, 2023.

Further the Board of Directors at its meeting held on 19th February, 2024 has approved the proposal to launch a process of voluntary liquidation of BFPPL.

Bill Forge de Mexico S. A. de. CV (BF Mexico)

The Board of the Company at its meeting held on 19th February, 2024 reviewed and approved the proposal to increase the capital of Bill Forge De Mexico, S.A. DE C.V. (BF Mexico) and waived its right of first refusal to subscribe to the said capital increase. The Board also noted that CIE Galfor S.A.U (Galfor), the other wholly owned subsidiary of the Company in Spain, shall subscribe to the said capital increase.

Accordingly, on issuance of shares to Galfor by BF Mexico, pursuant to the proposed capital increase, the percentage shareholding of the Company in BF Mexico will get diluted such that, BF Mexico will cease to be a direct subsidiary of the Company. BF Mexico shall become a direct subsidiary of Galfor and a step down subsidiary of the Company.

Associate Companies

The Company had Seven Associates as on 31st December, 2023 namely Clean Max Deneb Power LLP (Deneb), Sunbarn Renewables Private Limited (Sunbarn), Renew Surya Alok Private Limited (Renew), Gescrap India Private Limited (Gescrap), Strongsun Solar Private Limited (Strongsun), Sunseed Solar Private Limited (Sunseed) and Galfor Eolica SL. The Company does not have any joint-venture.

The Company has been taking various steps to optimize its power cost and to increase the proportion of green energy in the total energy consumption of the Company. The investments in Deneb, Sunbarn, Strongsun, Renew and Sunseed are in furtherance of this objective. All these entities are major contributors for use of renewable source of energy in operations of the Company and its subsidiaries in India and will also results in savings in energy cost.

Gescrap is engaged in metal recycling and total waste management in India. The investment is made with the objective of preventing disruption in supply/demand of scrap for the business divisions of the Company and to enhance transparency and add best practices to scrap management in the group.

Sunseed Solar Private Limited is an Associate of CIE Aluminium Casting India Limited w.e.f. 4th July 2023. Galfor Eolica S.L. is an associate Company of CIE Galfor S.A.

A Report on the performance and financial position of each of the subsidiaries and associate companies is included in the Consolidated Financial Statement and their contribution to the overall performance of the Company is provided in Note No. 39 of the Consolidated Financial Statements of the Company and in Form AOC-1 attached to the Financial Statements.

The Company has formulated a Policy for determining Material Subsidiaries and Governance Requirements in respect of Subsidiaries and the same has been uploaded on the website of the Company and is accessible at the web-link:

https://www.cie-india.com/governance3.html#Policies

Credit Rating

During the year under review ICRA Limited, a Credit Rating Agency, have re-affirmed its rating(s) to the Commercial Paper and short term-Fund based/Non Fund based line of credit as [ICRA]A1+ (pronounced as ICRA A one plus). The rating for long term-fund based/non-fund based Line of Credit was upgraded to [ICRA]AA (pronounced ICRA double A) from [ICRA]AA- (pronounced ICRA double A minus) while the outlook on long term rating was revised to Stable from Positive.

The details of the Credit Ratings are uploaded on the website of the Company and is accessible at the web-link:

https://www.cie-india.com/periodic-public-information8.html#Credit-Rating

The Company has not been identified as a "Large Corporate" as per the criteria specified under Chapter XII of SEBI operational circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated 10th August 2021.

E. INTERNAL FINANCIAL CONTROLS

The Company has put in place adequate internal financial controls commensurate with the size and complexity of its operations. The internal controls ensure the reliability of data and financial information and accountability of assets.

The Company uses ERP System as a business enabler and to maintain its books of accounts. The transactional controls built in ERP System provide segregation of duties, appropriate level of approval mechanism and maintenance of supporting records. It is further supplemented by documented policies, guidelines and procedures. These are reviewed by the management regularly and strengthened wherever required. These systems and controls are subject to internal audit program arrived at basis risk review as approved by the Audit Committee. Action plan is prepared by the management for all the audit findings and the same is reviewed by the Audit Committee on quarterly basis.

The controls have been assessed during the year under review, basis guidance note issued by the Institute of Chartered Accountants of India on Audit of Internal Financial Controls over Financial Reporting. Based on the results of such assessments carried out by the management, no reportable or significant deficiencies, no material weakness in the design or operation of any control was observed. Nonetheless, the Company recognizes that any internal control framework, no matter how well designed, has inherent limitations and in a dynamic environment needs continuous review and upgrade.

F. MANAGEMENT DISCUSSION AND ANALYSIS

Management discussion and analysis of financial condition and results of operations of the Company along-with the performance and financial position of each of the subsidiaries is provided in the Management Discussion and Analysis Report which forms part of this Annual Report.

G. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered into with Related Parties of the Company, during the year under review, were in Ordinary Course of Business and were transacted at arm's length basis.

Except the holding company of the Company, the Company did not have any person or entity belonging to the promoter/promoter group which held 10% or more shareholding during the financial year under review.

Details of the related party transactions entered into by the Company is provided in Note No. 31 of the Notes to the Standalone Financial Statement for the FY 2023.

Further, the Company had entered into Material Related Party Transactions i.e., transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements of the Company with Mahindra & Mahindra Limited (M&M). These transactions were in Ordinary Course of Business of the Company and were at arm's length basis. The details of these transactions, as required to be provided under Section 134(3)(h) of the Act, are disclosed in Form AOC-2 as **Annexure I** and forms part of this Report.

The Policy on materiality of and dealing with Related Party Transactions as approved by the Board is uploaded on the website of the Company and is accessible at the web-link:

https://www.cie-india.com/governance3.html#Policies.

H. PARTICULARS OF INVESTMENTS, LOANS, GUARANTEES AND SECURITIES

Particulars of investments made by the Company, as required under Section 186 of the Act, are provided in Note No. 8 of the Notes to the Standalone Financial Statements of the Company for the FY 2023.

Further, disclosure required pursuant to Regulation 34(3) read with Part A of Schedule V of the Listing Regulations in respect of loans or advances in the nature of loans given by the Company to its Subsidiaries is provided at the end of this report. Apart from the loans or advances in the nature of loans given to the subsidiaries of the Company as provided at the end of its report, the Company has not provided any loans or advances in the nature of loans to any of its associates or any other person or body corporate including to any firms/body corporates in which directors of the Company are interested.

The particulars of loans given by the Company, as required under Section 186 of the Act, are also provided in Note No. 8B of the Notes to the Standalone Financial Statement of the Company for the FY 2023.

During the year under review, the Company has not provided any guarantee or security in connection with the loan to any other person or body corporate.

I. PUBLIC DEPOSITS

The Company has not accepted any deposits during the year under review.

J. AUDITORS

Statutory Auditors Report

The members of the Company at the 23rd Annual General Meeting (AGM) had appointed M/s. B S R & Co. LLP, Chartered Accountants (B S R LLP) (ICAI Firm No. 101248W/W – 100022) as the Statutory Auditors of the

Company to hold office from the conclusion of 23rd AGM for a term of consecutive five years till the conclusion of 28th AGM of the Company to be held in the year 2027.

The Auditor's Report on the Financial Statement for the year ended 31st December, 2023, is unmodified i.e., it does not contain any qualification, reservation adverse remark or disclaimer and notes thereto are self- explanatory and do not require any explanations.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Mr. Sachin Bhagwat, Practicing Company Secretary (Certificate of Practice No. 6029), Secretarial Auditor to undertake the Secretarial Audit of the Company for the Financial Year ended 31st December, 2023.

The Secretarial Audit Report for the Financial Year ended 31st December, 2023 is appended to this Report as **Annexure II**. The report does not contain any qualification, reservation, adverse remark or disclaimer.

Secretarial Audit of Material Unlisted Indian Subsidiary

CIE Aluminium Casting India Limited (formerly known as Aurangabad Electricals Limited) (CIEALCAST), is a material subsidiary of the Company in India. The Secretarial Audit of CIEALCAST for the financial year ended 31st December, 2023 was carried out pursuant to Section 204 of the Act and Regulation 24A of the Listing Regulations by Mr. Sachin Bhagwat, Practicing Company Secretary (Certificate of Practice No. 6029). The Secretarial Auditor's Report of CIEALCAST, does not contain any qualification, reservation, adverse remark or disclaimer and the same is enclosed herewith as **Annexure III.**

Annual Secretarial Compliance Report

The Annual Secretarial Compliance Report issued by Mr. Sachin Bhagwat, Practicing Company Secretary (Certificate of Practice No. 6029) in accordance with Regulation 24A of the Listing Regulations read with Circulars issued thereunder by Securities and Exchange Board of India has been submitted to the Stock Exchanges within the prescribed timelines.

The same is also uploaded on the website of the Company and is accessible at the web-link:

https://www.cie-india.com/documents-and-disclosure.html#Secretarial-Compliance-Report

Cost Records

During the year under review, the Company maintained cost accounts and records as required under Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014 as amended.

Cost Auditors

The Board had appointed Messrs. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, (Firm Registration Number 000030) as Cost Auditor for conducting the audit of Cost Records of the Company for Financial year ended 31st December, 2023.

In accordance with Section 148 of the Act, the Board of Directors of the Company, on recommendation of the Audit Committee, re-appointed Messrs. Dhananjay V. Joshi & Associates, Cost Accountants, Pune (Firm Registration Number 000030) as the Cost Auditors of the Company to conduct the Audit of the Cost Accounting Records maintained by the Company for the Financial Year ending 31st December, 2024. Messrs. Dhananjay V. Joshi & Associates have confirmed that their appointment is within the limits of Section 141(3)(g) of the Act and have also certified that they are free from any disqualifications specified under section 141(3) read with Section 148(5) of the Act.

As per the provisions of the Act, the remuneration payable to the Cost Auditor is required to be placed before the Members in a General Meeting for their ratification. Accordingly, a resolution seeking Members' ratification for the remuneration payable to Messrs. Dhananjay V. Joshi & Associates, Cost Auditors is included in the Notice convening the 25th Annual General Meeting.

Reporting of Frauds by Auditors

During the year under review, the Statutory Auditors, Cost Auditors and the Secretarial Auditor have not reported any instance of fraud committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Act, details of which needs to be mentioned in this Report.

K. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

The details of amounts transferred by the Company in relation to unclaimed amounts of Dividend declared by the Company for the Financial Year ended 31st December, 2021 and 31st December, 2022 to Unclaimed Dividend Account along-with a statement containing the names, last known addresses, the unpaid dividend to be paid to each person and the date when such unpaid Dividend is due for transfer to the Investor Education and Protection Fund (IEPF) has been placed on the website of the Company and the same is accessible at the web-link:

https://www.cie-india.com/periodic-public-information8.html#IEPF

During the year under review, the Company was not required to transfer any amount to IEPF.

Further, details of all the unclaimed amounts transferred by the Company to IEPF in earlier years is uploaded on the website of the Company and is accessible under the sub-tab 'Unclaimed Amount Transferred to IEPF' at the web-link:

https://www.cie-india.com/periodic-public-information8.html#IEPF and is also available on the website of IEPF viz. www.iepf.gov.in.

No claim lies against the Company in respect of these unclaimed amounts.

For any claims that are lodged with IEPF for unclaimed amounts, the Company has nominated Mr. Pankaj Goyal, the Company Secretary of the Company as Nodal officer for the purposes of verification of claims and coordination with Investor Education and Protection Fund Authority as required under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Contact details of the nodal officer are available on the website of the Company at the aforementioned web-link.

L. EMPLOYEES

Key Managerial Personnel (KMP)

During the financial year, the following officers were the Whole-time Key Managerial Personnel of the Company in accordance with Section 203 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. Mr. Ander Arenaza – Executive Director
2. Mr. Manoj Menon – Executive Director and Chief Executive Officer – Stampings, Composites, Foundry, Magnetics and Gears Divisions
3. Mr. Hari Krishnan – Chief Executive Officer – Forgings and Bill Forge Divisions
4. Mr. K. Jayaprakash – Chief Financial Officer
5. Mr. Pankaj Goyal – Company Secretary and Compliance Officer

Mr. Hari Krishnan, Chief Executive Officer – Forgings and Bill Forge Divisions expressed his desire to demit his executive responsibilities of the Company, with effect from close of working hours 31st March 2024, due to his personal reasons. The resignation of Mr. Hari Krishnan was noted by the Board of Directors at its meeting held on 12th December, 2023, and he shall cease to be the Chief Executive Officer – Forgings and Bill Forge Divisions and a Key Managerial Personnel of the Company on close of working hours on 31st March, 2024.

Further, the Nomination and Remuneration Committee and the Board at their respective meetings held on 12th December, 2023 reviewed the succession and transition plan and approved the appointment of Mr. Sunil Narke as the Chief Executive Officer – Forgings Division with effect from 1st April, 2024. The Forgings and Bill Forge Division of the Company have Forging as its manufacturing technology and hence, both these divisions shall be regarded as Forgings Division with effect from 1st April, 2024, Mr. Sunil Narke shall head and be responsible for the business and operations of all forging technologies plants of the Company in India, situated in Pune, Bangalore, Coimbatore and Haridwar.

Employees' Stock Option Scheme

The Company had following Employees Stock Options Schemes :

a) Employees' Stock Option Scheme (ESOS-2007)

b) Employees' Stock Options Scheme 2015 (ESOS-2015)

Voting rights on the shares issued to employees under above ESOS are either exercised by the employees directly or through their appointed proxies.

Both the schemes were in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2021 ("SBEB Regulations"). The Certificate issued by the Secretarial Auditor of the Company to the effect that the Schemes have been implemented in accordance with the said Regulations and the resolution passed by the members will be placed before the members at the ensuing Annual General Meeting.

The information as required to be disclosed, in relation to ESOS under the Act, and the details of the ESOS being implemented, as specified by SEBI under the SBEB Regulations is uploaded on the website of the Company and is accessible at the web-link:

https://www.cie-india.com/documents-and-disclosure.html#Esop-Disclosures

The said information is also provided in the Note No. 36 of the Notes to Standalone Financial Statements.

During the year under review, the Nomination and Remuneration Committee of the Board at its meeting held on 25th April, 2023 noted that all the options granted under both of the ESOP schemes mentioned above were either exercised or lapsed and there were no plans to grant new ESOPs under these schemes in view of the separate Stock Appreciation Benefit Scheme approved by the Board and accordingly in terms of authority as vested pursuant to respective schemes terminated the Employees' Stock Option Scheme (ESOS-2007) and Employees' Stock Options Scheme 2015 (ESOS-2015) with effect from 25th April, 2023.

Particulars of Employees and related disclosures

Disclosures with respect to the remuneration of Directors, KMPs and employees as required under Section 197 (12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in **Annexure IV** to this Report.

Further, as required under provisions of Section 197(12) of the Act read with Rule 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, a statement including the names and other details of the top ten employees in terms of remuneration drawn and the name of every employee, who were in receipt of remuneration not less than ` 10,200,000/- per annum during the year ended 31st December, 2023 or employees who were employed for a part of the Financial Year and were in receipt of remuneration of not less than ` 8,50,000/- per month during any part of the said year is annexed as **Annexure V** to this report.

The Company had no employee who was employed throughout the Financial Year or part thereof and was in receipt of remuneration, which in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole - time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

Industrial Relations

The relationship between the Management and Worker's Union continued to remain cordial.

The Management Discussion and Analysis Report gives an overview of the developments in Human Resources/ Industrial Relations during the year.

M. BOARD AND COMMITTEES

Retirement by rotation

Mr. Ander Arenaza (DIN: 07591785) and Mr. Anil Haridass (DIN: 00266080) are liable to retire by rotation and being eligible, have offered themselves for re-appointment at the 25th Annual General Meeting of the Company.

Re-appointment of Independent Directors

The Board of Directors of the Company at its meeting held on 19th February, 2024, on the recommendation of the Nomination and Remuneration Committee, has approved and proposed to the Members of the Company, re-appointment of Mr. Alan Savio D'Silva Picardo (DIN: 08513835) and Ms. Roxana Meda Inoriza (DIN: 08520545), as the Independent Directors of the Company for the second term of five years commencing from 29th September, 2024 to 28th September, 2029. Their re-appointments shall be placed for approval before the members at the ensuing 25th Annual General Meeting of the Company.

As required under Regulation 36 (3) of the Listing Regulations and Secretarial Standard-2, particulars of Directors seeking re-appointment at ensuing Annual General Meeting shall be provided in the Notice of 25th Annual General Meeting (AGM).

Changes in Board during the year under review

Completion of term of appointment of Independent Directors

Mr. Narahari Kadambi (DIN: 05351378) and Mr. Dhananjay Mungale (DIN: 00007563) were appointed as the Independent Directors of the Company for a second term Commencing from 29th September, 2019 to the date of Annual General Meeting to be held following completion of 70 (Seventy) years of their age, subject to the condition that the term shall not be exceeding five consecutive years commencing from 29th September, 2019. Accordingly, Mr. Narahari Kadambi (DIN: 05351378) and Mr. Dhananjay Mungale (DIN: 00007563) completed their term of appointment as Independent Directors of the Company on close of business hours on 9th June, 2023 and ceased to be Independent Directors of the Company w.e.f. 10th June, 2023.

The Board of Directors of the Company places on record its sincere appreciation of the contributions Mr. Mungale and Mr. Narahari made towards the success of the Company during their tenure.

Appointment of Independent Director

During the year under review, the Board at its meeting held on 2nd June, 2023, on recommendation of the Nomination and Remuneration Committee, appointed Mr. Jairaj Purandare (DIN: 00159886) as an Additional Director (Independent Director) of the Company, with effect from 10th June, 2023. The Members of the Company, by way of resolution passed through postal ballot on 8th September, 2023, approved his appointment as a Director (Independent) to hold the office of the Independent Director for a term of five years from 10th June, 2023 till 9th June, 2028.

Changes in Directorships pursuant to termination of Shareholders Agreement

During the year under review, on 24th May, 2023 Mahindra & Mahindra Limited (M&M) sold its entire stake comprising of 1,21,22,068 Equity Shares representing 3.195% of the paid-up share capital of the Company and ceased to be a shareholder of the Company. On 12th July, 2023 Participaciones Internacionales Autometal Dos, S.L. (PIA2), Mahindra & Mahindra Limited (M&M), CIE Automotive S.A. (CIE), Autometal S.A. (Autometal) and CIE Automotive India Limited (the Company) (collectively referred to as the Parties) signed "Deed of Termination of Shareholders Agreement" (the Termination Deed) terminating the Shareholders' Agreement dated 15th June, 2013 signed between the Parties (the Shareholder's Agreement).

In terms of Termination Deed the Parties had agreed that, with effect from the date of Stake Sale i.e., 24th May, 2023 none of the terms of the Shareholder's Agreement shall be binding on the Parties. Accordingly, all the rights vested in M&M and PIA2 in the Company pursuant to the Shareholders Agreement ceased to be effective.

Mr. Shriprakash Shukla (DIN: 00007418) was nominated on the Board of the Company by M&M, pursuant to its right under the Shareholders Agreement and was appointed by the Board of Directors as Additional Director w.e.f. 1st April 2015 and by the Members of the Company as a Director liable to retire by rotation at the 16th AGM held on 15th September, 2015.

Consequent to the Termination Deed, M&M had withdrawn the nomination of Mr. Shukla on the Board of the Company vide its letter dated 17th July, 2023. Mr. Shriprakash Shukla (DIN: 00007418) tendered his resignation, from the Board of Directors of the Company, with effect from close of business of 18th July, 2023 i.e., he ceasing to be a Director and Non-executive Chairman of the Company w.e.f. 19th July, 2023. With the resignation of Mr. Shukla, M&M had no representation on the Board of the Company.

To take advantage of the vast experience and long association of Mr. Shukla with the Company, the Board of Directors of the Company at its meeting held on 18th July, 2023, on recommendation of the Nomination and Remuneration Committee, approved appointment of Mr. Shriprakash Shukla (DIN: 00007418) as Additional Director (Non-executive, Non-Independent), in his professional capacity with effect from 19th July, 2023. The Members of the Company, by way of resolution passed through postal ballot on 8th September, 2023, approved his appointment as Director (Non-Executive, Non-Independent, Professional) of the Company, liable to retire by rotation with effect from 19th July, 2023.

Appointment of Chairperson of the Board

The Board of the Directors of the Company at its meeting held on 17th October, 2023, unanimously appointed Mr. Shriprakash Shukla, the Non-executive Director of the Company, as the Chairman of the Board of Directors of the Company with effect from 17th October, 2023.

Declaration of the Independent Directors

In accordance with Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, all the Independent Directors have from time to time submitted declarations confirming that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Further, the Board after taking these declaration/disclosures on record and acknowledging the veracity of the same, opined that the Independent Directors of the Company, including the Independent Director appointed during the year, are persons of integrity and possess the relevant expertise and experience (including the proficiency), fulfils the conditions specified in the Listing Regulations and the Act for appointment of Independent Directors and are Independent of the Management.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, based on the representation received from the Operating Management and after due enquiry, confirm that:

a) in the preparation of the annual accounts for the financial year ended 31st December, 2023, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st December, 2023 and of the profit and loss of the Company for that financial year ended on that date;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the financial year ended 31st December, 2023;

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the financial year ended 31st December, 2023.

Board, Committee and Annual General Meeting

A calendar of Meetings is prepared and circulated in advance to the Directors.

The Board of Directors of the Company met seven times during the Financial Year ended 31st December, 2023 i.e., on 22nd February, 2023, 25th April, 2023, 2nd June, 2023, 18th July, 2023, 10th August, 2023, 17th October, 2023 and 12th December, 2023. The 24th Annual General Meeting of the Company was held on 9th June, 2023 through Video Conferencing.

Details of attendance of meetings of the Board, its Committees and the AGM are included in the Report on Corporate Governance, which forms part of this Annual Report.

Meeting of Independent Directors

The Independent Directors of the Company met on 22nd February, 2023 and 12th December, 2023 without the presence of the Chairman, Executive Directors, other Non-Independent Director(s) and any other Managerial Personnel.

Performance Evaluation

During the year under review, the Nomination and Remuneration Committee and Independent Directors have ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board, its Committees and Individual Directors including non-independent Directors and the Chairman.

Accordingly, feedback was sought on the structured questionnaire from all the Directors of the Company, through electronic platform provided by an Independent Agency, covering various aspects, on performance evaluation of the Board, Committees of Board, Independent Directors, Non-Independent Directors, and the Chairman. A report aggregating the responses of all the directors of the Company was generated by the system.

Performance Evaluation of Individual Directors

The reports of the performance evaluation of Individual Directors were shared with respective Directors and Chairman of the Nomination and Remuneration Committee (NRC). Based on the same the NRC evaluated the performance of all individual directors.

The Independent Directors at their meeting separately evaluated the performance of non-independent Directors and the Chairman.

Performance Evaluation of the Board and Committees of Board

The report of the feedback received from all the Directors on performance evaluation of Board and Committees of Board was shared with the Chairman of the Board and the Chairman of the respective Committees. The Board reviewed the reports and evaluated its own performance and performance of the Committees of the Board.

The Independent Directors at their meeting separately evaluated the performance of the Board. For details, please refer to the Report on Corporate Governance, which forms part of this Annual Report.

Familiarisation Programme for Independent Directors

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, and related matters are given in the Report on Corporate Governance.

The familiarisation programme and other disclosures as specified under Regulation 46 of the Listing Regulations is available on the website of the Company at the link:

https://www.cie-india.com/governance3.html#Familiarisation-Program

Policy on Appointment and Remuneration

In line with the principles of transparency and consistency, the Company has adopted the following Policies which, inter-alia includes criteria for determining qualifications, positive attributes and independence of a Director.

i) Policy on appointment of Directors, Key Managerial Personnel and Senior Management Employees and succession planning;

ii) Policy on the remuneration of Directors, Key Managerial Personnel and other employees of the Company.

Salient features of these policies are enumerated in the Corporate Governance Report which forms part of the Annual Report.

During the year under review, the Policy on the remuneration of Directors, Key Managerial Personnel and other employees of the Company was reviewed and amendments were made to bring more clarity in Components of Cost to Company (CTC) Structure forming part of the Policy. Further the Policy on Appointment of Directors, Key Managerial Personnel and Senior Management Employees and succession planning was also reviewed as per the policy review cycle and amendments were made inter-alia to bring more clarity in alignment with provisions in SEBI (LODR) Regulations, 2015 and also to merge Board Diversity Policy in this Policy.

The Policies mentioned above are also uploaded on the website of the Company and is accessible at the web-link: https://www.cie-india.com/governance3.html#Policies

Committees of the Board

The Company has duly constituted the Committees required under the Companies Act, 2013 read with applicable Rules made thereunder and the Listing Regulations. Detailed disclosure in respect of all the Committees of the Board which includes the Constitution of the Committees, the terms of references of each of the Committee, the number of meetings held during the year and attendance etc. is provided in the Corporate Governance Report.

Audit Committee

The Committee comprises of three independent directors as on 31st December, 2023 viz:

1) Mr. Alan Savio D'Silva Picardo - Chairman,

2) Mr. Manojkumar Madangopal Maheshwari

3) Mrs. Roxana Meda Inoriza

Mr. Dhananjay Mungale ceased as Chairman and a member of the Committee with effect from 25th April, 2023. Mr. Alan Savio D'Silva Picardo was appointed as the Chairman of the Committee with effect from 25th April, 2023.

All the Members of the Committee are Independent Directors and possess strong accounting and financial management knowledge.

The Company Secretary is the Secretary to the Committee. All the recommendations of the Audit Committee were accepted by the Board during the financial year under review.

N. GOVERNANCE

Corporate Governance

The Company believes in attainment of highest levels of transparency in all facets of its operations and maintains an unwavering focus on imbibing good Corporate Governance practices. The Company continues to strengthen its governance principles to generate long-term value for its various stakeholders on a sustainable basis thus ensuring ethical and responsible leadership both at the Board and at the Management levels.

A Report on Corporate Governance along with a Certificate regarding the compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations issued by Mr. Sachin Bhagwat, Practicing Company Secretary (ACS Number - 10189, CP Number - 6029) and Secretarial Auditor of the Company forms part of the Annual Report.

Vigil Mechanism

The Vigil Mechanism as envisaged in the Companies Act, 2013, the Rules prescribed thereunder and the Listing Regulations is implemented through the Company's Whistle Blower Policy to enable the directors, employees and all stakeholders of the Company to report their genuine concerns, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairman of the Audit Committee. The detail of the Policy is explained in the Corporate Governance Report and has been uploaded on the website of the Company and is accessible at the web-link: https://www.cie-india.com/ethical-channel.html

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) and Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment at all workplaces of the Company in compliance with the provisions of the POSH Act. All employees (permanent, contractual, temporary, trainees) are covered under this Policy.

The framework ensures complete anonymity and confidentiality.

During the year under review, one complaint of sexual harassment was received by the Internal Complaints Committee of a business division and the same was dealt with and closed in accordance with the POSH Act and Policy made thereunder by the ICC. The Company also had one pending complaint at the beginning of the year, which was also closed during the year in accordance with the Policy and no complaint was pending as at the end of the year.

Risk Management

The Board has constituted a Risk Management Committee which comprises of three members as at the end of the financial year namely, Mr. Manoj Mullassery Menon - Executive Director (Chairman of the Committee), Mr. Ander Arenaza Alvarez – Executive Director and Mr. Alan Savio D Silva Picardo – Independent Director. The Committee also has invitees from Senior Management team. The other details including the terms of reference of the Committee are covered under the Corporate Governance report which forms part of this Annual Report.

In accordance with the requirement of the Act and Listing Regulations, the Company has developed and implemented a Risk Control and Management Policy which establishes general framework for action, as well as the procedures and responsibilities to control and manage the risks which the Company must face efficiently and effectively. The risk management system of the Company ("RMS") allows it to reasonably ensure that all significant risks, both financial and non-financial, including those which in the opinion of the Board may threaten the existence of the Company, are prevented, identified, assessed, subjected to ongoing control and reduced to the defined levels of risk appetite and tolerance and are approved by the Risk Management Committee and ultimately by the Board.

The Risk Management Committee, Audit Committee as well as the Board reviews the risks and RMS periodically. The Company has established procedures to periodically place before the Board, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate the Risks.

Important elements of risks are provided in the Management Discussion and Analysis forming part of Annual Report.

O. SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Sustainability

Sustainability has become an imperative aspect of business and all stakeholders are paying attention to this aspect along-with financial performance of the Company. It broadly covers the Environmental, Social and Governance (ESG) aspects of business. The company understands that a wholistic approach to ESG is important to have harmonious relations with all stakeholders in our business – shareholders, employees, customers, suppliers and the community at large, which is key to long term stability of our business model.

Environmental, Social and Governance Policy (ESG Policy) and ESG Plan

In accordance with the nine business responsibility principles provided under National Guidelines on Responsible Business Conduct (NGRBCs) and Business Responsibility and Sustainability Reporting framework prescribed by Securities and Exchanges Board of India, the Board of Directors of the Company at its meeting held on 14th December, 2022 adopted Environmental, Social and Governance Policy (ESG Policy) replacing the existing Business Responsibility Policy of the Company.

The main objectives of the Policy are (i) to ensure that the actions of the Company are governed by the principles as laid down in National Guidelines on Responsible Business Conduct (NGRBCs) and to the extent applicable to our business and operations, which are more particularly provided in the ESG Policy and (ii) to articulate the corporate strategy related to sustainability through the commitments provided in the ESG Policy.

Being a subsidiary of CIE Automotive S.A.,the Ultimate holding company (CIE), the Company is bound by the 5 years Strategic ESG plan of CIE Automotive S.A. to comply with 79 Key Performance Indicators (KPIs) designed under 4 pillars namely, CIE culture, Ethical commitment, Eco efficiency and Active listening; which are aligned with the UN- 17 Sustainable Development Goals. In order to identify the most important issues, a materiality assessment was conducted to define key ESG KPIs and initiatives. These KPIs became part of business process across all divisions of the Company. A review system is put in place to ensure that these initiatives are driven at highest level in the organisation and progress on the same is tracked on monthly basis.

Safety and Health

The Company places a strong emphasis on health and safety for all employees and workers at its manufacturing sites. For sustaining a safe and healthy work environment at all our manufacturing plants and offices and with the goal of achieving zero incidents, the Company continues to undertake various initiatives. During CY2023 the Company trained 4345 employees & workers on 12 Life Saving Rules which they need to imbibe during their daily activities at plants. This one-day outbound training program has re-emphasized management's commitment towards improving the safety culture. The Company has also set-up Dexterity Centres which caters to twenty-three plants to impart necessary safety induction programs for all new employees and workers.

Apart from the focus on extensive training, the initiatives of keeping constant communication and timely reward and recognition ensured involvement of shop floor employees in contributing towards the overall safety performance improvement. With all these efforts the LTIFR for FY-23 improved to 0.07 compared to 0.11 during FY-22.

To improve health of employees the Company organized periodic health check-ups 8,552 employees & workers undergone for annual health check-up & 1,494 employees undergone for executive health checkup during FY 23. The Company also conducted programs for Stress Management and awareness on de-addiction to improve employee wellness.

Out of 25 manufacturing plants 24 plants have successfully certified for ISO 45001 and ISO 14001 standards. The Rajkot Unit-2 plant will go for certification in CY-24.

Business Responsibility and Sustainability Report

Pursuant to Regulation 34(2)(f) of the Listing Regulations read with SEBI circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12th July, 2023, the Company has voluntarily opted to publish the Business Responsibility and Sustainability Report (BRSR) in the new format prescribed in the said SEBI Circular which incorporates the new KPIs of BRSR Core. The BRSR for the Financial Year ended on 31st December, 2023, forms part of this Annual Report.

Conservation of Energy, Technology Absorption Foreign Exchange Earnings and Outgo

The information pertaining to energy conservation, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in **Annexure VI** to this Report.

Corporate Social Responsibility (CSR)

The Company has constituted Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The CSR Committee comprises of Mr. Manoj Mullassary Menon (a member of the Committee, appointed as Chairman of CSR Committee with effect from 25th April, 2023), Mr. Alan Savio D Silva Picardo (inducted in CSR Committee with effect from 25th April, 2023) and Mr. Anil Haridass. During the year under review, Mr. Kadambi Narahari and Mr. Dhananjay Narendra Mungale ceased as Chairman and Member of the CSR Committee respectively with effect from 25th April, 2023.

The CSR Policy developed and implemented by the Company including a brief overview of the projects or programs undertaken by the Company in pursuance of the CSR Policy are available on the Company's website and is accessible at the web-link: https://www.cie-india.com/csrOLD1.html. During the year under review, no changes were made in the policy except the amendment made in the Annexure 1 of the policy, in line with the Annual Action Plan approved by the Board, which includes the details of the major CSR Activities undertaken by the Company.

During the year under review the Company was required to spent ` 61.30 million in accordance with Section 135(1) of the Act, as its CSR obligation. Out of the CSR Obligation of FY 2023, the Company has spent ` 67.04 million in accordance with the Annual Action Plan approved by the Board. This includes excess spent of ` 5.74 million towards Construction of Government Higher Primary School at Bengaluru due to increase in construction area and other requirements, set-off of which shall be taken from CSR obligation of FY2024, in accordance with Section 135(5) of the Act.

Further, during the previous financial year i.e., FY 2022, the Company transferred ` 10.84 million to unspent CSR account of the Company in accordance with Section 135(6) of the Act. The Company had spent this entire unspent CSR amount i.e., ` 10.84 million on the Ongoing CSR Projects for which the said amount was allocated, in accordance with the approved Annual Action Plan.

The CSR Committee affirmed that the implementation and monitoring of the CSR projects during the year was in compliance with the CSR objectives and CSR policy of the Company.

In accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 the Annual Report on CSR Activities inter-alia providing the salient features of the CSR Policy and details of CSR activities undertaken by the Company during the year is annexed herewith as **Annexure VII**.

P. SECRETARIAL

Change in Name of the Company

On 31st May 2023 the Company received the fresh certificate of incorporation dated 15th May 2023 issued by the Registrar of Companies, Mumbai under Section 13(3) of the Act with the new name "CIE Automotive India Limited". Accordingly, the name of the Company stands changed to CIE Automotive India Limited w.e.f. 15th May 2023.

Further, the Stock Exchanges approved the change in the name and symbol of the Company to "CIE Automotive India Limited" and "CIEINDIA" respectively, w.e.f. 19th June, 2023.

Re-classification from Promoter/Promoter Group to Public

On 18th July, 2023 the Company received request from Mahindra and Mahindra Limited (M&M) and Prudential Management and Services Private Limited (Prudential) (Person acting in Concert with M&M), seeking re-classification from the "Promoter" and "Promoter Group" category respectively to "Public" category of the Company pursuant to Regulation 31A of the Listing Regulations ("Listing Regulations"). The Board of Directors of the Company at its meeting held on 18th July, 2023 considered, accepted and approved the reclassification of M&M and Prudential from category of "Promoter" and "Promoter Group" respectively to "Public" category.

The Stock Exchanges (BSE Limited and National Stock Exchange of India Limited) accorded their approval to the said re-classification application vide their letter dated 10th October, 2023 and thus M&M and Prudential ceased to be part of Promoter/Promoter Group entities of the Company.

The Promoter and Promoter Group shareholding in the Company stood at 65.70% of the paid-up equity capital of the Company as on 31st December, 2023, which is entirely held by Participaciones Internacionales Autometal Dos, S.L. (PIA2), the Promoter of the Company.

Alteration of Articles of Association of the Company

The Board of the Company at its meeting held on 18th July, 2023 has approved to alter the Articles of Association of the Company by way of adoption of the new set of Articles in substitution and to the entire exclusion of the extant Articles of Association of the Company. The members of the Company approved the new set of Articles of Association of the Company by way of resolution passed through postal ballot on 8th September, 2023. The key changes made in the new set of articles of association are pertaining to excluding all the clauses of the Shareholders' Agreement which were incorporated in the earlier Articles of Association of the Company and to incorporate necessary changes due to changes in Law.

Issue of Shares

During the year under review, the Company has issued and allotted 44,998 equity shares of face value of ` 10/- each, pursuant to exercise of options by the employees under the Company's Employee Stock Option Scheme - 2015.

Compliance with the provisions of Secretarial Standard 1 and Secretarial Standard 2

The Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively. During the year under review the Company was in compliance with the Secretarial Standards, i.e., SS-1 and SS- 2, relating to "Meetings of the Board of Directors" and "General Meetings" respectively.

Compliance with Downstream Investment conditionalities

The Company is a Foreign Owned and Controlled Company within the meaning of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017 ("FDI Regulations"). All the Downstream Investments made by the Company are in compliance with the conditionalities of Downstream Investment stipulated in the FDI Regulations.

During the year under review, the Company has obtained a certificate from the Statutory Auditors of the Company for compliance with the FDI Regulations in respect of the downstream investment made by the Company during financial year 2022. The Auditors have affirmed compliance with downstream investment conditionalities by the Company and have issued an unqualified report.

Annual Return

Pursuant to Section 92(3) read with section 134(3)(a) of the Act, copies of the Annual Returns of the Company prepared in accordance with Section 92(1) of the Act read with Rule 11 of the Companies (Management and Administration) Rules, 2014 are placed on the website of the Company and is accessible at the web-link: https://www.cie-india.com/documents-and-disclosure.html

Dividend Distribution Policy

Pursuant to Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a dividend distribution policy which became effective from 1st January, 2017 stipulating factors to be considered in case of Dividend declaration. The said policy was amended in financial year 2021 inter-alia to amend the Financial Parameters that shall be considered while declaring dividend. There was no change in the Policy during the Financial Year under review.

The Dividend Distribution Policy forms part of this report as **Annexure VIII**.

The same has also been hosted on the website of the Company and is accessible at the web-link: https://www.cie-india.com/governance3.html#Policies

Other Policies under Listing Regulations

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed various policies and have hosted these polices on the website of the Company at the web-link: https://www.cie-india.com/governance3.html#Policies

Q. GENERAL

None of the Executive Directors (Whole-time Director) were in receipt of any commission from the Company hence the disclosure under Section 197(14) of the Act is not applicable.

No disclosure or reporting is required in respect of the following items as there were no transactions/ events relating to these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including sweat Equity shares) to employees of the Company under any Scheme save and except ESOS referred to in this Report.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operation in future.
4. No application was made, or any proceedings is pending under the Insolvency and Bankruptcy Code, 2016 during the year in respect of the Company.
5. There has been no change in the nature of business of the Company.
6. There was no one-time settlement of loan obtained from Banks or Financial Institutions.
7. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3) (c) of the Act).

Acknowledgement

The Board of Directors wish to place on record their sincere appreciation to the Company's Customers, Investors, Vendors and to the Bankers for their continued support during the year.

The Directors also wish to place on record their appreciation for the dedication and contribution of all employees at all levels and look forward to their support in future as well.

For and on behalf of the Board of Directors
CIE Automotive India Limited

Shriprakash Shukla
Chairman
(DIN: 00007418)

Date: 19th February, 2024
Place: Mumbai

Particulars of loans/advances, etc. pursuant to Para A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Loans and advances in the nature of loans to subsidiaries

(` in million)

Name of the subsidiary	Balance as on 31st December, 2023	Maximum outstanding during the year
CIE Aluminium Casting India Limited (formerly known as Aurangabad Electricals Limited)	91.50	671.50
CIE Hosur Limited	778.06	934.45

The Company has not provided any Loans and advances in nature of loans to Associates or to firms/companies in which directors of the Company are interested. Further, none of the entities to which the Company has given Loan or advance in the nature of loan, as mentioned above, has made any investments in the shares of the Company or any of its subsidiaries when the company has made such loan or advance in the nature of loan.

Annexure I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis-**

   There were no contracts or arrangements or transactions entered into during the financial year ended 31st December, 2023, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis-**

   The details of material contracts or arrangements or transactions at arm's length basis for the financial year ended 31st December, 2023 are as follows:

<table>
<tr><th>Sr. No.</th><th>Name(s) of the related party & Nature of relationship</th><th>Nature of contracts/ arrangements/ transactions</th><th>Value of contracts/ arrangements/ transactions (in ₹ Million)</th><th>Duration of contracts/ arrangements/ transactions</th><th>salient terms of contracts/ arrangements/ transactions</th><th>Date of approval by the board, if any</th><th>Amount paid as advance (in ₹ Million)</th></tr>
<tr><td rowspan="5">1.</td><td rowspan="5">Name
Mahindra & Mahindra Limited

Nature of Relationship
Significant influence over the Company or ultimate holding company</td><td>Rent paid</td><td>17.12</td><td rowspan="5">Jan-Dec 23</td><td rowspan="5">The related party Transactions (RPTs) entered during the year were repetitive in nature and were in the ordinary course of business and on arm's length basis.</td><td rowspan="5">These RPTs are in the ordinary course of business and are at arm's length basis, hence provisions of Section 188 of the Act requiring approval of the board is not applicable.

The Transactions with M&M are repetitive in nature and the Audit Committee of the Company considered and granted its omnibus approval to these transactions from time to time.

Further, as required under the provisions of Regulation 23(4) of the Listing Regulations Approval of shareholders was obtained for entering into these Transactions with Mahindra & Mahindra Limited upto aggregate limit of ₹22,000 Million per annum at the 24th Annual General Meeting of the Company.</td><td rowspan="5">Nil</td></tr>
<tr><td>Sale of Goods</td><td>16,452.74</td></tr>
<tr><td>Purchase of Goods and Services</td><td>0.35</td></tr>
<tr><td>Interest Paid</td><td>2.13</td></tr>
<tr><td>Total</td><td>16,472.34</td></tr>
</table>

For and on behalf of the Board
CIE Automotive India Limited

Shriprakash Shukla
Chairman
(DIN: 00007418)

Date: 19th February 2024
Place: Mumbai

Annexure II

SECRETARIAL AUDIT REPORT

For the financial year ended December 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

CIE Automotive India Limited
(Formerly Mahindra CIE Automotive Limited)
Suite F9D, Grand Hyatt Plaza (Lobby Level)
Off Western Express Highway, Santacruz (E)
Mumbai 400055

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CIE Automotive India Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Auditor's Responsibility:

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified opinion:

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on December 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on December 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the regulations and bye-laws framed thereunder to the extent of foreign direct investment and overseas direct investment. The provisions related to external commercial borrowings did not apply to the Company during the audit period;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(Not applicable to the Company during the audit period)*

    (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; *(Not applicable to the Company during the audit period)*

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 ; *(Not applicable to the Company during the audit period)* and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable to the Company during the audit period)*

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no law was applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India;

(ii) Listing Agreements entered into by the Company with BSE Ltd. and the National Stock Exchange of India Ltd. and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change in the composition of the Board of Directors that took place during the period under review was carried out in compliance with provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings, duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no specific events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

Sachin Bhagwat
ACS: 10189
CP: 6029
UDIN: A010189E003451121
PR Certificate No.: 654/2020

Place: Pune
Date: 19 February, 2024

Annexure

To,
The Members,

CIE Automotive India Limited
(Formerly Mahindra CIE Automotive Limited)
Suite F9D, Grand Hyatt Plaza (Lobby Level)
Off Western Express Highway, Santacruz (E)
Mumbai 400055

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, I have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sachin Bhagwat
ACS: 10189
CP: 6029
UDIN: A010189E003451121
PR Certificate No.: 654/2020

Place: Pune
Date: 19 February, 2024

Annexure III

SECRETARIAL AUDIT REPORT

For the financial year ended 31 December, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,

CIE Aluminium Casting India Limited
(Formerly Aurangabad Electricals Ltd.)
Office No. 602 & 603, Amar Business Park
Baner Gaon, Pune 411045

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CIE Aluminium Casting India Ltd. (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Auditor's Responsibility:

My responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. I have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified opinion:

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 December 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 December, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; *(Not applicable to the Company during the audit period)*

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment. The provisions related to overseas Direct Investment and external commercial borrowings did not apply to the Company during the audit period;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; *(Not applicable to the Company during the audit period)*
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; *(Not applicable to the Company during the audit period)*
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(Not applicable to the Company during the Audit period)*

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; *(Not applicable to the Company during the Audit period)*

(e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021; *(Not applicable to the Company during the audit period)*

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; *(Not applicable to the Company during the Audit period)*

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; *(Not applicable to the Company during the Audit period)*; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable to the Company during the Audit period)*

I further report that having regard to the compliance system prevailing in the Company, the certificates of compliance placed before the Board at every meeting duly signed by the Executive Director of the Company, the representation made by the Company to me and on examination of the relevant documents, no law was applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable to an unlisted material subsidiary of a listed entity.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors. The Company is exempted from appointment of Independent Directors pursuant to Rule 4(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no events / actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

CS **Sachin Bhagwat**
ACS: 10189,
CP: 6029
UDIN: A010189E003450692
PR No.: 654/2020

Pune, 19 February 2024

Annexure

To,
The Members,

CIE Aluminium Casting India Limited
(Formerly Aurangabad Electricals Ltd.)
Office No. 602 & 603, Amar Business Park
Baner Gaon, Pune 411045

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

CS **Sachin Bhagwat**
ACS: 10189,
CP: 6029
UDIN: A010189E003450692
PR No.: 654/2020

Pune, 19 February 2024

Annexure IV

DETAILS OF REMUNERATION

Details pertaining to remuneration as required under Section 197 (12) of the Act and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

	Name of Director	**Designation**	**The ratio of the remuneration of each director to the median remuneration of employees**
The ratio of the remuneration of each director to the median remuneration of employees of the company for the financial year	Mr. Shriprakash Shukla	Non - Executive Director (Chairman)	NA
	Mr. Ander Arenaza Alvarez	Executive Director	3.93
	Mr. Manoj Mullassery Menon	Executive Director	101.86
	Mr. Anil Haridass	Non-Executive Director	4.30
	Mr. Jesus Maria Herrera Barandiaran	Non - Executive Director	NA
	Mr. Manojkumar Madangopal Maheshwari	Independent Director	8.60
	Mr. Dhananjay Narendra Mungale[3]	Independent Director	3.69
	Mr. Suhail Amin Nathani	Independent Director	7.58
	Mr. Kadambi Narahari[3]	Independent Director	3.45
	Mrs. Roxana Meda Inoriza	Independent Director	8.60
	Mr. Alan Savio D'Silva Picardo	Independent Director	8.60
	Mr. Jairaj Purandare[4]	Independent Director	4.36

Note:

1. *Except Mr. Anil Haridass, Non-Executive Non-Independent Directors are not entitled to any remuneration or sitting fees for attending the meetings.*
2. *Independent Directors were entitled to remuneration by way of sitting fees for attending meeting of Board and committees and profit linked commission. The commission for FY2023 as approved by the Board of Directors of the company, on recommendation of the nomination and remuneration committee will be paid to the Independent Directors during CY2024. For the purpose of calculating above ratios the sitting fees paid during FY2023 and commission payable for FY2023 is considered.*
3. *Mr. Dhananjay Mungale and Mr. Kadambi Narahari ceased to be Director of the Company with effect from 10th June, 2023.*
4. *Mr. Jairaj Purandare was appointed as Independent Director of the Company to held office w.e.f. 10th June, 2023*

	Name of Director/KMP	**Designation**	**% increase in Remuneration**
The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. Ander Arenaza Alvarez	Executive Director	Nil
	Mr. Manoj Mullassery Menon	Executive Director	Nil
	Mr. Shriprakash Shukla	Non-Executive Director	Not Applicable
	Mr. Anil Haridass	Non-Executive Director	Not Applicable
	Mr. Jesus Maria Herrera Barandiaran	Non-Executive Director	Not Applicable
	Mr. Manojkumar Madangopal Maheshwari	Independent Director	100%
	Mr. Dhanajay Narendra Mungale	Independent Director	100%
	Mr. Suhail Amin Nathani	Independent Director	100%
	Mr. Kadambi Narhari	Independent Director	100%
	Mr. Alan Savio D Silva Picardio	Independent Director	100%
	Mrs. Roxana Meda Inoriza	Independent Director	100%
	Mr. Jairaj Purandare	Independent Director	N.A.
	Mr. Hari Krishnan	Chief Executive Officer	8%
	Mr. K. Jayaprakash	Chief Financial Officer	8%
	Mr. Pankaj Goyal	Company Secretary & Compliance Officer	25%

	Note: *1. Non-Executive Non-Independent Directors, were not entitled to any remuneration from the Company or sitting fees for attending the meetings.* *2. Independent Directors were entitled to remuneration by way of sitting fees for attending meeting of Board and committees and profit linked commission.* *3. Mr. Haridass became non-executive Director w.e.f. 22nd February 2022. Further, by way of Special Resolution passed at 23rd Annual General Meeting of the Company held on 25th April 2022, the shareholders of the Company approved payment of remuneration not exceeding INR 2.5 Million to Mr. Anil Haridass as non-executive Director of the Company for the period of 3 years from 23rd February, 2022 to 22nd February, 2025.* *4. During the year under review, shareholders have approved revision in remuneration payable to Independent Directors of the Company by passing special resolution by way of Postal Ballot on 8th September, 2023. Pursuant to the said resolution, with effect from the financial year ending 31st December, 2023 till the financial year ending 31st December, 2027, the maximum remuneration payable to an Independent Director individually was increased from INR 2.5 Million to INR 5.0 Million.* *5. Mr. Dhanajay Mungale and Mr. Kadambi Narhari were ceased to be the Director of the Company and Mr. Jairaj Purandare was appointed to held office of Independent Director w.e.f. 10th June, 2023, hence they were eligible for the remuneration in terms of sitting fees and commission for the period they were holding office of Independent Director.* *6. During the year, Mr. Manoj Menon was appointed as Executive Director and CEO of CIE Aluminum Castings India Limited (CIEALCAST), a wholly owned subsidiary of the Company. The Board of Directors of CIEALCAST have approved to pay appropriate remuneration for the service which Mr. Menon shall render to CIEALCAST. While the Company has not given any increase in remuneration payable to Mr. Menon during CY2023, the aggregate remuneration payable to Mr. Menon by the Group is increased by 13%.*
The percentage increase in the median remuneration of employee in the financial year	10.03% increase in median employee remuneration.
The number of permanent employees on the rolls of company as on 31st December, 2023	4,266
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	On an average, employees other than the managerial personnel (i.e. Executive and Non-Executive Directors) received an annual increase of 8.59% whereas there was no increase in the remuneration payable by the Company to the Executive Director during FY2023. The remuneration of the Executive Directors is decided based on the individual performance, inflation, prevailing industry trends and benchmarks. During the year, Mr. Menon assumed additional responsibility of aluminum casting business of the Company and remuneration appropriate for such responsibility was approved by the Board of Directors of CIE Aluminum Castings India Limited. The remuneration of Non-Executive Directors consists of commission and sitting fees. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, time spent in carrying out other duties, role and functions as envisaged in Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other factors as the Nomination and Remuneration Committee may deem fit etc. were taken into consideration.
Affirmation that the remuneration is as per the remuneration policy of the company	It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

For and on behalf of the Board
CIE Automotive India Limited

Shriprakash Shukla
Chairman
(DIN: 00007418)

Date: 19th February 2024
Place: Mumbai

Annexure V

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(in ` Million)

Sl. No.	Name of the employees	Designation@	Remuneration received [in ` Million] (Excluding perquisite value pursuant to exercise of ESOPs of the Company), if any	Perquisite value of the ESOP of the Company exercised during the year, if any	Amount paid towards Stock Appreciation Benefit, if any	Qualification	Experience in years	Age in years	Date of commencement of current employment	Last employment held
1	2	3	4	5	6	7	8	9	10	11
1	Mr. Manoj Menon !	Executive Director & Chief Executive Officer –Stampings, Composites , Foundry, Magnetic Products and Gears Divisions	17.45	2.77	39.34	B. Tech, MMS	34	56	01-09-2013	Anand Auto Ltd.
2	Mr. Hari Krishnan *	Chief Executive Officer – Forging and Bill Forge Divisions	13.60	-	39.34	BE Mechanical	34	57	30-05-2007	MGM Forgings (P) Ltd
3	Mr. Vikas Chandra Sinha	Sr. Vice President – Strategy and Chief Investor Relations Officer	15.69	1.24	19.67	MBA, BE	30	51	10-12-2014	Mahindra & Mahindra Limited
4	Mr. K. Jayaprakash #	Chief Financial Officer	10.57	-	19.67	CWA and CS	40	59	29-03-2007	Pantloon Indian Retail
5	Mr. Anup Mishra!	Chief Business Controller	10.09	-	9.84	CA and CWA	34	55	01-12-2005	Karnavati Engineering Limited
6	Mr. Pankaj Goyal	Company Secretary and Compliance Officer	4.34	-	9.84	CS	17	38	24-07-2012	KAIL Limited
7	Mr. Sunil Narke	Chief Operating Officer	9.17	-	-	BE Mechanical	25	49	16-04-2018	Anand I-Power Limited
8	Mr. Rahul Desai	Chief Operating Officer-Magnetic Products, Composites, Stampings (Kanhe, Nashik) Divisions	8.97	-	-	B E - Mech	28	49	24-09-2015	GKN Sinter Metals Ltd
9	Mr. Vinayak Kadaskar#	Senior Vice President-Human Resource	8.78	-	-	MPM, LLB	35	58	17-09-1997	Apollo Tyers Limited
10	Mr. Srithar Sambasivam*	Chief Operating Officer	8.48	-	-	Diploma In Mechanical Engineering	15	46	04-09-2008	EL Forge Ltd.

@ last designation held in the Company as on 31st December, 2023.

Employee(s) of Mahindra Hinoday Industries Limited (MHIL) which was merged into the Company pursuant to the Scheme of Amalgamation which came into effect from 10th December, 2014. The date of commencement of employment is the date of joining MHIL. Further, last employment refers to the employment before joining MHIL.

* Employees of Bill Forge Private Limited (Bill Forge), wholly-owned subsidiary of the Company which was merged with the Company pursuant to scheme of amalgamation which came into effect from 15th November, 2019. The date of commencement of employment is the date of joining Bill Forge. Further, last employment refers to the employment before joining Bill Forge.

! Employee(s) of Mahindra Gears and Transmission Private Limited (MGTPL), the wholly owned subsidiary of the Company which was merged into the Company pursuant to the Scheme of Amalgamation which came into effect from 31st December, 2017. The date of commencement of employment is the date of joining MGTPL. Further, last employment refers to the employment before joining MGTPL.

Notes:

i) All the employees included in the table above are permanent employees of the Company. All appointments are / were non-contractual.

ii) None of the director / employees referred to in the above table is related inter-se or related to any Director of the Company.

iii) During the year, the Company has no employee who was employed throughout the Financial Year or part thereof and was in receipt of remuneration, which in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

iv) There were no employees who were posted outside and working in a country outside India and drawing remuneration from the Company more than ` 1.02 Cr per financial year or ` 8.5 lakh per month, as the case may be.

v) The remuneration included in column 4 above is calculated as per section 17(1) and 17(2) of the Income Tax Act, 1961, the contribution made by the Company to retiral funds i.e. Provident Fund, Superannuation, NPS and Gratuity and also reimbursements made for drivers salary in accordance with Company's Car Policy.

For and on behalf of the Board
CIE Automotive India Limited

Shriprakash Shukla
Chairman
(DIN: 00007418)

Date: 19th February, 2024
Place: Mumbai

Annexure VI

Conservation of energy, Technology Absorption and Foreign exchange earnings and outgo

Pursuant to Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 is forming part of the Board´s Report for the Financial Year ended 31st December 2023

A) Conservation of energy

Energy conservation is a focal point of Company's sustainability efforts. Implementing measures to reduce energy consumption per ton of production is a proactive approach that not only contributes to environmental conservation but also lead to cost savings and increased efficiency. The Company conduct regular energy audits to identify areas with the highest energy consumption and utilize the findings to prioritize and implement targeted energy-saving measures. The Company invest in energy-efficient technologies and equipment to replace outdated systems. The Company continued fostering a culture of awareness and involvement among its employees by training programs to educate on the importance of energy conservation and ways to contribute. The Company regularly monitor energy conservation achievements and progress towards set targets. It established a feedback loop for ongoing evaluation of energy-saving initiatives and use performance data to refine and improve strategies over time.

i. The steps taken or impact on conservation of energy

During the year under review, various initiatives for conservation of energy were implemented. Some of the initiatives undertaken by the Company were as below:

- APFC panel Installation, Harmonic Filters Installation etc.
- Cycle Time Reducing in 2D Laser Marking.
- Installation of 500 KW modular Induction Billet heater on 1600T Press line
- Water cooled heat exchanger to be installed in place of refrigerator chiller
- Energy audit to identify the gaps
- Installation of Roof Top Solar panels
- Addition of 16 MW Group Captive Solar power plant
- Installation of new transformer
- Modification of cooling tower water pipelines layout to reduce no. of cooling towers.
- Induction Billet Heating Coil modifications
- Installation of new energy efficient compressors
- Installation of VFD in machines
- Installation of Motion Sensors
- Upgrading existing motors to energy efficient motors
- Use of mechanical energy instead of Electrical energy
- Converting normal lights into LED Lights
- Interlocking of machine accessories operations with machine cycle
- Power Factor improvements by installing SVG unit
- Conversion of MIG welding machines to thyristor control welding machines
- Installation of Servo system on press machines
- KW reduction in SQF fans motor from 5.5KW to 3.7 KW
- Elimination of 3.7 KW motor with gearbox in Tempering Furnace by Converting mechanical chain pusher into Pneumatic cylinder pusher

- KW reduction in Annealing furnace from 36 KW to 26 KW by design change
- Optimized blasting time in Shotblasting Machine
- Interlink Conveyer with Press to auto stop
- Optimization of office air-conditioning utilization
- Dummy Billets for IBH Start / Stop
- Auto cut off IBH while setting time – WF
- Replacing Diesel boiler with Gas boiler
- Installation/replacement of roof top sky lights for use of day light
- Optimisation of Compresses air pressure & reduce compressed air consumption.

ii. The steps taken by the company for utilizing alternate sources of energy

The Company continued its focus on increasing the share of green energy in total energy consumption during FY-2023. The aggregate capacity of captive power plants, including wind energy stood at 93 MW for the FY 2023. Additionally, the Company has installed rooftop solar panels with a capacity of 6.4 MW.

The Company has generated 145.80 million units in green energy from the group captive plants and roof top solar power plants.

During the Year under review, the overall proportion of the renewable energy consumption to the total energy consumption stood at 56.94%.

iii. The capital investment in energy conservation equipments

The Company continued investing in modern technology for improving the specific energy consumption. During the year under review, the Company has invested an amount of approximately INR 11.29 million on Energy conservation projects & initiatives.

B) Technology absorption

Your Company is committed towards technology driven innovation and lays strong emphasis on inculcating an innovation driven culture within the organization harnessing internal skills and competencies. During the year under review, your company continued to work on technology upgradation and capability development in the critical areas of product quality, process improvements and value addition.

The Company at its various divisions adopted new technologies to improve efficiencies, conserve energy and to reduce wastages. The following are some of the major steps undertaken towards technology absorption.

(i) The efforts made towards technology absorption:

Foundry Division

a. Automation in fettling shop for material handling by providing conveyors, push pull trolleys, cranes, and other material handling equipment to help in improvement of ergonomics and to reduce fatigue.

b. Installed State of Art wet type paint booth to help in improved paint quality and prevent land contamination.

c. Investment in Robotic fettling for heavy castings.

d. SPM for Engine Bearing Cap fettling.

e. Predictive Maintenance - Rotary equipment monitoring by SKF cloud connected sensors.

f. Live tank CTs and PTs for MSEDCL energy metering to improve reliability.

g. Installation of CDR New Dust Collector System in NL1 Plant to help improve air quality.

h. Upgraded New Amine Scrubber system in core shop.

i. Installed Zero Liquid Discharge Plant in ETP

j. Installed upgraded dust collection system in shot blasting machines.

k. Installed Automatic Fire Suppression Systems in Server Room as part of Fire Protection System.

l. Sustainability – Installed Bio CNG fuel in ladle preheaters and Installed Biogas generation plant from Canteen Food Waste

Forgings Division – Chakan

a. Added a Semi-Automatic 4000T Forging Line for the exclusive manufacture of Crankshafts.

b. Modern Crankshaft Machining Line added, compatible with Euro-6 norms with a capacity of 6K/month.

c. Breakthrough in Connecting rods for heavy-duty Cummins engines.

d. Commissioned state-of-the-art Dexterity Centre for training new joining employees.

e. Metallurgical laboratory has been updated with contemporary equipment.

f. Two Forging Lines upgraded with a modern induction billet heater.

g. Tool Room equipped with additional machines for intricate die-making.

h. Automated Magnetic Particle Testing unit added.

Magnets Division

a. High grade power for 9E & 9G series developed & serial production commenced.

b. Developed Ferrite Magnets for Traction motor as replacement to Rare Earth Magnet.

c. Developed new grades in soft ferrite with Low power loss (HP95) for EV application & Low Temp stability grade.

d. Added new generation sintering furnace for soft ferrite which will enable sintering for all EV related products where low power loss & temperature stability is required

Composites Division

a. Developed of new grades of compound & Components

 - Motor encapsulation
 - Entry into EV segment through battery box & Battery covers

b. Moulding Process

 - Developed superior curing compounds for injection moulding process.
 - Conversion to Injection moulding of MCCB components which was earlier produced through Compression moulding

Stampings Division

a. Investment planned in fully robotic press line with 2000 MT header press followed by three 1000 MT Press with blank washing unit & oiler. This Press line will enable us to supply all size skin parts.

b. Achieved 85% robotic welding in Kanhe plant.

c. De-coiler with auto blanking planned for small press shop.

d. MFDC projection (2 Nos) & spot-welding guns (14 Nos) installed with close loop control for current & Voltage.

e. Developed Design capability for Tool/Fixture design, manufacturing & Installation.

Gears Division

Manufacturing:

a. Stabilized the special process (Heat Treatment) on new Straight Through design (DOWA – Japan) 2 Sealed Quench Furnaces at Rajkot with excellent yield and trouble-free operations.

b. Adopted the first Gear Teeth Grinding machine at Rajkot.

c. Laser marking process introduced on the soft part with deep engraving instead of post Heat treatment for improved traceability.

d. Adopted new technology 1 milling & timing software on CNC Hobbing machines for the multiple hobbing and milling process in shaft type components.

e. Developed the high-pressure testing apparatus for rivet test for shaft type job for key export customers.

f. Introduction of high-speed hob cutters (Speed Core) to improve quality and productivity.

g. Use of advanced grade (NQ Grade) grinding wheels on CNC Internal Grinding machines to improve quality and productivity.

SHE (Safety, Health & Environment & Sustainability):

a. Adopted energy efficient 1000 KVA on load power distribution transformer confirming to IS1180, Level-02 with EC Grade LV Copper Foil Winding at Unit-2

b. Added UFRO with ZLD in our ETP plant for bringing the content of elements well within MPCB limits at Pune.

c. Added new STP plant with MBBR technology at Pune.

d. Installation of Fume Extraction System in Heat Treatment Shop to improve the Shop Floor environment.

e. Installation of nine new Fume Extraction System in Hobbing Machines

Automation:

a. Automation of Shaft type components established in Pune in Gear Grinding machine.

b. Automation of new Hobbing + Deburring cell. This was the first successful automation of Deburring machine in our plant.

c. Addition of Turning machine with robot in Gear Grinding Machine cell for improved productivity

d. Automation of High-Speed Hobbing machine with Edge Chamfering Machine

Bill Forge Division

a. Successfully developed Low-Pressure stainless-steel fuel rail for CNG engine of Indian customer.

b. Installed and commissioned continuous Isothermal Annealing Process of Roller Hearth type furnace for EV transmission shafts.

c. Localisation of QST36 cold drawn coil for Plug Shell (Short stem) on high-speed progressive press line.

d. Installed and commissioned twin spindle two station Induction Heat-treating machine for Crankshaft application.

e. Installed and operationalised automated Multi gauging inspection along with Eddy current test for EV Pinions & Sleeve.

f. Introduced Automated RP Oiling conveyer line for CV Outers & Tulips substituting the manual dipping.

g. Introduced VMC with the pallet changer for CV Outer cotter pin drilling substituting 2 VMCs & 2 SPMs of single station machine.

h. Installed and commissioned high precision Spline Roller machine with Load compensator for EV Shafts.

i. Introduced the high accurate lead and profile gear tester for EV transmission shafts.

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution:

The efforts taken by your Company towards technology absorption will result in improved productivity, increased efficiency and overall improvement in quality of products manufactured. These efforts will also support Company's sustainability efforts by reducing power consumption, emission and waste. With the automation and digitisation drive the Company is optimising its cost and increasing efficiency. The development of new critical products with enhanced value addition is possible with the advance technology.

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

The Company has not imported technology during the last three years and therefore details including the details of technology imported, the year of import, whether the technology been fully absorbed and if not fully absorbed, areas where absorption has not taken place, and the reasons thereof are not applicable.

(iv) the expenditure incurred on research and Development:

The Company has spent an amount of INR 31.33 million on R&D during the year.

C) Foreign Exchange Earnings and outgo, during the financial year 2023:

Foreign exchange earned in terms of actual inflow: INR 3,332.03 million.

Foreign exchange outgo in terms of actual outflows: INR 883.71 million.

For and on behalf of the Board
CIE Automotive India Limited

Shriprakash Shukla
Chairman
(DIN: 00007418)

Date: 19th February, 2024
Place: Mumbai

Annexure VII

Annual Report on CSR activities for the financial year ended 31st December, 2023

1. Brief outline on CSR policy of the Company:

Corporate Social Responsibility (CSR) has been an integral part of the way CIE Automotive India Limited, (CIE INDIA or the Company) has been doing business. The Company is committed to its social responsibilities and takes initiatives to serve society as a good corporate citizen.

The Policy inter-alia provides the approach, direction and guiding principles given by the Board of Directors of the Company, taking into account the recommendations of the CSR Committee, for selection, implementation and monitoring of CSR activities as well as formulation of the Annual Action Plan. The objective of this policy is to:

- Promote a unified and strategic approach to CSR
- Encouraging employees to participate in the Company's CSR Activities and giving back to society in an organized manner thereby increasing employee satisfaction.

The Company focuses its CSR activities in the areas of (i) Education and Skill Development (ii) Promotion of Health Care and Sanitation (iii) Environment and (iv) Community Development (the Thrust Areas). The Company may also make contributions to Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund, or any other fund set up by the Central Government for socio economic development and relief and welfare which qualifies the criteria as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time ("CSR Rules") and the relevant provisions of the Companies Act, 2013 ("the Act"). The Company encourages its employees to participate in the Employee Social Engagement Program (ESEP), which is designed to drive positive change in society by helping marginalized community through conducting health check-up camps, blood donation camps, awareness on seasonal diseases. Various activities addressing environmental concerns such as tree plantation, cleanliness drives, etc. are also undertaken. The employees are also taking initiatives to provide vocational guidance to school children in the nearby schools, providing educational aid like books, school bags etc. ESEP activities are designed to benefit the economically and socially disadvantaged communities like support to Old Age home, Orphanage etc. and involve employees to participate in Company's CSR Activities.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year*	Number of meetings of CSR Committee attended during the year*
1.	Mr. Kadambi Narahari	Chairman (upto 25/04/2023)	1	1
2.	Mr. Dhananjay Mungale	Member (upto 25/04/2023)	1	1
3.	Mr. Manoj Menon	Chairman (w.e.f. 25/04/2023)	4	4
4.	Mr. Anil Haridass	Member	4	3
5.	Mr. Alan Savio D Silva Picardo	Member (w.e.f. 25/04/2023)	3	3

** During the year under review, Mr. Narahari Kadambi ceased to a member and the Chairman of the Committee and Mr. Dhananjay Narendra Mungale ceased to be a member w.e.f. 25th April, 2023. Mr. Manoj Mullassary Menon a Member of the Committee was appointed as the Chairman of the Committee and Mr. Alan Savio D Silva Picardo was appointed as a member of the Committee w.e.f. 25th April, 2023. Hence, number of meetings held during the year and number of meetings attended during the year are referred by their respective term in the Committee during the year under review.*

3. Provide the web-link(s) where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

The Composition of CSR Committee is available at the link: https://www.cie-india.com/governance3.html

The CSR Policy and CSR projects as approved by the Board is available at the link: https://www.cie-india.com/csrOLD1.html

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not applicable.

5.

(a) Average net profit of the company as per sub-section (5) of section 135: ` 3,06,51,84,827/-

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135: ` 6,13,03,696/-

(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil

(d) Amount required to be set-off for the financial year, if any: Nil

(e) Total CSR obligations for the financial year [(b)+(c)-(d)]: ` 6,13,03,696/-

6.

(a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ` 6,70,45,864/-

(b) Amount spent in Administrative Overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ` 6,70,45,864/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in `)	Amount Unspent (in `)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
6,70,45,864	Nil	NA	Nil	Nil	Nil

(f) Excess amount for set-off, if any: Nil

Sl. No.	Particular	Amount (in `)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	61,303,696
(ii)	Total amount spent for the Financial Year	67,045,864
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	5,742,168
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	5,742,168

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in `)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in `)	Amount Spent in the Financial Year (in `)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in `)	Deficiency, if any
					Amount (in `)	Date of Transfer		
1	2022	10,844,608	Nil	10,844,608	Nil	Nil	Nil	-
2	2021	19,888,280	Nil	Nil	Nil	Nil	Nil	-
3	2020	17,620,968	Nil	Nil	Nil	Nil	Nil	-

Note: Amount transferred to Unspent CSR Account under sub- section (6) of section 135 for FY 2020, FY2021 and FY 2022 have been entirely spent as per the approved Annual Action Plan.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

✓ Yes No

If Yes, enter the number of Capital assets created / acquired

4 (Four)

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	CSR amount spent (`)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
1	Construction of Government Higher Primary School with furniture and equipment	562106	19.12.2023	3,80,66,902	NA	Government Higher Primary School	Village Kallubalu, Jigni, Hobli, Anekal Taluk, District Bengaluru – 562106, Karnataka
2	Utkarsh – 4.1 Construction of Boundary wall and Entrance gate	415512	31.12.2023*	20,00,000	NA	Shree Girija Shankar High School	Village Rajache Kurle, Taluka Khatav, District Satara – 415512, Maharashtra
3.	Road construction and high mast light installation	502228	31.12.2023*	50,76,798	NA	Gram Panchayat Buchinelly	Village Buchinelly, Mandal Zaheerabad, District Sangareddy – 502228, Telangana

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	CSR amount spent (`)	Details of entity/ Authority/ beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
4	Utkarsh 2 – Construction of Entrance Gate and furniture	410513	22.09.2023	5,25,000	NA	Gram Panchayat Bibi	Post Bibi, Taluka Khed, District Pune – 410513 Maharashtra

Note: Date of creation of capital assets mentioned as 31.12.2023, are the projects where the construction was still in progress as at end of the financial year 2023 and hence, handover was pending. The date will be updated after completion and handover of the respective capital assets.

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub- section (5) of Section 135: Not applicable.

The Company has spent the entire CSR obligation of the Company for FY 2023 of ` 6,13,03,696, the Company have additionally spent an amount of ` 57,42,168 in FY 2023 towards Construction of Government Higher Primary School at Bengaluru due to increase in construction area and other infra requirements. The amount of ` 57,42,168 which was overspent in FY 2023 will be set-off in FY 2024 from CSR obligations of FY 2024 against the said project, in accordance with section 135(5) of the Companies Act, 2013.

In addition to CSR obligation of FY 2023 of the Company, the Company have also spent the entire amount of ` 1,08,44,608 from Unspent CSR Account of FY 2022. As on 31.12.2023, the Company do not have any Unspent CSR amount.

The Company reiterates its commitment to discharge its social obligation and shall continue to implement meaningful CSR projects in the CSR thrust areas which have been identified and where the Company wishes to create equity.

Ander Arenaza
Executive Director
(DIN: 07591785)

Manoj Menon
Chairman - CSR Committee
(DIN: 07642469)

ANNEXURE VIII

Dividend Distribution Policy

1. Introduction

The Board of Directors ("Board") of CIE Automotive India Limited (the Company) at its meeting held on 24th October 2016 has approved and adopted the Dividend Distribution Policy ("Policy") as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Policy came into force for accounting periods beginning from 1st January 2017.

The Company has not paid any dividend to the shareholders in the past and have been conserving cash to fund its organic as well as inorganic growth.

The Board recognizes the need to pay regular dividend while continuing to grow the Company, both organically and inorganically.

Hence, the Board of Directors at its meeting held on 29th April, 2021 reviewed the Policy and amended the same.

2. Scope and Objective

The Policy establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company. The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions.

3. General Policy on Dividend

The Dividend will generally be considered by the Board and recommended to shareholders for their approval once a year in the Board Meeting that considers and approves the Audited Financial Statement of the Company (the Final Dividend) as may be permitted by the Companies Act, 2013 (the Act).

The Board may also declare interim dividends as may be permitted by the Act.

Dividend would be declared on per share basis on the Ordinary Equity Shares of the Company having face value ` 10 each. The Company currently has no other class of shares. Therefore, dividend declared will be distributed amongst all shareholders, based on their shareholding on the record date.

4. The financial parameters that shall be considered while declaring dividend

Subject to the provisions of the applicable laws, the Company's dividend pay-out will be determined based on available financial resources, business environment, funds required for organic as well as inorganic growth and other factors which will ensure optimal shareholder return.

While considering the Interim Dividend, if any, the Board shall consider the consolidated profits generated in the financial year till the quarter preceding the date on which the Interim Dividend is being considered by the Board, the financial position of the Company and outlook for the financial year. While considering the Final Dividend, if any, the Board shall factor the Interim Dividend that it might have declared during the Financial Year in respect of which the Final Dividend is being considered.

Within these parameters, going forward, the Company would endeavor to maintain a total dividend pay-out ratio of up to 25% of the annual consolidated Profits after Tax (PAT) of the Company for the corresponding year.

Explanation: The annual consolidated Profits after Tax (PAT) shall mean Profit for the year from continuing operations, as per the Audited Consolidated Financial Statement of the Company for the corresponding financial year excluding the exceptional and/or extra-ordinary items.

5. Internal and external factors that shall be considered for declaration of dividend

While determining the nature and quantum of the dividend pay-out, including amending the suggested pay-out range as above, the Board would take into account the following factors:

A. Internal Factors:

i. Profitable growth of the Company and specifically, profits earned during the financial year as compared with:

a. Previous years and

b. Internal budgets

ii. Cash flow position of the Company

iii. Accumulated reserves
iv. Earnings stability
v. Future cash requirements for organic growth/expansion and regular capital expenditure
vi. Future cash requirements for inorganic growth,
vii. Current and future debt levels
viii. Under exceptional circumstances provision for any contingent liabilities,
ix. Investment opportunities in new business(es)

B. External Factors:

i. Business cycles,
ii. Economic environment,
iii. Cost of external financing,
iv. Regulatory constraints for external financing
v. Applicable taxes including tax on dividend,
vi. Industry outlook for the future years,
vii. Inflation rate, and
viii. Changes in the Government policies, industry specific rulings & regulatory provisions.

Apart from the above, the Board also considers sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

6. The circumstances under which the shareholders of the listed entities may not expect dividend;

The Board may, in its absolute discretion and taking into account the advice of the Executive Management, consider not declaring dividend or may recommend a lower pay-out for a given financial year, after analyzing the prospective opportunities and threats and in the event of challenging economic circumstances, regulatory and/or financial environment. In such event, the Board will provide rationale in the Annual Report.

7. The retained earnings of the Company may be used in any of the following ways:

i. Capital expenditure
ii. Working capital requirement
iii. Expansion and Organic growth
iv. Inorganic growth
v. Investment in new business(es) and/or additional investment in existing business(es),
vi. Declaration of dividend,
vii. Buy back of shares,
viii. General corporate purposes, including contingencies,
ix. Reduction of debt
x. Correcting the capital structure,
xi. Any other permitted usage as per the Companies Act, 2013.

8. Review and Disclosure

This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

The policy will be available on the Company's website at: https://www.cie-india.com/governance3.html#Policies

The policy will also be disclosed in the Company's annual report.

9. Disclaimer

The Policy does not constitute a commitment regarding future dividends of the Company, but only represents a general guidance regarding payment of dividend. The Policy does not in any way restrict right of the Board to use its discretion in the recommendation of the dividend to be distributed considering various factors mentioned in the Policy. Further, subject to the provisions of applicable laws, the Board reserves the right to depart from the policy as and when circumstances so warrant.

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

BACKGROUND

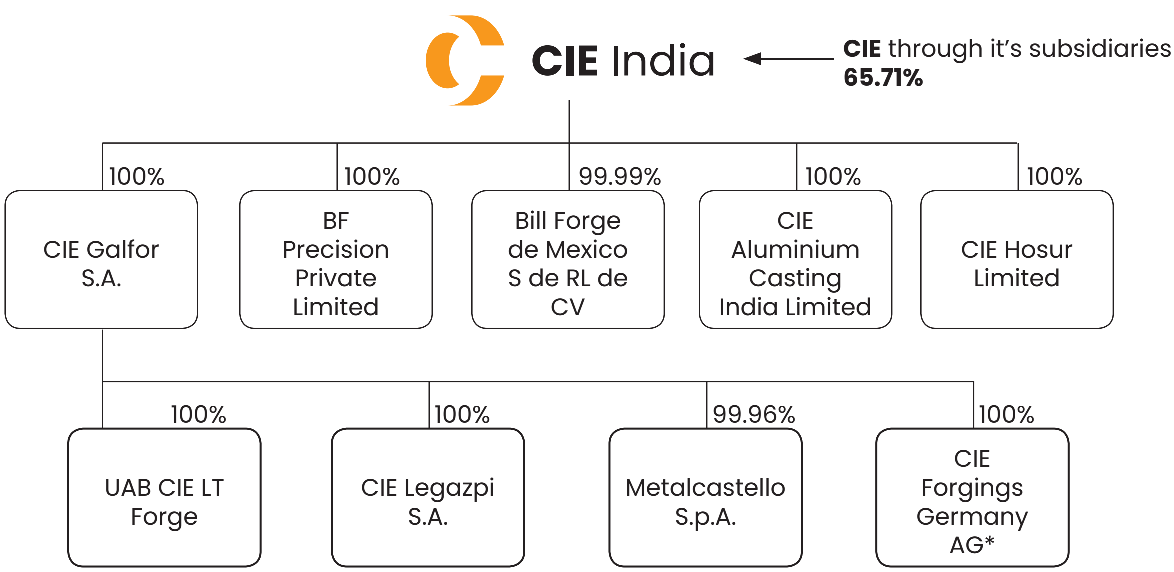
At the end of last year in December 2022, the Board of Directors of the Company at its meeting approved the proposal to change the name from Mahindra CIE Automotive Limited to CIE Automotive India Limited. Pursuant to legal and shareholder approvals the name of the Company has been changed to CIE Automotive India limited effective May 2023. In the same Board meeting (Dec'22) the directors had also taken note of the proposal to find a buyer for the truck forgings business in Germany. Accordingly, the sale of the truck forgings business in Germany has been concluded on 16th October 2023. The financials of this entity are included in the results of the first two quarters as Income from discontinued operations.

The Company is a multi-location and multi-technology automotive components company with manufacturing facilities and engineering capabilities of its own and its subsidiaries in India and in Spain, Lithuania, and Italy in the European continent as well as a plant in Mexico, North America. It has an established presence in each of these locations and supplies to automotive Original Equipment Manufacturers (OEMs) and their Tier 1 suppliers. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) and currently has about 379 million shares listed.

The Company is part of the CIE Automotive Group of Spain, which has identified our company's Indian operations as a strategic growth driver for its global business. CIE India therefore draws from the vast and varied experience of the CIE Automotive Group in partnering and co-developing products for the rapidly evolving automotive industry.

We would like to also draw your attention to the fact that we have renamed our aluminium business to CIE Aluminium Casting Limited (formerly known as Aurangabad Electricals Limited). Set out below in Exhibit 1 is a graphical representation of the Company and its subsidiaries (together referred to as the Company in this report).

Exhibit 1: Legal Structure of the Company:



* - Non Operational

The list of subsidiaries and their ownership interest is provided in Exhibit 2.

Exhibit 2: The Subsidiary Companies of the Company as on 31st December, 2023

<table>
<tr><th colspan="4">Subsidiary Companies Information</th></tr>
<tr><th>Sr. No.</th><th>Name of the Subsidiary</th><th>Proportion of Ownership Interest</th><th>Remarks</th></tr>
<tr><td>1</td><td>CIE Galfor S.A.#</td><td>100%</td><td rowspan="3">Collectively known as CIE Forgings</td></tr>
<tr><td></td><td>1 UAB CIE LT Forge</td><td>100%</td></tr>
<tr><td></td><td>2. CIE Legazpi S.A.</td><td>100%</td></tr>
<tr><td></td><td>3. CIE Forging Germany AG*</td><td>100%</td><td>Forgings, Germany</td></tr>
<tr><td></td><td>4. Metalcastello S.p.A.</td><td>99.96%</td><td>Gears, Italy</td></tr>
<tr><td>2</td><td>CIE Aluminium Casting India Limited</td><td>100%</td><td>(Formerly Aurangabad Electricals Limited)</td></tr>
<tr><td>3</td><td>BF Precision Private Limited</td><td>100%</td><td rowspan="3">Collectively known as Bill Forge</td></tr>
<tr><td>4</td><td>Bill Forge de Mexico S de RL de CV</td><td>99.99%</td></tr>
<tr><td>5</td><td>CIE Hosur Limited</td><td>100%</td></tr>
</table>

Please note: * - These are dormant companies

Note: # - CIE Galfor SA is the holding company for all businesses in Europe

GROUP OVERVIEW

CIE Automotive India Limited is a large, diversified auto-components group with presence across many processes/ product lines, geographies and customers. It manufactures complex components and sub-assemblies with significant vale add. CIE India is focused on the automotive market across and operates in four segments - light vehicles, commercial vehicles, two wheelers and tractors.

Our Company has multiple manufacturing facilities in India, Europe and Mexico. The manufacturing locations are optimally located close to major automotive manufacturing hubs to facilitate supplies to customers. In certain instances, we also provide services such as value analysis and value engineering to add value to the customers' products. CIE India's unique combination of specialization in high value-added products, which is usually delivered directly to OEMs and presence across multiple production technologies, also differentiates it from other component suppliers.

CIE India largely operates in the automotive markets of Europe and India. In Europe, the Company supplies components mainly to the light vehicles with a comparatively small business in the off-road sector. In India, The Company is more diversified and supplies components to the light vehicles segment (both passenger vehicles and light commercial vehicles), two wheelers, tractors, medium and heavy commercial vehicles, in order of dependence.

A brief description of the key businesses of the Company is presented in Exhibit 3.

Exhibit 3: Lines of Business

Geography	Product Specialty	Focus Areas	Key Customers	CY 2023 Revenue
Forgings				
India	Light Vehicles: Crankshafts, knuckles, constant velocity joints, tulips, steering shafts, steering yokes and wheel hubs 2 Wheelers: Steering races and engine valve retainers All parts are forged & machined	Light Vehicles, Two Wheelers and Tractors	M&M, Maruti Suzuki India Limited, Tata Motors and Tata Motors (EV), Hero, Bajaj, HMSI and TVS, Ford, GKN, NTN, Nexteer, Rane NSK, Renault Nissan, KIA (EV), Hyundai, Stellantis (EV), Ola Electric (EV)	In Rupees Million 21,849
Spain + Lithuania	Crankshafts, Common Rail, Stubs, Tulips	Light Vehicles	Renault, VW Group, Daimler, GKN, JLR, GM, Fiat, DAF, Bosch, NTN, Faurecia, Dana, ZF, BMW	27,470
Aluminium Castings				
India	Crankcase, Pump Housing, Brake panel, Turbo cover, Housings used in EVs. (Parts made by high pressure & gravity die casting and then machined)	Two & Three Wheelers, Light Vehicles, Commercial Vehicles	Bajaj, Nidec GPM, Brembo, Mitsubishi, Bajaj EV, Nidec GPM (EV), Bosch (EV)	10,316
Stampings				
India	Panels & Assemblies, Chassis & Structural Parts, Fuel Tanks, Cross Car Beams. (Stamped parts made from sheet metal)	Light Vehicles, Commercial Vehicles	M&M (incl. EVs), Tata Motors (incl. EVs), Ashok Leyland	13,190
Castings				
India	Differential Housings, Turbine Housings, Crankshafts	Light Vehicles, Commercial Vehicles, Tractors, Construction Equipment & Earthmoving	M&M, Hyundai, JCB, Ford, Automotive Axle, Cummins, Dana, John Deere	6,340
Magnetic Products				
India	Soft and Hard Magnets	Light Vehicles, Two Wheelers (Tier 1 largely)	Denso, Sumida, Varroc, Intica, Mitsuba, Sona Comstar	1,599
Composites				
India	Composite Compounds, Three Wheeler Structural Parts	Electrical Switchgear, Light Vehicles, Three Wheelers	L&T Switchgear, Legrand, ABB, Schneider, Siemens, GE Healthcare, M&M (Three Wheeler EVs), Hyundai	2,082

Gears				
India	Gears & Shafts, E-Drive Components, Flanges & End Yokes, Clutch Hubs	Light Vehicles, Tractors, Construction & Earthmoving Equipment	M&M (incl. EVs), Eaton, Caterpillar, American Axles, CNH, Dana	3,606
Italy	Gears & Shafts, Sleeves & Hubs, Welded Components	Tractors, Construction & Earthmoving Equipment, Light Vehicles (EVs)	Caterpillar, CNH, Meritor, General Dynamics, Allison Transmission (EV), Axle Tech (EV)	6351

THE GLOBAL ECONOMY

IMF's chief economist, Pierre-Olivier Gourinchas writes in his January-2024 blog post, "The clouds are beginning to part. The global economy begins the final descent toward a soft landing, with inflation declining steadily and growth holding up. But the pace of expansion remains slow, and turbulence may lie ahead." This is a succinct summary of the global economy. While things seem to be looking up from period of gloom, uncertainties like geopolitical tension & wars continue to cloud the horizon. IMF's latest outlook suggests that global growth is projected at 3.1% in 2024, same as in 2023 and 3.2% in 2025, with the 2024 forecast 0.2% higher than that in the October 2023 report. The forecast for 2024–25 is, however, below the historical (2000–19) average of 3.8 percent. Elevated central bank policy rates to fight inflation and a withdrawal of fiscal support amid high debt are weighing on the economic activity. Overall inflation continues its downward trend. Core inflation may persist as commodity and supply disruptions could occur, following renewed geopolitical tensions.

With 2024 going to be 'the' global election year, making any economic forecasts is not an easy exercise. Globally, more voters than ever in history with at least 64 countries (plus the EU) – representing a combined population of nearly half of the people in the world – are meant to hold national elections, the results of which, could prove consequential. Of all the elections, the one in United States will be most watched given the outsized influence it exercises in the world. India also goes to the polls in April-May 2024 which will be watched keenly across the globe.

As per IMF the growth in the euro area is projected to recover from its low rate of an estimated 0.5% in 2023, which reflected relatively high exposure to the war in Ukraine, to 0.9% in 2024 and 1.7% in 2025. Stronger household consumption as the effects of the shock to energy prices subside and the inflation falls, supporting real income growth, is expected to drive the recovery.

India has been a bright spot in the gloomy global firmament for the last few years growing by 7.2% in 2022, 6.7% in 2023 and expected to grow by 6.5% in the next couple of years. The trajectory shows a slight weakening as the post pandemic pent up demand peters out. The India growth story is likely to sustain and even at 6.5%, India will be a standout economy.

The last few years have seen a focus on infrastructure building in India in sectors like Railways, Roads, Defence & Energy. The growth was focused on few key sectors as the private sector lagged on capex. It is starting to invest again on a significant scale as the state of corporate & banking balance sheets are in good health. The PLI schemes in various sectors are expected to provide a flip to this trend.

Some caveats are in order when we consider the India story. Given the tensions in West Asia, oil prices need to be watched. The India story at an oil price of $80-85/ bbl is remarkably different from at >$100/ bbl. As the Chinese economy recovers to pre pandemic levels, commodity prices could increase. Inflation remains a concern and the Reserve Bank is cautious on rate cuts but given the steady levels of fiscal deficit, the softening trend in interest rates should continue. Importantly India's forex reserves remain at US$600bn+ levels and can cushion the economy against the kind of external shocks that affected many emerging countries in the last couple of years. The key concern is the fear of a K shaped economic recovery with consumption growth in lower income categories lagging others. The improvement in rural incomes seen in CY23 augurs well on this count. Last but not the least, it is expected that the general elections to be held this year in India will not impact continuity in economic policy.

THE AUTOMOTIVE MARKET

The two key geographies that we operate in are India (~63% of consolidated sales) and Europe (~37% of consolidated sales). Please note that we have a small unit in Mexico which is covered under India sales (INR 2.69 bn).

INDIA

In India, we supply to a variety of segments with the segment wise dependence of our India sales shown in bracket – light vehicles (52%), two & three wheelers (21%), tractors (18%) and trucks (9%). Different segments of the Indian automotive market behaved differently. Carrying on from the momentum of growth from last year, light vehicles have seen good growth this year as well over an already high base. Two wheelers remained sluggish as rural incomes are slowly recovering from the pandemic. Tractors overall remained flattish albeit on a higher base. Trucks saw strong growth especially in the second half on the back of strong infrastructure spends and overall state of the economy. On the demand side the light vehicles and two-wheeler markets are expected to grow while the trucks and tractor segments may remain subdued.

Light Vehicles

The Indian light vehicles market has grown handsomely by ~23% over CY22. The market which has seen a slew of new launches has been buoyant due to the demand for all new models being strong. Softening RM prices may also help reduce the cost of acquisition, spurring demand.

Light Vehicles (Production Million Units)

Period	2023	2022	Change
Full Year	5.44	5.11	6.4%
Oct-Dec	1.29	1.23	4.7%
Jul-Sep	1.46	1.38	5.3%
Apr-Jun	1.31	1.24	5.4%
Jan-Mar	1.39	1.26	10.2%

Source: IHS

Most agencies have estimated positive forecasts for the Indian passenger vehicle market with IHS in its latest update forecasting the Indian light vehicle to grow by 3.5% in CY24. Increased focus on mid SUV segment, timely facelifts of existing models, and the availability of a wide range of variants across the price spectrum, along with higher finance penetration, have enabled positive demand sentiment in the light vehicle segment. The long-term picture for the car market remains healthy, given the current low ownership levels and as per capita income continues to grow, it will increase the Indian household's ability to afford a car. IHS global, expects the Indian light vehicles (less than 6T) to grow at a CAGR of 4.8% over a period of 2023-28 which will mean new highs every year for annual production. Crisil expects the long-term growth to be even higher.

Battery Electric Vehicles (EVs) were still less than 1% of overall market in CY 23 and are expected to increase to 4-5% by CY25. Crisil also expects EV penetration to increase in the next few quarters, supported by increase in charging stations, lower cost of acquisition and newer model launches from OEMs.

Two Wheelers

The two-wheeler industry production has shown a growth of 3.7% in CY23 as compared to the previous year (source: SIAM). The quarter-wise performance reveals that there was a decline in the demand for 2-wheelers in Q1C23 due to the higher cost of acquisition still playing on the minds of consumers. The year however has ended on a positive note due to the 19% growth seen in Q4C23 driven by healthy growth in the festive season.

Two Wheelers (Production Units)

Period	2023	2022	Change
Full Year	20,312,955	19,593,268	**3.7%**
Oct-Dec	5,481,195	4,604,959	19.0%
Jul-Sep	5,563,997	5,650,264	-1.5%
Apr-Jun	4,898,422	4,834,465	1.3%
Jan-Mar	4,369,321	4,503,580	-3.0%

Source: SIAM

Volumes are expected to be driven by recovery in scooter sales as income sentiments improve and EV penetration increases. Normal monsoon prediction is expected to support demand for motorcycles segment positively. Exports which are roughly 16% of total production may remain subdued due to the global geopolitical scenario. However, Crisil forecasts a healthy CAGR of 8-10% between FY23-28 for domestic two-wheeler sales. A point to be noted is that the major part of this growth will come from EV sales, the traditional petrol vehicles are forecasted to grow at 2-4%. EV penetration has started to increase in this segment and is expected to jump to 10% by CY25 from the current 5-6%, as customer acceptability of these vehicles is rapidly increasing.

Tractors

Tractor production in India has shown a slight decline of ~2% in CY23 (source: Tractor Manufacturers Association/ TMA). However, CY21 and CY22 were very good years for tractors when, for the first time, production crossed 1mn units in consecutive years. This trend continued in CY23 with production of almost 1mn units.

Tractors (Production Units)

Period	2023	2022	Change
Full Year	985,968	1,007,976	-2.2%
Oct-Dec	195,466	224,671	-13.0%
Jul-Sep	274,009	304,864	-10.1%
Apr-Jun	259,038	287,320	-9.8%
Jan-Mar	257,455	191,121	34.7%

Source: TMA

Domestic tractor sales were affected YoY on account of erratic monsoon (6% below normal south-west monsoon). The trend of erratic monsoon has been seen for the last couple of years. Lower reservoir levels and anticipated decline in rabi acreage are expected to contribute towards a decline in tractor sales. Another key reason was the fading out of the pent-up replacement demand after the pandemic. This may moderate the growth in the next couple of years.

On the other hand, the level of farm mechanization in India is still sub optimal and there is large scope for growth. CRISIL projects domestic tractor sales to expand at 3-5% compound annual growth rate (CAGR) between FY23-28. Tractor sales are cyclical and we may need to factor in a few years of erratic monsoon during the period.

Medium & Heavy Commercial Vehicles (MHCV)

MHCV production in India which had seen a large drop in CY19 pre pandemic was further hit by a steep drop of in CY20. CY21 saw a sharp recovery from this low base and it was expected to continue in the next couple of years. This expected growth has not materialized in spite of the demand being supported by increased government spending, robust replacement demand, and strong end-user sectors such as construction and mining. The growth did not materialize likely due to the improvement in efficiencies in the logistics sector as well as increased competition from other sectors like railways.

MHCV (Production Units)

Period	2023	2022	Change
Full Year	386,297	385,936	0.1%
Oct-Dec	84,845	86,164	-1.5%
Jul-Sep	96,706	92,115	5.0%
Apr-Jun	91,442	96,026	-4.8%
Jan-Mar	113,304	111,632	1.5%

Source: IHS

IHS has forecast that in CY24 MHCV production in India would grow by 2%. For the longer term, IHS estimates this to grow at a conservative rate of 5.1% CAGR over CY23-28. Crisil again is similarly forecasting a CAGR of 2-6%.

EUROPE

In Europe our operations cater largely to the light vehicle market, with a small portion of the revenue being supplied to the off-highway, farm equipment and tractors market.

Light Vehicles

Light Vehicles (Production Million Units)

Period	2023	2022	Change
Full Year	17.31	15.37	12.6%
Oct-Dec	4.48	4.18	7.3%
Jul-Sep	3.77	3.52	7.1%
Apr-Jun	4.51	3.85	17.2%
Jan-Mar	4.54	3.82	18.8%

Source: IHS Global

The first quarter in this year saw higher activity on the demand side and therefore was a very good quarter as compared to the previous year. The pent-up demand which was causing the uptick petered out by the fourth quarter.

For light vehicles (<3.5T incl. cars, utility vehicles & light commercial vehicles), the data from IHS shows that the production in Europe has grown by a strong 12.6% in CY23 v/s CY22 to 17.3mn units. In the second half of CY23, the demand came back down to mid-single digit growths. As pent-up demand stabilizes, light vehicles segment is estimated by IHS to degrow slightly by -3% in CY24. Also, as per IHS data the passenger vehicle market in Europe is forecasted to stay flat over the period of 2023-28. However, the pre pandemic market of 19-22mn units is not expected to be reached in the coming years with IHS forecasting production to be in the range of 16-17mn units for the next few years.

Electrification of powertrains has seen rapid adoption in Europe with share of battery electric vehicles (EVs) in the light vehicles segment reaching 15% in CY23 and expected to reach 40%+ by 2028.

LONG TERM TRENDS IN THE AUTOMOTIVE INDUSTRY

The 2020s started with a once in a century pandemic that led to lockdowns, social distancing and new ways of communication emerging. The uncertainty has continued with two major wars in Ukraine and Gaza and more geopolitical uncertainties loom on the horizon. Climate change is a major cause of concern globally as the world seeks to develop a consensus on how to combat it. There has been a welcome increase in income levels in some of the most populous parts of the globe viz. China, India & Africa but this is accompanied by a greying of the population and the question is whether these regions will get rich before they get old. Technology is changing at a pace that is hard to keep up – automation, digitization, artificial intelligence etc. are reshaping businesses completely. These trends also require huge investments to be made by firms and governments alike, leading to long term cost inflation and the consequent pressure on individual incomes & ability to buy, as well as business margins.

The automotive industry is also affected by the above trends. Electrification of power trains is currently considered one of most important responses to climate change. Even on existing internal combustion engines, pollution norms are tightening at an extremely rapid pace. Car buyers are looking for more premium features like connected cars, space and driver assistance and not just power and pick up. Safety, comfort & lightweighting standards are advancing rapidly. Digitisation and Industry 4.0 are transforming the supply chain.

COMPANY STRATEGY

The global automotive industry is transforming rapidly on many dimensions as referred in an earlier section. Not only does a company's product-market strategy has to take these changes on board, there has to be an active risk management mechanism to manage the uncertainties surrounding these changes.

As pollution and climate change take centre stage, the light vehicles with internal combustion engines are proposed to be substituted by vehicles powered by alternative energy sources. Electric Vehicles (EVs) are currently seen as the most likely substitute. But the pace of transition to EVs varies widely across regions and segments. We have developed a comprehensive strategy for EVs that we will discuss in a later section.

Companies are increasingly expected to mind their carbon footprints and thus there is a push for localisation – parts being sourced from the same region rather than from far off, local for local. Near-shoring also helps minimise some of the supply chain bottlenecks that have bedevilled the automotive industry in the last few years. On the other hand, as developed nations seek to meet stringent CO_2 reduction targets, some polluting processes like steel and aluminium castings are migrating to emerging ones. We think both these issues could lead to more opportunities for our Indian operations.

Lightweighting and safety are two other key themes in the automotive industry. The former will lead to a push towards materials like aluminium forgings & castings and composites, all three of which are focus areas for us. The transition to EVs, lightweighting and safety all require components with higher precision, closer tolerances and better quality. Our strategy is to upgrade our processes and productivity levels to best in class. In recent years, we have upgraded most of our plants in India and some of the improvements are highlighted in the section on operations.

Our approach has been to attain an optimal balance across growth, investments and returns. We aim to organically grow higher than the market growth rates, weighted as per our presence in different segments, in both our key geographies: 5%+ higher than the market in India and in step or marginally higher than the market in Europe. Your company pursues a judicious mix of organic and inorganic growth. Mergers & acquisitions are targeted to fill strategic gaps in our products, customers, or skills portfolio. We aim to achieve a consolidated EBITDA margin on sales and a consolidated RONA (Return on Net Assets) aligned with our parent company.

In accordance, our company consistently pursues the following principles that we believe sets us apart from the competition: make operations world class; diversify customer base, plant locations & technologies; invest in a disciplined manner; focus on continuous improvement in profitability and decentralize plant management.

The focus on diversification is key to our aspirations. In India, we are present in 7 technologies, 4 market segments and more than 50 customers out of which 20+ are those with annual sales of more than INR 500mn. In Europe, we have a well-diversified customer base covering some of the key OEMs and tier 1 players in the light vehicles and off-road segments. This level of diversification not only enables us to manage the volatility in sales at some of our anchor customers but the portfolio approach helps us in protecting our margins.

Another important element is our disciplined approach to capital expenditure encapsulated in a few key guidelines. Investments are key to growth but at the same time we are careful not to overextend ourselves. Thus, as a rule we aim to spend 5-6% of sales as CAPEX every year. This includes both maintenance and growth CAPEX with the latter forming roughly two thirds or more of overall CAPEX. We accept those CAPEX projects that are designed to achieve the defined RONA (Return on Net Assets), exceptions being very rare. Projects where we have greater visibility and stability in terms of future order projections are prioritized. Our endeavour is also to make sure that we use general purpose machinery so that in the case of the project not meeting assumptions, these machines could be repurposed for other projects.

The cornerstone of our strategy is the focus on improving operations. The aim is to make our plants, especially those in India, comparable to the best in class globally. The key is to improve productivity levels at our Indian plants and we are focused on improving value added per employee at every plant. This is being done through a variety of projects – optimising plant layouts, automating machines and especially material handling, improving cycle times, eliminating unnecessary operations & manning and digitizing data capture so that quality and other issues can be detected at an early stage. Teams from the parent CIE Automotive provide all help in terms of know-how transfer in these projects.

The success of our strategy can be gauged by the consistent improvement in performance over the years. Our EBITDA margins, PAT, free cash flows and return ratios are quite close to CIE Automotive global benchmarks and among the best few among component companies in India.

ELECTRIC VEHICLES

Electrification of powertrains has seen rapid adoption in Europe with share of battery electric vehicles (BEVs) in the light vehicles segment reaching 15% in CY23 and expected to reach 40%+ by CY28. However, it seems that electrification process both in US and Europe is slowing down and a delay of 2 to 3 years from previous forecasts can be expected. In India, the transition to electric mobility is expected to be more gradual especially in 4W though certain segments like 3W and 2W may see rapid adoption of EVs. Our forgings business both in India & Europe, is a market leader in key internal combustion engine parts like crankshafts and will be affected negatively when EVs become mainstream. As the exposure to such parts in Europe is higher and the pace of transition to EVs more rapid, the risk to sales for our European business is significant. In India, given the slow introduction of 4W EV´s, our lower exposure on engine parts and a good order book for EV parts, we see the risks of EV transition in India being minimal.

Our mitigation plan in Europe is to substitute production of crankshafts by Aluminium forged parts and increase steel parts that will not be affected by transition to electric vehicles. We have got interesting new orders on those, and some of them are already in production on our plants. In addition, the Gears plant in Europe is developing a healthy order book in electric vehicle transmission parts. Our EV order book in India is spread across aluminium & steel castings, steel forgings, gears, stampings, and composite parts for e2W, e3W and e4W segments. We want to be actively quoting on all new EV opportunities. CIE Automotive & CIE India have close contact & interaction with almost all EV producers in Europe, USA and India, in at least one of our verticals. We have identified the key products on EV on each of the technologies and we are actively pursuing them on the market on all and every customer involved on EV. These products are largely under four categories: shafts & gears for EV transmission; housings for motors & electronics; structural parts for batteries like trays and parts for the cooling & auxiliary systems of batteries. A snapshot of these EV parts is shown in the early pages of the annual report.

Our diversified technology, product and customer portfolio allows us to address the requirements and risks emerging from EV transition in an effective manner. As the supplier ecosystem of EVs is at a nascent stage, EV OEMs are looking to partner with suppliers who have quality and pedigree. Therefore, as a high-quality supplier of automotive parts, we consider the transition to EVs to be more of an opportunity than a risk.

OPERATIONAL PERFORMANCE & STRATEGY

INDIA

Automotive market growth in India in CY23 was uneven across segments, quarters and customers. Light vehicles grew reasonably but two wheelers and tractors were subdued. The first quarter was good followed by a muted second quarter but the festive season was encouraging. The performance of our key customers was also mixed with some suffering negative or flat demand growth. We had reported last year that all the business verticals were expanding capacity - at gears vertical for EV parts; at Bill Forge, Bengaluru for EV transmission parts, at CIE Hosur for fuel rails and other parts, at Chatrapati Sambhaji Nagar for 4W Aluminium EV parts, among others. There was delay in ramp up of some of these orders, especially at CIE Hosur and Aluminium vertical, and this impacted our sales growth.

To safeguard margins and returns, the Company is focusing on increasing labour productivity through smart automation and on improving asset utilisation by optimising working capital, enhancing machine throughput and focusing on flexible machines. To keep expanding the order book, emphasis is being laid on improving new product development and the skills required for it. Developing parts with greater value addition remains an important part of operational strategy. At the Composites vertical, components, especially 3W Electric Vehicle (EV) parts, comprise more than 50% of sales vis-à-vis compounds. Stampings vertical has developed welded and assembled parts and installed robotic welding processes. The gears team has developed processes for robotic cell configuration with innovative solutions for teeth chamfering. They have automated the deburring process which is very innovative as the process does not follow set patterns. At iron castings, we have implemented robotized fettling and machining for differential cases. The organization at the Aluminium vertical is being completely revamped and the layouts and process flows at the plants are being upgraded.

Looking ahead, the demand situation in the Indian automotive market continues to be optimistic. The Indian economy is expected to be a $5 trillion economy (from the current $3.3 trill.) by 2026-27. Car ownership in India is about 28 per thousand which is about 20 times lower than in Europe & US and much lower than even in China. The expansion of the economy will see improvement in this ratio. Two wheelers are more of a necessity and almost half of all households in India own one. There is enough scope to increase penetration especially in rural areas, which are the focus of most 2W OEMs. The pace of infrastructure building which accelerated as the government primed the economy during the covid pandemic, is expected to help both the tractors and truck segments. Your company is well prepared to capitalize on these prospects. We aim to balance order book requirements and investments in capacity such that both growth and profitability objectives are met.

India is one of the priority global markets identified by our parent CIE Automotive and the Indian operations will continue to be a focus area. In CY 23, our Indian operations grew by 5% and generated an EBITDA margin of 16.7%.

EUROPE

The light vehicle market in Europe grew in double digits in CY23 driven by pent up demand but demand for off road vehicles in the US market declined. The ongoing war in Ukraine and the tense situation in Israel continues to cast a shadow on European customer outlook. Power costs in Europe stabilised and this helped in recovering margins to levels seen before the energy crisis that was triggered in the last quarter of CY21. But pressure on costs continues to be a concern. Our endeavour is to maintain margins and focus on cash generation in Europe. We are developing aluminium forgings as an alternative to crankshafts. In addition, the Company has a healthy order book on steel forgings and transmission parts specific to electric vehicles.

The European light vehicles production was in the range of 19-22mn units every year between CY2010-19. IHS expects the demand five years ahead forecasted to be in the range of 16-17mn units. The stagnation in demand is accompanied by a penetration of EVs but not at the rapid pace that was forecasted earlier. Also, inflation in electricity prices and other costs is expected to linger. In

Europe the company will aim to reengineer products and processes to meet the twin challenges of rising costs in a stagnating market as well as a transition to EVs.

In CY23, our European operations grew by 10% and generated an EBITDA margin of 17.8%. While the market forecasts in Europe are muted, we are quite optimistic of our European business which has high margins, returns and cash generation.

FINANCIAL PERFORMANCE

The financial performance of the entity for the year ended 31st December 2023 and 31st December 2022 is presented below:

CIE India's abridged P&L Statement for the Financial Year 2023

(` in Millions)

Sr. No.	Particulars	Standalone		Consolidated	
		Year Ended		Year Ended	
		December '23	December '22	December '23	December '22
		Audited	Audited	Audited	Audited
1	Income from operation				
	(a) Revenue from operations	45,698.43	43,978.23	92,803.49	87,530.37
	(b) Other Income	1,504.09	1,206.34	820.10	582.88
	Total Income	47,202.52	45,184.57	93,623.59	88,113.25
2	Expenses				
	(a) Cost of material consumed	24,171.73	24,711.03	48,533.60	48,606.53
	(b) Change of inventories of finished goods and work-in progress	86.94	(258.55)	574.69	(846.62)
	(c) Employee benefit expenses	4,278.21	3,966.02	9,944.15	9,022.07
	(d) Finance cost	109.83	134.57	1,073.68	227.12
	(e) Depreciation and amortization expenses	1,357.19	1,332.05	3,221.96	2,962.23
	(f) Other Expenses	10,033.37	9,343.87	19,512.15	19,028.31
	Total expenses	40,037.27	39,228.99	82,860.23	78,999.64
3	Profit/(loss) from operation share of profits of associates, exceptional items and taxes (1 - 2)	7,165.25	5,955.58	10,763.36	9,113.61
4	Share of profit / (loss) of associates	-	-	(4.85)	22.00
5	Profit/(Loss) from ordinary activities before exceptional items	7,165.25	5,955.58	10,758.51	9,135.61
6	Exceptional items	-	378.73	-	378.73
7	Profit/(Loss) from ordinary activities before tax (7-8+9)	7,165.25	6,334.31	10,758.51	9,514.34
8	Current Tax	1,502.58	1,290.85	2,741.89	2,190.15
	Deferred Tax (Credit) / Charge	39.23	(77.44)	40.32	210.71
9	Net Profit/(Loss) for the period from continuing operations	5,623.44	5,120.90	7,976.30	7,113.48
10	Discontinued operations				
	Profit/ (Loss) before exceptional items from discontinued operations	-	-	5,340.53	830.83
	Loss on fair valuation of assets and liabilities of Discontinued operations	-	-	(1,536.45)	(9,233.70)

Sr. No.	Particulars	Standalone		Consolidated	
		Year Ended		Year Ended	
		December '23	December '22	December '23	December '22
		Audited	Audited	Audited	Audited
	Profit/ (Loss) before tax from discontinued operations	-	-	3,804.08	(8,402.87)
	Current tax	-	-	257.29	92.14
	Deferred tax expense/ (reversal)	-	-	271.60	(19.87)
	Tax expense on discontinued operations	-	-	528.89	72.27
11	Profit/ (Loss) from discontinued operations (after tax)	-	-	3,275.19	(8,475.14)
	Net Profit/(Loss) after taxes	5,623.44	5,120.90	11,251.49	(1,361.66)
12	Paid - Up equity share capital (Face value of ` 10 per equity share)	3,793.62	3,793.18	3,793.62	3,793.18
13	Earnings per share (after extraordinary items) (of ` 10/- each)				
	(a) Basic	14.82	13.50	29.66	(3.59)
	(b) Diluted	14.82	13.50	29.66	(3.59)

Information for our Indian and Overseas operations are summarized in the table below:

Segment wise results for 2023 **(` in Millions)**

Sr. No.	Particulars	Year ended	
		31st December 2023	31st December 2022
		Audited	Audited
1	**Segment Revenue**		
	a) India	59,459.08	56,325.95
	b) Europe	44,570.80	51,343.11
	Total	**104,029.88**	**107,669.06**
	Less: Inter Segment Revenue	(473.98)	(448.42)
	Net Sales / Income from Operations	103,555.90	107,220.64
	Less; from discontinued operations	(10,752.41)	(19,690.27)
	Net/Sales income from continuing operations	92,803.49	87,530.37
2	**Segment Profit/(Loss) before tax and interest from**		
	a) India	7,087.84	6,349.29
	b) Europe	10,161.74	4,449.88
	Total	**17,249.68**	**10,799.17**
	Less: from discontinued operations	(5,417.49)	(1,057.72)
	Profit / (loss) before tax and interest from Continuing operations	11,832.19	9,741.45
	Less:		
	(i) Un-allocable expenditure	1073.68	227.11
	(ii) Un-allocable income		
	Total Profit Before Tax	**10,758.51**	**9514.34**

Sr. No.	Particulars	Year ended	
		31st December 2023	31st December 2022
		Audited	Audited
3	**Capital Employed**		
	(Segment Assets - Segment Liabilities)		
	a) India	63,260.23	59,477.73
	b) Europe	34,358.91	39,804.82
	Total	**97,619.14**	**99,282.55**
4	**Segment Liabilities**		
	a) India	21,669.00	21,895.21
	b) Europe	16,070.73	26,402.49
	Total	**37,739.73**	**48,297.70**

The Key Financial Ratios of the company are given as below:

	Standalone		Consolidation	
Ratio	**CY-23**	**CY-22**	**CY-23**	**CY-22**
(i) Debtors Turnover (Days)	39	49	27	37
(ii) Inventory Turnover (Days)	44	49	54	58
(iii) Interest Coverage Ratio (times)	66	48	11	41
(iv) Current Ratio (times)	2.2	1.7	1.0	1.0
(v) Debt Equity Ratio (times)	0.01	0.03	0.13	0.18
(vi) Operating Profit Margin (%)	20.3%	19.2%	17%	15.4%
(vii) Net Profit Margin (%)	13.2%	12.6%	9.1%	8.6%
(viii) Return on net worth (%)	11.4%	11.5%	18.8%	-2.7%

Debtors and Inventory Turnover:

Debtors and inventory, number of days, have come down both in Standalone and Consolidated results, with the easing in commodity prices, improvement in operations and increased customer discounting/non-recourse factoring.

Interest Coverage Ratio:

Standalone reduction in debt and improved profits has further improved the interest coverage.

Consolidated coverage ratio, while being healthy, has fallen due to interest rate increase in Europe.

Current Ratio:

Cash generation in Standalone has improved this ratio significantly.

Debt Equity Ratio:

Both standalone and in consolidated the ratio has improved due to debt reduction and profits earned during the year.

Operating and Net Profit Margin:

Operating margin in Standalone continued to get better with efficiency improvement and increase in other income. Consolidated margins improved as energy prices got stabilized in Europe. Indian margins improved with efficiency improvement and increased value added products across divisions.

Return on Net Worth (RONW):

Consolidated RONW was impacted in 2022 due to one-time write off on fair valuation of German assets. In 2023, RONW from continued operations is 13.3% in line with 2022 excluding exceptional item.

SAFETY

Our plants operate under strenuous working conditions. Processes like forgings, castings, stampings, machining etc. require a disciplined working approach and mistakes can harm the well-being of our workers. The company places as much emphasis on safety as it does on growth and profitability. Prioritizing health and safety in the workplace is not only essential for the well-being of employees and workers but also contributes to overall operational efficiency. The goal is to achieve zero incidents.

In CY23 with an intent to work towards "Back to Basics" we have launched 12 Life Saving Rules project to provide training to employees on these critical safety rules which they need to follow during their daily activities at plants. We continued to upgrade and introduce safety infrastructure to improve overall motivation of employees and develop a safety culture. During CY23, apart from the internal health and safety audits of our plants, external audits on Fire Load Calculation, Chemical Safety, Electrical Safety, HAZOP Study & HAZID were conducted. Most of our plants have successfully certified for ISO 45001 and ISO 14001 standards.

The focus on extensive training, infrastructure development, constant communication, regular reward and recognition and involvement of shop floor employees has contributed to the overall safety performance improvement.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS CLIMATE

As an organization, our company is evolving with its HR practices and policies to improve on employee engagement and experience. We strive to provide a good working environment to our employees such they have ample opportunities to further their skills. A key focus is to maintain harmonious relations with employees at all plants in all geographies. The organization has put in place a Diversity, Equity and Inclusion framework and has adopted appropriate targets in line with the practices of CIE Automotive globally. Our Employee Value Proposition (EVP) is centred on four pillars of Care & Wellness, Advancement opportunities for Career Growth, Respect & Dignity and Structured Reward and Recognition.

INDIA

In accordance with our EVP, we have rolled out career development programs for employees through Individual Development Action Plans (IDAPs). Coaching has been introduced in the organization; senior managers have been trained as coaches who in turn coach the employees on their IDAPs. 389 employees have designed their career aspirations through IDAPS and 35 managers have been trained as coaches. The process for succession planning has been designed, implemented and rolled out across the organization. We are continually focusing on building a strong young talent pipeline of engineers and have specially crafted yearly learning plans for young engineers hired as freshers from campuses. We have inducted 47 Graduate trainee Engineers in the current year.

The organization has in place a Diversity, Equity and Inclusion framework and has adopted targets for Gender, Generation, Functional and Multicultural Diversity. The company has introduced Diversity Awareness and Sensitization programs for its managers.

To drive the culture of recognition driving performance there is a strong focus on the Recognition practices through its Panchratna award scheme. Further to drive performance culture, the company has redesigned its Leadership Competency Model which is incorporated in the Performance Management Systems. The organization is evolving with its HR practices and policies to improve on employee engagement and experience. Further it has rolled out a comprehensive 'HR Scorecard' which measures the HR Performance across all plants covering all the HR processes and initiatives.

A portion of our permanent labour workforce in certain locations is part of labour unions. We have signed collective bargaining and other agreements with labour unions at several plants where we have agreed to certain guaranteed bonuses, guaranteed wage increases, and wages linked to productivity. A detailed breakup of the composition of the workforce in India is provided in the BRSR report.

EUROPE

As on 31st December 2023, there were 772 employees on the rolls of our Spanish & Lithuanian plants (comprising CIE Galfor S.A., CIE Legazpi S.A. and CIE LT Forge) and 208 at our Italian plant.

DIGITALISATION & IT STRATEGY

It may be a cliché but it is true that every company today is a digital company whatever its line of business. IT is not just a support function, but a business enabler. In line with this philosophy, our digitalisation and IT strategy focuses on three pillars. Having world class digital infrastructure is key to building a robust IT strategy. Digitalisation is a tool to improve productivity by automating processes which are repetitive and boring. Industry 4.0 initiatives can create more innovative ways of manufacturing.

Your company has migrated to "Cloud Infrastructure" and is in the process of adopting "Hyperconverged Technology". The use of virtual data base through these applications ensures that data is protected at multiple virtual locations while having real time access. In the next couple of years, the company will upgrade to SAP S4HANA.

Many processes have been automated especially in processes like sales, purchases, production, inventory/ stores, assets, payroll etc. In CY 23, vendor modification, capex approval, overtime logs, scrap management were digitized among others. Automating such processes is also helping us move towards paperless offices that is an important part of our green initiative. Robotic Process Automation (RPA) has accelerated with more monotonous processes being automated and utilisation of BOTs is becoming more sophisticated.

As part of implementing industry 4.0 ideas on the shopfloor your company is implementing internet-of-things (IOT) applications at its plants. The key objective is to measure and capture machine efficiency parameters on a real time basis. In CY22, we had taken up shop floor automation at the gears division in India while in CY 23, the same was implemented at CIE Hosur. These projects involve a few key steps – master data preparation, networking, connecting machines to the network (LAN), configuring the machine controllers (PLCs), installing human machine interface (HMI) and verifying the data captured. At CIE Hosur, we achieved a count verification of 100% accuracy on machining equipment and of 96% on the forging presses.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) APPROACH

ESG has become an imperative aspect of business and investors are paying attention to this along with financial performance of the company. The company understands that a wholistic approach to ESG is important to have harmonious relations with all stakeholders in our business – shareholders, employees, customers, suppliers, community, which is key to long term stability of our business model.

Being a subsidiary of CIE Automotive, we are bound by the 5 years Strategic ESG plan to comply with 79 KPIs designed under 4 pillars namely, CIE Culture, Ethical Commitment, Eco Efficiency and Active Listening; which are aligned with the UN- 17 Sustainable Development Goals. In order to identify the most important issues for the company, a materiality assessment is conducted followed by prioritizing material issues and defining the key ESG KPIs and initiatives. These prioritized targets become part of business process/Balanced Score Cards of all divisions wherein. A review system is put in place to ensure that these initiatives are driven at highest level in the organisation and progress on the same is tracked on monthly basis.

Some of the key achievements of CY23 are listed as follows: 57% of energy consumed in the Indian plants came from renewable sources, 178% of waste was sent to landfill and 5642 trees were planted across locations in India. A snapshot of images of our ESG projects is shown in the early pages of the annual report.

Among the material issues identified, we would like to highlight a few. Your company is focusing on a robust and responsible supply chain, complying with global ESG standards as articulated by our partners viz. customers, suppliers, rating agencies etc. The key to achieving this is emphasizing local sourcing and environmental assessments. Under the head of circular economy, the company aims to reduce raw material consumption, manage waste efficiently, and implement measures to improve energy efficiency across the value chain. CIE India is committed to achieving carbon neutrality by 2050, adopting ISO 14001 & ISO150001 standards, and implementing measures for renewable energy use, material circularity, and responsible resource utilization.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Under Indian regulations, a company has to mandatorily set aside a small part of the profits for social projects. While this may be a regulatory requirement, we views it as an opportunity to improve the lives of the communities among whom we operate. We have multiple plants in India and many of these are located in semi urban and rural areas and our CSR projects are a small effort to help the communities living around our plants.

Our CSR projects focus primarily on three areas: Promoting Education & Skill Building; Improving Health & Sanitation and contributing to Environmental Sustainability & Rural Development. Under these principles: Bill Forge has built a modern school in suburban Bengaluru. At Pune, the company supports the CIE Skills Institute which trains students who have completed Standard 10th in different manufacturing trades like welding, fitting etc. for the last few years. A total of 895 trainees including 118 women trainees have enrolled over the years. 30 batches with 779 trainees have completed their courses with 83% placed in local factories. In the current session, the institute is running a course on driver training for LGBTQIA+ community. A similar training program for special children is being run in Pune. We also support an NGO in Pune which works towards the rehabilitation of drug addicted individuals. At Rajkot & Chatrapati Sambhaji Nagar, the company is implementing programs for Zila Parishad schools like a sanitation awareness programs called the WASH program and upgrading the infrastructure of these schools under the 'Every Class Smart Class' program. Projects on rural welfare and tree plantations are also continuing. A snapshot of images of our CSR projects is shown in the early pages of the annual report.

We engage with competent delivery partners to implement these CSR projects. Each project is assessed to evaluate if it has made the desired impact on the target audience. The CSR plan and performance is monitored by the CSR committee of the board every quarter.

RISK MANAGEMENT

The business has a specific set of risk characteristics which are managed through an internal risk management practice. The first line of defence in the risk practice are the operational management who are tasked with identifying risks and reporting breaches that can put the company to risk. The second line are processes and policies that are assessed periodically by the board and its audit & risk management committees. Key processes and policies include internal controls, data security & privacy, statutory compliances and ethical framework (code of conduct & whistleblower policies). Internal audit is the third line of defence that continuously reviews the efficacy of the first two lines. The senior management periodically reviews the risk management process and the actual management of risks identified. They report their findings every quarter to the risk management and audit committees of the board. The risk management committee reviews identification, assessment, management and monitoring of risks. The audit committee closely looks at the processes associated with risk management. Both these committees report to the board which provides directions to strengthen the overall risk management practice.

The process to identify risks is also defined. Senior executives participate in the annual risk assessment survey carried out by CIE Automotive to identify key risks associated with the business in each of the key geographies that CIE operates in. This is supplemented by periodic internal assessment to identify risks under different categories – strategic & reputational, commercial, technological, operational, financial, people related, regulatory/compliance and ESG (Environmental, Social & Governance), etc. Risks under these categories are classified as short term and long term and monitored periodically.

Risks are prioritized based on the following criteria:

- Probability of occurrence – based on past experience and analysis of the future
- Impact along three dimensions - economic, organisational and/or reputational
- From the standpoint of residual risk: considering the controls already in place in order to mitigate the potential impact of their materialisation

Some of the key risks identified by CIE Automotive globally for CY2023 are as follows:

- Market trend change: The company is highly dependent on the performance of the automotive industry in India and Europe. Any adverse changes in the conditions affecting these markets may negatively affect business, results of operations, financial condition and prospects.
- Geopolitical situation: The geopolitical situation continues to be grim with the war in Ukraine continuing to rage and West Asia thrown into turmoil due to hostilities in Gaza which are casting a shadow on West Asia and North Africa. This has led to a destabilization of Red Sea shipping causing problems in the free movement of goods across the world. A consequence could be shortage and increasing prices of some commodities disrupting supply chains of automotive firms. These disruptions have become increasingly common in the last few years starting with covid and continuing with the shipping & semiconductor chip crises and leading to the war situation in Ukraine & Gaza. OEMs are increasingly adopting a local vs global approach i.e. a European OEM prefers to source from companies in its vicinity – from European companies or from companies in Turkey, Russia or North Africa vs companies in India or China. This approach could reduce the expected growth in export revenues.
- Cybersecurity & data privacy: As digitization & automation increase in the business, there is a growing concern around data being breached by inimical third parties.
- Green supply chain: ESG has become an imperative aspect of business and investors are paying attention to this along with financial performance of the company. We will continue to enhance our value chain partners ESG performance by identifying areas of opportunities through regular assessments/visits.
- Human capital for company's growth: As the automotive industry goes through the throes of change, volatility & uncertainty; the challenges thrown up can only be met by a team that is both skilled and motivated. The management's challenge is to upskill their team and fill any skill gaps and ensure that they are primed to face the vicissitudes in the business environment. Succession planning and talent management are key initiatives that are being implemented. The Individual development program (IDAP) is closely monitored. One key element of the program is close collaboration with CIE teams worldwide for continuing training and skill upgradation.

Along with the above, your company has identified the following other risks that can affect its growth & profitability:

- The loss of certain principal customers or a significant reduction in purchase orders from certain customers could adversely affect business, results of operations, financial condition and prospects.
- The dependence on a few key customers in some business verticals is high and leaves these verticals reliant on the performance of these OEMs – the Stampings business in India and Gears business in Italy are two examples. Overall, both the Indian and European operations of the Company are now well diversified and customer concentration risk is pertinent to a few verticals as stated above.
- Potential inability to pass-through to its customers increase in costs like labour, energy, etc. could reduce future profitability.
- As part of its growth strategy, the company aims to develop many new parts for both existing and new customers. Managing the new product development process in an efficient manner is a key challenge.
- The company will need to be ready for changes in its product portfolio to counter the impact of transition in automotive technology to hybrids and electrical engines. Electrification will mean a greater emphasis on stamped, plastic and aluminium parts compared to forged, cast or machined parts. As the supplier ecosystem for EVs is at a nascent stage, EV OEMs are looking to partner with suppliers who have quality and pedigree. Therefore, the transition to EVs may be more of an opportunity rather than risk.

- Digitisation & Automation is a key focus area to improve operations. Not being able to implement these programs in a time bound manner can affect operations.
- Implementation of the new labour code as well any increase in minimum wages for workmen will increase costs.

To summarise, the risks to growth and capex efficiency are the key ones to monitor in India in CY24 while in Europe we need to watch the risks posed by EV transition and the lingering impact of inflation, especially the escalation in steel & energy prices.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

In the opinion of the Management, CIE India has adequate internal audit and control systems to ensure that all transactions are authorized, recorded and reported correctly. The internal control systems comprise extensive internal and statutory audits. The Corporate Governance practices instituted by the Company are discussed in detail in the chapter on Corporate Governance of this Annual Report. Report on statutory compliances has also been provided.

LOOKING AHEAD

The last two years have shown that we operate in a world which is unpredictable. The company has also shown that it is capable of meeting any challenge that is thrown its way. Operational efficiency and profitability are two sides of the same coin, and our focus is to keep on improving operations through process reengineering, automation, and digitization. The effort is to ensure that all our plants continue their journey to be world class. The CIE India team is confident that it can utilise future opportunities and face future challenges with agility in order to meet the shareholders' expectation of sustainable growth and profitability.

CAUTIONARY STATEMENT

Certain statements in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ from those express or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is based on preserving core beliefs and ethical business conduct while maintaining a strong commitment to maximise long-term stakeholder value. The Company is focused towards bringing transparency in all its dealings, adhering to well-defined corporate values and leveraging the corporate resources for long term value creation.

The Company continues to strengthen its governance principles to generate long-term value for its various stakeholders on a sustainable basis thus, ensuring ethical and responsible leadership both at the Board and at the Management levels.

A report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (hereinafter referred to as "Listing Regulations") is given below.

II. BOARD OF DIRECTORS

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations and provisions of the Companies Act, 2013 (hereinafter referred to as "the Act"), as amended from time to time.

The Board has an optimum combination of Executive and Non-Executive Directors with the Chairman being Non-Executive Director and fifty percent of the Board comprising of Independent Directors including one-woman Independent Director. The Board reviews and approves strategy and oversees performance of the Management to ensure that the long-term objectives of enhancing Stakeholders' value are achieved.

Mr. Shriprakash Shukla, the Non-Independent, Non-Executive Director, is the Chairman of the Board (except for the period from 19th July, 2023 till 16th October, 2023).

The Management of the Company is entrusted in the hands of Key Managerial Personnel(s), headed by Mr. Ander Arenaza, Whole-Time Director, who operate under the supervision and control of the Board.

Mr. Jesus Maria Herrera Barandiaran, Non-Independent Non-Executive Director, is the Global CEO of CIE Automotive S.A. ("CIE"), the ultimate holding company of the Company and an entity belonging to the Promoter and Promoter Group of the Company.

The Company has five Non-Executive, Independent Directors who are professionals from diverse fields, possess requisite qualifications and experience which enable them to discharge their responsibilities, provide effective leadership to business and enhance the quality of Board's decision making process.

The maximum tenure of Independent Directors is in compliance with the Act and the Listing Regulations. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act. The Independent Directors have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence. Further, the Board after taking these declaration/disclosures on record and acknowledging the veracity of the same, opined that the Independent Directors are persons of integrity and possess the relevant expertise and experience, fulfil the conditions specified in the Listing Regulations and the Act for appointment of Independent Directors and are Independent of the Management.

Apart from reimbursement of expenses incurred in the discharge of their duties, the remuneration that the Independent Directors were entitled to under the Act and the remuneration that a firm has received, in which an Independent Director is a partner, for professional services rendered by the firm to the Company, none of the Independent Directors had any other pecuniary relationships with the Company, its Subsidiaries or Associates or their Promoters or Directors, during the three immediately preceding financial years or during the current financial year.

None of the Directors of the Company are inter-se related to each other.

During the year under review, no Independent Director of the Company resigned before the expiry of their tenure.

The Senior Management of the Company has made disclosures to the Board confirming that there are no material financial and commercial transactions between them and the Company which could have potential conflict of interest with the Company at large.

A. Composition of the Board

The Board of the Company comprises of Ten Directors as on 31st December, 2023.

During the year under review, the Board at its meeting held on 2nd June, 2023, on recommendation of the Nomination and Remuneration Committee, appointed Mr. Jairaj Purandare (DIN: 00159886) as an Additional Director (Independent Director) of the Company, with effect from 10th June, 2023. The

Members of the Company, by way of resolution passed through postal ballot on 8th September, 2023, approved his appointment as a Director (Independent) to hold the office of the Independent Director for a term of five years from 10th June, 2023 till 9th June, 2028.

Mr. Narahari Kadambi (DIN: 05351378) and Mr. Dhananjay Mungale (DIN: 00007563) were appointed as the Independent Directors of the Company for a term Commencing from 29th September, 2019 to the date of Annual General Meeting to be held following completion of 70 (Seventy) years of their age, subject to the condition that the term shall not be exceeding five consecutive years commencing from 29th September, 2019. Accordingly, Mr. Narahari Kadambi (DIN: 05351378) and Mr. Dhananjay Mungale (DIN: 00007563) completed their term of appointment as Independent Directors of the Company on close of business hours on 9th June, 2023 and ceased to be Independent Directors of the Company w.e.f. 10th June, 2023.

Further, on 24th May, 2023 Mahindra & Mahindra Limited (M&M) sold its entire stake comprising of 1,21,22,068 Equity Shares representing 3.195% of the paid-up share capital of the Company and ceased to be a shareholder of the Company. On 12th July, 2023 Participaciones Internacionales Autometal Dos, S.L. (PIA2), Mahindra & Mahindra Limited (M&M), CIE Automotive S.A. (CIE), Autometal S.A. (Autometal) and CIE Automotive India Limited (the Company) (collectively referred to as the Parties) signed "Deed of Termination of Shareholders Agreement" (the Termination Deed) terminating the Shareholders' Agreement dated 15th June, 2013 signed between the Parties (the Shareholders' Agreement).

In terms of Termination Deed, the Parties had agreed that, with effect from the date of Stake Sale i.e., by 24th May, 2023, none of the terms of the Shareholders' Agreement shall be binding on the Parties. Accordingly, all the rights vested in M&M and PIA2 in the Company ceased to be effective.

Mr. Shriprakash Shukla (DIN: 00007418) was nominated on the Board of the Company by M&M, pursuant to its right under the Shareholders' Agreement and was appointed by the Board of Directors as Additional Director w.e.f. 1st April 2015 and by the Members of the Company as a Director liable to retire by rotation at the 16th AGM held on 15th September, 2015.

Consequent to the Termination Deed, M&M withdrew the nomination of Mr. Shukla on the Board of the Company vide its letter dated 17th July, 2023. Mr. Shriprakash Shukla (DIN: 00007418) tendered his resignation, from the Board of Directors of the Company, with effect from close of business of 18th July, 2023 accordingly he ceased to be a Director and Non-executive Chairman of the Company w.e.f. 19th July, 2023. With the resignation of Mr. Shukla, M&M ceased to have representation on the Board of the Company.

To take advantage of the vast experience and long association of Mr. Shukla with the Company, the Board of Directors of the Company at its meeting held on 18th July, 2023, on recommendation of the Nomination and Remuneration Committee, approved appointment of Mr. Shriprakash Shukla (DIN: 00007418) as Additional Director (Non-executive, Non-Independent), in his professional capacity with effect from 19th July, 2023. The Members of the Company approved his appointment as Director (Non-Executive, Non-Independent, Professional) of the Company, liable to retire by rotation with effect from 19th July, 2023, by way of postal ballot passed on 8th September, 2023.

Thereafter, the Board of the Directors of the Company at its meeting held on 17th October, 2023, unanimously appointed Mr. Shriprakash Shukla, as the Chairman of the Board of Directors of the Company with effect from 17th October, 2023.

During the period from 19th July, 2023 till 16th October, 2023 the Board did not have a regular Chairperson.

The names and categories of Directors, DIN, the number of Directorships and Committee positions held by them, as on 31st December, 2023 are given in Table 1 below.

All the Directors of the Company comply with the conditionalities relating to maximum number of Directorships as specified in Regulation 17A of the Listing Regulations and Section 165 of the Act, and the conditionalities relating to committee positions as specified in Regulation 26 of the Listing Regulations.

Table 1: Composition of the Board of Directors as on 31st December, 2023:

Name of the Directors, Category and DIN	Total number of Committee Memberships of as on 31st December, 2023@	Total number of Committee Chairmanships of which the Director is member as on 31st December, 2023@	Total number of Directorships of Public Companies as on 31st December, 2023*	Name of other listed entities where the Director is a director along-with the category of directorship excluding the Company
NON – EXECUTIVE, NON INDEPENDENT$				
Mr. Shripraksh Shukla (DIN -00007418)	Nil	Nil	5	Mahindra EPC Irrigation Limited (Non-Executive Chairman)
Mr. Jesus Maria Herrera Barandiaran - (DIN - 06705854)	Nil	Nil	1	None
Mr. Anil Haridass (DIN - 00266080)	Nil	Nil	2	None
NON – EXECUTIVE, INDEPENDENT				
Mr. Manoj Maheshwari - (DIN - 00012341)	2	1	3	1. RPG Life Sciences Limited – (Independent Director) 2. Metro Brands Limited – (Independent Director)
Mrs. Roxana Meda Inoriza - (DIN - 08520545)	1	Nil	3	None
Mr. Alan Savio D'Silva Picardo - (DIN - 08513835)	2	2	1	None
Mr. Suhail Nathani - (DIN -01089938)	4	2	3	1. Piramal Enterprises Limited – (Independent Director) 2. Piramal Capital & Housing Finance Limited – (Independent Director)
Mr. Jairaj Purandare (DIN - 00159886)	5	3	4	1. HDFC Asset Management Company Limited - (Independent Director) 2. Piramal Pharma Limited - (Independent Director) 3. Indegene Limited - (Independent Director)
EXECUTIVE$				
Mr. Ander Arenaza Alvarez - (DIN - 07591785)	Nil	Nil	2	None
Mr. Manoj Menon - (DIN - 07642469)	1	Nil	3	None

* Excludes Directorships in Companies registered under Section 8 of the Act and Companies registered outside India but includes Directorship in the Company.

@ Chairpersonship and Membership of the Audit Committee and the Stakeholders' Relationship Committee held in all the Public Limited Companies including that of the Company is considered. The Committee Chairmanship (s) are counted out of the Committee Membership(s) held by the respective Director.

$ Participaciones Internacionales Autometal Dos, S.L. (PIA2) is the Promoter of the Company. Mahindra and Mahindra Limited ceased to be Promoter of the Company w.e.f. 10th October, 2023 in accordance with provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Directors of the Company are acting as Directors of the Company in their professional capacity.

Board Procedure

A detailed agenda, setting out the business to be transacted at the Meeting(s), supported by detailed notes on Agenda is sent to each Director at least seven days before the date of the Board Meeting(s) and of the Committee Meeting(s). The Directors are also provided the facility of video conferencing to enable them to participate effectively in the Meeting(s), as and when required.

To enable the Board to discharge its responsibilities effectively and take informed decisions, the Executive Directors along-with Chief Executive Officers of respective business divisions apprise the Board at every meeting on the performance of the Company, followed by presentations by other Senior Executives of the Company.

The Board, *inter alia,* periodically reviews strategy and business plans, annual operating and capital expenditure budget(s), compliance report(s) of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances, if any, review of major legal issues, minutes of the Committees of the Board, minutes of Board Meetings of Subsidiary Companies, significant transactions and arrangements entered into by the Unlisted Subsidiary Companies, approval of quarterly/half-yearly/annual financial results, significant labour problems and their proposed solutions, systems for risk management, transactions pertaining to purchase/disposal of property(ies), Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business, remuneration of Key Managerial Personnel, major accounting provisions and write-offs, corporate restructuring, details of any joint ventures or collaboration agreement, material default in financial obligations, if any, fatal or serious accidents, any material effluent or pollution problems, transactions that involve substantial payment towards goodwill, brand equity or intellectual property, any issue that involves possible public or product liability claims of substantial nature, including judgement or order which may have passed strictures on the conduct of the Company, quarterly details of foreign exchange exposures and the steps taken by Management to limit the risks of adverse exchange rate movement and information on recruitment of Senior Officers just below the Board level.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance and performance of its committees on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the Stakeholders' value.

Apart from the Directors and the Company Secretary, the Board and Committee meetings are generally attended by the Chief Executive Officers of each Business Divisions of the Company, the Chief Financial Officer, the Chief Business Controller and the Head of Strategy and Investors Relations. The Chairperson of the Board or Chairperson of the Committees of the Board also invite other officers of the Company or of its Subsidiaries as and when necessary.

B. Number of Board Meetings, Attendance of the Directors at Meetings of the Board and at the last Annual General Meeting (AGM)

The Board of Directors met seven (7) times during the Financial Year under the review i.e., on 22nd February, 2023, 25th April, 2023, 2nd June, 2023, 18th July, 2023, 10th August 2023, 17th October 2023 and 12th December, 2023. The Board met at least once in a calendar quarter and the gap between any two meetings did not exceed one hundred and twenty days.

The twenty-fourth Annual General Meeting (AGM) of Members of the Company was held on 9th June, 2023 through Video Conference ("VC") / Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue, in compliance with General Circular No.10/2022 dated 28th December, 2022, 20/2020 dated 5th May, 2020, 02/2022 dated 5th May, 2022 and other relevant circulars issued by Ministry of Corporate Affairs, ("MCA Circulars").

The attendance of the Directors at these meetings is presented in Table 2 below.

Table 2: Number of Meetings and Attendance

Sr. No.	Directors	No. of Board Meetings Attended	Attendance at the last AGM through VC / OAVM
1.	Mr. Shriprakash Shukla	7	Yes
2.	Mr. Ander Arenaza Alvarez	7	Yes
3.	Mr. Manoj Menon	7	Yes

Sr. No.	Directors	No. of Board Meetings Attended	Attendance at the last AGM through VC / OAVM
4.	Mr. Anil Haridass	6	Yes
5.	Mr. Jesus Maria Herrera Barandiaran	6	Yes
6.	Mr. Manoj Maheshwari	7	Yes
7.	Mr. Dhananjay Mungale (Up to 9th June, 2023)	3	Yes
8.	Mr. Kadambi Narahari (Up to 9th June, 2023)	3	Yes
9.	Mrs. Roxana Meda Inoriza	7	Yes
10.	Mr. Alan Savio D'Silva Picardo	7	Yes
11.	Mr. Suhail Nathani	6	Yes
12.	Mr. Jairaj Purandare (w.e.f 10th June 2023)	4	NA

C. Meeting of Independent Directors

The Independent Directors of the Company met on 22nd February, 2023 and 12th December, 2023 without the presence of the Chairman, Executive Directors, other Non-Independent Director(s) or any other Managerial Personnel.

The Independent Directors ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Non-Independent Directors and the Board as a whole and the evaluation of performance of the Chairman. Accordingly, feedback was sought from all the Directors of the Company, by way of a structured questionnaire covering various aspects and on the basis of the reports the performance was evaluated by the Independent Directors in their separate meeting.

Further, the Independent Directors, *inter alia,* assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

D. Directors seeking appointment /re-appointment

Mr. Ander Arenaza Alvarez (DIN: 07591785) and Mr. Anil Haridass (DIN: 00266080) are liable to retire by rotation and have offered themselves for re-appointment.

Further, the Board of Directors of the Company, on recommendations of nomination and remuneration committee have approved and recommended to the members re-appointment of Mr. Alan Savio D'Silva Picardo (DIN: 08513835) and Ms. Roxana Meda Inoriza (DIN: 08520545) as an Independent Director of the Company for the second term with effect from 29th September, 2024, to hold the office for a period of five years till 28th September, 2029.

As required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, particulars of Directors seeking appointment/re-appointment at ensuing 25th Annual General Meeting (AGM), including the appointment/re-appointment of Directors as mentioned above, shall be provided in the Notice of AGM.

E. Matrix setting out the core skills/ expertise/ competence of the Board of Directors

A chart/ matrix setting out the core skills/ expertise/ competencies identified by the Board of Directors in the context of the Company's businesses and sectors as required for it to function effectively and those actually available with the Board along with skills / expertise / competence, possessed by the Board members, are given as below:

Table 3:

Sr. No.	Core Skill / expertise / competencies	Particulars	Mr. S.P. Shukla	Mr. Ander Arenaza	Mr. Anil Haridass	Mr. Manoj Menon	Mr. Jesus Maria Herrera	Mr. Manoj Maheshwari	Mr. Suhail Nathani	Mr. Alan D'Silva	Mrs. Roxana Meda Inoriza	Mr. Jairaj Purandare
1.	Strategy and Planning	Review and Monitor Strategy & Succession Plan to ensure long term sustainable growth	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
2.	Leadership	Leadership Skill to ensure effective guidance to and monitoring of the management and to set a corporate culture and the values by which executives throughout the group should behave.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
3.	Financial Discipline and Risk Oversight	Understanding of Financial Management, Financial Reporting Process and Financial & Operational controls. Ensuring focus on returns. Understand and Oversee internal and external risks associated with the Business and to put in place appropriate policies and procedures to effectively manage such risks.	-	✓	✓	✓	✓	✓	-	✓	✓	✓
4.	Manufacturing Excellence and Technology	Understanding the manufacturing processes and optimizing the same. Anticipate Technological Trends and creating new business models.	-	✓	✓	✓	✓	-	-	✓	-	-
5.	Mergers and Acquisition	creating and enhancing shareholders value through acquisitions and other business combinations with ability to assess fit of the target with Company's Strategy and Culture, Valuations, Integration Process.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
6.	Governance and Regulatory Oversight	Monitoring the system for ensuring compliance with all applicable laws to the Company and review the effectiveness of such system. Reviewing governance practices and policies to ensure high ethical standards, to safeguard the interests of all stakeholders while ensuring right balance of conflicting interest of the stakeholders.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

F. Code of Conduct

The Board of Directors of the Company has adopted 'Internal Code of Professional Conduct'("the Code") which is applicable to all directors (whether executive, non-executive or Independent), Senior Management Personnel, Key Managerial Personnel, all other employees and workers of the Company and provides guidance and ethical principles to them in determining the values and commitments that must govern their work activities within the Group.

The Code is available on the Company's website at https://www.cie-india.com/governance3.html#Policies. All the Board Members and Senior Management Personnel have affirmed compliance with the Code. A declaration signed by the Executive Director to this effect is enclosed at the end of this Report.

G. CEO/CFO Certification

As required under Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Ander Arenaza, Executive Director and Mr. K Jayaprakash, Chief Financial Officer of the Company have certified to the Board that the Financial Statement for the year ended 31st December, 2023 do not contain any untrue statement and that these statements represent a true and fair view of the Company's affairs and other matters as specified thereunder.

H. Performance evaluation of Board, its Committees and Directors

During the year under review, the Nomination and Remuneration Committee ascertained and reconfirmed that the deployment of "questionnaire" as a methodology, is effective for evaluation of performance of Board, its Committees and Individual Directors.

Feedback was sought from all the Directors of the Company, by way of a structured questionnaire covering various aspects, on performance evaluation of the Board, Committees of Board, Independent Directors, Non-Independent Directors, and the Chairman.

The Board evaluated performance of its own and of its Committees based on the feedback so received. Similarly, the Nomination and Remuneration Committee carried out the performance evaluation of Individual Directors.

The performance evaluation of Independent Directors was carried by the entire Board of Directors (excluding the director being evaluated) which included the performance of the directors and fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management.

The criteria of performance evaluation of Independent Directors, Non-Independent Directors, the Board, Committees of Board and the Chairman is disclosed separately in this report.

I. Familiarisation programme for Independent Directors

The Company updates the Board Members on a continuing basis on any significant changes and provides them an insight into their expected roles and responsibilities so as to be in a position to take a well-informed and timely decisions and contribute significantly to the Company.

All Directors are apprised of any changes proposed in the codes or policies of the Company. The Directors have access to the information within the Company which is necessary to enable them to perform their role and responsibilities diligently.

The Executive Director / Senior Managerial Personnel regularly apprise the Board and its Committees of the business strategies, operational and financial performance, budgets, Internal Controls and Risk Management Plans, statutory compliances and regulatory updates, performance of the Subsidiaries etc.

Such presentations also provide an opportunity to the Independent Directors to interact with the Senior Management team of the Company and its Subsidiaries and help them to understand the Company's policies, its long-term vision and strategy, business model, operations and such other areas as are relevant from time to time.

Thus, the Company ensures that there is an adequate mechanism to ensure that the Directors remain familiar with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., and continue to be updated on the state of the Company's affairs and the industry in which it operates.

As required under Regulation 46 of the Listing Regulations the details of familiarisation programme for the Independent Directors has been hosted on the Company's website and can be viewed by visiting the following link: https://www.cie-india.com/governance3.html#Familiarisation-Program.

J. Risk Management

The Company has a well-defined Risk Control and Management Policy which lays down the Risk Management Framework and Systems. The Company has established procedures to periodically place before the Board, the risk assessment and minimisation procedures being followed by the Company and steps taken by it to mitigate the Risks. The Board of Directors of the Company have constituted a Risk Management Committee consisting of Board Members and Senior Management Personnel and has delegated the function to formulate, implement, monitor and review the risk management policy to the Committee. Further details in respect of the Committee are covered under details of Risk Management Committee.

III. COMMITTEES OF THE BOARD OF DIRECTORS

The Board has constituted Committees to delegate certain matters relating to the affairs of the Company that require greater and more focussed attention. These Committees prepare the groundwork for decision making and report to the Board.

All decisions pertaining to the constitution of Committees, appointment of Members and fixing of terms of service for Committee Members are taken by the Board of Directors. Details regarding the role and composition of these Committees, including the number of meetings held during the Financial Year and the related attendance, are provided below:

A. Audit Committee:

i. Composition, name of Members and Chairperson

As at 31st December, 2023, the Audit Committee comprises of three Non-Executive Independent Directors namely Mr. Alan Savio D Silva Picardo (Chairman of the Committee w.e.f. 25th April, 2023), Mr. Manoj Maheshwari and Mrs. Roxana Meda Inoriza.

During the year under review, Mr. Dhananjay Narendra Mungale ceased to a member and chairman of the Committee w.e.f. 25th April, 2023. Mr. Alan Savio D Silva Picardo, the member of the Committee, was appointed as the Chairman of the Committee w.e.f. 25th April, 2023.

All the Members of the Audit Committee have vast experience and possess financial/ accounting expertise/exposure.

The Company Secretary is the Secretary to the Committee.

The Company does not have any Special Rights equity shares. The composition of the Committee is in accordance with Regulation 18(1)(b) of Listing Regulations.

Further, the composition of the Committee is also disclosed on website of the Company at https://www.cie-india.com/governance3.html#Committees

ii. Terms of reference

The terms of reference of this Committee are very wide and are in line with the regulatory requirements mandated by the Act and Part C of Schedule II of the Listing Regulations. Besides having access to all the required information from within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory Auditors, the Internal Auditors and the Board of Directors of the Company. It is authorised to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet them to discuss their findings, suggestions and other related matters and monitor and review the Auditor's independence and performance, effectiveness of the audit process, oversee Company's financial reporting process and the disclosure of its financial information, review with the management of quarterly and year to date results and annual financial statements before submission to the Board for approval, approve wherever necessary transactions of the Company with related parties including granting omnibus approvals and subsequent modifications thereof subject to fulfillment of certain conditions, scrutinise inter-corporate loans and investments, evaluates the Risk Management System, evaluate internal financial controls and internal control systems and review the adequacy thereof, the structure of the 'Controls Department', staffing and seniority of the official heading the Department, reporting structure, coverage, and frequency of the review to be conducted by the Controls Department. The Committee is further empowered to recommend the remuneration payable to the Statutory Auditors and to recommend a change in Auditors, if felt necessary.

The Committee also reviews on quarterly basis the Report on compliance under Code on Prevention of Insider Trading adopted by the Company pursuant to Securities and Board Exchange of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations). The Committee also verify that the systems for internal control are adequate and are operating effectively to ensure compliance with the provisions of PIT regulations.

The Committee is also empowered to recommend appointment and remuneration of the Cost Auditor, Internal Auditor and Chief Financial Officer (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function), etc. The Committee also reviews Financial Statements and investments of Unlisted Subsidiary Companies, Management Discussion & Analysis of financial condition and results of operations, material individual transactions with related parties not in normal course of business or which are not on an arm's length basis, if any and reviews all the information as prescribed in Part C of Schedule II of the Listing Regulations including the working of whistle blower mechanism. The Audit Committee has been granted powers as prescribed under Regulation 18 (2) of Listing Regulations.

iii. Meetings and attendance

During the financial year, the Committee met six (6) times i.e., on 22nd February, 2023, 25th April, 2023, 18th July, 2023, 10th August 2023, 17th October, 2023 and 12th December, 2023. The time gap between two meetings did not exceed one hundred and twenty days.

Table 4: Attendance record of Audit Committee

Name of the Member	Category of Directorship	Position in the Committee during the year	No. of Meetings Attended
Mr. Alan Savio D'Silva Picardo	Independent Director	Member (upto 25/04/2023) Chairman (w.e.f. 25/04/ 2023)	6
Mr. Dhananjay Mungale	Independent Director	Chairman (upto 25/04/ 2023)	2
Mr. Manoj Maheshwari	Independent Director	Member	6
Mrs. Roxana Meda Inoriza	Independent Director	Member	6

The meetings of the Audit Committee were also attended by the Chairman of the Board, Executive Director, Chief Financial Officer, the Statutory Auditors and the Internal Auditors.

The Cost Auditor also attended the Committee Meeting at which the Cost Audit Report was considered.

The Chairman of the Audit Committee Mr. Alan Savio D Silva Picardo attended the 24th AGM held on 9th June, 2023 through video conferencing.

B. Nomination and Remuneration Committee:

i. Composition, name of Members and Chairperson

As at 31st December, 2023, the Nomination and Remuneration Committee comprises of four Non-Executive Directors out of which three are Independent Directors.

Mr. Manoj Maheshwari, Independent Director is the Chairman of the Committee. The other members of the Committee are Mr. Alan Savio D'Silva Picardo - Independent Director, Ms. Roxana Meda Inoriza – Independent Director, Mr. Jesus Maria Herrera Barandiaran - Non - Executive Director.

During the year under review, Mr. Shriprakash Shukla and Mr. Dhananjay Narendra Mungale ceased to be members of the Committee w.e.f. 25th April, 2023.

The Company Secretary is the Secretary to the Committee.

The Company does not have any Special Rights equity shares. The composition of the Committee is in accordance with Regulation 19 (1) of Listing Regulations. Further, the composition of the Committee is also disclosed on website of the Company at https://www.cie-india.com/governance3.html#Committees

ii. Terms of reference

The terms of reference of this Committee are in line with the regulatory requirements mandated in the Act and Part D of Schedule II of the Listing Regulations.

The terms of reference of the Nomination and Remuneration Committee *inter-alia* includes identification of persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board appointment and removal of Directors & Key Managerial Personnel's, carry out evaluation of every Director's performance and recommending to the Board remuneration of the Executive Director(s), Key Managerial Personnel and Senior Management Personnel of the Company.

The Committee has been vested with the authority to, *inter-alia* develop and recommend policies with respect to composition of the Board commensurate with the size, nature of the business and operations of the Company, establish Director retirement policies and appropriate succession plans.

The Committee, before considering appointment of independent director would evaluate the balance of skills, knowledge, and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director and recommend to Board appointment of a person as Independent Director who have the capabilities identified in such description.

The Committee has also formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board a Policy relating to the remuneration for the Directors, Key Managerial Personnel and other Employees. The Committee further determines and recommend to the Board the manner for effective evaluation of performance of Board, its committees and individual directors. The Committee carries out a separate exercise to evaluate the performance of Individual Directors.

It also attends to such other matters as may be required from time to time.

iii. Meetings and attendance

During the financial year, the Committee met five (5) times i.e., on 22nd February, 2023, 25th April, 2023, 2nd June, 2023, 18th July, 2023 and 12th December, 2023.

Table 5: Attendance record of Nomination and Remuneration Committee

Name of the Member	Category of Directorship	Position in the Committee during the year	No. of Meetings Attended
Mr. Manoj Maheshwari	Independent Director	Chairman	5
Mr. Jesús María Herrera Barandiaran	Non-Executive Director	Member	4
Mr. Alan Savio D Silva Picardo	Independent Director	Member	5
Mrs. Roxana Meda Inoriza	Independent Director	Member	5
Mr. Dhananjay Mungale	Independent Director	Member (upto 25/04/2023)	2
Mr. Shriprakash Shukla	Non-Executive Director	Member (upto 25/04/2023)	2

The Chairman of the Committee attended the 24th AGM held on 9th June, 2023 through video conferencing.

iv. Criteria for evaluation of performance of Board, Committees of Board and Individual Directors (including Independent Directors)

The performance evaluation of the Board was based on various aspects such as composition of the Board, functioning of Board, conduct, effectiveness and frequency of Board Meetings, Performance of Specific Duties and Obligations, and Governance, etc.

The performance evaluation of Committees was based on criteria such as structure and composition of Committees, attendance and participation of member of the Committees, frequency and adequacy of time allocated at the Committee Meetings to fulfil duties assigned to it, adequacy and timeliness of the Agenda, comprehensiveness of the discussions and constructive functioning of the Committees, etc.

The performance evaluation of Independent Directors was based on various criteria, *inter-alia,* including independence from the Company and other Directors, attendance at Board and Committee Meetings, skill, experience, knowledge acquired with regard to the Company's business, understanding of industry and global trends, exercise of independent judgment in relation to decision making, ability to challenge views of others in a constructive manner, etc.

In accordance with Schedule IV to the Companies Act, 2013 and the Listing Regulations, performance evaluation of Independent Directors was done by the entire Board excluding the Directors being evaluated, based on the feedback received from all the Directors on the structured questionnaire.

C. Stakeholders' Relationship Committee:

i. Composition, name of Members and Chairperson

As at 31st December, 2023, the Stakeholders' Relationship Committee comprises of three Directors of the Company namely Mr. Alan Savio D Silva Picardo (Independent Director), Chairman of the Committee w.e.f. 25th April, 2023, Mr. Manoj Mullassery Menon and Mr. Suhail Nathani (Independent Director), members of the Committee.

During the year under review, Mr. Narahari Kadambi ceased to a member and the chairman of the Committee and Mr. Dhananjay Narendra Mungale ceased to be a member w.e.f. 25th April, 2023. Mr. Alan Savio D Silva Picardo, was appointed as a Member and the Chairman of the Committee and Mr. Manoj Mullassary Menon was appointed as a member of the Committee w.e.f. 25th April, 2023.

The Company does not have any Special Rights equity shares. The composition of the Committee is in accordance with Regulation 20(2A) of Listing Regulations. Further, the composition of the Committee is also available on website of the Company at https://www.cie-india.com/governance3.html#Committees

Mr. Pankaj Goyal, Company Secretary of the Company is the Compliance Officer of the Company.

ii. Terms of reference

The Committee meets as and when required, to *inter-alia,* deal with matters relating to transfers of shares, transmission of shares, request for issue of duplicate share certificates and monitors redressal of the grievances of the security holders relating to transfers, non-receipt of balance sheet etc., review of measures taken for effective exercise of voting rights by Shareholders, review of adherence to the service standards adopted by the Company in respect of services being rendered by the Registrar & Transfer Agent, review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the Shareholders of the Company.

The Information about details of shares transferred, transmitted etc. and report of Investors Complaints received and resolved was presented to Board on quarterly basis.

The role and terms of reference of the Committee covers the areas as contemplated under Regulation 20 read with Part D of Schedule II of the Listing Regulations and Section 178 of the Act, as applicable, besides the other terms as referred by the Board of Directors.

iii. Meetings and Attendance

During the financial year, the Committee met twice (2) i.e., on 21st February, 2023 and 16th October, 2023. The Committee also considered matters related to issuance of duplicate share certificate by way of circular resolution.

Table 6: Attendance record of Stakeholders' Relationship Committee

Name of the Member	Category of Directorship	Position in the Committee during the year	No. of Meetings Attended
Mr. Kadambi Narahari	Independent Director	Chairman (upto 25/04/2023)	1
Mr. Alan Savio D Silva Picardo	Independent Director	Chairman (w.e.f. 25/04/2023)	1
Mr. Dhananjay Mungale	Independent Director	Member (upto 25/04/2023)	1
Mr. Suhail Nathani	Independent Director	Member	0
Mr. Manoj Mullassary Menon	Executive Director	Member (w.e.f. 25/04/2023)	1

During the year ended 31st December, 2023, thirteen (13) complaints were received from Shareholders and Eleven (11) of which have been attended / resolved to the satisfaction of Shareholders and remaining two (2) complaints which were received near the closure of year were resolved, after the closure of financial year within the prescribed timelines.

Mr. Alan Savio D Silva Picardo, Chairman of the Committee was present at the 24th Annual General Meeting of the Company held on 9th June, 2023 through Video Conferencing.

D. Risk Management Committee

i. Composition, name of Members and Chairperson

As on 31st December, 2023, the Risk Management Committee comprises three members. Mr. Manoj Menon - Executive Director is the Chairman of the Committee. Mr. Ander Arenaza - Executive Director and Mr. Alan Savio D'Silva Picardo – Independent Director are the other members of the Committee.

The Company Secretary is the Secretary to the Committee.

The Company does not have outstanding Special Rights equity shares. The composition of the Committee is in accordance with Regulation 21(2) of Listing Regulations. Further, the composition of the Committee is also available on the website of the Company at https://www.cie-india.com/governance3.html#Committees

ii. Terms of reference

The role and terms of reference of the Committee covers the areas as contemplated under Regulation 21 read with Part D of Schedule II of the Listing Regulations, besides the other terms as referred by the Board of Directors.

The Risk Management Committee have formulated a Risk Control and Management policy which provides a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, measures for risk mitigation including systems and processes for internal control of identified risks and a business continuity plan.

The Committee ensure presence of Risk Management system in Company's accounting and financial reporting system and monitor & reviews the risk management plan, reviews total exposure of the Company towards commodities, commodity risks, if any, faced by the Company, hedged exposures, etc. as may be applicable.

The Committee further ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company, monitors and oversees implementation of the Risk Control and Management Policy, evaluates the adequacy of risk management systems.

The Committee keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken.

iii. Meetings and Attendance

During the year under review, the Committee met 3 (three) times i.e., on 15th February, 2023, 10th July, 2023 and 10th October, 2023. The gap between any two meetings did not exceed one hundred and eighty days.

Table 7: Attendance record of Risk Management Committee

Name of the Member	Category of Directorship	Position in the Committee during the year	No. of Meetings Attended
Mr. Manoj Menon	Executive Director	Chairman	3
Mr. Ander Arenaza	Executive Director	Member	2
Mr. Alan Savio D'Silva Picardo	Independent Director	Member	3

The Senior Management of the Company also participated in the Risk Management Committee meetings.

E. Corporate Social Responsibility Committee

i. Composition, name of Members and Chairperson

As at 31st December, 2023, The Corporate Social Responsibility Committee comprises of three members namely Mr. Manoj Mullassary Menon-Chairman, Mr. Alan Savio D' Silva Picardo and Mr. Anil Haridass.

During the year under review, Mr. Narahari Kadambi ceased to a member and the chairman of the Committee and Mr. Dhananjay Narendra Mungale ceased to be a member w.e.f. 25th April, 2023. Mr. Manoj Mullassary Menon, a Member of the Committee was appointed as the Chairman of the Committee and Mr. Alan Savio D' Silva Picardo was appointed as a member of the Committee w.e.f. 25th April, 2023.

The Company Secretary is the Secretary to the Committee.

Further, the composition of the Committee is also available on website of the Company at the weblink: https://www.cie-india.com/governance3.html#Committees

ii. Terms of reference

The terms of reference of the CSR Committee *inter-alia* included formulating and recommending to the Board CSR Policy indicating the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013 and Rules made there under, allocate the amount of expenditure to be incurred on CSR activities as enumerated in Schedule VII to the Companies Act, 2013 and monitor the implementation of CSR Policy and projects of the Company periodically, formulation and recommendation of Annual Action Plan in pursuance of CSR Policy which include CSR projects or programmes that are approved to be undertaken, the manner of execution of such projects or programs, the modalities of utilisation of funds and implementation schedules for the projects or programs, monitoring and reporting mechanism for the projects or programs and details of need and impact assessment, if any, for the projects undertaken by the Company.

iii. Meetings and attendance

During the financial year, the Committee met four (4) times i.e., on 21st February, 2023, 18th July, 2023, 16th October, 2023 and 12th December, 2023.

Table 8: Attendance record of Corporate Social Responsibility Committee

Name of the Member	Category of Directorship	Position in the Committee during the year	No. of Meetings Attended
Mr. Kadambi Narahari	Independent Director	Chairman (upto 25/04/2023)	1
Mr. Dhananjay Mungale	Independent Director	Member (upto 25/04/2023)	1
Mr. Manoj Mullassary Menon	Executive Director	Chairman (w.e.f. 25/04/2023)	4
Mr. Anil Haridass	Non-Executive Director	Member	3
Mr. Alan Savio D' Silva Picardo	Independent Director	Member (w.e.f. 25/04/2023)	3

Apart from the members of the Committee, the meetings of CSR Committee is also attended by the Chairman of the Central CSR Council and other officers who may be involved in implementation of major CSR Activities.

The details of CSR initiatives undertaken by the Company are provided in the CSR Report annexed to the Board's Report.

Recommendations made by any of the above Committees which were not accepted by the Board.

During the year under review, there were no instances where the Board had not accepted any recommendation(s) made by any of the Committee of the Board. All the recommendations of the committees were accepted by the Board.

F. Other non-mandatory committee - Allotment Committee:

The Allotment Committee was constituted on 11th May, 2015 to oversee the implementation of the Employee Stock Option Schemes (ESOS 2007 and ESOS 2015) of the Company. The Nomination and Remuneration Committee (NRC) at its meeting held on 25th April, 2023 noted that all the options granted under both of the ESOP schemes were either exercised or lapsed and there were no plans to grant new ESOPs in view of the separate Stock Appreciation Benefit Scheme approved by the Board. Accordingly, the NRC had approved to terminate both the ESOS Schemes with effect from 25th April, 2023. Pursuant to this the Board at its meeting held on 25th April, 2023 approved to dissolve the Allotment Committee of the Board with immediate effect.

During the year under review, no meeting of the Committee was held however the Committee considered the matters relating the issue and allotment of shares through circular resolution.

IV. APPOINTMENT AND REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT PERSONNELS

A. Policy on appointment of Directors and Senior Managerial Personnel

The Company has a well-defined Policy for appointment of Directors, Key Managerial Personnel and Senior Management Employees and their succession planning.

During the year under review the Policy on Appointment of Directors, Key Managerial Personnel and Senior Management Employees and succession planning was also reviewed as per the policy review cycle and amendments were made *inter-alia* to bring more clarity in alignment with provisions in SEBI (LODR) Regulations, 2015 and also to merge Board Diversity Policy in this Policy.

The Policy is available on the Company's website at the weblink: https://www.cie-india.com/governance3.html#Policies

Salient features of the Policy is as under:

i. Appointment of Directors and their succession plan

Appointment

The Nomination and Remuneration Committee (NRC) reviews and assesses the Board Composition and recommends the appointment of new Directors basis the criteria specified in this Policy. In addition to the criteria specified, the NRC may refer the Board Diversity Policy as provided in Exhibit B to this Policy.

Based on recommendation of the NRC, the Board evaluates the candidate(s) and decide on the selection in accordance with the applicable provisions of the Companies Act 2013 and Rules made thereunder.

Succession Plan

The successors for the Independent Directors are identified by NRC at least a quarter before the expiry of their scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor get appointed at the earliest but not later than three months from the date of such vacancy, wherever required.

The successors for the Executive Director(s) are identified by the NRC from among the Senior Management or through external source as the Board may deem fit.

The NRC gives due consideration for the expertise and other criteria required for the successor and submit its recommendations to the Board.

The Board may also decide not to fill the vacancy caused at its discretion.

ii. Appointment of Senior Managerial Personnel and their succession plan

Appointment

NRC shall identify persons who are qualified to become directors in accordance with the criteria laid down in the Policy and who may be appointed in the Senior Management of the Company and recommend to the Board their appointment and removal. Every Key Managerial Personnel shall be appointed or removed by the Board of Directors of the Company on recommendation of the NRC.

Succession Plan

Succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent to ensure replacements of key job incumbents in KMP and senior management positions in the organization.

The Company has policy to identify candidates with high potential and for critical positions. Successors are mapped for these positions to ensure talent readiness as per a laddered approach.

B. Policy on remuneration

The Company has a well-defined Compensation Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees including personnel of Senior Management. During the year under review, the Board of Directors on the recommendation of the Nomination and Remuneration Committee reviewed the said policy and amendments were made to bring more clarity in Components of Cost to Company (CTC) Structure forming part of the Policy.

The Policy is available on the Company's website at the weblink: https://www.cie-india.com/governance3.html#Policies

Salient features of the Policy is as under:

i. Remuneration to Non-Executive Directors including Independent Directors

NRC decides the basis for determining the compensation, both fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise and submit its recommendations to the Board. The NRC, while making its recommendation, takes into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions of the Independent Directors as envisaged in Schedule IV of the Act and Listing Regulations, as amended from time to time and such other factors as the NRC may consider deem fit. On recommendation of the NRC, the Board determines the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

ii. Remuneration to Executive Directors:

The remuneration to Executive Director(s) shall be recommended by NRC to the Board within the overall limits specified in the Shareholders resolution. The remuneration shall consist of both fixed compensation and variable compensation and shall be as per the Remuneration Structure provided hereinunder. The Executive Directors may be granted Employees Stock Options or Stock Appreciation Rights or such other benefits as provided hereinunder in accordance with the relevant policies/schemes framed by the Company, from time to time.

iii. Remuneration to Key Managerial Personnels (Excluding Managing Director and Executive Directors) (KMP) and Senior Management

The Board, on recommendation of the Nomination and Remuneration Committee, shall approve the remuneration payable to KMPs and Senior Management at the time of their appointment/promotion. Remuneration of KMPs and Senior Management shall consist of both fixed compensation and variable compensation and shall be as per the Remuneration structure provided herein. The KMPs and Senior Management may be granted Employees Stock Options or Stock Appreciation Rights or such other benefits, as provided hereinunder, in accordance with the relevant policies/schemes framed by the Company, from time to time. The terms of remuneration of Chief Financial Officer (CFO) shall also be approved by the Audit Committee.

iv. Other Employees

Remuneration for the employees other than Executive Directors, KMPs and Senior Management will be decided by the HR of the respective divisions / plants/offices of the Company, as the case may be, in consultation with the concerned head of the Business Division, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate and shall be as per the Remuneration Structure provided hereinunder.

C. Particulars of Senior Management

In accordance with Regulation 16(1)(d) of the Listing Regulations and Section 178 of the Act read with Company's Policy on Appointment of Directors, Key Managerial Personnel and Senior Management Employees and succession planning (the Policy), the Senior Management of the Company includes the Chief Executive Officer of business divisions of the Company, the Chief Financial Officer, the Chief Business Controller, the Chief Investor Relations Officer and the Head of Strategy, the Company Secretary and any employee appointed in the Grade L2S & above.

The Management of the Company is headed by Mr. Ander Arenaza (DIN: 07591785), the Executive Director of the Company who operates under the supervision and control of the Board. Mr. Arenaza is appointed by the Company as a whole-time key managerial personnel of the Company in accordance with provisions of Section 203(1)(i) of the Act.

Mr. K Jayaprakash the Chief Financial Officer and Mr. Pankaj Goyal the Company Secretary and Compliance Officer of the Company are the whole-time key managerial personnel of the Company appointed in accordance with provisions of Section 203(1)(iii) and Section 203(1)(ii) of the Act respectively.

Mr. Manoj Menon, the Executive Director of the Company has been appointed as Chief Executive Officer of Stampings, Iron Casting, Magnetic Products, Composites and Gears Divisions of the Company and Mr. Hari Krishnan has been appointed as Chief Executive Officer of Bill Forge and Forgings Divisions of the Company. As CEO of the business Divisions, both Mr. Manoj Menon and Mr. Hari Krishnan are considered as key managerial personnel of the Company.

Mr. Anup Mishra is the Chief Business Controller and CIO and Mr. Vikas Sinha is the Chief Investor Relations Officer and the Head of Strategy.

Thus, in accordance with Regulation 16(1)(d) of the Listing Regulations, Section 178 of the Act and the Policy, all the above-named officers, being functional heads of various functions of the Company and who reports to Mr. Ander Arenaza, are the members of Company's core management team and were the Senior Management of the Company for the financial year ended 31st December 2023.

During the year under review, Mr. Hari Krishnan, Chief Executive Officer – Forgings and Bill Forge Divisions expressed his desire to demit his executive responsibilities of the Company, with effect from close of working hours on 31st March 2024, due to his personal reasons. The resignation of Mr. Hari Krishnan was noted by the Board of Directors at its meeting held on 12th December, 2023, who shall cease to be the Chief Executive Officer – Forgings and Bill Forge Divisions and a Key Managerial Personnel of the Company on close of working hours on 31st March, 2024.

Further, the Nomination and Remuneration Committee and the Board at their respective meetings held on 12th December, 2023 reviewed the succession and transition plan and approved the appointment of Mr. Sunil Narke as the Chief Executive Officer – Forgings Division with effect from 1st April, 2024. The Forgings and Bill Forge Division of the Company have Forging as its manufacturing technology and hence, both these divisions shall be regarded as Forgings Division. With effect from 1st April, 2024, Mr. Sunil Narke shall head and be responsible for the business and operations of all forging technologies plants of the Company in India, situated in Pune, Bangalore, Coimbatore, Haridwar and Hosur.

D. Remuneration / Compensation paid / payable to Directors

Table 9: Details of remuneration paid/payable to the Directors for the financial year ended 31st December 2023

i. Executive Directors

(` In Million)

Name of the Director	Salary, Allowances and Perquisites (excluding ESOP, Stock Appreciation Benefit and contributions to fund)	Amount paid towards Stock Appreciation Benefit	Perquisite Value of ESOP	Contribution to Provident Fund, Pension fund and Superannuation fund if any	Total	Contract Period
Mr. Ander Arenaza Alvarez	2.04	-	-	0.25	2.29	13th September, 2022 to 12th September, 2025
Mr. Manoj Menon	16.40	39.34	2.77	1.05	59.56	17th October, 2022 to 16th October, 2025

ii. Non-Executive Directors

(` In Million)

Name of the Director	Sitting Fees*	Commission payable for the year ended 31st December, 2023, payment of which shall be made in CY 2024*	Directors Remuneration other than sitting fees and commission	Total
Independent Directors				
Mr. Dhananjay Mungale^	0.48	1.67	NA	2.15
Mr. Manoj Maheshwari	1.20	3.80	NA	5.00
Mr. Suhail Nathani	0.60	3.80	NA	4.40
Mr. Kadambi Narahari^	0.34	1.67	NA	2.01
Mrs. Roxana Meda Inoriza	1.20	3.80	NA	5.00
Mr. Alan Savio D'Silva Picardo	1.41	3.59	NA	5.00
Mr. Jairaj Purandare ^	0.40	2.14	NA	2.54
Non-Executive and Non-Independent Directors				
Mr. Shriprakash Shukla	NA	NA	NA	NA
Mr. Jesus Maria Herrera Barandiaran	NA	NA	NA	NA
Mr. Anil Haridass	NA	NA	2.5	2.5

*Net of GST paid on reverse charge basis.

^Mr. Dhanajay Mungale and Mr. Kadambi Narhari ceased to be the Director of the Company and Mr. Jairaj Purandare was appointed to hold office of Independent Director w.e.f. 10th June, 2023, hence they were eligible for the remuneration in terms of sitting fees and commission for the period they were holding office of Independent Director.

Mr. Jesus Maria Herrera Barandiaran and Mr. Shriprakash Shukla were not entitled to any remuneration including sitting fees. By way of Special Resolution passed at 23rd Annual General Meeting of the Company, held on 25th April 2022, the shareholders of the Company approved payment of remuneration not exceeding INR 2.5 Million to Mr. Anil Haridass as non-executive Director of the Company for the period of 3 years from 23rd February, 2022 to 22nd February, 2025.

The Independent Directors were entitled to remuneration by way of sitting fees for attending meeting of Board and committees and profit linked commission.

Sitting fees for attending meeting of the Board is INR 1,00,000/-. Sitting fees for attending meetings of Audit Committee was INR 50,000/- upto 31/07/2023 which was revised to INR 75,000/- w.e.f. 01/08/2023. Further sitting fees for attending meetings of other Committee of the Board the sitting was INR 20,000/- upto 31/07/2023 which was revised to INR 40,000/-.w.e.f. 01/08/2023.

In accordance with the approval of shareholders obtained by way of postal ballot passed on 8th September, 2023, the remuneration payable to the Independent Directors of the Company by way of profit linked commission was revised to INR 30,000,000 in aggregate subject to condition that the total remuneration including sitting fees payable to an Independent Director for any financial year does not exceed INR 5,000,000/-.

The Board of Directors on recommendation of the Nomination and Remuneration Committee has approved the Commission payable to the Independent Directors for CY-2023 in accordance with the criteria mentioned in the Remuneration Policy of the Company as disclosed herein above and the limits approved by the shareholders. The Commission as approved by the Board for CY2023 is disclosed in the table above. Payment of the commission as approved shall be made during CY2024.

During CY2023, following Non-Executive Directors were paid in aggregate commission of ` 98.60 million which relates to CY2022:

Table 10: Commission for the year ended 31st December, 2022, paid during the year under review

Name of the Director	` in Million
Mr. Manoj Maheshwari	16.70
Mr. Dhananjay Mungale	15.70
Mr. Suhail Nathani	16.70
Mr. Kadambi Narahari	16.70
Mr. Alan Savio D'Silva Picardo	16.10
Mrs. Roxana Meda Inoriza	16.70

The annual remuneration payable to a single non-executive director did not exceed fifty per cent of the total annual remuneration payable to all non-executive directors, during the year.

Pecuniary and other relationships of Directors

Apart from the sitting fees and the remuneration by way of commission paid/payable to Independent Directors and the remuneration payable to Mr. Anil Haridass the Non-Executive Director of the Company, as already disclosed hereinabove, none of the non-Execuitve Directors had any pecuniary relationship with the Company, except the professional fees of INR 175,000 that was paid to the firm in which Mr. Suhail Nathani an Independent Director of the Company is a partner, for professional services rendered by the firm to the Company.

Other disclosures

The remuneration payable to the Executive Director is fixed by the Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee of the Company and also approved by the Shareholders of the Company. None of the Executive Director is promoter or member of promoter group.

The Company did not advance loans to any of its directors.

Notice period applicable to the Executive Directors is three months. No severance fees or commission is paid to the Executive Directors. Performance Pay and Stock Appreciation Rights are the only components of remuneration that are variable. All other components are fixed.

The performance pay payable to Executive Directors is a function of his own performance (50% weightage) and the business performance of the Company/Division which is headed by the Executive (50% weightage). The amount of performance pay assumed in the CTC is at 60% of the maximum entitlement of an employee at 100% performance level. Actual pay-out depends on individuals performance and the business performance during the year.

Stock Appreciation Units

The Board of Directors have granted 2,00,000 Stock Appreciation Units to Mr. Manoj Mullassary Menon. The base price to be considered for Stock Appreciation Benefit has been fixed at ` 150/-. The redemption price for determining the Stock Appreciation Benefit shall be calculated as the volume-weighted average market price of the shares of the Company quoted on National Stock Exchange of India Limited for a period of sixty trading days immediately preceding the Pay-out Date. The pay-out dates were determined as 19th February, 2023 (first pay-out) and 19th February, 2025 (final pay-out reduced by the amount already paid in first pay-out) accordingly, the first pay-out was made to him post approval of the NRC and the Board in February, 2023 of INR 39.34 Mio.

Directors and Officers insurance

The Company has obtained 'Directors and Officers insurance' for the Officers and Directors including independent directors as determined by the Board of Directors of the Company.

E. Table 11: The Stock options granted to Directors, the period over which accrued and over which were exercisable are as under:

Name of the Director	ESOP-2015	No. of Ordinary (Equity) shares held as on 31st December, 2023
	No. of Options granted in February, 2016$	
Mr. Manoj Menon	33,330	23,558

$ These Options vested in three equal instalments in February 2017, February 2018 and February, 2019 respectively and were exercisable within four years from the date of vesting of the Options at an Exercise Price ` 150/-per share. All the options granted under the ESOP schemes were exercised by him and as at 31st December, 2023. Since, no options remained outstanding the ESOP scheme 2007 and ESOP scheme 2015 were terminated by the NRC in its meeting held on 25th April, 2023.

F. Shares held by the Non-Executive Directors

As at 31st December, 2023, Mr. Anil Haridass held 38,16,335 equity shares of the Company. Further relatives of Mr. Anil Haridass held 34,32,195 equity shares of the Company and relatives of Mr. Suhail Nathani held 2,700 equity shares of the Company. Apart from this, no other Non-Executive Director held any shares or convertible instruments of the Company as on 31st December, 2023. None of the Independent Director of the Company was entitled to any Stock Options.

V. GENERAL BODY MEETINGS

a. Details of time, venue and special resolutions passed in the Annual General Meetings (AGMs) in last three Financial Years are given in Table 12 below:

Table 12:

Year	Date and Venue	Time	Special Resolution(s) passed
AGM 2023	9th June 2023 held through Video Conference ("VC") / Other Audit Visual Means (OAVM) without the physical presence of the Members at a common venue, in compliance with General Circular No. 21/2021 read with General Circular No. 10/2022 dated 28th December 2022, 02/2022 dated 5th May 2022, 02/2021, 19/2021 and, 20/2020 dated 5th May 2020. The proceedings of the AGM were deemed to be conducted at the Registered Office of the Company which was the deemed Venue of the AGM.	3:30 p.m.	Nil
AGM 2022	25th April, 2022 held through Video Conference ("VC") / Other Audit Visual Means (OAVM) without the physical presence of the Members at a common venue, in compliance with General Circular No. 21/2021 read with General Circular No. 20/2020, 02/2021, 19/2021. The proceedings of the AGM were deemed to be conducted at the Registered Office of the Company which was the deemed Venue of the AGM.	10:30 a.m.	1. Approval of re-appointment of Mr. Ander Arenaza Alvarez as Whole-time Director of the Company for further period of three years. 2. Approval of remuneration payable to Mr. Anil Haridass as Non-Executive Director of the Company for the period of three years
AGM 2021	29th April, 2021 held through Video Conference ("VC") / Other Audit Visual Means (OAVM) without the physical presence of the Members at a common venue, in compliance with General Circular No. 02/2021 read with General Circular Nos. 14/2020, 17/2020, 20/2020 issued by Ministry of Corporate Affairs and Circular dated 15th January, 2021 read with Circular dated 12th May, 2020 issued by Securities and Exchange Board of India. The proceedings of the AGM were deemed to be conducted at the Registered Office of the Company which was the deemed Venue of the AGM.	3:30 p.m.	None.

b. Postal Ballot

During the Financial Year ended 31st December, 2023 following resolutions were passed through Postal Ballot on:

Sr. No.	Particulars	% votes in favor	% votes against	Result	Type of Resolution
1	Resolution passed on 3rd March, 2023 through Postal Ballot				
	Approval to change in name of the Company from "Mahindra CIE Automotive Limited" to "CIE Automotive India Limited" and amendment to the Clause I of the Memorandum of Association of the Company and consequential matters	99.9997	0.0003	Passed with requisite majority	Special Resolution
2	Resolutions passed on 8th September, 2023 through Postal Ballot				
	a. Appointment of Mr. Jairaj Purandare (DIN: 00159886) as a Director (Independent) of the Company to hold the office of the Independent Director for a term of five consecutive years from 10th June, 2023 till 9th June, 2028.	99.8344	0.1656	Passed with requisite majority	Special Resolution
	b. Appointment of Mr. Shriprakash Shukla (DIN: 00007418) as a Director (non-executive, non-independent, professional) of the Company, liable to retire by rotation.	99.4655	0.5345	Passed with requisite majority	Ordinary Resolution
	c. Approval of alteration in Articles of Association of the Company by way of adoption of new set of Articles of Association	96.3160	3.6840	Passed with requisite majority	Special Resolution
	d. Revision in remuneration payable to Independent Directors of the Company	99.8849	0.1151	Passed with requisite majority	Special Resolution
3	Resolutions passed on 22nd September, 2023 through Postal Ballot				
	a. Approval of the divestment of entire stake in Jeco Jellinghaus GmbH (JECO), Gesenkschmiede Schneider GmbH (GSA), Falkenroth Umformtechnik GmbH (FUG) and Schoneweiss & Co. GmbH (SCG) held by CIE Forging Germany GmbH ("CFG"), the wholly owned subsidiary of the Company	99.9858	0.0142	Passed with requisite majority	Special Resolution
	b. Approval of modification to material related party transactions of CIE Galfor SA with CIE Automotive SA	98.9702	1.0298	Passed with requisite majority	Ordinary Resolution

c. Person who conducted the postal ballot exercise

In compliance with Rule 22(5) of the Companies (Management and Administration) Rules, 2014 as amended, the Board of Directors by respective resolutions passed through circulation on 23rd January 2023 and at its meeting held on 18th July 2023 and 10th August 2023 had appointed Mr. Sachin Bhagwat, Practicing Company Secretary (Membership No. ACS 10189) as the Scrutinizer for conducting the Postal Ballot voting processes in respect of aforesaid three Postal Ballots, in a fair and transparent manner.

d. Procedure followed for the postal ballot conducted during the financial year ended 31st December, 2023:

Sr. No	Date of Postal ballot notice	Voting period	Date of Declaration of results
1	23rd January, 2023	1st February, 2023 to 2nd March 2023	3rd March, 2023
2	18th July, 2023	10th August, 2023 to 8th September, 2023	8th September, 2023
3	10th August, 2023	24th August, 2023 to 22nd September, 2023	22nd September, 2023

Pursuant to Section 110 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and guidelines prescribed by the Ministry of Corporate Affairs ("MCA") vide General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020, 39/2020 dated 31st December, 2020, 10/2021 dated 23rd June, 2021 and 20/2021 dated 8th December, 2021 and 3/2022 dated 5th May, 2022 (collectively referred to as the "MCA Circulars") Secretarial Standards on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations, if any, the Notice of Postal Ballot which comprised of resolutions proposed for approval of the members and the explanatory statement thereto and reasons thereof, was sent only by email to the Members, whose email addresses were registered with the Depositories (in case of Members holding shares in Demat form) or with Registrar and Share Transfer Agent of the Company (in case of Members holding shares in physical form) and whose names appear in the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"), as on the respective cut-off dates. The Members were required to communicate their assent or dissent only through the remote e-voting facility.

The scrutinizer had carried out the scrutiny of votes cast by Postal Ballot which was carried out by electronic means through the remote e-voting facility only ("Postal Ballot"), on the items of business set out in the Notice of Postal Ballot and had submitted his Report to the Company Secretary and Compliance Officer of the Company.

The result was announced by the Company Secretary and Compliance Officer. The result was also displayed on the website of the Company besides being communicated to the Stock Exchanges and Registrar and Share transfer agents of the Company.

All the relevant documents in respect of aforesaid Postal Ballot is made available on the website of the Company under the sub-tab 'Postal Ballot' at the weblink: https://www.cie-india.com/periodic-public-information8.html#General-Meetings.

e. Special Resolution proposed to be passed through Postal Ballot

None of the businesses/special resolution proposed to be transacted at the ensuing Annual General Meeting requires passing of Resolution by way of Postal Ballot.

VI. DISCLOSURES

a. Policy for determining 'material' Subsidiaries

The Company has formulated a Policy for Determining 'Material' Subsidiaries in accordance with Regulation 16 of the Listing Regulations which provides the framework for determination of material subsidiaries of the Company and for corporate governance requirements with respect to Subsidiary. This Policy is available on the website of the Company at https://www.cie-india.com/assets/pdf/governance/policies/Policy%20for%20determining%20Material%20Subsidiaries%20Governance%20requirements%20in%20case%20of%20subsidiaries.pdf

b. Policy on Materiality of and Dealing with Related Party Transactions

The Company has formulated a Policy on Materiality of and Dealing with Related Party Transactions which specify materiality thresholds, process of identification of related parties and the manner of dealing with Related Party Transactions.

This Policy is available on the website of the Company at https://www.cie-india.com/assets/pdf/governance/policies/Policy%20on%20materiality%20of%20and%20dealing%20with%20RPTs.pdf

c. Disclosure of Transactions with Related Parties

All related party transactions that were entered into during the Financial Year were on an arm's length basis and were in the ordinary course of business.

During the Financial Year ended 31st December, 2023, there were no materially significant related party transactions or arrangements entered into by the Company which may have a potential conflict with the interest of the Company at large.

The Company has obtained approval of the shareholders by way of ordinary resolution passed at the 24th Annual General Meeting held on 9th June, 2023 for the Material Related Party Transactions to be entered into by the Company with Mahindra and Mahindra Limited (M&M), for an aggregate amount not exceeding INR 22,000,000,000 (Rupees Twenty Two Billion only) during any one Financial Year. Details of transaction with M&M are disclosed in Form AOC-2, annexed to the Board's Report. Further, details of all the related party transactions are presented in Note no. 31 to the Standalone Financial Statement for the year ended 31st December, 2023.

Further, the members of the Company also accorded their approval at the 24th Annual General Meeting held on 9th June, 2023 for material related party transaction(s) of CIE Galfor S.A. (a wholly-owned subsidiary of the Company) with CIE Automotive S.A. (ultimate holding Company of the Company), which taken together with previous transactions during a financial year exceeds 10% of the Annual Consolidated Turnover of the Company as per the last audited financial statements of 31st December 2022. The said approval of shareholders was partially modified by members' vide resolution passed through postal ballot on 22nd September 2023. The approval of the members to the Material Related Party transactions, including the modifications thereto, is valid upto the date of the 25th AGM to be held in the year 2024.

All the related party Transactions were approved by the Audit Committee from time to time. The Audit Committee has also granted omnibus approval to related party transactions of repetitive nature which remains valid for the period of one year. A statement of all the Related Party Transaction entered into by the Company pursuant to the omnibus approval granted was placed before the meeting of Audit Committee for its review on quarterly basis.

The Company submitted to the Stock Exchanges disclosures of related party transactions, in accordance with Regulation 23(9) of the Listing Regulations.

d. Disclosure by Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested' by name and amount

There were no Loans and advances in the nature of loans made by the Company and its subsidiaries to firms/companies in which directors are interested.

e. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contract, temporary, trainees) are covered under this Policy. The Policy is gender neutral. Status of complaints during the year under review is as follows:

a. number of complaints pending at the beginning of financial year 2023: One

b. number of complaints filed during the Financial Year 2023: One

c. number of complaints disposed of during the Financial Year 2023: Two

d. number of complaints pending as on end of the Financial Year 2023: Nil

f. Whistle Blower policy

The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and the Listing Regulations is established through the Whistle Blower Policy which also provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

The Whistle Blower mechanism provides a secured framework through which Directors, Employees and their representative bodies and all stakeholders of the Company can voice their concerns about illegal or unethical behavior, actual or suspected fraud or violation of the Company's Codes or Policies. Through this mechanism all stakeholders of the Company can approach the Chief Ethics Officer of the Company or the Chairperson of the Audit Committee or utilize 'Ethical Channels' enabled for all group companies of CIE Automotive, S.A. to voice their concerns as mentioned above. The Whistle Blower Policy has been appropriately communicated within the Company and has also been hosted on the website of the Company.

No Personnel has been denied access to the Audit Committee. All Directors, Employees and their representative bodies and all stakeholders of the Company can make the Protected Disclosure to the Chairman of the Audit Committee.

The Chairperson of the Audit Committee can be reached by sending an email to chairpersonofauditcommittee@cie-india.com or by sending a letter to the below address:

Chairperson of the Audit Committee

CIE Automotive India Limited

Mr. Alan Savio D' Silva Picardo

Suite F9D, Grand Hyatt Plaza (Lobby Level), Off Western Express Highway, Santacruz (E) Mumbai - 400 055

The Whistle blower Policy of the Company is available on the website at: https://www.cie-india.com/assets/pdf/governance/policies/Whistle%20Blower%20Policy.pdf

g. Disclosure of Accounting Treatment in preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

h. Disclosure in respect of information to be disclosed under clause 5A of Para A of Part A of Schedule III of the Listing Regulations

During the year, no information was required to be disclosed by the Company under clause 5A of Para A of Part A of Schedule III of the Listing Regulations.

None of the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of the Company or of its holding, subsidiary and associate company have submitted any information as specified under Regulation 30A of the Listing Regulations.

All the Directors of the Company and the members of the Senior Management have confirmed that they are not aware of any agreement entered into by any shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel or employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company, or impose any restriction or create any liability upon the Company other than in the normal course of business, whether or not the Company is a party to such agreements.

Accordingly, the disclosure required under Regulation 30A(2) of the Listing Regulations, on the website of the Company and in the Annual Report is not applicable to the Company.

i. Code and Policies under Insider Trading Regulations

The Company has formulated and adopted the 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' (Fair Disclosure Code) and 'Code of Conduct to regulate, monitor and report trading in the securities of the company by designated persons and their immediate relatives' ("PIT Code"), in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations).

The PIT Code has been formulated to regulate, monitor and ensure reporting of trading by the Designated Persons and is designed to maintain the highest ethical standards of trading in Securities of the Company by such Designated Persons. The PIT Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautions them of the consequences of violations. The Board has also approved a disciplinary framework in case of violations of provisions of PIT Code.

The Fair Disclosure Code has been formulated to ensure prompt, timely and adequate disclosure of UPSI and to maintain uniformity, transparency and fairness in dealing with all the stakeholders. Further, Policy for determination of "Legitimate Purpose" forms part of the Fair Disclosure Code which provides framework for determination of Legitimate Purpose including the process to be followed.

The Code for Fair Disclosure of UPSI of the Company is available on the website at:

https://www.cie-india.com/assets/pdf/governance/policies/Code%20for%20Fair%20Disclosure%20of%20UPSI.pdf

j. Policy for inquiry in case of leak of Unpublished Price Sensitive Information

Pursuant to the amendments made to the PIT Regulations, the Company has formulated the 'Policy for inquiry in case of leak of Unpublished Price Sensitive Information'. The policy is formulated to maintain ethical standards in dealing with sensitive information of the Company by persons who have access to UPSI. The rationale of the policy is to strengthen the internal control systems to ensure that the UPSI is not communicated to any person except in accordance with the Insider Trading Regulations. The Policy also provides an investigation procedure in case of leak of UPSI. This policy was made effective from 1st April, 2019.

k. Details of non-compliance etc.

During the last three years there were no instances of non-compliance and no penalty or strictures were imposed on the Company by Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets.

l. Compliance

i. Mandatory requirements

The Company is compliant with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as were applicable during the year under review.

The Company has also complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) in the respective places in this Report.

ii. Adoption of non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulations is reviewed by the Board from time-to-time.

The Company has been a strong believer in good Corporate Governance and has been adopting the best practices that have evolved over the last two decades.

During the year under review, there is no audit qualification in the Company's Financial Statements (Standalone and Consolidated) for the financial year ended 31st December, 2023. The Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

m. Ethics/Governance Policies

The Company adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Therefore, the Company has adopted various codes and policies to carry out our duties in an ethical manner. Apart from the policies/codes specified in the report elsewhere, the Company has also adopted following:

i) Archival policy

ii) Policy for determation of materiality for disclosure of events or information

iii) Corporate Social Responsibility Policy

The Policies mentioned above are available on the website of the Company at: https://www.cie-india.com/governance3.html#Policies

n. Subsidiary Companies

CIE Aluminium Casting India Limited (Formerly known as Aurangabad Electricals Limited) and CIE Galfor S.A. were the material subsidiaries of the Company in accordance with the policy.

CIE Aluminium Casting India Limited (CIEALCAST) (U31909PN1985PLC037539) was incorporated on 23rd September, 1985 and is having its registered office at Office No. 602 & 603, Amar Business Park, Baner Gaon, Pune 411045. CIEALCAST was acquired by the Company and it became a wholly owned subsidiary of the Company w.e.f. 9th April, 2019.

The members of CIEALCAST at the 37th Annual General Meeting (AGM) had appointed M/s. B S R & Co. LLP, Chartered Accountants (B S R LLP) (ICAI Firm No. 101248W/W – 100022) as Statutory Auditors for a term of consecutive five years with effect from the conclusion of 37th AGM till the conclusion of 42nd AGM of the Company to be held in the year 2027.

CIE Galfor S.A. is incorporated on 21st February, 1992 (Galfor) with its registered office at Rúa 2, 3, 32901 Polígono San Cibrao, Ourense, Spain. Galfor became a wholly owned subsidiary of the Company pursuant to the Integrated Scheme of amalgamation becoming effecting on 10th December, 2014 (appointed date of the scheme was 1st October, 2013). The statutory auditors of Galfor are KPMG Auditores, S.L. who were appointed by Galfor on 15th June, 2022 to conduct the Audit of its financial statements from the financial year commencing from 1st January, 2023.

The Subsidiaries of the Company functions independently, with an adequately empowered supervisory Board. However, for more effective governance, the Minutes of Board Meeting of Subsidiaries were placed before the Board of Directors of the Company at regular intervals.

During the year under review, the Company has not disposed off shares in any of its Material Subsidiaries which would reduce its Shareholding (either on its own or together with other Subsidiaries) to less than 50% or ceased to exercise of control over any of its Subsidiary.

Further, Regulation 24(1) of the Listing Regulations stipulates that at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. For the purpose of this provision, "material subsidiary" means a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. CIE Galfor S.A. is the Material Subsidiary of the Company which meets this criterion. The Company has appointed Mrs. Roxana Meda Inoriza, the Independent Director of the Company, as Director of CIE Galfor S.A.

All the provisions of Regulation 24 and 24A of the Listing Regulations with regard to Corporate Governance requirements for Subsidiary Companies have been complied with by the Company.

VII. MEANS OF COMMUNICATION

The Company, from time to time and as may be required, communicates with its shareholders and investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, Press Releases, the Annual Reports and uploading relevant information on its website at the weblink: https://www.cie-india.com/periodic-public-information8.html#Stock-Exchange-Communication

The quarterly, half yearly and yearly results are normally published in the Business Standard / (English) and Sakal (Marathi) which is a national and local daily respectively. These are not sent individually to the Shareholders.

The unaudited quarterly financial results are announced within forty-five days of the close of each quarter, other than the last quarter. The audited annual financial results are announced within sixty days from the end of the Financial Year as required under the Listing Regulations. The aforesaid financial results are announced to the Stock Exchanges within the statutory time period from the conclusion of the Board Meeting(s) at which these are considered and approved. The results are also uploaded on the website of the Company at the weblink: https://www.cie-india.com/periodic-public-information8.html#Quarterly-Finacial-Results

The Company discloses to the Stock Exchanges and uploads on its website, all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the Listing Regulations including material information having a bearing on the performance/ operations of the Company and other price sensitive information. All information is filed electronically on BSE's online portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the online portal of National Stock Exchange of India Limited.

The Company engages with International and Domestic investors through structured conference-calls and periodic investor/analyst interactions like individual Meetings, participation in investor conferences, quarterly earnings calls and analyst meet from time to time. An advance intimation is given to the Stock Exchanges about upcoming investor interactions. The records of proceedings of such interactions and transcript in respect of quarterly earnings call is submitted to Stock Exchanges and also uploaded on the website of the Company at the weblink: https://www.cie-india.com/periodic-public-information8.html#Quarterly-Result-Calls-and-Transcripts.

The Company uploads Investor Presentation in respect of quarterly results of the Company on the website of the Company at the weblink: https://www.cie-india.com/periodic-public-information8.html#Investor-Presentations. The discussions during investor interactions revolves around clarifications & questions with respect to the same.

VIII. Management Discussion and Analysis

Management Discussion and Analysis Report forms part of the Annual Report.

IX. Confirmation of compliance with Corporate Governance requirements

The Company is in compliance with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-Regulation (2) of Regulation 46 of the Listing Regulations.

X. SHAREHOLDER INFORMATION

a) 25th Annual General Meeting

Date : Thursday, 20th June, 2024

Time : 3:30 p.m.

Venue : The AGM shall be held through Video Conference (VC) / Other Audio Visual Means (OAVM) in compliance with General Circular Nos. 09/2023 dated 25th September, 2023, 10/2022 dated 28th December, 2022, 20/2020 dated 5th May, 2020, 02/2022 dated 5th May, 2022 and other relevant circulars issued by Ministry of Corporate Affairs (MCA Circulars) and other applicable provisions of the Companies Act, 2013 (the Act) and Rules made thereunder without the physical presence of the Members at a common venue. 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.

Financial Year

The Financial Year of the Company has ended on 31st December, 2023 covering a period of twelve months starting from 1st January, 2023 to 31st December, 2023.

For the Financial Year 2024, results will be tentatively announced by:

- First quarter: First week of May, 2024
- Second Quarter and Half yearly: 3rd Week of July, 2024
- Third quarter: 4th week of October, 2024
- Fourth Quarter and Annual: End of February, 2025

b) Book Closure

The Transfer books of the Company will be closed from Friday, 14th June, 2024 to Thursday, 20th June, 2024, inclusive of both days.

c) Dividend Payment

The Dividend on Ordinary (Equity) Shares for the year ended 31st December 2023, as recommended by the Board of Directors and as may be declared at the ensuing AGM, will be paid within 30 days from the date of approval by the Shareholders at the 25th Annual General Meeting of the Company to the shareholders or their mandates:

- whose names appear as Beneficial Owners as per the data made available by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form as on the cut-off date i.e. 13th June, 2024; and
- whose names appear as Members in respect of shares held in Physical Form as per the Register of Members of the Company on the cut-off date i.e. 13th June, 2024.

d) Listing of Ordinary (Equity) shares on Stock Exchanges

At present, the equity shares of the Company are Listed on

1. **Name of Stock Exchange:** BSE Limited (BSE)

   Address - Phiroze Jeejeebhoy Towers

   Dalal Street, Kala Ghoda, Mumbai - 400001

2. **Name of Stock Exchange:** National Stock Exchange of India Limited (NSE)

   Address - Exchange Plaza, Plot No. C/1, G Block

   Bandra Kurla Complex, Bandra (East)

   Mumbai - 400051

   The Company has duly executed the Uniform Listing Agreement with the Stock Exchange(s) i.e. BSE & NSE as specified under Listing Regulations.

   The requisite listing fees have been paid in full to BSE and NSE.

   The securities of the Company have never been suspended from trading on any of the Stock Exchanges.

3. **Corporate Identification Number:** L27100MH1999PLC121285

e) Registered Office Address:

Suite F9D, Grand Hyatt Plaza (Lobby Level), Off Western Express Highway, Santacruz (E) Mumbai - 400 055

f) Stock codes

Particulars	Stock Code
BSE Limited	532756
National Stock Exchange of India Limited	CIEINDIA
Demat International Security Identification Number (ISIN) in NSDL & CDSL for equity shares	INE536H01010

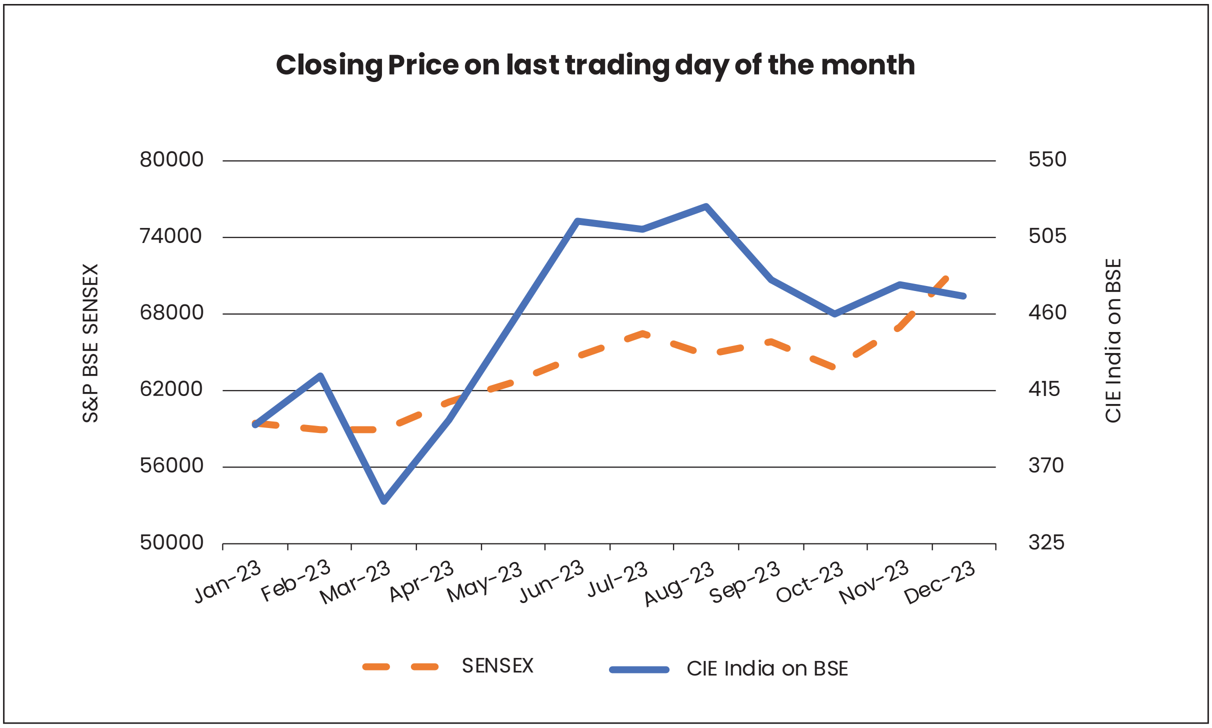
g) Stock Price Data

Table 13: High and low price of Company's shares for the period January 2023 – December, 2023 on BSE Limited and National Stock Exchange of India Limited

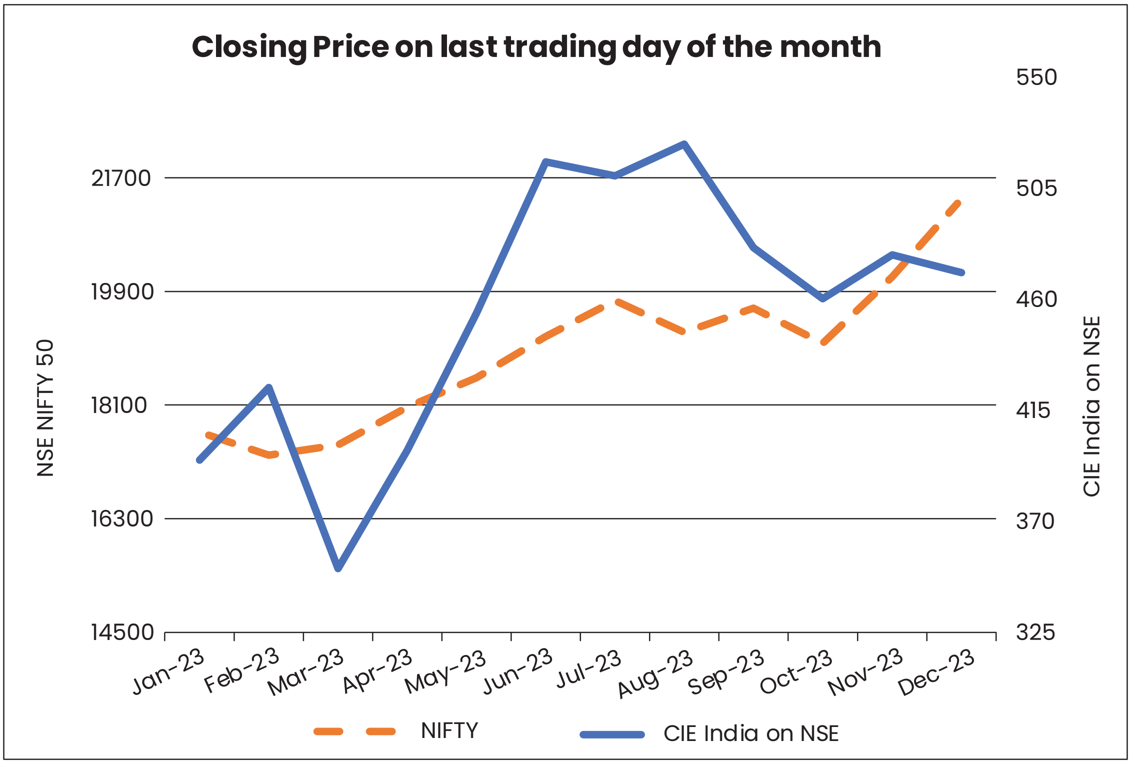
	BSE Limited (BSE)		National Stock Exchange of India Limited (NSE)	
	High (`)	Low (`)	High (`)	Low (`)
January, 2023	399.80	335.15	400.00	335.00
February, 2023	462.15	383.40	462.40	383.50
March, 2023	434.40	332.20	493.65	385.60
April, 2023	416.45	350.25	416.80	350.00
May, 2023	493.00	385.60	493.65	385.60
June, 2023	531.30	448.15	523.15	448.05
July, 2023	578.10	459.05	579.75	458.80
August, 2023	526.00	464.90	525.95	464.40
September, 2023	534.85	467.50	531.10	467.25
October, 2023	504.95	440.55	500.00	440.40
November, 2023	508.60	450.95	508.50	450.75
December, 2023	500.70	455.00	500.75	455.00

h) STOCK PERFORMANCE

The performance of the Company's share price relative to the BSE SENSEX is given in the chart below as per closing price on the last trading day of the month:



The Performance of the Company's share price relative to the NSE NIFTY 50 is given in the chart below as per closing price on the last trading day of the month:



i) Registrar and Transfer Agents:

KFin Technologies Limited
Unit: CIE Automotive India Limited
"Selenium" Tower B, Plot No. 31 & 32,
Financial District, Gachibowli,
Hyderabad - 500 032.
Tel. No. + 91 - 40 – 6716 2222
Fax No. + 91 – 40 - 2300 1153
E-mail: einward.ris@kfintech.com

j) Share Transfer System

Trading in Ordinary (Equity) Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form. In terms of Regulation 40 (1) of Listing Regulations, transfer of securities held in physical mode has been discontinued and the transfer of securities is allowed only in dematerialized form. Accordingly, no requests for effecting transfer of securities have been processed during the year under review.

Further as per Master Circular SEBI/HO/MIRSD/POD-1/P/CIR/2023/70 dated 17th May, 2023 while processing the service requests in relation to Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account and Suspense Escrow Demat Account, Replacement / Renewal / Exchange of securities certificate, Endorsement, Sub-division / Splitting of securities certificate, Consolidation of securities certificates/folios, Transmission, Transposition and Change in the name of the holder, the Company shall issue securities only in dematerialised form.

For processing any of the aforesaid service requests the securities holder/claimant is required to submit duly filled up Form ISR-4/ISR-5 along-with all the necessary documents to the Registrars & Transfer Agents i.e., M/s. KFin Technologies Limited. A member also needs to submit Form ISR-1 for updating PAN and other KYC details to the RTA of the Company. Member(s) may submit Form SH-13 to file Nomination. However, in case a Member do not wish to file nomination 'declaration to Opt-out' in Form ISR-3 shall be submitted. In case of major mismatch in the signature of the members(s) as available in the folio with the RTA and the present signature or if the signature is not available with the RTA, then the member(s) shall be required to furnish Banker's attestation of the signature as per Form ISR-2 along-with the documents specified therein. Hence, it is advisable that the members send the Form ISR-2 along-with the Form ISR-1 for updating of the KYC Details or Nomination.

If the KYC of all the holders of shares is duly updated including Nomination/ declaration to Opt-out in the relevant folio and duly filled-in and signed ISR form along-with all necessary supporting documents are received, the RTA process such requests.

The authority to approve the service requests in relation to Claim from Unclaimed Suspense Account and Suspense Escrow Demat Account, Transmission, Transposition, Deletion of Name and Change of Name is with the Company Secretary subject to shares involves are less than 5,000. The Authority to issue Duplicate Share Certificates or certificates in lieu of sub-division, consolidation etc. or in cases of aforesaid requests involving more than 5000 shares is with the Stakeholders Relationship Committee.

The Stakeholders Relationship Committee and the Company Secretary attends to aforesaid matters as and when required.

k) Distribution of Shareholding

Table 14: Distribution of Shareholding as on 31st December, 2023

Number of shares held	Number of Shareholders	% of Shareholders	Total shares	% of share holding
1 – 5000	1,27,012	91.35	9,65,03,460	2.54
5001 – 10000	6,616	4.76	4,75,47,860	1.25
10001 – 20000	2,829	2.03	4,02,35,410	1.06
20001 – 30000	876	0.63	2,19,90,110	0.58
30001 – 40000	364	0.26	1,27,27,580	0.34
40001 – 50000	292	0.21	1,34,63,480	0.35
50001 – 100000	487	0.35	3,38,76,140	0.89
100001 & ABOVE	568	0.41	3,52,72,79,730	92.98
Total	**1,39,044**	**100.00**	**3,79,36,23,770**	**100.00**

l) Dematerialisation of shares

As on 31st December, 2023, 99.69% of the paid-up Equity Capital was held in dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Trading in the equity shares of the Company is permitted only in dematerialised form. Non-Promoters' holding as on 31st December, 2023 is around 34.30%.

m) Credit Rating

During the year under review, ICRA Limited ("ICRA"), Credit Rating Agency, had upgraded the long-term rating and has re-affirmed the short-term rating assigned to the Company for Credit Facility as per the details given below:

Type of Credit Facility	Amount	Status	Rating /Outlook
Commercial Paper	` 200 Crore	Re-affirmed	[ICRA]A1+ (pronounced as ICRA A one plus)
Line of Credit - Long-term/ Short term – Fund based/ Non-Fund based*	` 575 Crore*	Upgraded / Re-affirmed	**Long term rating** Rating Upgraded to [ICRA] AA (pronounced ICRA double A) from [ICRA] AA- (pronounced as ICRA double A minus) Outlook on long term rating is revised to Stable from Positive **Short term rating** Rating reaffirmed [ICRA]A1+ (pronounced as ICRA A one plus)

The credit rating agency has also revised the outlook to Stable from Positive for its rating for line of credits as mentioned above.

The details of the Credit Ratings are uploaded on the website of the Company and is accessible at the web-link:

https://www.cie-india.com/periodic-public-information8.html#Credit-Rating

n) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments on Conversion date and which has likely impact on equity.

The Company has no outstanding GDR / ADR / Warrants or any Convertible Instruments.

o) Details of utilization of funds raised through preferential allotment or qualified institutions placement.

During the year under review the Company did not raise any funds through preferential allotment or qualified institutions placement. Further the Company did not have any unutilised funds raised through preferential allotment or qualified institutions placement in the past. Hence, the provisions of Regulation 32 of listing Regulations were not attracted during the year under review.

p) Commodity price risk or Foreign exchange risk and hedging activities

i. Risk management policy of the Company with respect to commodities including through hedging

The Company has adopted the Forex Cover Policy and the Company is a net forex earner and cover is taken based on budgeted rates and management judgement.

The Company does not have any exposure to commodity price risk.

ii. Exposure of the Company to commodity and commodity risks faced by the entity throughout the year:

a. Total exposure of the Company to commodities in INR: Nil.

b. Exposure of the Company to various commodities:

Commodity Name	Exposure in ` towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
NA	NA	NA	NA	NA	NA	NA	NA

q) Plant Locations

Stamping Division:

1. Kanhe I - Plot 371, Takwe Road, At & Post Kanhe, Taluka- Maval, Dist., Pune - 412106.
2. Kanhe II - Plot 445 & 446, Takwe Road, At & Post Kanhe, Taluka- Maval, Dist., Pune - 412106.
3. D-2 MIDC, Ambad, Nashik - 422010.
4. Maharajpur Road, Village Lalpur, Tehsil-Kichha, Rudrapur, Dist - Udham Singh Nagar - 263148.
5. Plot No-2, Sector -11, TATA Vendor Park, II - E SIDCUL, Pantnagar, Dist. Udham Singh Nagar - 263153.
6. Sy No. 77, Plot No. 34, Mahindra Vendor Park, TSIIC Industrial Area, Buchinelly, Zaheerabad, Dist., Sangareddy – Telangana – 502228.
7. Plot No. L4, MIDC, Hingna Road, Nagpur – 440016.

Composites Division:

Gat. 467 & 470, Takwe Road, Kanhe, Tal. Maval, Dist. Pune - 412106.

Foundry Division:

Gat No. 318, Gaon Urse, Tal. Maval, Pune - 410506.

Magnetic Products Division:

'G' Block, Bhosari Industrial Estate, Near BSNL office, Bhosari, Pune – 411026.

Forgings Division:

Gat No. 856 to 860, Chakan Ambethan Road, Tal. Khed, Dist. Pune - 410501.

Bill Forge Division

1. Plant 1, Plot No. 9C, Bommasandra Industrial Area, Bommasandra, Bangalore – 560099.
2. Plant 2, Plot No. 98 L & M, KIADB Industrial Area, Phase 2, Jigani, Bangalore – 560105.
3. Plant 3, Plot No. 7C, KIADB Industrial Area, Attibele, Bangalore – 562107.
4. Plant 4, No. 1/178, Pollachi Main Road, Ganesh Nagar, Malumachampatti (PO), Coimbatore – 641050.
5. Plant 5, Plot No. 29, Industrial Park IV, Begampur Village, Tehsil & District - Haridwar – 249402.
6. Plant 6, Plot No. 86 M & N, KIADB Industrial Area, Phase 1, Jigani, Bangalore – 560105.
7. Plant 2B, Plot No. 98 N & O, KIADB Industrial Area, Phase 2, Jigani, Bangalore – 560105.
8. Plant 2C, Plot No. 98 O & P, KIADB Industrial Area, Phase 2, Jigani, Bangalore – 560105.
9. Plant 1B, Plot No. 261, Bommasandra Industrial Area, Bommasandra, Bangalore – 560099.
10. Plant 6B, Plot No. 86 G & H, KIADB Industrial Area, Phase 1, Jigani, Bangalore – 560105.
11. Plant No. 2D, Plot No. 37 B, Road No. 3, Phase 1, Jigani, Anekal Taluk, Bangalore – 560106.

Gears Division:

1. Plot No. C-23/2, Phase -II, Chakan Industrial Area, Village - Varale, Tal. Khed, Dist – Pune - 410501.
2. Survey No. 278/P, Shapar Village Road, Village: Shapar, Taluka: Kotda - Sangani, Dist. Rajkot - 360024.

3. Survey No-298/P, Village: Shapar, Taluka: Kotda - Sangani, Dist. Rajkot - 360024.

r) Address for correspondence:

Shareholders may correspond with the Registrar and Transfer Agents at:

KFin Technologies Limited
Unit: CIE Automotive India Limited
"Selenium" Tower B, Plot No. 31 & 32,
Financial District, Gachibowli,
Hyderabad - 500 032.
Tel. No. + 91 - 40 – 67162222;
Fax No. + 91 – 40 - 23001153
E-mail: einward.ris@kfintech.com

On all matters relating to transfer/dematerialisation of shares and any other query relating to shares of the Company.

The Company has also dedicated contact.investors@cie-india.com as an exclusive email ID for Shareholders for the purpose of registering complaints and the same has been hosted on the Company's website. The Company is registered in SEBI Complaints Redressal System (SCORES). The investors can send their complaints through SCORES also, for this the investors have to visit https://www.scores.gov.in. The Company is also registered on Smart ODR portal, for this the investor has to visit https://smartodr.in/login.

Security holders would have to correspond with the respective Depository Participants for shares held in demateralised form for transfer/transmission of shares, change of Address, change in Bank details, etc.

For all investor related matters, Mr. Pankaj Goyal, Company Secretary and Compliance Officer can be contacted at: Office No. 602 & 603, Amar Business Park, Opp. Sadanand Resort, Above "Westside" showroom Baner Road, Pune 411045. Tel No. +91 – 020 – 29804621 / 22. E-mail: goyal.pankaj@cie-india.com.

You may visit the Company's website at: https://www.cie-india.com/index.html for more information about the Company.

s) Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:

The details of shares in the unclaimed suspense account, is as under:

Sr. No.	Particulars	Details
i.	aggregate number of shareholders and the outstanding shares in the suspense account lying as on 1st January, 2023	4,326 shareholders representing 5,12,153 outstanding shares.
ii.	number of shareholders who approached the Company for transfer of shares from suspense account during 1st January, 2023 to 31st December, 2023	26
iii.	number of shareholders to whom shares were transferred from suspense account during 1st January, 2023 to 31st December, 2023	21*
iv.	aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st December, 2023;	4,305 shareholders representing 5,07,560 outstanding shares.

Note: In accordance with Regulation 39(4) read with Schedule VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has transferred all the returned undelivered share certificates which remained unclaimed as on 31st December, 2019 into a separate folio the Unclaimed Suspense Account' on 25th February, 2020 and have dematerialise the shares held in the said Unclaimed Suspense Account with National Securities Depositories Limited (NSDL). However, out of 5,15,196 equity shares that were transferred, 91 equity shares are still not dematted due to technical error, the RTA is trying to resolve the same in consultation with NSDL.

** 5 (five) cases were received by the Company on 21st December, 2023. Out of these 5 cases, the Company processed four (4) applications representing 981 Shares and transferred to respective Demat Accounts of claimant post closure of the financial year. One case was rejected due to incomplete documentation.*

The voting rights in respect of the shares transferred to the Demat Suspense Account/ Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

t) Details of shares lying under Suspense Escrow Account

Pursuant to the Authority given by the Board at their meeting held on 22nd February, 2022, a Suspense Escrow Account has been opened with Axis Securities Limited which is now named and styles as "CIE Automotive India Limited - Suspense Escrow Account" pursuant to the change of name of the Company.

A total of 2,522 equity Shares were transferred to the Suspense Escrow Account from 1st January, 2023 to 31st December, 2023.

u) Certificate from Company Secretary in Practice

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on 31st December, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such Statutory Authority, is annexed at the end of this Report.

v) Total fees for all services paid to the Statutory Auditors by the Company and its Subsidiaries

Total fees paid by the Company and its Subsidiaries on a consolidated basis, to the Statutory Auditor viz. B S R & Co. LLP, Chartered Accountants, Firm Registration No. 101248W/W-100022 and all entities in the network firm/ network entity of which the Statutory Auditors is a part for financial year ended 31st December, 2023 was as following:

(Amount in ` Million)

Sr. No.	Particulars	By the Company to the Auditors	By the subsidiaries to the network firm/network entity of which the statutory auditor is a part
1.	Fees paid for the Statutory Audit	13.06	13.78
2.	Fees paid for other services allowed under the Law	0.78	0.66
	Total fees paid during CY2023	**13.84**	**14.44**

Mumbai, 19th February, 2024

DISCLOSURE REGARDING CORPORATE GOVERNANCE

Declaration by the Executive Director under Regulation 34 (3) read with para (D) Of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The Members of CIE Automotive India Limited
(Formerly Mahindra CIE Automotive Limited)

I, Ander Arenaza Alvarez, Executive Director of CIE Automotive India Limited declare that, all the Members of the Board of Directors and Senior Management have affirmed compliance with the Code of Conduct for the period from 1st January, 2023 to 31st December, 2023.

Ander Arenaza Alvarez
Executive Director
DIN: 07591785

Mumbai, 19th February, 2024

CERTIFICATE

To

The Members of CIE Automotive India Limited
(Formerly Mahindra CIE Automotive Limited)

I have examined the compliance of conditions of corporate governance by CIE Automotive India Limited (Formerly Mahindra CIE Automotive Limited) ("the Company") for the year ended on 31st December 2023 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("Listing Regulations")

The compliance of the conditions of Corporate Governance is the responsibility of the management. My responsibility was limited to examining the procedure and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance.

Based on my examination of the relevant records and according to the information and explanations provided to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C and D of schedule V of the Listing Regulations, during the year ended on 31st December 2023.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature:
Sachin Bhagwat
ACS: 10189
CP: 6029
UDIN: A010189E003451154
PR Certificate No.: 654/2020

Place : Pune
Date : 19.2.2024

CERTIFICATE

[Pursuant to Regulation 34(3) and sub-clause (i) of clause (10) of Paragraph C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Members of

CIE Automotive India Limited
Suite F9D, Grand Hyatt Plaza (Lobby Level)
Off Western Express Highway, Santacruz (E)
Mumbai 400055

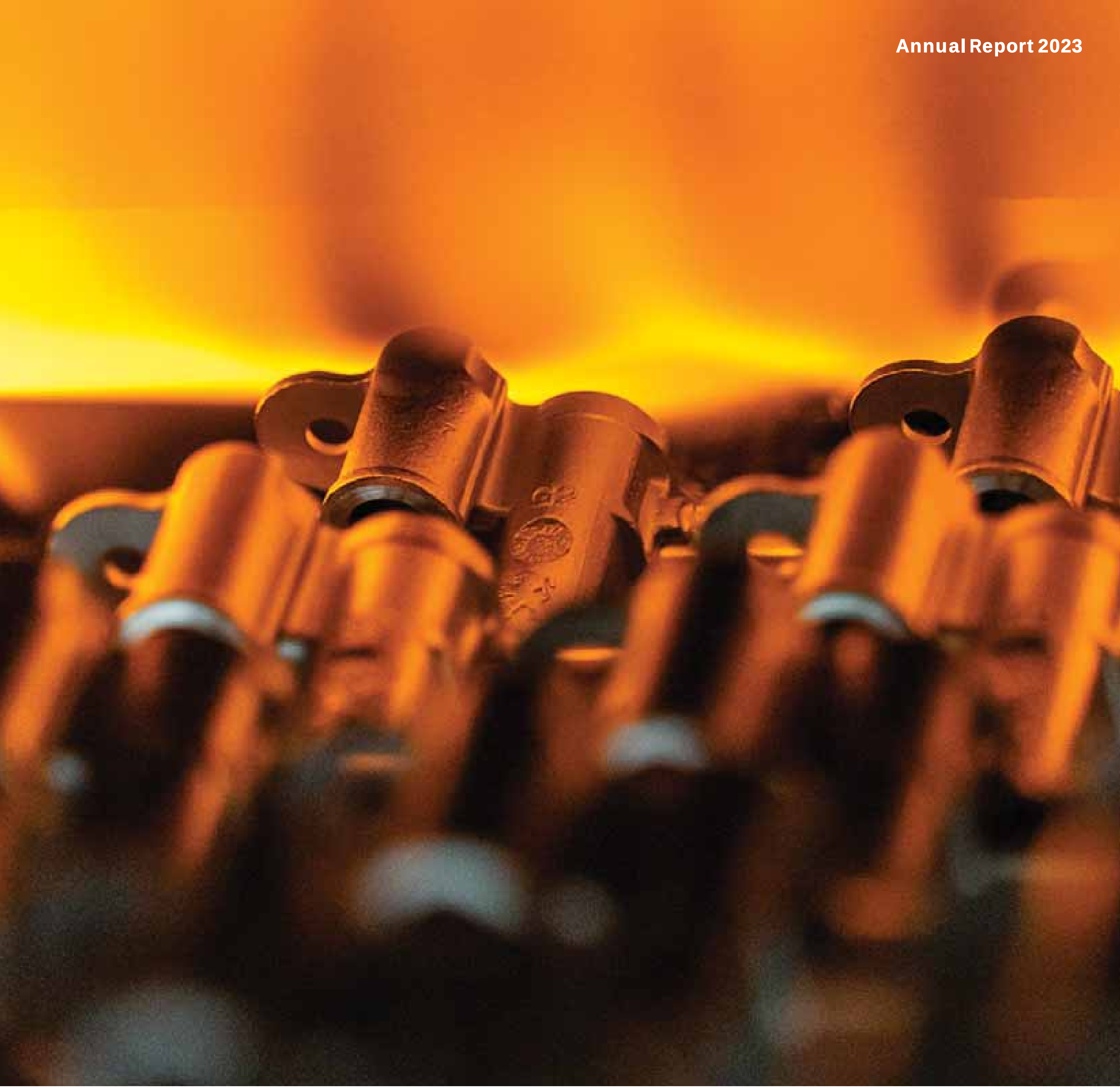
I have examined the relevant registers, returns and records maintained by CIE Automotive India Limited ("the Company") having CIN L27100MH1999PLC121285 and registered office at Suite F9D, Grand Hyatt Plaza (Lobby Level), Off Western Express Highway, Santacruz (E), Mumbai 400055, forms and disclosures received from the Directors of the Company, produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with sub-clause (i) of clause (10) of Paragraph C of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors' Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its Officers, I certify that none of the Directors on the Board of the Company for the Financial year ended on December 31, 2023 has been debarred or disqualified from being appointed or continuing as Director of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory Authority.

Ensuring eligibility for appointment / continuity of every director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS SACHIN BHAGWAT
Membership No.: A 10189
C. P. No.: 6029
UDIN: A010189E003451165
PR Certificate No.: 654/2020

Place : Pune
Date : 19 February, 2024



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I.	**Details of listed entity**	
1.	Corporate Identity Number (CIN) of the Company	L27100MH1999PLC121285
2.	Name of the Company	CIE Automotive India Limited
3.	Year of incorporation	1999
4.	Registered office address	Suite F9D, Grand Hyatt Plaza (Lobby Level) Off Western Express Highway, Santacruz (E) Mumbai – 400055
5.	Corporate address	602-603, Amar Business Park, Baner Rd, opp. Sadanand Resort, Pune, Maharashtra 411045
6.	E-mail id	ESG.Sustain@cie-india.com
7.	Telephone	022-62411031
8.	Website	www.cie-india.com
9.	Financial year reported	1st January, 2023 to 31st December, 2023
10.	Name of the Stock Exchanges where shares are listed	BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE)
11.	Paid-up Capital	` 3,79,36,23,770/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Ashok Bhimanpalli, Head (Safety and Sustainability) Telephone: 020-29804621 Email: ESG.Sustain@cie-india.com
13.	Reporting boundary	Standalone
14.	Name of Assurance Provider	NA
15.	Type of assurance obtained	NA

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Metal and metal products	92%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Crankshaft/ Stub axle as forged and machined, Steering shaft/ wheel hub/steering yokes/ constant velocity joints, Steel metal stamping/Components and assemblies, Soft and Hard Magnet	25910	73%
2	Turbo chargers housing/ Axle and transmission Parts	24319	14%
3	Engine Gear/ Timing Gear/ Drive Shaft	28140	8%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	25	02	27
International	Nil	Nil	Nil

19. Markets served by the entity:

a.	Number of locations	
	Locations	**Number**
	National (No. of States)	13
	International (No. of Countries)	19
b.	What is the contribution of exports as a percentage of the total turnover of the Company?	10%
c.	Types of customers	The Company is a large, diversified auto-components company which serves its customers across many processes/ product lines and geographies. It supplies to automotive Original Equipment Manufacturers (OEMs) and their Tier 1 suppliers across multiple technologies. For more details regarding the same, you may kindly refer the Management Discussion and Analysis Report which forms part of the Company's Annual Report – 2023.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	1,601	1,545	97%	56	3%
2.	Other than Permanent (E)	3	2	67%	1	33%
3.	**Total employees (D + E)**	1,604	1,547	96%	57	4%
			WORKERS			
4.	Permanent (F)	2,665	2,654	99.59%	11	0.41%
5.	Other than Permanent (G)	6,263	6,185	98.75%	78	1.25%
6.	**Total workers (F + G)**	8,928	8,839	99%	89	1%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	1	1	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	**Total differently abled employees (D + E)**	1	1	100%	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	5	4	80%	1	20%
5.	Other than permanent (G)	0	0	0	0	0
6.	**Total differently abled workers (F + G)**	5	4	80%	1	20%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Managerial Personnel	5	0	0%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	CY 2023 (Turnover rate in current FY)			CY 2022 (Turnover rate in previous FY)			CY 2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17.88%	21.69%	17.98%	14.74%	14.55%	14.74%	13.66%	20.51%	13.76%
Permanent Workers	1.83%	16.67%	1.86%	5.35%	0%	5.33%	2.98%	8%	3.01%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1.	CIE Automotive S.A.	Ultimate Holding	NA	No
2.	Participaciones Internacionales Autometal, DOS S.L	Holding	65.70	No

Sl. No.	Name of the holding/ subsidiary/ associate companies/joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
3.	CIE Galfor S.A.	Subsidiary	100	No
(i)	UAB CIE LT Forge	Subsidiary	100	No
(ii)	CIE Legazpi S.A	Subsidiary	100	No
(iii)	CIE Forging Germany GmbH (previously known as Mahindra Forgings Europe AG)[1]	Subsidiary	100	No
(iv)	Metalcastello S.p.A.	Subsidiary	99.96	No
4	CIE Aluminium Casting India Limited (Formerly known as Aurangabad Electricals Limited)	Subsidiary	100	No
5	Stokes Group Limited[2]	Subsidiary	100	No
6	BF Precision Private Limited[3]	Subsidiary	100	No
7	Bill Forge de Mexico s de RL de CV	Subsidiary	100	No
8	CIE Hosur Limited	Subsidiary	100	No
9	Gescrap India Private Limited	Associate	30	No
10	Clean Max Deneb Power LLP	Associate	26	No
11	Sunbarn Renewables Private Limited	Associate	26.12	No
12	Renew Surya Alok Private Limited	Associate	31.2	No
13	Strongsun Solar Private Limited	Associate	27.35	No

Notes:

1. *During the year Jeco Jellinghaus GmbH, Gesenkschmiede Schneider GmbH, Falkenroth Umformetechnik GmbH and Schoneweiss & Co. GmbH (Subsidiaries of CIE Forging Germany GmbH ("CFG"(previously known as Mahindra Forgings Europe AG) were ceased to be subsidiaries w.e.f. 16th October, 2023.*

2. *During the year, Stokes Group Limited stands dissolved w.e.f. 5th September, 2023*

3. *BF Precision Private Limited is operationally closed.*

VI. CSR Details

24.

(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: **(Yes/No)**	**Yes**
(ii)	Turnover (in `) (For the previous FY ended on 31st December, 2022)	` 4056,05,54,570.57/-
(iii)	Net worth (in `) (as on the previous FY ended on 31st December, 2022)	` 3158,21,09,219/-

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) *(If yes, then provide weblink for grievance redressal policy)*	CY2023			CY2022		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Investors (other than shareholders)	Yes https://www.cie-india.com/investor-contacts.html	0	0	NA	0	0	NA
Shareholders	Yes https://www.cie-india.com/investor-contacts.html	11	02*	Resolved**	7*	2	Resolved **
Employees and workers	Any stakeholder can report their genuine concerns through the Whistle Blower Channel available at the weblink: https://www.cie-india.com/assets/pdf/ethical-channel/whistle-blower/Whistle%20Blower%20Policy.pdf The grievances are redressed in accordance with the Whistle Blower Policy of the Company. Apart from the Whistle Blower Mechanism, the ESG Policy of the Company provides dedicated communication channels through which the Company may receive grievances of the Stakeholder. The Company will endeavour to redress the same in accordance with the principles laid down under the Policy. Further, the Global contact for any issue related to ESG available under CIE Group's Global ESG Policy, details of which are available at the weblink: https://cieautomotive.com/en/contacto. The Company will endeavour to redress the same in accordance with the principles laid down under the Global Policy.	7	1##	NA	1	1	NA
Communities		0	0	NA	0	0	NA
Value chain partners		0	0	NA	0	0	NA
Customers #		823	23	Under resolution	442	0	Closed

Stakeholder group from whom compliant is received	Grievance Redressal Mechanism in place (Yes/No) *(If yes, then provide weblink for grievance redressal policy)*	CY2023			CY2022		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Others (please specify)	Not applicable						

**The number of complaints pertains to complaints in relation to shareholder services and not related to any principles under the National Guidelines on Responsible Business Conduct.*

***The grievances were received in December 2022 and December 2023 and were resolved after the closure of the financial year i.e. in CY 2023 and CY 2024 within the statutory timelines.*

 # The number of complaints pertains to the complaints received from customers in the normal course of business relating to operational issues and are resolved within the prescribed standard timeline as per the SOPs of the Company.

The Complaint was received during the CY2023 and was resolved after the closure of Financial Year i.e. in CY 2024 within due timelines.

26. Overview of the entity's material responsible business conduct issues

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications

Company's Approach: Conducting a Materiality Assessment to identify issues needing focus and prioritization is a critical step in a company's sustainability journey. As a subsidiary of the CIE Automotive Group, CIE India has aligned its material issues to that identified by its parent company. We have further honed these issues to cater to the country-specific needs of CIE India. The identified material issues have served as our guide in understanding stakeholder expectations, setting targets, and undertaking relevant initiatives that will enable us to continue delivering long-term value to our customers, shareholders, employees, and communities.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Social Matters					
1.	Attracting and retaining talent	Risk	Management of the current and projected pace of growth requires consolidation and development of the company's finest asset, its people. The need to continuously hire, train and retain professionals is set to remain a major challenge in the years to come. High staff turnover makes it hard to operate at normal levels and achieve the company's targets. That is why it is fundamental to agree a unified training and promotion plan with the aim of planning, appraising and enhancing professionals' current and future skillsets so as to facilitate delivery of Company's strategic objectives.	The Company is continually improving its employment terms and conditions to make them induce for its existing people and to attract new talent to the organization. Factory managers and HR managers periodically assess the situation at their factories for the risk of losing talent, especially in critical positions, and take the measures required to retain key talent and plan for succession as needed. In accordance with our Employee Value Proposition (EVP), we have rolled out career development programs for employees through Individual Development Action Plans (IDAPs). The focus is to upskill the workforce and create internal opportunities in terms of career progression for our employees. Coaching has been introduced in the organization; senior managers have been trained as coaches who in turn coach the employees on their IDAPs.	The financial implication of the risk cannot be quantified. However, in case the risk is materialized, the impact will be negative.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				• The process for succession planning has been designed, implemented and rolled out across the organization. • We are continually focusing on building a strong young talent pipeline of engineers and have specially crafted yearly learning plans for young engineers hired as freshers from campuses. • The organization has in place a Diversity, Equity and Inclusion Conceptual model and has adopted targets for Gender, Generation, Functional and Multicultural Diversity. The company has introduced Diversity awareness and sensitization programs for its managers. • To drive the culture of recognition driving performance there is a strong focus on the Recognition practices. • Further to drive performance culture, the company has redesigned its Leadership Competency Model which is incorporated in the Performance Management Systems. • The organization is evolving with its HR practices and policies to improve on employee engagement and experience.	
2.	Customer Satisfaction	Risk as well as Opportunity	Challenges in management of new projects and/or operations could lead to failure to attain the defined specifications and, possibly, breaches of contract. (e.g., delivery times, milestones, or quality).	The Company places a strong emphasis on customer responsiveness, with a focus on meeting customer expectations at every stage of the business relationship. Several key business processes contribute to ensuring customer satisfaction: **Sales Process:** sales process is designed to effectively search for and secure new business with the overarching goal of customer satisfaction. The company analyzes customer requirements, specifications, and needs during this phase. Technical, quality, and supply chain reviews are conducted with the customer to ensure proposals align with customer expectations.	Both Positive and Negative.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				Launch and Industrialization: If the company secures new business, it ensures that the launch and industrialization of the project meet the highest standards. This includes the use of control tools such as product and process Failure Mode and Effects Analysis (FMEA), product and manufacturing validations, control plans, prototype launches, samples, and ongoing revision of customer specifications, with a focus on special characteristics and regulatory and safety considerations. **Mass Supply:** Once the agreed launch standards are attained, mass supply begins, framed by procedures and tools that comprise set processes. These processes are aligned with stringent sector standards and undergo continuous internal and third-party audits. The company's commitment to customer satisfaction extends beyond these specific processes. It involves various group-wide processes that contribute to ensuring customer satisfaction, knowledge transfer to projects, the availability of top-quality suppliers, and the effective use of people, resources, and technology to meet customer demands. This comprehensive approach reflects a customer-centric mindset and a dedication to delivering high-quality products and services.	
3.	Occupational Health and Safety	Risk	The management have ensured that the people are working in a safe environment. Even the machines/equipment procured are not only proven for process consistencies but are also proven to ensure safety requirements. The management have taken every possible step to provide training to the workmen. However, the complexities arises since we are working in a dynamic scenario where people and machines undergo changes and hence the most important aspect is discipline, which is why this is identified as a Risk.	As The company places a strong emphasis on health and safety for all its people working at all our manufacturing & offices. And implemented ISO 45001 certification for all its 25 manufacturing locations except 1 location which will be certified in CY 2024. Continuous improvement of safety culture is acknowledged as a journey, and the management is actively involved in upgrading processes and procedures across all plants. Monitoring progress and adherence to safety standards, along with behavior-based trainings, are integral to this journey.	The financial implication of the risk cannot be quantified. However, in case the risk is materialized, the impact will be negative

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				Key initiatives and actions undertaken in the CY23 include: • **Safety Lead Indicators:** The focus on improving five key safety lead indicators demonstrates the commitment and accountability of line managers in safety and health management at manufacturing facilities. This commitment has led to a significant improvement in overall safety and health performance. • **Safety Trainings**: Employees receive safety training tailored to the risks associated with their jobs through the Dexterity Centre at all manufacturing locations. • **12 Life Saving Rules**: More than 4000 employees and workers received training on 12 life saving rules which includes hazard identification, risk assessment, and risk mitigation during work and off-work. • **Specialized Trainings**: Specialized training on Work at Height and Confined Space working was provided to identified employees and workers. • **Behavioral Based Safety:** Behavioral-based training was given to all identified employees and workers to improve workplace safety. • **Employee Involvement & Recognition:** Employees and workers are involved in maintaining a clean, safe, and healthy environment through consultation and participation. Recognition and rewards are provided to employees on a weekly and monthly basis for their suggestions, kaizens and improvements towards health and safety. These initiatives collectively reflect a holistic approach to health and safety management, encompassing training, behavioral aspects, continuous improvement, and employee involvement. This approach aligns with industry standards and best practices for ensuring a safe and healthy working environment.	

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Responsible supply chain management	Opportunity	As a group, the approach towards supply chain is GLOCAL - global management with a significant local component - articulated around excellence. Excellence in cost containment, excellence in guaranteeing uninterrupted supplies, without neglecting quality, and excellence in getting the supply chain meaningfully engaged around ESG goals.	The Company has taken comprehensive steps to align its supply chain practices with global standards and best practices related to environmental, social, and governance (ESG) considerations: **Adoption of Group's Global Supply Chain Manual & Conflict of Minerals Policy:** The Company has adopted the Group's Global Supply Chain Manual and Conflict Minerals Policy, which reflects a commitment to responsible and ethical sourcing practices. **Inclusion of ESG compliance clause in General Purchasing Terms & conditions:** The Company has incorporated an ESG compliance clause in its General Purchasing Terms and Conditions. This underscores the importance of ESG considerations in its relationships with suppliers. **Local Sourcing -** The Company aims to continue driving local sourcing, emphasizing the importance of supporting local suppliers. **ESG Audits & Process Audits -** Specific ESG audits and process audits that include ESG considerations will be initiated. This signifies a proactive approach for and improving the ESG performance of suppliers. **ESG Vendor Meet -** The promotion of the ESG Suppliers Day event is designed to bring small and medium-sized suppliers into contact with ESG practices. This event serves as a platform to foster awareness and collaboration on ESG matters among suppliers. Environmental Assessment of Non-Productive or Indirect Suppliers-The Company plans to initiate environmental assessments of non-productive or indirect suppliers. This broadens the scope of ESG considerations to include suppliers beyond direct production. These initiatives collectively highlight the Company's commitment to promoting sustainability throughout its supply chain, ensuring responsible sourcing, and actively engaging with suppliers to enhance ESG practices.	Positive, it will help in reducing GHG Emissions.

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
Environmental Matters					
5.	Circular Economy – efficient use of raw material and waste management	Opportunity	Steel as a raw material is highest associated volume of use as well as waste which may not be recycled in full within companies' factories. Responsibility for waste generation does not end when that waste is removed from Company's facilities. To that end, in addition to its waste minimization plans, it must devise an efficient waste classification system thereby seeking to reduce its environmental impact.	The CIE Automotive Group's commitment to moving towards a circular model signifies a proactive stance toward sustainability and environmental responsibility. Several key points highlight the Company's efforts in this direction: **Reduction in Raw Material, Water, and Energy Consumption:** The Company is actively working to reduce raw material, water, and energy consumption. This aligns with the principles of a circular economy, emphasizing the importance of minimizing resource use and maximizing efficiency. **Waste Reduction:** The circular model approach involves efforts to minimize waste year after year. This indicates a commitment to not only efficient resource utilization but also to reducing the environmental impact associated with waste generation. **Action across the value chain:** The Company's commitment extends across its entire value chain, indicating a comprehensive approach to sustainability. This includes considering the environmental impact of operations from the procurement of raw materials to products exit from gate. **Energy Efficiency Measures:** The introduction of energy efficiency measures throughout processes and facilities is a strategic move. This not only helps minimize the environmental impact but also contributes to reducing energy costs, showcasing a dual benefit of sustainability and cost-effectiveness. **Projects for Optimization and Efficiency:** The Company has been actively undertaking projects to optimize the use of raw materials and increase efficiency. This reflects a commitment to continuous improvement and innovation in line with sustainability projects & goals. By aligning its operations with the principles of a circular economy, the Company is positioning itself as a responsible corporate entity actively contributing to environmental conservation and resource efficiency. The focus on energy efficiency, waste reduction, and optimization projects collectively demonstrates a commitment to sustainable practices throughout the business.	Both Positive and Negative

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6.	New forms of mobility	Risk as well as Opportunity	Electrification of powertrains has seen rapid adoption in Europe with share of battery electric vehicles (EVs) in the light vehicles segment reaching 12% in CY23 and expected to reach 48% by CY2028. In India, the transition to electric mobility is expected to be more gradual especially in 4W though certain segments like 3W and 2W may see rapid adoption of EVs. The highest risk arising from this transition to EVs is at our forging plants. Both in India & Europe, the Company is a market leader in key internal combustion engine parts like crankshafts. Such parts are at risk of obsolescence when EVs become mainstream. As the exposure to such parts in Europe is higher and the pace of transition to EVs more rapid, the risk to sales for our European business is significant. We also have a clear action plan to alleviate this risk. In India, given the slow introduction of 4W EV´s, our lower exposure on engine parts and a good order book for EV parts, for local and exports, we see the risks of EV transition in India being minimal, rather we think it is more of an opportunity. As the supplier ecosystem of EVs is at a nascent stage, EV OEMs are looking to partner with suppliers who have quality and pedigree. Therefore, as a high-quality supplier of automotive parts, we consider the transition to EVs to be more of an opportunity than a risk.	The risk posed by electrification is higher in our European operations and our mitigation plan in Europe is to substitute production of crankshafts by Aluminum forged parts and steel parts that will not be affected by transition to electric vehicles. We have got interesting new orders on those, and some of them are already in production in our plants. In addition, the Gears plant in Europe is developing a healthy order book in electric vehicle transmission parts. In India, transition to EVs is more an opportunity than a risk. Our EV order book in India is spread across aluminum & steel castings, steel forgings, gears, stampings, and composite parts for e2W, e3W and e4W segments. We are investing to expand capacity in India to meet the EV order book requirements. Our diversified technology, product and customer portfolio allows us to address the requirements and risks emerging from EV transition in an effective manner. We are working with major European and Indian OEMs and Tier 1s in the EV space across vehicle segments. We plan to remain agile enough to adapt to future customer needs and emerging trends.	Both Positive and Negative

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Environmental Impact	Risk as well as opportunity	The climate emergency has prompted CIE Automotive Group to strengthen its commitment to carbon neutrality and accordingly CIE Automotive S.A. has joined the SBT initiative and have set-up the clear target of achieving neutrality by no later than 2050, implying medium-term targets to limit global warming to 1.5° C.	The Company's commitment to environmental management is outlined through its adherence to the ISO 14001 standard and specific actions to minimize environmental impact. Several key points highlight the Company's environmental management efforts: **ISO 14001 Certification Status:** Out of the 25 plants, 24 are already certified for the ISO 14001 management standard. The remaining 1 plant will go for certification in CY 2024. **Focus on Air Quality & Pollution Control-** The Company's management systems prioritize control over impacts on air quality and pollution. This involves identifying potential risks and implementing local action plans to eliminate or mitigate them, in accordance with applicable legislation. **Key Actions on Environmental Impact Reduction-** The outlined key actions reflect the Company's commitment to minimizing its environmental impact and promoting sustainability. These actions encompass various aspects: • **Energy from Renewable Sources -** Emphasizing the use of energy generated from renewable sources contributes to a cleaner energy mix. • **Materiality Circularity** - Promoting material circularity aligns with the principles of a circular economy, aiming to minimize waste and promote recycling. • **Responsible Use of Water -** Ensuring responsible water use reflects a commitment to sustainable water management. • **Energy Efficiency in Processes -** Implementing energy-efficient processes contributes to reducing overall energy consumption. • **Reduced Waste Generation -** The focus on reducing waste generation aligns with environmental conservation objectives. • **Use of Cleaner Fuel -** Transitioning to cleaner fuel options contributes to air quality improvement.	Both Positive and Negative

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R / O)	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				• **Green Belt Development -** Initiatives for green belt development contribute to enhancing the ecological surroundings. • **Bio-Gas Plant Set up -** The establishment of bio-gas plants at four locations underscores a commitment to sustainable and renewable energy practices. These actions collectively showcase a comprehensive approach to environmental stewardship, encompassing various facets of resource use, energy efficiency, waste reduction, and overall sustainability.	

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y Note 1	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2	Y Note 2
	c. Web Link of the Policies, if available	Y Note 3	Y Note 3	Y Note 3	Y Note 3	Y Note 3	Y Note 3	Y Note 3	Y Note 3	Y Note 3
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Do the enlisted policies extend to your value chain partners? (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4	Y Note 4

<table>
<tr><th colspan="2">Disclosure Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>5.</td><td>Specific commitments, goals, and targets set by the entity with defined timelines, if any.</td><td colspan="9" rowspan="2">The Company's participation in CIE Automotive Group's 5-year ESG Strategic Plan 2025 reflects a commitment to specific targets and key performance indicators (KPIs) that contribute to sustainability. Several key points highlight the Company's efforts in this regard:

Alignment with Group Level Targets- The Company is aligning its efforts with the broader goals and KPIs set out in CIE Automotive Group's 5-year ESG Strategic Plan 2025. This ensures a cohesive and coordinated approach to sustainability across the entire group.

Undertaking Specific Targets & KPI- The Company has undertaken following specific targets and goals:
• Increase in the share of renewable energy 60 % by 2024 and 100% by 2030
• ISO 50001 (Energy Management System) Certification of all plants by 2027
• Water Positive by 2030
• CO_2 Emission reduction across value chain
• Gender Diversity – 5% by 2025 for Assistant Manager and above level
• Reduction in accident rates (LTIFR)- 15% reduction year on year
• HSE Training for identified employees – 100% by 2024
• Increase Beneficiaries of CSR Project- 5% by 2024 and 10% YOY from CY 2025 onwards
• Impact assessment of CSR Projects-100% by 2025
• TISAX (Information Security for Automotive Industry) Certification by 2025

Sustainability Projects Implementation - Various projects have been initiated under 10 different categories to address the identified sustainability goals.

Sustainability Council Oversight- The implementation and outcomes of these projects are subject to regular review by the Sustainability Council. This ensures ongoing monitoring, evaluation, and adjustment of sustainability initiatives.

Details in the Sustainability Section in Annual Report- The specific details of the projects undertaken, and their outcomes are provided in this report, specifically under point number 4 of leadership indicators of Principle 6. This transparency in reporting showcases a commitment to accountability and disclosure.

Formulation of ESG Roadmap-In line with its ESG Policy and the overarching goals of CIE Group's 5-year ESG Strategic Plan 2025, the company has formulated its ESG Road Map. This roadmap includes India-specific short-term, medium-term, and long-term goals aligned with the broader objectives of the parent company.</td></tr>
<tr><td>6.</td><td>Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</td></tr>
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<tr><th colspan="2">Disclosure Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td></td><td colspan="10">Notes:
1. The Company is member of trade and industry chambers like The Automotive Component Manufacturers Association of India (ACMA), The Confederation of Indian Industry (CII) and Mahratta Chamber of Commerce and Industries (MCCI). The Company has formulated Environmental, Social and Governance Policy which include that the Company should operate the business within national and international legislative and policy framework and not engage in influencing public and regulatory policy. However, the Company may become members of trade and industry chambers or associations and other similar collective platforms, which may be involved in conveying industry concerns to policy makers.
2. The Board of directors of the Company have approved the policies required to be framed under Companies Act, 2013 and SEBI Regulations including Internal Code of Professional Conduct, Whistle Blower Policy, CSR Policy, Code for fair disclosures, Policy on Related Party Transactions and these policies are signed by respective officers authorized by the Board for its implementation. Other operational internal policies are approved by management and signed by the respective business head. Further, the Company has also adopted a few global policies framed by CIE Automotive S.A. the ultimate holding company.
3. It has been Company's practice to upload all policies on internal server or display at prominent places in respective locations or shared with relevant stakeholders for the information and implementation by the internal stakeholders. The Internal Code of Professional Conduct, Whistle Blower Policy, CSR Policy, Code for fair disclosures, Policy on Related Party Transactions, Environmental, Social and Governance Policy are available on the website the https://www.cie-india.com/assets/pdf/governance/policies/Internal%20Code%20of%20Professional%20Conduct.pdf
4. The policies are in line with international standards and practices such as ISO 9001, IATF Guidelines, ISO 14001, ISO 45001 and meet National regulatory requirements such as the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</td></tr>
<tr><td colspan="11">Governance, leadership and oversight</td></tr>
<tr><td>7.</td><td>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)</td><td colspan="9">The Company is committed towards sustainable development through continued and targeted efforts towards environment, social and governance aspects of our business. In line with our global company direction, we have identified following areas through our materiality assessment as:

Social: 1. Attracting and retaining talent, 2. Customer Satisfaction, 3. Occupational Health and Safety, 4. Responsible Supply Chain Management,

Environment: 1. Circular economy-efficient use of raw material, and waste management, 2. New form of mobility, 3, Environment Impact

The Company continued its focus on increasing the share of green energy in total energy consumption during CY-2023. The combined capacity of captive power plants, including wind energy, is 95 MW. Additionally, rooftop solar panels with a capacity of 6.4 MW were installed. The proportion of renewable energy consumption to total energy consumption reached about 57% in CY-2023.

The Company remains committed to a circularity model, with an emphasis on better managing natural resources. Monitoring resource consumption and waste generation is a priority to minimize environmental impacts.</td></tr>
</table>

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
		As part of the Group's ESG (Environmental, Social, and Governance) Strategic Plan, the company has specific targets related to supplier relations and ethics compliance. Key objectives include conducting supplier audits based on ESG criteria, enrolling and registering suppliers on the Supplier Portal (with a specified annual purchase volume threshold), increasing purchases from local suppliers, and ensuring 100% employee completion of Code of Conduct training. The Company has formulated an ESG Road Map with specific short-term, medium-term, and long-term targets and goals. These goals are aligned with the ESG Strategic Plan of the CIE Group and the ESG Policy of the Company, indicating a comprehensive and integrated approach to sustainability and responsible business practices. 1. Increase in the share of renewable energy 60% by 2024 and 100% by 2030 2. ISO 50001 (Energy Management System) Certification of all plants by 2027 3. Water Positive by 2030 4. CO2 Emission reduction across value chain 5. Gender Diversity – 5% by 2025 for Assistant Manager and above level 6. Reduction in accident rates (LTIFR)- 15% reduction year on year by 2024 7. HSE Training for Identified employees – 100% by 2024 8. Increase Beneficiaries of CSR Project- 5% by 2024 and 10% YOY from CY 2025 onwards 9. Impact assessment of CSR Projects-100% by 2025 10. TISAX (Information Security for Automotive Industry) Certification by 2025								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	The Sustainability Council, formed as per the ESG Policy of the Company is the highest authority responsible for implementation and oversight of the Business Responsibility policies.								
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Board has nominated Mr. Manoj Mullassery Menon, Executive Director (DIN: 07642469) who is responsible for decision making on sustainability related issues								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9

10. **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	The performance against the policies and follow up actions is reviewed by the Sustainability Council on quarterly basis.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with all the statutory requirements relevant to each principle. A certificate confirming compliance with all the statutory requirements applicable to the Company is placed before the Board of Directors on quarterly basis.																	

11.

	P1	P2	P3	P4	P5	P6	P7	P8	P9
Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company has ISO 45001 certification for Occupational Health and Safety Management System, and ISO 14001 certification for Environmental Management System. As per the certification requirements of these standards, external audits were conducted by TUV Rheinland at relevant facilities which are certified. Apart from surveillance and certification audit mentioned above no other assessment/ evaluation was conducted by any external agency concerning working of policies.								

12. **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated**:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles_material to its business (Yes/No)	Not Applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

The Company’s actions are guided by its corporate values, which underpin the body of internal rules put in place to ensure that its members behave ethically and are in turn complemented by compliance oversight and breach remedy mechanisms.

The Company has adopted Group’s internal Code of Professional Conduct which expresses the corporate values that guide behavior of professionals within the Company, together with the general guidelines of conduct that orient the Company’s decision making.

The Code provide guidance and ethical principles which guide all directors (whether executive, non-executive or Independent), Senior Management Personnel’s, Key Management Personnel’s, all other employees and workers of the Company (“the people”), determining the values and commitments that must govern their work activities within the Group.

The Company keeps utmost transparency, in keeping with the principles laid down in its Code of Professional Conduct and comply with the applicable laws, including the corporate governance and the principles of cooperation and transparency in dealing with its stakeholders.

Essential Indicators

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	1	Training Program on 12 Life Saving Rules under Occupational Health and Safety During the year, the Board of Directors of the Company (including its Committees) has invested time on various updates comprising matters relating to an array of issues pertaining to the business, regulations, economy and environmental, social and governance parameters.	10%
Key Managerial Personnel	3	1. ESG specific training programs were organized by the Company during the year on : 1. GRI Standards, ESG Awareness Session was conducted during the year, Training Program on 12 Life Saving Rules under Occupational Health and Safety Further, the KMPs have also participated in various programmes/sessions/ conferences/ seminars organized by Industry associations, educational institutions, Chamber of commerce, etc.	33%

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	38	ESG specific training programs were organized by the Company during the year on: 1. Behavior Based Safety 2. Code of Conduct 3. Fire Safety Awareness 4. First Aid 5. Incident Management Procedure Awareness 6. Mental Health & Wellbeing 7. Near Miss Identification 8. PPE's 9. Work at Height & Confined Space 10. Work Permit System	80%
Workers	24	1. Behavior Based Safety 2. Code of Conduct 3. Fire Safety Awareness 4. First Aid 5. De addiction 6. Safe Material Handling 7. Emergency Response Awareness 8. Work at Height & Confined Space 9. HIRA & OCP 10. Work Permit System 11. Paint and Thinner Handling Safety 12. Safety Simulators & 5 Senses 13. Mental health & well being	75%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amountpaid in proceedings (by the Company or by directors / KMPs) with regulators / lawenforcement agencies / judicial institutions, in the financial year, (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Penalty/ Fine	Principle 6	Gujarat Pollution Control Board	6,270,000	The Gujarat Pollution Control Board (GPCB) has on 24th August, 2023, directed the Company to pay an interim Environmental Damage Compensation (EDC) of INR 6.27 million for alleged violation of the Water (Prevention and Control of Pollution) Act 1974 (the Water Act). The EDC was levied while taking on record the submissions of the Company regarding the due compliance of the direction issued by the GPCB in respect of augmentation of and increase in capacity of Effluent Treatment Plant (ETP) and Sewage Treatment Plant (STP) of Company's plant of Gears Division at Rajkot. The Company has paid half of the EDC. On the basis of the submissions made by the Company, GPCB has approved Company's renewal cum amendment application and issued a provisional Consolidated Consent and Authorization dated 24th August 2023. We would like to assure you that the Company is committed to implement its Environmental, Social and Governance (ESG) Policy in letter and spirit and has robust mechanism for ensuring compliance with the Applicable Laws. While we take observations of the authorities as an opportunity to further strengthen our facilities and processes and have accordingly implemented the suggestions as per the Direction of GPCB.	No

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
	Principle 1	Asst. Commissioner Division Rudrapur	619,929	The Order passed by the Asst. Commissioner, CGST Division Rudrapur making a demand of INR 619,929/- under Rule 14 of the CENVAT Credit Rules, 2002 read with proviso to Section 11A of the Central Excise Act, 1944 (the Act). The Order further levies an Interest of INR 619,929/- under Section 11AA of the Act and a Penalty of INR 619,929/- under section 11AC of the Act for alleged violation of Rule 6(3) of the CENVAT Credit Rules, 2004. (Order-in-remand proceedings).	Yes
	Principle 1	State Tax Officer (Rajkot), Office of the Assistant Commissioner of State Tax, Rajkot,	20,000	In relation to the issue of Excess claim of ITC, a demand of CGST of INR 55264/- and GGST of INR 55264/- (INR 110528/- in aggregate) under the GST Act on account of excess Input Tax Credit (ITC) claimed for the Financial Year 2017-18 covering the Tax period July-17 to March-18 is raised by the Authority. The Order further levies an Interest of INR 114301/- under Section 50 of GST Act and a Penalty of INR 20000/- under Section 73 of the GST Act on account of the above.	No
	Principle 1	Directorate General of GST Intelligence (Adjudication Cell), New Delhi	54,871	A demand of Central Excise Duty of INR 54871/- under Section 11A(10) of the Central Excise Act is raised by the Authority. The Order further levies an Interest of INR 16,010/- under Section 11AA of the Act and a Penalty of INR 54,871/- under Section of the 11AC (1) (c) of the Act. This Order is passed against erstwhile Bill Forge Private Limited which is now merged with the Company for the period 2014-15 to 2017-18.	No

Monetary					
	NGRBC Principle	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
	Principle 1	Assistant Commissioner of Central Tax Sangareddy CGST Division, Miyapur, Hyderabad	Penalty in terms of provisions of Section 122 (2)(a) read with Section 73 (9) of the CGST Act, 2017 and TSGST Act, 2017 read with Section 20 of IGST Act, 2017	A demand for the period from July 2017 to March 2020 of (i) INR 2,585,151/- towards IGST, CGST and SGST and imposing penalty in terms of provisions of Section 122 (2)(a) read with Section 73 (9) of the CGST Act, 2017 and TSGST Act, 2017 read with Section 20 of IGST Act, 2017 and (ii) INR 2,554,352/- towards CGST and SGST and imposing penalty in terms of provisions of Section 122 (2)(b) read with Section 74 (9) of the CGST Act, 2017 and TSGST Act, 2017 read with Section 20 of IGST Act, 2017. The Order further levies an Interest in terms of provisions of Section 50 of CGST Act, 2017 and TSGST Act, 2017 read with Section 20 of IGST Act, 2017.	No
Settlement	**Nil**				
Compounding fee					

Non-Monetary				
	NGRBC Principle	**Name of the regulatory / enforcement agencies / judicial institutions**	**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	**Nil**			
Punishment				

3. **Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/enforcement agencies/ judicial institutions
The authority is making a demand of INR 619,929/- under Rule 14 of the CENVAT Credit Rules, 2002 read with proviso to Section 11A of the Central Excise Act, 1944 (the Act). The Order further levies an Interest of INR 619,929/- under Section 11AA of the Act and a Penalty of INR 619,929/- under section 11AC of the Act for alleged violation of Rule 6(3) of the CENVAT Credit Rules, 2004. (Order-in-remand proceedings). The Company has preferred an appeal before Hon'ble Goods and Services Tax Appellate Tribunal against the Order-in-First Appeal and the issues that are involved in the Order-in-remand proceedings are inter-alia part of this appeal. The company is contesting the matter on merits.	Hon'ble Goods and Services Tax Appellate Tribunal

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes, the provisions on anti-corruption and anti-bribery are forming part of Internal Code of Professional Conduct of CIE Automotive India Limited ('the Company/CIE India') wherein CIE India strictly prohibits any behaviour or practice of corruption, bribery and peddling of influence in connection with clients, suppliers, business partners and public officials or institutions, national or international, including those related to money laundering. It encourages payments in electronic mode and maintenance of proper records Also, the weblink of the same is

https://www.cie-india.com/assets/pdf/governance/policies/Internal%20Code%20of%20Professional%20Conduct.pdf.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:**

	FY 2023	FY 2022
Directors	Nil	
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest**

	FY 2023		FY 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.**

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following:

	CY2023 (Current Financial Year)	CY 2022 (Previous Financial Year)
Number of days of accounts payables	67 Days	61 Days

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties:

Parameter	Metrics		CY 2023 (Current Financial Year)	CY 2022 (Previous Financial Year)
Concentration of Purchases	a.	Purchases from trading houses as % of total purchases	10.93%	11.02%
	b.	Number of trading houses where purchases are made from	1,078	916
	c.	Purchases from top 10 trading houses as % of total purchases from trading houses	56.43%	62.03%
Concentration of Sales	a.	Sales to dealers / distributors as % of total sales	0.28%	0.35%
	b.	Number of dealers / distributors to whom sales are made	27	27
	c.	Sales to top 10 dealers/ distributors as % of total sales to dealers / distributors	86.05%	85.03%
Share of RPTs in	a.	Purchases (Purchases with related parties / Total Purchases)	8.76%	8.48%
	b.	Sales (Sales to related parties / Total Sales)	48.38%	48.70%
	c.	Loans & advances (Loans & advances given to related parties / Total loans & advances)	63%	54%
	d.	Investments (Investments in related parties /Total Investments made)	69%	76.47%

Leadership Indicators

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1.	• ESG Sensitization • BRSR requirements • CIE ESG Journey & Strategic Plan 2025 • Value Chain Management • Expectation from Value Chain Partners • Vendor appreciation	44.72% of invited suppliers have undergone the awareness Programme in FY 23.

2. **Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.**

Yes, the Company has processes in place to avoid/manage conflict of interests involving members of the Board. The Director shall adhere to the disclosure requirements and approval processes as specified under 'Policy on materiality of and dealing with Related Party Transactions' of the Company and provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Further the "Internal Code of Professional Conduct" (also known as "the Code") has been adopted by the Board of Directors of the Company and is applicable to all directors (executive, non-executive, or independent), senior management personnel, key management personnel, and all other employees and workers of the Company. The Code provides direction and ethical principles to these individuals that must guide their work activities within the Group. The Code specifically requires any person that considers that they are potentially in a situation of conflict of interests owing to their other activities outside the Group, family relationships, personal assets or any other reason, should immediately notify this fact to the Human Resources Department or the Compliance Department, so that they may analyze the existence or not of the conflict of interest and, in the event of such a conflict, the head of the unit can exclude the person from participating in the process where the conflict of interest exists.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

The Company is an auto-component supplier to OEMs and their Tier-1 suppliers. Our products are manufactured as per the specifications provided by the Customers. Thus, we are more a Process Company than a Product Company. Here are few list of such initiatives.

Resources Efficient & low Carbon processes- The Company is committed to deploying resource-efficient and low carbon processes and technologies in its manufacturing operations. The goal is to minimize adverse environmental and social impacts associated with its operations.

Adaption of new technologies- The Company has embraced new technologies, in Gears Chakan, Gears Rajkot Unit 2, Bill Forge 2D Plant. All these plants expanded and set up with resource and energy-efficient equipment and technology demonstrating a commitment to modern and sustainable manufacturing practices.

Yield Improvement Projects- Various projects focused on yield improvement have been undertaken. The objective includes reducing waste generation and increasing the use of recycled materials, aligning with resource efficiency goals and supporting a circular economy.

Business & Product Development- Business development and new product development teams actively interact with customers. Fulfillment of PPAP (Production Part Approval Process) requirements highlights a commitment to quality standards and customer satisfaction.

Waste Reduction & conservation initiatives-The Company continuously strives to minimize waste in materials and processing requirements. Conservation of energy and water is prioritized through various initiatives, showcasing a commitment to sustainability.

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

S. No.	Particulars	Current Financial Year FY 2023	Previous Financial Year FY2022	Details of improvements in environmental and social impacts
1.	R & D	Nil	Nil	
2.	Capex	2.32	0.64	Green Energy Initiatives, Energy Efficiency improvement projects.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No) - Yes**

   b. **If yes, what percentage of inputs were sourced sustainably?**

a.	Does the entity have procedures in place for sustainable sourcing? (Yes/No)	Yes The Company has adopted "Supplier's ESG Commitment" which incorporates ESG factors, adherence of which each supplier of the Company must ensure.100% of our Suppliers have signed the Supplier's ESG Commitment and have completed the self-evaluation required for registration on our "CIE Vendor Registration Portal".
b.	If yes, what percentage of inputs were sourced sustainably? [Answer in %]	As mentioned above, 100% of inputs are sourced sustainability.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

   As mentioned above, the Company manufactures and supplies auto-components to OEMs and their Tier-1 suppliers. Accordingly, our customers are not the end users of the Products. The Company cannot reclaim the Products it manufactures.

   Returnable PP bags are collected from the customers and used till end of life, post which is disposed to authorised partners._Plastic waste and other waste is sold to scrap dealers in compliance with applicable laws. E-waste is disposed of to state approved agencies for recycling. Hazardous waste collection, storage and disposal is done through respective State Pollution Control Board approved agencies for landfilling, pre-processing and incineration.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes. Obligation complied as per EPR target for FY 2022-2023 and Annual Return filed which is in line with the EPR plan submitted to Central Pollution Control Board (CPCB).

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

   No, the entity has not conducted any Life Cycle Perspective / Assessments (LCA) for any of its products.

   The Company has planned LCA of few components parts in CY 2024.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Not Applicable

3. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

Particular	CY 2023* (Current Financial Year)			CY 2022* (Previous Financial Year)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	216.5 MT	0	0	175.15 MT
E-waste	0	0	8.98 MT	0	0	8.929 MT
Hazardous waste	0	0	2,211.48 MT	0	0	2,021.453 MT
Other waste (Non-Hazardous Waste)	0	0	1,39,331.12 MT	0	0	85,501.971MT

**The Company cannot reclaim any of the products manufactured by it at the end of life of products. However, the figures mentioned above are pertaining to waste generated as a part of our manufacturing operations in above categories.*

4. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Not applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

The company prioritizes the welfare of its employees by championing equal opportunities and cultivating a positive work environment that enhances both physical and mental well-being. More precisely, the company commits to sustaining an occupational risk prevention system that ensures a wholesome healthy workplace.

The company is dedicated to providing its employees with favorable working conditions, fair remuneration commensurate with the nature of their work, and comprehensive training and safety conditions necessary for the effective execution of their roles. This commitment serves to enhance the well-being of our employees and extends to positively impact the lives of their families.

In a proactive approach to safeguard the well-being of all employees, the management consistently conducts occupational health examinations, periodic health check-ups, and workplace monitoring. These measures are implemented to ensure the ongoing good health and vitality of our valuable workforce.

In CY 2024, the company has strategically planned to conduct mental health and well-being sessions across all its plants.

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1,545	1,539	100%	1,545	100%	NA	NA	1,133	73%	0	0.00%
Female	56	56	100.00%	56	100%	56	100%	NA	NA	6	11%
Total	1,601	1,595	100	1,601	100%	56	3%	1131	71%	6	0.37%
Other than Permanent employees											
Male	2	2	100%	2	100%	NA	NA	0	0%	0	0%
Female	1	1	100%	1	100%	0	0%	NA	NA	0	0%
Total	3	3	100%	3	100%	0	0%	0	0%	0	0%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	2,654	2,654	100%	2,654	100%	0	0.00%	0	0%	0	0%
Female	11	11	100%	11	100%	11	100%	0	0%	0	0%
Total	2,665	2,665	100%	2,665	100%	11	0.41%	0	0%	0	0%
Other than Permanent workers											
Male	6,185	1,928	31%	6,185	100%	0	0.00%	0	0%	0	0%
Female	78	23	29%	78	100%	12	15%	0	0%	0	0%
Total	6,263	1,951	31%	6,263	100%	12	0.19%	0	0%	0	0%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) –

	CY 2023 Current Financial Year	CY 2022 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.21%	0.22%

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	CY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	75%	Y	100%	76%	Y
Gratuity	98%	30%	Y	98%	32%	Y
ESI	2%	49%	Y	3%	50%	Y
Superannuation	4%	0%	Y	5%	0%	Y
NPS	2%	0%	Y	1%	0%	NA

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Factory Buildings of the Company are equipped with ramps and handrails for staircases and the Office Premises are equipped with lifts to facilitate the movement of differently abled individuals.

4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

It is one of the Group's basic principles to promote and provide equal opportunities to all in access to employment and career advancement, promoting a corporate culture based on merit. The policy on equal opportunity is part of Internal Code of Professional Conduct which can be accessed through below weblink: https://www.cie-india.com/assets/pdf/governance/policies/Internal%20Code%20of%20Professional%20Conduct.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	100%	100%	NA	NA
Female	NA	NA	NA	NA
Total	100%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The Company has a proactive grievance identification method. Employees and Workers participate in a meeting either monthly or weekly or through Employee Satisfaction Survey where opinion is solicited.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the Company:

Category	**CY2023**			**CY 2022**		
	(Current Financial Year)			**(Previous Financial Year)**		
	Total employees / workers in respective category (A)	**No. of employees / workers in respective category, who are part of association(s) or Union (B)**	**% (B / A)**	**Total employees / workers in respective category (C)**	**No. of employees /workers in respective category, who are part of association(s) or Union (D)**	**% (D / C)**
Total Permanent Employees	1,601	0	0	1,558	0	0%
- Male	1,545	0	0	1,522	0	0%
- Female	56	0	0	36	0	0%
Total Permanent Workers	2,665	2,326	87%	2,700	2,248	83%
- Male	2,654	2,316	87%	2,689	2,237	83%
- Female	11	10	91%	11	11	100%

8. **Details of training given to employees and workers:**

Category	FY 2023 Current Financial Year					FY 2022 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/ A)	No. (C)	% (C /A)		No.(E)	% (E / D)	No. (F)	% (F / D)
Employee										
Male	1,547	1,210	78%	791	51%	1,525	990	65%	840	55%
Female	57	39	68%	23	40%	37	20	54%	13	35%
Total	1,604	1,249	78%	814	51%	1,562	1,010	65%	853	55%
Workers										
Male	8,839	1,820	21%	1,927	22%	8,347	1,661	20%	1,525	18%
Female	89	1	1%	12	13%	95	15	16%	15	16%
Total	8,928	1,821	20%	1,939	22%	8,442	1,676	20%	1,540	18%

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2023 Current Financial Year			FY 2022 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1,547	1,428	92%	1,525	1,296	85%
Female	57	28	49%	37	20	54%
Total	1,604	1,456	91%	1,562	1,316	84%
Workers						
Male	8,839	253	3%	8,347	574	7%
Female	89	1	1%	95	0	0%
Total	8,928	254	3%	8,442	574	7%

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, The company places a strong emphasis on health and safety, implementing an Occupational Health and Safety Management System and achieved ISO 45001 certification across all its facilities except 1 location. This location will be going for certification in 2024. The focus on routine health checks, occupational health examinations, and workplace monitoring further underscores the commitment to ensuring the well-being of employees. This proactive and systematic approach aligns with best practices for occupational health and safety management.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The company's commitment to a comprehensive Health and Safety Management System, incorporating various tools and initiatives to ensure a safe working environment. Here's a breakdown of the key points:

Hazard Identification & Risk Assessment (HIRA) - Operating teams receive necessary training to conduct Hazard Identification and Risk Assessment (HIRA) for all routine activities at the plants. This proactive approach helps in identifying potential hazards and assessing associated risks, laying the foundation for effective risk management.

Job Safety Analysis((JSA) - JSA is a mandatory requirement for obtaining permits for all non-routine work. The use of JSA ensures that potential risks associated with specific tasks are thoroughly analyzed and addressed before work begins, promoting a systematic approach to safety.

Standard Operating Procedure's (SOPs) - SOPs are developed based on HIRA to reduce safety risks at plants. Having documented procedures helps standardize safe practices and provides guidelines for employees to follow, contributing to a safer work environment.

Behavior Based safety System (BBS) - In CY 2022, a Behavior-Based Safety System (BBS) was implemented. Trained operating level employees conduct plant tours to reinforce safe behavior among operators and identify areas for improvement on a monthly basis, emphasizing a proactive and participatory approach to safety.

Theme Based Safety Inspections - Theme-based inspections are conducted on a monthly basis. These inspections focus on specific themes, allowing for a targeted assessment of areas needing improvement within the overall safety management system.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes. We have a system of capturing unsafe acts, conditions and near misses. Worker's report to the shop floor supervisors all such hazards. To encourage reporting of such matters they are recognized in weekly reward and recognition program.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

Annual medical check-up coverage is there for all the employees and workers. Health Awareness camps being organized in the plants on regular basis. Consulting Doctor visit the OHC centres at plants at regular intervals.

11. **Details of safety related incidents, in the following format:**

Safety Incident /Number	Category	FY2023	FY2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.07	0.11
Total recordable work-related injuries	Employees	01	0
	Workers	01	03
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. **Describe the measures taken by the entity to ensure a safe and healthy workplace.**

The Company has a robust framework for workplace health and safety. Here are the key points:

Hazard Identification & Risk Assessment (HIRA) - All activities at the plant level undergo Hazard Identification and Risk Assessment. Mitigation controls are implemented to ensure that activities are carried out safely, reflecting a proactive approach to risk management.

Standard Operating Procedures & Training - SOPs are developed for activities, and shop floor employees are trained accordingly. Training ensures that employees are well-versed with safety protocols, contributing to a safer working environment.

New Entrant Safety Induction - New entrants undergo specific 10-day safety induction and on-the-job training before working independently. This ensures that new employees are familiar with safety practices and protocols from the outset of their tenure.

Employee & Workers Participation - Workers actively participate in monthly safety committee meetings. This involvement allows employees to contribute to the safety discussion and suggest improvements, fostering a culture of shared responsibility for health and safety.

Management Review - The management reviews safety performance monthly at each plant/business vertical. Regular reviews enable the identification of trends, areas for improvement, and the overall effectiveness of safety measures.

Safety Awareness Initiatives - To raise awareness on safety, the Company conducts various initiatives. Themes, campaigns, competitions, and recognition programs contribute to creating a safety-conscious workplace culture. As part of this initiative the Company has launched 12 Life Saving Rules Project in CY 23 to train more than 4000 employees and workers on the basic rules of safety to be followed while at work as well off the work Total 4345 employees and workers were undergone this program.

13. Number of Complaints on the following made by employees and workers:

	CY 2023 (Current Financial Year)			CY2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	1	0		0	0	
Health & Safety	2	0		0	0	

14. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%, internally assessed by the Company
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees -Yes

(B) Workers -Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has a process to verify that statutory dues have been deducted and deposited by the value chain partners, in some cases, by requiring to submit relevant proofs along-with invoices.

Also, the Company is taking declaration from the Suppliers on compliance of conditions of Code of Conduct which includes fulfilling of requirements related to employees and workers statutory dues.

3. **Provide the number of employees / workers having suffered high consequence work- related injury/ ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023 (Current Financial Year)	FY 2022(Previous Financial Year)	FY 2023 (Current Financial Year)	FY 2022(Previous Financial Year)
Employees	NA	NA	NA	NA
Workers	NA	NA	NA	NA

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   No

5. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%*
Working Conditions	100%*

***Note:** *The Company is taking declaration from its suppliers on Supplier's ESG commitment in which they undertake to put into effective workplace health and safety practices and maintaining healthy working conditions.*

The Company is in the process of launching Web Portal for data gathering and assessment for India Specific value chain partners periodically.

6. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners**

   Not applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

The Company's ESG (Environmental, Social, and Governance) Policy outlines an objective to create and maintain fluid and bidirectional communication with stakeholders. The goal is to better understand their expectations and efficiently adapt the business operations to safeguard the interests of all stakeholders while ensuring a right balance of conflicting interests.

To align the Company's business strategy with the legitimate wishes of stakeholders, the company engages intensely with them through various communication channels. These channels include the corporate website, intranet, in-house newsletter, and the Suppliers Portal. These platforms serve as avenues for effective communication, ensuring that stakeholders are informed and engaged.

The CIE Group ESG Strategic Plan for 2025 sets forth a dual challenge for its group companies. Firstly, it establishes earnings and business targets that respond to market trends. Secondly, it emphasizes addressing the needs and concerns of all stakeholders by integrating ESG standards into the management model. The plan focuses on measuring every impact to achieve quantifiable improvements, reflecting a commitment to sustainable business practices and stakeholder value.

Essential Indicators

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   Depending on how much of a material influence they have over the company or how much of a material influence the Company's corporate actions and their results have on them, key stakeholders are determined.

2. List stake holder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

The Company has identified six groups of stakeholders that interact with the Company and are affected directly or indirectly by its business through the Stakeholder Engagement and Materiality Assessment (SEMA) process

Stakeholder Group	**Whether identified as vulnerable & marginalised group (Yes/ No)**	**Channels of communication** (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	**Frequency of engagement** (Annually, Half yearly, quarterly /others- please specify)	**Purpose and scope of engagement including key topics and concerns raised during such engagement**
Shareholders	No	• Structured conference calls • Periodic investor/ analyst interactions like individual Meetings • Participation in investor conferences • Quarterly earnings calls • Analysts meet from time to time guided by finance department of the company	• Quarterly • Half yearly • Annually • Periodically and as & when required	• Disclosure of information • Consent of shareholders wherever required • to resolve the investor grievances involving various issues among which dividend related matters, • dematerialisation, • issue of duplicate share certificate etc.
Employees and Workers	No	• Company Intranet • News Letter • Office Collaboration screens • Notice Boards • Emails • Award and Recognition ceremonies/Town Hall	As required/daily	General Feedback, Grievances, to share relevant & useful information to employees, Employee Success, Motivation, Moral, Safety
Customers	No	• Mail • Meetings • SMS	As required/daily	To address complaint and revert with Corrective and Preventive Action

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/ No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Vendors and Suppliers	No	• Suppliers meet, • Email, • Formal meet • Award and Recognition ceremonies • Participation in Survey conducted by the Company from time to time	• RM suppliers -Annual Meet • BOP supplier - Email	For compliance, announcement of new programmes and procedures of CIE India
Society	Yes	CSR Activities • Volunteering Activities • Community Events • Community Survey and Consultations	As and when required through NGO partners/ Third party	To identify the potential areas for CSR activities, formulating, implementing, and evaluating such CSR activities.
Central, State and Local Govt. and Various Statutory and Regulatory Bodies	No	• Email • SMS	As and where required	For Compliance & Communication

Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   ESG Policy of the Company provides the channels of communication for dialogue with and the participation of the various stakeholders in relation to ESG-

   by E-mail: ESG.Sustain@cie-india.com

   by Post- addressed to the Chairman Sustainability Council at the following address:

   CIE Automotive India Limited

   602 – 603 Amar Business Park, Above Westside Showroom, Baner, Pune – 411045

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   The Company's approach to formulating policies reflects a commitment to compliance with applicable laws and adherence to international standards and practices such as ISO 14001, ISO 45001, etc. The process involves consultation with relevant officers and advisors of the Company, followed by the approval of the policies by the Board.

   In addition to legal and industry compliance, the Company actively encourages employee participation in Employee Social Engagement Programs, aligning with its Corporate Social Responsibility (CSR) Policy. The

Company engages in CSR activities with a focus on creating a positive impact on the weaker sections of society. The modalities of implementing CSR activities are determined through consultation with targeted beneficiaries, local authorities, and implementation partners.

Furthermore, the Company involves employees in initiatives like Kaizen, which encourages the generation of improvement ideas, including those related to waste management and energy reduction. The Behavior Based Safety approach encourages employees to highlight unsafe acts or conditions. These activities demonstrate the company's commitment to incorporating inputs from stakeholders, including employees, into its policies and operational activities. This inclusive approach helps create a more collaborative and socially responsible business environment.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Yes, as a part of the CSR activities, the Company has initiated Project Lakshya.

Project Lakshya is a placement linked training & skills development project for unemployed youths. In this project, we have added new courses like Commercial Driver Training and Tool & Die Maker course. We have also increased enrolment of female candidates and special batch for most vulnerable group of community.

PRINCIPLE 5 Businesses should respect and promote human rights

The Company has adopted the Global Policy of CIE Group on Human Rights, demonstrating a formal commitment to respecting universal rights in all aspects of its operations. Additionally, the company's ESG Policy reinforces its dedication to respect human rights.

The Company explicitly repudiates child labor, compulsory labor, and workplace discrimination. It actively promotes respect for the freedom of association and the right to collective bargaining. Furthermore, the Company commits to compliance with prevailing legislation in all its business markets, aligning with internationally recognized human rights standards and its own Human Rights Policy.

The Human Rights Policy is in compliance with the provisions of the International Labour Organization's fundamental conventions on the freedom of association and the right to collective bargaining.

The Company did not receive any complaints related to human rights violations, specifically breaches of the right to decent work and a living wage, in either 2023 or 2022. This absence of complaints suggests a proactive approach to maintaining a workplace environment that upholds human rights standards and aligns with the United Nations Declaration. It reflects positively on the company's commitment to ethical and responsible business practices.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the Company:

Category	FY2023			FY2022		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	1,601	1,052	66%	1,558	1,026	66%
Other than Permanent	3	0	0.00%	4	1	25%
Total Employees	1,604	1,052	66%	1,562	1,027	66%
Workers						
Permanent	2,665	1,226	46%	2,700	1,266	47%
Other than Permanent	6,263	1,397	22%	5,742	1,224	21%
Total Workers	8,928	2,623	29%	8,442	2,490	29%

2. Details of minimum wages paid to employees and workers, as follows

Category	FY 2023					FY 2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	1,601	0	0%	1,601	100%	1,558	0	0%	1,558	100%
Male	1,545	0	0%	1,545	100%	1,522	0	0%	1,522	100%
Female	56	0	0%	56	100%	36	0	0%	36	100%
Other than Permanent	3	0	0%	3	100%	4	0	0%	4	100%
Male	2	0	0%	2	100%	3	0	0%	3	100%
Female	1	0	0%	1	100%	1	0	0%	1	100%
Workers										
Permanent	2,665	0	0%	2,665	100%	2,700	0	0%	2,700	100%
Male	2,654	0	0%	2,654	100%	2,689	0	0%	2,689	100%
Female	11	0	0%	11	100%	11	0	0%	11	100%
Other than Permanent	6263	356	6%	5,907	94%	5,742	1169	20%	4,573	80%
Male	6,185	356	6%	5,829	94%	5,658	1141	20%	4,517	80%
Female	78	0	0%	78	100%	84	28	33%	56	67%

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

(amount in `)

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors[2]	09	2,537,054	1	5,000,000
Key Managerial Personnel (KMP)	05	29,726,128	0	NA
Employees other than BoD and KMP[3]	1540	865,091	56	332,978
Workers[3]	2654	879,265	11	594,886

Note:

1. *For the purpose of calculation of median remuneration, the meaning of Median as provided in Explanation (i) and (ii) to Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for reporting in Board Report is considered i.e. the numerical value separating the higher half of a population under a particular category from the lower half under that category by arranging all the observations from lowest value to highest value and picking the middle one in case of odd number of observations and in case of even number of observations, the median is calculated by arriving at average of the two middle values.*
2. *In calculation of median remuneration for employees other than BoD and KMPs and Workers, only those employees and workers are considered who falls under permanent category.*
3. *Further, the Directors, KMPs, Employees and Workers as on the end of the financial year i.e. 31st December, 2023 were taken into consideration for calculation of median remuneration.*

b. Gross wages paid to females as % of total wages paid by the entity, as following:

	FY 2023	FY 2022
	Current Financial Year	Previous Financial Year
Gross wages paid to females as % of total wages	1.08%	0.10%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has a comprehensive mechanism in place to monitor cases addressing human rights issues. The availability of a grievance mechanism allows employees to raise concerns without fear of reprisal, and the Whistle Blower Channel is specifically designed to record and redress grievances, ensuring that employees' voices are heard and their concerns are addressed.

Furthermore, under the ESG (Environmental, Social, and Governance) Policy, the Company has established dedicated communication channels through which stakeholders can voice their concerns. This inclusion recognizes the importance of engaging with and addressing the perspectives and concerns of various stakeholders beyond the internal workforce.

The presence of these mechanisms, including the Whistle Blower Channel and dedicated communication channels under the ESG Policy, reflects the Company's commitment to transparency, accountability, and ethical practices. It ensures that individuals, whether employees or external stakeholders, have avenues to express their concerns and contribute to the ongoing improvement of the Company's policies and practices related to human rights and broader ESG issues.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

The Company has extended its commitment to addressing human rights issues beyond the Whistle Blower Mechanism. Under the ESG (Environmental, Social, and Governance) Policy, dedicated communication channels have been established to allow for the raising of grievances related to human rights issues. This demonstrates a comprehensive and multi-faceted approach to addressing concerns and ensuring accountability in the domain of human rights within the Company.

Additionally, the provision of a Global contact for issues related to ESG and Society under CIE Group's Global ESG Policy further emphasizes the company's commitment to a global standard of corporate responsibility. The availability of a contact point provides stakeholders with a means to report and address ESG-related concerns on a broader scale.

These initiatives contribute to fostering a transparent and accountable corporate culture, aligning with best practices in corporate responsibility and sustainability. The accessibility of dedicated channels and global contacts ensures that stakeholders have avenues to voice their concerns and contribute to the company's ongoing commitment to ethical and responsible business practices.

6. Number of Complaints on the following made by employees and workers:

	CY 2023			CY 2022		
	Filed during the year	**Pending resolution at the end of the year**	**Remarks**	**Filed during the year**	**Pending resolution at the end of the year**	**Remarks**
Sexual Harassment	1	0	During the year a complaint of previous year is also resolved	1	1	Not applicable
Discrimination at workplace	0	0	Not Applicable	0	0	
Child Labour	0	0		0	0	
Forced Labour/ Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other Human rights related issues	0	0		0	0	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	CY 2023 Current Financial Year	CY 20222 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	1
Complaints on POSH as a % of female employees / workers	0.68%	0.75%
Complaints on POSH upheld	2	NA (Resolved during the FY 2023)

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

The Company has adopted CIE Automotive's protocol for preventing and handling workplace harassment.

The protocol encompasses the prevention of mobbing, sexual harassment, and gender harassment, incorporating various preventive measures such as zero-tolerance towards harassment, shared employee responsibility for monitoring workplace conduct, and the establishment of communication programs. The Harassment Protocol is accessible on the CIE Automotive website for consultation, demonstrating transparency and accessibility.

Moreover, in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act of 2013, the Company has formulated a Policy on the Prevention of Sexual Harassment for Women at the Workplace. This policy is applicable to all employees, including permanent, contract, temporary, and trainees. To address accusations of sexual harassment, the Company has established an Internal Committee (IC), aligning with legal requirements.

The Code of Professional Conduct enables the submission of inquiries or notifications, including those related to harassment, anonymously. The Compliance Department handles and analyzes such notifications and inquiries confidentially.

Both the harassment policies and the whistle-blower policy provide mechanisms for the protection of complainants and whistle-blowers. The company explicitly condemns any form of discrimination, harassment, victimization, or unfair employment practices against whistle-blowers. This commitment includes complete protection against retaliation, threats, intimidation, or any other unfair practices that may hinder the whistle-blower's right to continue performing their duties or making further protected disclosures. This comprehensive approach reinforces a commitment to creating a safe and respectful workplace environment.

9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, The Company places a mandatory requirement on the inclusion of human rights specifications in business agreements and contracts. Ensuring that human rights considerations are embedded in these documents reflects a commitment to ethical business practices. Moreover, the mandatory requirement for all suppliers to sign the Suppliers ESG Commitment, which incorporates human rights requirements, is a proactive step. This approach aligns with global sustainability goals and ethical business practices.

The Group's Suppliers ESG Commitment is available on the website of the CIE Group on the Weblink: https://www.cieautomotive.com/en/web/guest/compromiso-asg-proveedores

10. **Assessments for the year:**

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	The Company has implemented a robust mechanism to ensure compliance with all statutory requirements. The company conducts regular internal assessments to verify compliance with various topics, including but not limited to Child Labour, Forced Labour / Involuntary Labour, Sexual Harassment, Discrimination at the workplace, Wages, Safety, Health, and Welfare. The commitment to conducting internal assessments on these critical topics is reflected in the fact that 100% of the company's plants and offices have undergone internal assessments. This demonstrates a proactive approach to ensuring legal and ethical compliance across various aspects of the company's operations, contributing to a safe, fair, and inclusive workplace environment..
Forced Labour/Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Other- please specify	

11. **Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 10 above.**

Not Applicable

Leadership Indicators

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

The company is committed to deploying resource-efficient and low-carbon processes and technologies in the manufacturing of its products. The goal is to provide goods and services to customers while minimizing adverse environmental and social impacts associated with its operations.

To effectively manage environmental risks and opportunities, the company has implemented a robust environmental management system that adheres to the specifications of the ISO-14001 standard. Except one manufacturing plant all manufacturing locations are already certified under ISO-14001 standards.

As part of its commitment to a circular model, the company focuses on better managing natural resources by monitoring consumption and waste generation to minimize negative impacts from its activities.

A noteworthy initiative involves increasing the share of green energy in total energy consumption. In the current financial year (CY) 2023, the company achieved a proportion of 57% renewable energy consumption to the total energy consumption. This emphasizes the company's dedication to sustainability and reducing its carbon footprint through the utilization of renewable energy sources.

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity:**

(amount in `)

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) Kwh	14,58,05,258.08	13,23,43,617.9
Total fuel consumption (B) Kwh	1,07,04,540.5	0
Energy consumption through other sources (C) Kwh	0	0
Total energy consumed from renewable sources (A+B+C)	15,65,09,798.58	13,23,43,617.9
From non-renewable sources		
Total electricity consumption (D) Kwh	11,02,54,708.7	12,26,90,689.1
Total fuel consumption (E) Kwh	4,73,54,735.98	799,45,237.79
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	15,76,09,444.68	20,26,35,926.89
Total energy consumed (A+B+C+D+E+F)	31,41,19,243.26	33,49,79,544.79
Energy intensity per rupee of turnover *(Total energy consumed / Revenue from operations)*	0.007	0.007
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) *(Total energy consumed / Revenue from operations adjusted for PPP)*	0.0019	0.0022
Energy intensity in terms of physical Output (Per MT)		
Energy intensity (optional) – the relevant metric may be selected by the entity	1,429.09	1,559.42

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No*

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

3. **Details of the following disclosures related to water**

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,50,274	1,95,344
(ii) Ground water	58,669.95	64,691
(iii) Third party water	2,99,915.59	2,18,300
(iv) Sea water / desalinated water	0	0
(v) Others (Rain Water)	6,363	5,546
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	5,15,222.54	4,83,881
Total volume of water consumption (in kilolitres)	5,08,942.39	4,83,881
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.0000116	0.0000106
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00000314	0.00000322
Water intensity in terms of physical Output (Per MT)		
Water intensity (optional) – the relevant metric may be selected by the entity	2.32	2.25

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No*

4. **Provide the following details related to water discharged:**

Parameter	CY 2023 (Current Financial Year)	CY 2022 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment – please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment – please specify level of treatment	0	0

Parameter	CY 2023 (Current Financial Year)	CY 2022 (Previous Financial Year)
(iv) Sent to third parties		
No treatment	11,182.01	27,796.1
With treatment – please specify level of treatment	1,261.29	0
(v) Others (Using for Gardening Purpose)		
No treatment	0	0
With treatment – (Primary, Secondary and Tertiary_treatment)	1,29,797.15	1,18,450
Total water discharged (in kilolitres)	1,42,240.45	1,46,246.1

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No*

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Company has established a mechanism in compliance with the requirements specified by the State Pollution Control Board consent conditions. Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) have been installed to facilitate the recycling of wastewater. The treated water is further utilized in various processes, gardening, cooling tower top-ups, toilet flushing, and other applications. Moreover, the mention of the Zero Liquid Discharge mechanism being implemented at the company's Unit at Bill Forge Plant 2, Iron Casting Urse, Gears Chakan, and Gears Rajkot Unit 3 demonstrates a commitment to environmental sustainability. Zero Liquid Discharge implies that no liquid effluent is discharged outside the facility after the treatment process, contributing to a more sustainable and eco-friendly approach to industrial processes. This aligns with environmental best practices and regulatory compliance.

6. Details of air emissions (other than GHG emissions) by the entity, as follows:

Parameter	Please specify unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
NOx	microgram/Nm3	23.12	20.9
SOx	microgram/Nm3	15.14	16.35
Particulate matter (PM)	microgram/Nm3	55.98	107.61
Persistent organic pollutants (POP)	microgram/Nm3	Not Applicable	Not Applicable
Volatile organic compounds (VOC)	microgram/Nm3	Not Applicable	Not Applicable
Hazardous air pollutants (HAP)	microgram/Nm3	Not Applicable	Not Applicable
Others – please specify	microgram/Nm3	Not Applicable	Not Applicable

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No*

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	9,169.44	18,897
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	92,230.32	1,83,706
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	MT / ` Cr	0.00000222	0.00000461
Total Scope 1 and Scope 2 emission intensityperrupeeofturnoveradjusted for purchasing power parity PPP (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted from PPP)		0.000000625	0.00000135
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Per MT)			
Total Scope 1 and Scope 2 emission intensity *(optional)* – the relevant metric may be selected by the entity	MT CO2e/MT	0.461	0.943
Total Biogenic Emission	MT CO2e/MT	2734.48	1286.25

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No*

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes. The Company has undertaken several measures to reduce its overall GHG Emissions.

For conservation of energy following initiatives were undertaken by the Company, which has helped in reducing the GHGs:

- Modification of cooling tower water pipelines layout to reduce no. of cooling towers.
- Induction Billet Heating Coil modifications
- Installation of new energy efficient compressors
- Installation of VFD in machines
- Installation of Motion Sensors
- Upgrading existing motors to energy efficient motors
- Use of mechanical energy instead of Electrical energy
- Converting normal lights into LED Lights
- Interlocking of machine accessories operations with machine cycle
- Power Factor improvements by installing SVG unit

- Conversion of MIG welding machines to thyristor control welding machines
- Installation of Servo system on press machines
- KW reduction in SQF fans motor from 5.5KW to 3.7 KW
- Elimination of 3.7 KW motor with gearbox in Tempering Furnace by Converting mechanical chain pusher into Pneumatic cylinder pusher
- KW reduction in Annealing furnace from 36 KW to 26 KW by design change
- Optimized blasting time in Shotblasting Machine
- Interlink Conveyer with Press to auto stop
- Optimization of office air-conditioning utilization
- Dummy Billets for IBH Start / Stop
- Auto cut off IBH while setting time – WF
- Replacing Diesel boiler with Gas boiler
- Installation/replacement of roof top sky lights for use of day light
- Optimisation of Compresse air pressure & reduce compressed air consumption
- APFC panel Installation, Harmonic Filters Installation etc.
- Cycle Time Reducing in 2D Laser Marking.
- Installation of 500 KW modular Induction Billet heater on 1600T Press line
- Water cooled heat exchanger to be installed in place of refrigerator chiller
- Energy audit to identify the gaps
- Installation of Roof Top Solar panels
- Addition of 16 MW Group Captive Solar power plant
- Installation of new transformer

9. Provide details related to waste management by the entity:

Parameter	**FY 2023 (Current Financial Year)**	**FY 2022 (Previous Financial Year)**
Total Waste generated (in metric tonnes)		
Plastic waste (A)	216.5	175.15
E-waste (B)	8.88	8.929
Bio-medical waste (C)	0.04	0.004
Construction and demolition waste (D)	175.96	0
Battery waste (E)	2.75	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	2,211.35	2,021.453
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1,39,331.12	85,501.971
Total (A+B + C + D + E + F + G+ H)	**141,946.6**	**87,707.51**

Parameter	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations)	0.0000031	0.0000020
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00000087	0.00000058
Waste intensity in terms of physical output (Per MT)		
Waste intensity *(optional)* – the relevant metric may be selected by the entity	0.646	0.408
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1,13,660.14	60,306.478
(ii) Re-used	2,046.64	0
(iii) Other recovery operations	968.54	199.86
Total	**1,16,675.32**	**60,506.338**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	523.81	345.542
(ii) Landfilling	25,248.35	26,627.396
(iii) Other disposal operations	15,201.26	228.238
Total	**40,973.42**	**27,201.18**

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No*

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The company has obtained authorization from the State Pollution Control Boards for the management of both Hazardous and Non-hazardous waste. A systematic waste management approach is in place, involving the segregation of all types of waste at the source. Designated storage areas are allocated for each waste type, and the generation and disposal records are diligently maintained for every waste category, adhering to consent and applicable requirements.

Waste disposal and recycling procedures follow the stipulated consent and rule requirements, directing waste to Common Hazardous Waste Storage, Treatment, and Disposal facilities, authorized recyclers, or agencies. The company ensures compliance with these regulations, and annual returns are filed as per consent and applicable rule requirements.

To enhance environmental awareness and compliance, the company conducts training and awareness programs for individuals involved in the handling, storage, and disposal of waste at regular intervals. Specifically, hazardous and toxic chemicals are handled by trained personnel in accordance with their Safety Data Sheets (SDS). Additionally, the company focuses on reducing the consumption of these substances, aligning with specific process requirements. This comprehensive waste management strategy reflects the company's commitment to environmental responsibility and regulatory compliance.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).**

Yes. The Company is compliant with the applicable laws pertaining to Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981, Environment Protection Act, 1986 and rules thereunder.

If not, provide details of all such non-compliances, as following:

S. No.	Specify the law/ regulation/guidelines which was not complied with	Provide details of the non -compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not applicable				

Leadership Indicators

1. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

Not applicable, since none of the plant is situated in water stress area as per Central Ground Water Authority (CGWA) guidelines

Water withdrawal, consumption and discharge as follows:

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kilolitres)		
(i) Surface water	Not Applicable	
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover *(Water consumed / turnover)*		
Water intensity *(optional)*–the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	Not Applicable	
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No*

2. Please provide details of total Scope 3 emissions & its intensity:

Parameter	Unit	FY 2023 (Current Financial Year)	FY 2022 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Not Applicable	Not Applicable
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

Note: *Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No*

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Reduction in Energy Consumption Intensity	1. Upgrading existing motors to energy efficient motors 2. Use of correct rating motors as per Load 3. Use of Motion Sensors 4. Installation of Timers in Lighting Panels 5. Modification of cooling tower water pipelines layout to reduce no. of cooling towers. 6. Induction Billet Heating Coil modifications 7. Installation of new energy efficient compressors 8. Installation of VFD in machines 9. Installation of Motion Sensors 10. Use of mechanical energy instead of Electrical energy 11. Converting normal lights into LED Lights 12. Interlocking of machine accessories operations with machine cycle 13. Power Factor improvements by installing SVG unit 14. Conversion of MIG welding machines to thyristor control welding machines 15. Installation of Servo system on press machines 16. Capacitor Banks Capacity Optimization	Reduction in Energy intensity

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
		17. Installation/replacement of roof top sky lights for use of day light 18. Optimisation of Compresses air pressure & reduce compressed air consumption 19. (APFC panel Installation, Harmonic Filters Installation etc.) 20. Cycle Time Reducing in 2D Laser Marking 21. Installation of 500 KW modular Induction Billet heater on 1600T Press line 22. Water cooled heat exchanger to be installed in place of refrigerator chiller 23. Energy audit to identify the gaps 24. Replacement of old AC with inverter-based AC 25. Installation of new transfromer	
2	Increase use of Renewable Energy	1. Cleaning of solar panels to increase the generation 2. Increasing Group Captive Generation 3. Installation of Roof Top Solar panels 4. Addition of 16 MW Group Captive Solar power plant	Renewable energy increased to about 57%
3	Reduction in Water Consumption Intensity	1. Installation of Dish Washer in Canteen 2. Installation of Water Aerators 3. Use of Rainwater Harvesting system 4. Recycling of ETP/STP Treated water in processes & gardening 5. Fixing of Auto Level sensors in overhead storage tanks 6. Usage of Treated water for Urinals & Toilet flush 7. Upgrading STP to MBR technologies 8. Providing flow controller for all tanks to avoid over flow 9. Reusing of coolant by filtration (DM) 10. Use of RO Reject water for solar panel cleaning 11. Use of harvested rainwater into cooling towers 12. Installation of EDRO System	Reduction in Water Consumption Intensity

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
4	Reduction in Material Consumption Intensity	1. VA/VE projects 2. Recycling of Scrap material 3. Gross Weight Reduction activities 4. Reduction in inhouse scrap generation 5. Tool Life optimization 6. Use of Returnable packaging material 7. Reusing the dies for production 8. Packet die replace instead of whole die machining 9. Reduction of Plastic Packaging materials 10. Increase No. of parts per packaging 11. Procurement of input material in bins/returnable packaging from suppliers/vendors 12. Wire spool consumption reduction by using 100 kg drum wire spool	Reduction in Material Consumption Intensity
5	Reduction in Hazardous Waste Intensity	1. Installation of Filter Press at source of generation 2. Use of Dry Cut operations in turning 3. Use of Returnable Cans/Drums for procurement of chemicals 4. Segregation at source 5. Reusing of Quench oil by filtration 6. Increasing bath life of effluent/oils/coolants 7. Installation of high-quality magnetic filtration system 8. Recovery of left-over paint in CED tank	Reduction in Hazardous Waste Intensity
6	Reduction in Non Haz Waste Intensity	1. Use of Off Cut Steel Material 2. Segregation at Source 3. VA/VE projects 4. Recycling of Scrap material 5. Optimising the packaging material sizes 6. Use of Returnable packaging 7. Reduction in metal scrap (Melting & Boring)	Reduction in Non-Hazardous Waste Intensity

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
7	Reduction in Fuel, Gases & Chemical Consumption Intensity	1. Installation of Bio Gas Plants 2. Use of Cleaner Fuels 3. Re-use of oil after filtration 4. Use of Battery Operated Forklifts 5. Optimising Chemical Consumption usage 6. Optimising replacement & top up frequency 7. Efficiency optimization 8. Replace diesel forklift to electrical forklifts 9. Insulation of heat transfer lines 10. Reusing the cutting oils 11. Installation of bio gas plant for converting food waste 12. Palatize CO2 gas bank usage instead of CO2 cylinder	Reduction in Fuel Consumption Intensity
8	Transport Management (Reduction in No of Trips In- bound & Out-bound) Utilization of Vehicle Capacity	1. Clubbing of Dispatch Material Loads 2. Dispatching in Large Capacity Vehicles 3. Material Pack Size increasing 4. Dispatch Qty Lot Size increasing to Customer 5. Increasing use of CNG Vehicles 6. Use of empty vehicles while returning after customer delivery for pickup of inward material from vendors. 7. Use of Milk Run vehicles on a common route 8. Small size vehicles will be reduced and increase BIG size from 407 to 707/1109 9. Outsourcing to insourcing process	Overall Transport Vehicle Capacity Utilization increased up to 97%.
9	Green Belt Development	1. Tree Plantation inside plant premises 2. Tree Plantation under CSR activities nearby plants 3. Tree survival monitoring	Total 5642 trees were planted across all locations of the company

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Business Continuity Plan (BCP) of the Company is an integral part of its Risk Management Policy. Each manufacturing unit of the Company has a disaster management plan in place, designed to ensure compliance with applicable laws and prioritize the protection of assets and the well-being of individuals. The primary objective of these plans is to ensure the continuity of key business processes in the aftermath of a disaster, be it caused by natural or man-made events.

To facilitate effective emergency preparedness, an Emergency Preparedness manual is available at each plant of the Company. This manual includes crucial information such as: (a) Emergency preparedness procedures, (b) List of potential emergencies, (c) Details of chemical and fuel storage, (d) Information about the fire-fighting system, (e) Emergency Response Team (ERT), (f) General communication flow charts for both working and non-working hours, (g) Instructions to be followed during emergencies, (h) Incident investigation procedures, (i) Roles of ERT members, Regular mock drills are conducted to educate employees on appropriate responses during emergencies. These measures collectively ensure that the Company is well-prepared to handle unexpected disruptions and can swiftly resume its key business operations.

6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

   The Company states that it does not perceive any substantial adverse impacts on the environment arising from its value chain. It conducts impact assessments for all potential risks and takes necessary actions to mitigate these risks. As part of the vendor registration process, the Company obtains ESG (Environmental, Social, and Governance) commitment declarations from all value chain partners.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   The Company has implemented a Suppliers ESG Criterion Evaluation, requiring suppliers to conduct self-assessments of their compliance with Principle 7, Principle 8, and Principle 9 of the UN Global Compact, specifically addressing environmental commitments. Notably, 100% of the Company's suppliers have completed the self-assessment and expressed their commitment to comply with these principles.

   However, it's important to note that as of the provided information, no independent assessment has been carried out to evaluate the environmental impacts of the company's value chain partners. While the self-assessment by suppliers is a positive step, independent assessments could provide an additional layer of scrutiny and verification regarding the environmental practices throughout the value chain. Independent assessments can enhance transparency and credibility in evaluating and addressing environmental impacts.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

The Company operates its business within the national and international legislative and policy framework and does not engage in influencing public and regulatory policy. Instead, it encourages complete cooperation and diligence from every individual during inspections, information requests, or procedures that Public Authorities may deem necessary.

The Company may become members of trade and industry chambers or associations and other similar collective platforms. These memberships provide avenues for conveying industry concerns to policy makers. This collaborative approach allows the Company to participate in industry dialogue and contribute to the development of policies that impact its sector.

Essential indicators

1. a. **Number of affiliations with trade and industry chambers/associations- Ten**

   b. **List of the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to:**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Confederation of Indian Industry	National
2	EEPC India (Engineering Export Promotion Council)	National
3	Association of Indian Forging Industry (AIFI)	National
4	Indian Machine Tool Manufacturer's Association (IMTMA)	National
5	Automotive Component Manufacturers Association of India (ACMA)	National
6	Hosur Industrial Association	State
7	Mahratta Chambers of Commerce & Agriculture (MCCIA)	State
8	Bommasandra Industrial Association	State
9	Jigani Industrial Association	State
10	Attibele Industrial Association	State

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities**

Name of the authority	Brief of the case	Corrective action taken
NIL		

Leadership Indicators

1. **Details of public policy positions advocated by the Company:**

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/ No)	Frequency of Review by Board (Annually/ Half yearly/Quarterly/ Others- please specify)	Web Link, if available
The Company operates the business within national and international legislative and policy framework and does not engage in influencing public and regulatory policy.					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

The Company is actively involved in contributing to the development of the communities it collaborates with, engaging in social projects as part of its commitment to community well-being. A comprehensive "Corporate Social Responsibility Policy" has been established to guide these initiatives, outlining the context and approach for such endeavors. It is strictly prohibited to make donations or financial contributions to organizations involved in illicit activities. All social projects and initiatives are conducted in accordance with the Company's CSR Policy and are documented in the Company's accounting records. Specific details of the CSR activities undertaken by the Company can be found in the Annual Report on CSR Activities, which is appended to the Report of Directors forming part of the Annual Report-2023. A summary of these activities is also available on the Company's website at the provided weblink: https://www.cie-india.com/csrOLD1.html

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated inpublic domain (Yes / No)	Relevant Web link
Not Applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

Any stakeholder can report their genuine concerns through the Whistle Blower Channel available at the weblink: https://www.cie-india.com/assets/pdf/governance/policies/Whistle%20Blower%20Policy.pdf

The grievances are redressed in accordance with the Whistle Blower Policy of the Company.

Apart from the Whistle Blower Mechanism, the ESG Policy of the Company provides dedicated communication channels through which the Company may receive grievances of the community. The Company will endeavour to redress the same in accordance with the principles laid down under the Policy. Further, the Global contact for any issue related to ESG and Society available under CIE Group's Global ESG Policy, details of which are available at the weblink: https://cieautomotive.com/en/contacto.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023 Current Financial Year	FY 2022 Previous Financial Year
Directly sourced from MSMEs/small producers	16%	13%
Directly from within India	97%	96%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023 Current Financial Year	FY 2022 Previous Financial Year
Rural	18.4	16.6
Semi-urban	12.2	11.8
Urban	59.7	60.6
Metropolitan	9.8	11.0

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): NA**

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: NA**

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) – NO**

   (b) **From which marginalized /vulnerable groups do you procure? – Not Applicable**

   (c) **What percentage of total procurement (by value) does it constitute? – Not Applicable**

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: NA**

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved: NA**

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	ESEP- Employee Social Engagement Program	39226	100%
2	WASH 2 (Water, Sanitation & Hygiene) in Fourteen Schools	4600	100%
3	Utkarsh - 3 (Infrastructure Development) in five Schools of Raigarh & Satara)	1125	100%
4	GEMS (Green Education Movement in Schools) in one School	600	100%
5	LOTUS (Learning Opportunity & Training for Upliftment of Special Students) in two Schools	196	100%
6	Harit Gram	85000	100%
7	Lakshya- CIE India Institute of Skills	300	100%

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
8	Utkarsh - 1 (Infrastructure Development & Life Skills Training) in One School, Udhamsingh Nagar	663	100%
9	Utkarsh - 2 (Infrastructure Development & Life Skills Training) in One School, Gundalwadi	140	100%
10	Santulan 2	25	100%
11	Utkarsh - 4.1 (Infrastructure development at Shree Girija Shankar High School, Village Rajache Kurle, Satara)	250	100%
12	Rural Development at Village Buchinelly, Zaheerabad	3200	100%
13	Construction of a school building near Bill Forge plant 2 location - Kallubalu village in place of the existing GHPS	600	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

The Company provides Original Equipment Manufacturers (OEMs) and their tier-1 suppliers with the parts they need, precisely when and how they need them, aiming to generate value as framed by its Quality Policy. Throughout 2023, it continued to respond to its customers' requirements with multi-technology solutions designed to satisfy diverse needs. Customer satisfaction is driven by continuous product and process improvement through prevention, systematic revision, training, and know-how sharing, as outlined in the group's Global Quality Policy. The policy demonstrates the Company's dual strategic commitment to quality and environmental protection, in harmony with its customers' concerns.

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The primary objective of the Company's commercial pursuits is customer satisfaction. To accomplish this aim, the Company dedicates extensive efforts to surpass expectations throughout every phase of the customer relationship process. This commitment spans from the initial sales pitch and effective project management to ensuring timely production and service delivery. In the event of any deviations, the Company promptly responds, and it actively seeks feedback. Given its lack of direct interaction with end consumers, the Company doesn't employ proprietary customer grievance management systems. Instead, it handles claims and complaints received from its customers, including OEMs and TIER-1 suppliers, in adherence to the standard operating procedures prevalent in the automotive industry to which it belongs.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	As mentioned, the parts/components are manufactured as per the specification given by our customers (OEMs and TIER-1 suppliers) and we do not have direct supply of any products to end consumers.
Safe and responsible usage	
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY2023			FY2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	Not Applicable	0	0	Not Applicable
Advertising	0	0	Not Applicable	0	0	Not Applicable
Cyber- security	0	0	Not Applicable	0	0	Not Applicable
Delivery of essential services	0	0	Not Applicable	0	0	Not Applicable
Restrictive Trade Practices	0	0	Not Applicable	0	0	Not Applicable
Unfair Trade Practices	0	0	Not Applicable	0	0	Not Applicable
Other (received in Ordinary Course of Business relating to operational issues and not involving any ESG issues)	823	23	-	948	0	-

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

The Company has established a robust framework for cyber security and data privacy. Cyber security risk is incorporated into the overall Risk Control and Management Policy of the Company. This policy, inclusive of cyber security measures, is available for reference at the provided weblink. This approach underscores the Company's commitment to addressing and managing risks related to cyber security and ensuring the protection of sensitive data: https://www.cie-india.com/assets/pdf/governance/policies/Code%20for%20Fair%20Disclosure%20of%20UPSI.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Nil, The Company places a high value on privacy and implements additional precautions to safeguard the personal information entrusted to it. This commitment extends to information provided by staff, clients, partners, suppliers, business partners, contractors, workers, institutions, and the public. The Company takes proactive measures to ensure the confidentiality and security of this personal information.

7. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches along with impact: 0

   b. Percentage of data breaches involving personally identifiable information of customers: 0

   c. Impact if any , of the data breaches – 0

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   All the information on products and services of the Company are available on the Company portal website i.e., https://www.cie-india.com

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   All our products, adhere strictly to customer requirements. Hence any aspects or impacts related to the product are solely determined by customers. This highlights a customer-centric approach where our focus is on meeting and aligning with the exact requirements and expectations set by our customers.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   In the event of disruptions or discontinuation of essential services, we promptly notify our customers through established communication channels, providing them with detailed information about the events leading to the disruption or discontinuation. Our Quality Management Systems include contingency plans to ensure a swift and effective response to such situations. Additionally, we conduct risk analyses and reviews using the Common Reference Architecture (CORA) to further enhance our preparedness and resilience in handling potential challenges. This proactive approach underscores our commitment to maintaining the continuity and reliability of essential services for our customers.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey?**

   The Company actively monitors consumer satisfaction through surveys conducted every 6 months for all product suppliers. Additionally, plant leads track customer complaints to ensure and enhance customer satisfaction. While the Company operates as a B2B entity, and product information is not displayed publicly, traceability numbers are punched on major parts for identification, particularly in relation to warranty issues. This indicates a commitment to maintaining and improving customer satisfaction levels for the auto components supplied to OEMs.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited) (the "Company") which comprise the standalone balance sheet as at 31 December 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 December 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in our audit
Impairment of goodwill **See Note 2.14 and Note 6 to standalone financial statements** The aggregate carrying value of the goodwill as at 31 December 2023 amounts to INR 10,167.05 million. The Company tests the carrying value of goodwill at least annually for impairment. The processes and methodologies for assessing and determining the recoverable amount of goodwill is based on complex assumptions (such as growth rates, discount rates and forecasted cash flows relating to the respective cash generating units). Considering the involvement of significant judgment required and the underlying complex assumptions used, this is considered as a key audit matter.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We obtained an understanding of the Company's policy on assessment of impairment of goodwill by comparing with applicable accounting standards. • We evaluated the design, implementation and operating effectiveness of key internal controls over impairment of goodwill. • We assessed the identification of relevant cash generating unit (CGU) to which goodwill is allocated. • We assessed the impairment model which is based on discounted cash flows used by the Company to estimate the recoverable value of goodwill and consistency with the applicable accounting standards. • We involved our internal specialists to evaluate the methodology, assumptions and estimates used in the impairment assessment. • We assessed the accuracy of prior period forecasts of the CGUs with the actual financial performance of the CGUs.

<table>
<tr><th>Key audit matters</th><th>How the matter was addressed in our audit</th></tr>
<tr><td></td><td>

We assessed potential changes in key drivers for impairment assessment as compared to previous year and evaluated the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates. We evaluated the suitability of inputs and assumptions used in the cash flow forecasts.
We performed sensitivity analysis of key assumptions used to determine which assumptions could change the outcome of impairment assessment.
We assessed the adequacy of disclosure of impairment assessment of goodwill in the standalone financial statements.

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Revenue from Sale of Products
See Note 2.5 and Note 23 to standalone financial statements
The Company’s revenue is derived primarily from sale of automobile components (“goods”). Revenue from the sale of goods is recognised upon the transfer of control to the customer. The Company and its external stakeholders focus on revenue as a key performance metric which contains significant related party transactions.
Revenue recognition has been identified as a key audit matter as there could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before the control has been transferred.
</td><td>
In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

We assessed the appropriateness of Company’s accounting policies for revenue recognition by comparing with applicable accounting standards.
We evaluated the design, implementation and operating effectiveness of key internal controls over recognition of revenue.
We performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year by testing the underlying documents which included sales invoices, shipping documents and proof of deliveries, to assess whether these are recognised in the appropriate period in which control is transferred.
We tested, on a sample basis, (using statistical sampling), specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the financial period in which control is transferred.
For revenue from sale of goods to the related parties, we verified the Company’s analysis in relation to arm’s length assessment and involved our internal specialists.
We tested journal entries on revenue recognised during the year, by considering specified risk based criteria, to identify unusual or irregular items.
We assessed the adequacy of disclosure made in the standalone financial statements with respect to revenue recognised during the year as required by applicable Ind AS.

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Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 23 January 2024, 29 January 2024, 31 January 2024 and 01 February 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B.

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 December 2023 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d. (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 39 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 40 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in Note 13 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

e. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company from the financial year commencing on or after 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable to the Company for the year ended 31 December 2023.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Abhishek
Partner
Membership No.: 062343
ICAI UDIN: 2406234313KEWIZ1782

Place: Mumbai, India
Date: February 19, 2024

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited) for the year ended 31 December 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties mentioned in the table below) disclosed in the standalone financial statements are held in the name of the Company.

` in million

Description of the property	Gross Carrying Value (INR million)	Held in Name of	Whether promoter, director or their relative or employee	Period held since	Reason for not being held in name of company
Building	2,300.53	Mahindra CIE Automotive Limited	No	1995 to 2023	Refer Note below*
	224.86	Mahindra Ugine Steel Co. ltd	No	2015 to 2023	Refer Note below**
	488.29	M/s Bill Forge Pvt Ltd	No	1994 to 2023	Refer Note below**
	61.27	M/s. Vishrant Engeering (P) Ltd	No	2000 to 2018	Refer Note below**
	169.79	Coimbatore city building syndicate Pvt Ltd.	No	2008 to 2023	Refer Note below**
Sub-total	**3,244.74**				
Land	384.70	Mahindra CIE Automotive Limited	No	1994 to 2022	Refer Note below*
	24.99	Mahindra Ugine Steel Co. ltd	No	2014	Refer Note below**
	522.49	M/s Bill Forge Pvt Ltd	No	2005 to 2018	Refer Note below**
	66.09	M/s. Vishrant Engeering (P) Ltd	No	1995 to 2018	Refer Note below**
	21.00	M/s Coimbatore city building syndicate Pvt Ltd.	No	2000 to 2018	Refer Note below**
Sub-total	**1,019.27**				
Leasehold land	620.79	Mahindra CIE Automotive Limited	No	1999 to 2021	Refer Note below*
Sub-total	**620.79**				
Total	**5,069.40**				

* The company has change its name from Mahindra CIE Automotive Limited to CIE Automotive India Limited in the current year ended 31 December 2023. The Company is in the process of getting these properties transferred in its name.

**These properties are in the name of Bill Forge Private Limited, Mahindra Ugine Steel Company Limited, Coimbatore City Building Private Limited and Vishrant Engineering Private Limited. These Properties have vested into the Company pursuant to amalgamations of these entities with the company. The Company is in the process of getting these properties transferred in its name.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (INR million)	Amount as reported in the quarterly return/ statement (INR million)	Amount of difference (INR million)	Whether return/ statement subsequently rectified
March 2023	Bank of Baroda	Trade payables	5,180.44	5,353.80	(173.36)	Yes
September 2023	Bank of Baroda	Trade payables	6,211.70	6,321.30	(109.60)	Yes

iii. According to the information and explanations given to us and on behalf of our examination of the records of the Company, the Company has made investments and granted unsecured loan during the year to Companies, in respect of which the requisite information is as below. The Company has not provided guarantee or security, granted advances in the nature of loans during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other entity as below:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year to the – Subsidiary*	Nil	Nil	` 6,983.87 million	Nil
Balance outstanding as at balance sheet date Subsidiary*	Nil	Nil	` 869.52 million	Nil

**As per the Companies Act, 2013*

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except for as given in table below-the loan of ` 908.37 million given to CIE Hosur Limited and ` 6,075.50 million given to CIE Aluminium Casting India Limited (CACIL) (formerly known as Aurangabad Electricals Limited) which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

Name of the entity	Amount of loan given (INR million)	Due Date	Extent of delay	Remarks, if any
CIE Limited Hosur	908.37	Repayable on demand	NA	The outstanding balance as on 31 December 2023 is INR 778.02 million which has not been demanded by the Company till 31 December 2023.
CIE Aluminium Casting India Limited (CACIL) (formerly known as Aurangabad Electricals Limited)	6,075.50	Repayable on demand	NA	The outstanding balance as on 31 December 2023 is INR 91.50 million which has not been demanded by the Company till 31 December 2023

Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

	All Parties (INR million)	Promoters (INR million)	Related Parties (INR million)
Aggregate of loans given during the year - Repayable on demand (A) - Agreement does not specify any terms or period of Repayment (B)	` 6,983.87 million	Nil	` 6,983.87 million
- Agreement does not specify any terms or period of Repayment (B)	Nil	Nil	Nil
Total (A+B)	` 6,983.87 million	Nil	` 6,983.87 million
Percentage of loans given during the year to the total loans	100%	0%	100%

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185. Further, the Company has not given any guarantees or security during the year and accordingly, to this extent, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vi) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of labour welfare fund, Provident Fund, Employees State Insurance and Income-Tax.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 December 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of dues	Amount (INR million)	Period to which the amount relates	Due date	Date of payment
The Employees Provident Fund and Miscellaneous Provisions Act, 1952	Provident fund	` 120 million	2014 to 2019	Various	Unpaid

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of dues	Gross Demand *(INR million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	196.32	FY 2004-05 to 2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	15.71	FY 2007-08	High Court, Mumbai
Income Tax Act, 1961	Income Tax	5.39	FY 2010-11	High Court, Mumbai
Income Tax Act, 1961	Income Tax	23.03	FY 2011-12	Income Tax Appellate Tribunal, Mumbai
Service Tax Act, 1994	Service Tax	58.04	FY 2012-13 to 2017-18	CESTAT, Mumbai
Service Tax Act, 1994	Service Tax	1.60	FY 2014-15 to 2017-18	High Court, Hyderabad
The Central Excise Act, 1944	Excise duty	38.06	FY 2009-10 to 2018-19	CESTAT, Mumbai
The Central Excise Act, 1944	Excise Duty	92.54	FY 2015-16 to 2018-19	CESTAT, Hyderabad
The Central Excise Act, 1944	Excise Duty	27.65	FY 2004-2007	Commissioner of Central Excise (Appeals), Pune

Name of the statute	Nature of dues	Gross Demand *(INR million)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Excise duty	19.61	FY 2010-11 to 2015-16	Commissioner of Central Excise (Appeals), Raigad
Goods and Service 2016 and Tax,	GST	4.54	FY 2017-18 to 2019-20	Commissioner of Central Tax, Hyderabad
Employee State Insurance Act, 1948	ESIC	54.14	FY 2017-18 to 2021-2022	Employee Insurance Court, Nashik
Maharashtra Stamp Act, 1958	Stamp Duty	4.00	FY 2015-16	Chief Controlling Revenue Authority
Maharashtra Stamp Act, 1958	Stamp Duty	83.00	FY 2007-08	High Court, Mumbai
Provident Fund Act, 1952 Fund	Providend Fund	8.00	FY 2017-18	High Court, Mumbai

*The above gross demand includes amount paid under protest pertaining to Income Tax Act, 1961 of INR 44.37 million, Service tax Act 1994 of INR 0.38 million, The Central Excise Act, 1944 of INR 7.60 million and Employee State Insurance Act, 1948 of INR 27.05 million.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No.:101248W/W-100022

Abhishek
Partner
Membership No.: 062343
ICAI UDIN: 2406234313KEWIZ1782

Place: Mumbai, India
Date: February 19, 2024

Annexure B to Independent Auditors' Report

Annexure B to the Independent Auditor's Report on the standalone financial statements of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited) for the year ended 31 December 2023

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited) ("the Company") as of 31 December 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 December 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants

Firm's Registration No.:101248W/W-100022

Abhishek
Partner
Membership No.: 062343
ICAI UDIN: 2406234313KEWIZ1782

Place: Mumbai, India
Date: February 19, 2024

Balance Sheet as at 31 December, 2023

(` in Million)

			Note No.	As at 31 December, 2023	As at 31 December, 2022
I	**ASSETS**				
1	**NON-CURRENT ASSETS**				
	(a)	Property, Plant and Equipment	5	**12,140.75**	11,457.03
	(b)	Capital Work-in-Progress	5	**371.63**	415.54
	(c)	Right-of-use assets	5	**841.11**	924.60
	(d)	Goodwill	6	**10,167.05**	10,167.05
	(e)	Other Intangible Assets	7	**18.33**	23.10
	(f)	Financial Assets			
		i) Investments	8	**17,508.57**	17,348.29
		ii) Other Financial Assets	8A	**205.99**	170.51
	(g)	Income Tax Assets (net)		**393.31**	375.86
	(h)	Other Non-Current Assets	10	**784.12**	396.68
	TOTAL NON-CURRENT ASSETS			**42,430.86**	41,278.66
2	**CURRENT ASSETS**				
	(a)	Inventories	11	**4,660.64**	5,030.08
	(b)	Financial Assets			
		(i) Investments	8	**7,751.91**	5,330.09
		(ii) Trade Receivables	9	**4,617.49**	5,736.73
		(iii) Cash and Cash Equivalents	12	**1,414.82**	371.54
		(iv) Bank balances other than (iii) above	12	**222.90**	120.56
		(v) Loans	8B	**869.52**	206.98
	(c)	Other Current Assets	10	**422.10**	348.60
	TOTAL CURRENT ASSETS			**19,959.38**	17,144.58
	TOTAL ASSETS			**62,390.24**	58,423.24
II	**EQUITY AND LIABILITIES**				
1	**EQUITY**				
	(a)	Equity Share Capital	13	**3,793.62**	3,793.18
	(b)	Other Equity	14	**45,605.76**	40,918.30
	TOTAL EQUITY			**49,399.38**	44,711.48
	LIABILITIES				
2	**NON-CURRENT LIABILITIES**				
	(a)	Financial Liabilities			
		i) Lease Liabilities	5	**267.76**	340.51
	(b)	Provisions	18	**648.33**	655.65
	(c)	Deferred Tax Liabilities (net)	19	**2,857.44**	2,813.33
	TOTAL NON-CURRENT LIABILITIES			**3,773.53**	3,809.49
3	**CURRENT LIABILITIES**				
	(a)	Financial Liabilities			
		(i) Borrowings	15	**719.25**	1,232.44
		(ii) Lease Liabilities	5	**134.12**	133.00
		(iii) Trade Payables	16		
		- Total outstanding dues of Micro enterprises and Small enterprises; and		**203.36**	268.62
		- Total outstanding dues of creditors other than micro enterprises and small enterprises		**5,950.24**	6,195.14
		(iv) Other Financial Liabilities	17	**100.47**	111.28
	(b)	Other Current Liabilities	22	**1,410.35**	1,277.97
	(c)	Provisions	18	**495.53**	511.50
	(d)	Current Tax Liabilities (Net)		**204.01**	172.32
	TOTAL CURRENT LIABILITIES			**9,217.33**	9,902.27
	TOTAL EQUITY AND LIABILITIES			**62,390.24**	58,423.24

The accompanying notes 1 to 43 are an integral part of these financial statements. 2

This is the Balance Sheet referred to in our report of even date.

For **B S R & Co. LLP**
Firm Registration No. 101248W/W-100022

Abhishek
Partner
Membership No. 062343

Mumbai, February 19, 2024

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED (formerly known as Mahindra CIE Automotive Limited)**

Ander Arenaza Alvarez
Executive Director - DIN : 07591785

Alan Savio D'Silva
Director - DIN : 08513835

Manoj Menon
Executive Director &
CEO-Business Division - DIN : 07642469

Hari Krishnan
CEO-Business Division

K. Jayaprakash
Chief Financial Officer

Pankaj Goyal
Company Secretary & Compliance officer
ACS : A29614

Mumbai, February 19, 2024

Statement of Profit and Loss for the year ended 31 December, 2023

(` in Million)

		Note No.	Year ended 31 December, 2023	Year ended 31 December, 2022
I	**Revenue from operations**	23	**45,698.43**	43,978.23
II	**Other Income**	24	**1,504.09**	1,206.34
III	**Total Income (I+II)**		**47,202.52**	45,184.57
IV	**Expenses**			
	(a) Cost of materials consumed	25	**24,171.73**	24,711.03
	(b) Changes in inventories of finished goods and work-in-progress	25	**86.94**	(258.55)
	(c) Employee benefits expense	26	**4,278.21**	3,966.02
	(d) Finance costs	27	**109.83**	134.57
	(e) Depreciation and amortisation expense	5 & 7	**1,357.19**	1,332.05
	(f) Other expenses	28	**10,033.37**	9,343.87
	Total Expenses (IV)		**40,037.27**	39,228.99
V	**Profit before exceptional items and tax (III-IV)**		**7,165.25**	5,955.58
VI	**Exceptional Items - Gain**	33	**-**	(378.73)
VII	**Profit before tax (V-VI)**		**7,165.25**	6,334.31
VIII	**Income Tax Expense**			
	1 Current tax	20	**1,502.58**	1,290.85
	2 Deferred tax	20	**39.23**	(77.44)
	Total tax expense		**1,541.81**	1,213.41
IX	**Profit after tax (VII-VIII)**		**5,623.44**	5,120.90
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement of post–employment benefit obligation	29	**19.40**	10.64
	(ii) Income tax relating to items that will not be reclassified to profit or loss	20	**(4.88)**	(3.00)
	Other comprehensive Income for the year, net of tax		**14.52**	7.64
XI	**Total comprehensive income for the year (IX+X)**		**5,637.96**	5,128.54
XII	**Earnings per equity share of face value of `10 each :**			
	Basic	32	**14.82**	13.50
	Diluted	32	**14.82**	13.50
	The accompanying notes 1 to 43 are an integral part of these financial statements.	2		

This is the Statement of profit and loss referred to in our report of even date.

For **B S R & Co. LLP**
Firm Registration No. 101248W/W-100022

Abhishek
Partner
Membership No. 062343

Mumbai, February 19, 2024

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED (formerly known as Mahindra CIE Automotive Limited)**

Ander Arenaza Alvarez
Executive Director - DIN : 07591785

Alan Savio D'Silva
Director - DIN : 08513835

Manoj Menon
Executive Director &
CEO-Business Division - DIN : 07642469

Hari Krishnan
CEO-Business Division

K. Jayaprakash
Chief Financial Officer

Pankaj Goyal
Company Secretary & Compliance officer
ACS : A29614

Mumbai, February 19, 2024

Statement of changes in equity for the year ended 31 December, 2023

(₹ in Million)

A. Equity Share Capital

	Number of Shares	Equity share capital
Balance as at 1 January, 2023	**379,317,379**	**3,793.18**
Changes in equity share capital during the year		
Issue of equity shares pursuant to exercise of employee share options	44,998	0.43
Balance as at 31 December, 2023	**379,362,377**	**3,793.62**
Balance as at 1 January, 2022	379,075,399	3,791.18
Changes in equity share capital during the year		
Issue of equity shares pursuant to exercise of employee share options	241,980	2.00
Balance as at 31 December, 2022	**379,317,379**	**3,793.18**

B. Other Equity

	Reserves and surplus						Items of OCI	
	Capital Reserve	Securities Premium Reserve	Equity-settled employee benefits reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Remeasurment of post employement benefit obligation	Total
As at 1 January, 2023	**6,501.93**	**15,360.76**	**5.00**	**6,535.76**	**164.71**	**12,479.63**	**(129.49)**	**40,918.30**
Profit for the year	-	-	-	-	-	5,623.44	-	5,623.44
Other comprehensive Income for the year, net of tax	-	-	-	-	-	-	14.52	14.52
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**5,623.44**	**14.52**	**5,637.96**
Exercise of employee stock options	-	11.08	(5.00)	-	-	-	-	6.08
Dividend Paid	-	-	-	-	-	(948.41)	-	(948.41)
Any other changes	-	-	-	-	-	(8.17)	-	(8.17)
As at 31 December, 2023	**6,501.93**	**15,371.84**	**-**	**6,535.76**	**164.71**	**17,146.49**	**(114.97)**	**45,605.76**
As at 1 January, 2022	**6,501.93**	**15,301.19**	**31.00**	**6,535.76**	**164.71**	**8,314.00**	**(137.13)**	**36,711.46**
Profit for the year	-	-	-	-	-	5,120.90	-	5,120.90
Other comprehensive loss for the year, net of tax	-	-	-	-	-	-	7.64	7.64
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**5,120.90**	**7.64**	**5,128.54**
Exercise of employee stock options	-	59.57	(26.00)	-	-	-	-	33.57
Dividend Paid	-	-	-	-	-	(947.81)	-	(947.81)
Any other changes	-	-	-	-	-	(7.46)	-	(7.46)
As at 31 December, 2022	**6,501.93**	**15,360.76**	**5.00**	**6,535.76**	**164.71**	**12,479.63**	**(129.49)**	**40,918.30**

The accompanying notes 1 to 43 are an integral part of these financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For **B S R & Co. LLP**
Firm Registration No. 101248W/W-100022

Abhishek
Partner
Membership No. 062343

Mumbai, February 19, 2024

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED (formerly known as Mahindra CIE Automotive Limited)**

Ander Arenaza Alvarez
Executive Director - DIN : 07591785

Alan Savio D'Silva
Director - DIN : 08513835

Manoj Menon
Executive Director &
CEO-Business Division - DIN : 07642469

Hari Krishnan
CEO-Business Division

K. Jayaprakash
Chief Financial Officer

Pankaj Goyal
Company Secretary & Compliance officer
ACS : A29614

Mumbai, February 19, 2024

Statement of Cash Flows for the year ended 31 December, 2023

(` in Million)

		Year ended 31 December, 2023	Year ended 31 December, 2022
I	**Cash flows from operating activities**		
	Profit before tax	**7,165.25**	6,334.31
	Adjustments for:		
	Finance costs	**109.83**	134.57
	Interest Income on financial assets measured at amortised cost.	**(98.68)**	(95.49)
	Net (Gain) on sale of investment and change in fair value of investments held at FVTPL	**(161.92)**	(30.00)
	Allowances for trade receivables	**(23.35)**	6.69
	Net (Gain) on disposal of Property, Plant and Equipment	**(6.68)**	(392.00)
	Depreciation and amortisation expense	**1,357.19**	1,332.05
	Dividend Income	**(1,097.93)**	(909.95)
	Liabilities written back no longer required	**(5.28)**	(13.00)
	Share based payments	**73.31**	81.00
		7,311.74	6,448.18
	Change in operating assets and liabilities:		
	Decrease/ (Increase) in trade and other receivables	**1,142.59**	(1,263.23)
	Decrease/ (Increase) in inventories	**369.44**	(439.90)
	(Increase)/ Decrease in other assets	**(97.62)**	569.96
	(Decrease)/ Increase in trade and other payables	**(304.88)**	695.93
	(Decrease)/ Increase in provisions	**(42.69)**	14.10
	Increase in other liabilities	**58.79**	40.00
		1,125.63	(383.14)
	Cash Generated from Operations	**8,437.37**	6,065.04
	Income taxes paid (Net)	**(1,489.28)**	(1,284.00)
	Net cash flow from operating activities	**6,948.09**	4,781.04
II	**Cash flows from investing activities**		
	Purchase of Property, Plant and Equipment	**(2,328.65)**	(1,866.47)
	Purchase of current investments (net)	**(2,259.90)**	(1,286.27)
	Proceeds from sale of Property, Plant and Equipment	**41.51**	518.00
	Investment in Subsidiary companies	**-**	(1,230.18)
	Investment in Associates	**(50.84)**	(53.00)
	Investments in bank deposits (having original maturity of more than 3 months)	**(202.74)**	(120.55)
	Proceeds from maturity of bank deposits	**107.48**	-
	Dividend Received	**988.49**	909.95
	Interest received on loans given	**98.68**	58.49
	Loan (given to)/ taken from subsidiaries (net)	**(999.95)**	28.60
	Recovery of loan from subsidiary	**337.41**	-
	Net cash used in investing activities	**(4,268.51)**	(3,041.43)
III	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Company	**6.75**	35.54
	Net (Repayment) of borrowings	**(513.19)**	(590.96)
	Dividend Paid on equity shares	**(948.41)**	(947.90)
	Interest paid on borrowings and other liabilities	**(72.14)**	(91.78)
	Payment of principal elements of lease payments	**(71.63)**	(85.15)
	Payment of interest on lease liabilities	**(37.69)**	(42.79)
	Net cash used in financing activities	**(1,636.31)**	(1,723.04)
IV	**Net increase in cash and cash equivalents**	**1,043.28**	16.57
	Cash and cash equivalents at the beginning of the year	**371.54**	354.97
	Effect of exchange rate changes on cash and cash equivalents	**-***	-*
V	**Cash and cash equivalents at the end of the year**	**1,414.82**	371.54

* Amount is below the rounding off norm adopted by the Company.

Refer note 05 for movement of lease liabilities and note 15 for movement of borrowings.

Standalone Statement of Cash flow has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows

This is the Statement of Cash Flow referred to in our report of even date.

For **B S R & Co. LLP**
Firm Registration No. 101248W/W-100022

Abhishek
Partner
Membership No. 062343

Mumbai, February 19, 2024

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED (formerly known as Mahindra CIE Automotive Limited)**

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Mumbai, February 19, 2024

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

1. General information

CIE Automotive India Limited and activities

CIE Automotive India Limited (CIE) (formerly known as Mahindra CIE Automotive Limited) is a Company incorporated in India having its registered office in Mumbai. CIE is engaged in the business of production and sale of automotive components to original equipment manufacturers and other customers (including leading suppliers of components) in India and overseas.

The Company has manufacturing facilities in various locations across the country in India. CIE has an established presence in each of these locations and supplies automotive components to its customers based there and exports products to customers based in other countries as well.

These standalone financial statements for the year ended December 31, 2023 were approved for issue by the Board of Directors in accordance with their resolution dated February 19, 2024.

The Company has changed its name from Mahindra CIE Automotive Limited to CIE Automotive India Limited in the current year ended 31st December 2023.

2. Summary of significant accounting policies

2.1 Basis of presentation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The financial statements have been prepared on a historical cost basis, except for share based payments, non-current assets and disposal group classified as held for sale, derivative financial instruments and certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Million INR except earnings per share data, number of equity shares and unless stated otherwise. All values are rounded to the nearest Million except when otherwise indicated.

2.2 Segment information

Operating segments (Note 34) are reported consistently with the internal reporting provided to the Chief Operating Decision Maker (CoDM). Performance is measured based on segment results (profit before tax) as included in internal reporting which is reviewed by one of the Executive directors who is also the Company's CoDM. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

2.3 Current and non-current classification

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.4 Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Realized gains and losses and also exchange differences arising on translation at year end exchange rates of monetary assets and monetary liabilities outstanding at the end of the year are recognized in the statement of Profit and Loss.

2.5 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The policy of recognising the revenue is determined by the five-stage model proposed by Ind AS 115 "Revenue from contract with customers".

Sale of goods

Revenue from the sale of goods is recognised when the performance obligation is satisfied and usually coincides with the point in time when control of the asset is transferred to the customer, generally on the date of the bill of lading for export sales and generally on delivery for domestic sales. The normal credit term is 30 to 90 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any.

Tooling Income

Revenue from tooling income is recognised when the performance obligation is satisfied and usually coincides with at the point in time when the control of the die is transferred, which is generally on receipt of the customer's approval as per the terms of the contract.

Sale of Services

Revenue from the sale of services is in nature of job work on customer product which normally takes 1–4 days for completion and accordingly, revenue is recognised when products are sent to the customer on which job work is completed. The normal credit period is 60 days.

2.6 Other Revenue

Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and condition precedent to claim are fulfilled.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders of the investor company approve the dividend.

2.7 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

2.8 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Goods and Services taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of Goods and Services taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

2.9 Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Lease payments are allocated between the principal (liability) and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

- amounts expected to be payable by the lessee under residual value guarantees

- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability

- any lease payments made at or before the commencement date less any lease incentives received

- any initial direct costs, and

- restoration costs.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Leasehold land – up to 90 years

- Building – up to 13 years

- Vehicles - up to 6 years

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office equipments.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.10 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives, of the assets as follows (single shift basis):

- Building 30/60 years
- Furniture and fixtures 5 to 10 years
- Office equipment 5 to 10 years
- Vehicles 3 to 8 years
- Computers 3 to 6 years

The depreciation policy historically applied by CIE to productive assets (plant, machinery and tools) is to systematically apply depreciation based on the useful lives of the assets concerned. These useful lives were estimated in accordance with the actual production capacity of the assets and their residual value, as well as a maximum useful life for each asset.

For certain plants and machineries, the Management applies unit of production method for depreciation. By using the units of production method, annual depreciation charges adapt to changes in production levels, on the understanding that this best reflects the expected pattern of consumption of the future economic benefits embodied by the assets. Units of production method of depreciation is calculated for these categories of plant, machinery, based on the actual production levels attained by the assets and their residual value.

For other plant and equipment, where usage and efflux of time is primary determinant, the Company continues to depreciate assets using straight-line basis over the estimated useful lives of the assets as follows:

- Plant and equipment (other than those stated above) 5 to 15 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives or based on production, which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Amortisation is calculated on a straight-line basis over the estimated useful lives of 3 to 5 years.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.13 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: Cost includes cost of direct materials and labour cost and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted average basis.
- Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Loose tools: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.14 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash-generating units). When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five year. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries for the market in which the asset is used.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior year. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December 2023 or upon identification of an impairment indicator. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. In assessing the recoverable amount of the CGU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.15 Provisions

General

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.16 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability), and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service. The group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

2.17 Share based payments

Share based compensation benefits are provided to employees via the Employee Stock Options Scheme and Stock Appreciation Rights.

The fair value of options granted under the above scheme is recognised as employee benefit expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions;
- Excluding the impact of any service vesting conditions.

Non-market performance and service conditions are included in the assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period during which all the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Company revises the estimates of the number of options that are expected. It recognises the impact of the revision of original estimates, if any, in the income statement, with corresponding adjustment to equity.

The total cost of the services rendered by the beneficiaries is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied (continued service at the Company).

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.18 Earnings Per Share

(i) Basic Earnings per share

Basic earnings per share is calculated by dividing

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of the additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Financial Assets and Financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

2.20 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.21 Dividend

The Company recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders.

2.22 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Loss allowance for expected lifetime credit loss is recognised on initial recognition of the trade receivables.

2.23 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from supplier. Account payable is classified as current liabilities if payment is due within one year or less. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.24 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer their settlement for at least 12 months after the end of the reporting period.

Fees paid on for availing the loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fees are deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2.25 Non-current assets held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable.

Non-current assets and disposal group classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

3. Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks viz. market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

a. Market risk

(i) Foreign Currency Risk:-

The Company operates internationally, and the business is transacted in several currencies. Consequently, the Company is exposed to foreign exchange risk through its sale and purchase of goods and services in mainly USD, EURO and GBP.

The exposure on the rest of the assets denominated in other foreign currencies in respect of operations is not material.

The Company's exposure to foreign currency risk at the year end expressed in ` million is as follows:

	31 December, 2023				**31 December, 2022**			
	USD	**EUR**	**GBP**	**Other Currencies**	USD	EUR	GBP	Other Currencies
Financial Assets								
Trade Receivables	350.45	301.85	21.31	-	375.28	419.03	17.53	-
Cash and Cash equivalents	1.10	22.74	-	-	10.21	12.51	-	-
Net exposure to foreign currency risk (assets)	**351.55**	**324.59**	**21.31**	**-**	385.49	431.54	17.53	-
Financial Liabilities								
Trade Payables	57.58	37.96	10.06	-	126.56	40.58	1.76	6.00
Net exposure to foreign currency risk (liabilities)	**57.58**	**37.96**	**10.06**	**-**	126.56	40.58	1.76	6.00

For the year ended 31 December, 2023 and 31 December, 2022, every ten percentage appreciation/depreciation in the exchange rate between the Indian rupee and U.S. Dollar, would have affected the Company's incremental operating margins by approximately ` 29.40 Million and ` 25.49 Million, respectively. Further every ten percentage appreciation/depreciation in the exchange rate between the Indian rupee and Euro, would have affected the Company's incremental operating margins by approximately ` 28.66 Million and ` 39.10 Million, respectively. Further every ten percentage appreciation/depreciation in the exchange rate between the Indian rupee and GBP, would have affected the Company's incremental operating margins by approximately ` 1.12 Million and ` 1.58 Million, respectively.

The sensitivity for net exposure of other currencies does not have material impact to the Statement of Profit and Loss.

Sensitivity analysis is computed based on the changes in the receivables and payables in foreign currency upon conversion into functional currency, due to exchange rate fluctuations in the previous reporting period and the current reporting period.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's debt obligations with floating interest rates.

Interest rate sensitivity

There are no long term borrowings as at the year end.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

b. Liquidity risk

(i) The prudent management of liquidity risk entails maintaining enough cash and available financing through sufficient credit facilities. In this respect CIE strategy, articulated by its Treasury Department, is to maintain the necessary financing flexibility through the availability of committed credit lines. Additionally, and on the basis of its liquidity needs, the Company uses liquidity facilities (non-recourse factoring and the sale of financial assets representing receivable debts, transferring the related risks and rewards). Management monitors the Company's forecast liquidity requirements together with the trend in net debt.

The calculation of liquidity and net debt at 31 December, 2023 and 31 December, 2022 is calculated as follows:

	31 December, 2023	31 December, 2022
Cash and bank balances (Note 12)	**1,637.72**	492.10
Other current financial assets – Investments (Note 8)	**7,751.91**	5,330.09
Undrawn credit facilities and loans	**1,282.58**	1,587.69
Liquidity buffer	**10,672.21**	7,409.88
Borrowings (Note 15)	**719.25**	1,232.44
Other Financial Liabilities (Note 17)	**502.35**	584.79
Cash and bank balance (Note 12)	**(1,637.72)**	(492.10)
Other current financial assets – Investments (Note 8)	**(7,751.91)**	(5,330.09)
Net financial debt/ (Surplus cash and cash equivalents)	**(8,168.03)**	(4,004.96)

(ii) Maturities of financial liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	**31 December, 2023**		31 December, 2022	
	Less than 1 year	**More than 1 year**	Less than 1 year	More than 1 year
Borrowings (Note 15)	**719.25**	**-**	1,232.44	-
Trade payables (Note 16)	**6,153.60**	**-**	6,463.76	-
Other financial liabilities (Note 17)	**234.59**	**267.76**	244.28	340.51
Total	**7,107.44**	**267.76**	7,940.48	340.51

The Company believes that the on-going initiatives will prevent liquidity shortfalls. In this respect, management expects that the cash generated will be sufficient to service payment obligations for the next twelve months.

The Company monitors the Company's forecast liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants on any of its borrowing facilities.

Noteworthy is the existence at 31 December, 2023 of ` 1,282.00 million in unused loans and credit lines (31 December, 2022: ` 1,588.00 million).

One of the Company's strategies is to ensure the optimisation and maximum saturation of the resources assigned to the business. The Company therefore pays special attention to the net

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories through logistic and industrial management, allowing JIT (just in time) supplies to our customers.

c. Credit Risk

Credit risk from cash and cash equivalents and bank deposits is considered immaterial in view of the creditworthiness of the banks the Company works with. If management detects liquidity risk in respect of its banks under certain specific circumstances, it recognises impairment provisions as warranted.

In addition, Company has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors.

With respect to customer credit limits, it should be noted that the Company policy is to spread its volumes across customers or manufacturing platforms.

One of the customer group exceeds 10% of the Company's turnover for the years 2023 and 2022. Sales to this customer in 2023 are ` 16,452.74 million (2022: ` 15,555.16 million).

i. Trade receivables

Credit risk arises from the possibility that customer will not be able to settle their obligations as and when agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts, ageing of accounts receivable and forward looking information. Individual credit limits are set accordingly.

The Company uses Expected Credit Loss (ECL) model to assess the impairment gain or loss. As per ECL simplified approach, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of Company's customers financial condition; aging of trade accounts receivable; the value and adequacy of collateral received from the customers in certain circumstances (if any); the Company's historical loss experience; and adjustment based on forward looking information. The Company defines default as an event when there is no reasonable expectation of recovery.

3.2 Fair Value estimation

Fair value measurement

The Company measures financial instruments, such as short term investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period (Refer Note 21).

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for the other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company can adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry the Company monitors capital on the basis of the leverage ratio, this ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings plus current financial liabilities less cash, cash equivalents and current financial assets, all of which are shown in the annual accounts. Total capital employed is calculated as 'equity', as shown in the standalone annual accounts, plus net debt.

Calculation of Gearing ratio:

	31 December, 2023	31 December, 2022
Net Financial Debt (Refer Note 3.1.(b))	**(8,168.03)**	(4,004.56)
Equity (Refer Note 13 and 14)	**49,399.38**	44,711.48
Less: Long term investment (Refer Note 8)	**(17,508.57)**	(17,348.29)
Total Capital Employed	**23,722.78**	23,358.63
Gearing Ratio	**#**	#

Gearing ratio is not applicable since the Company has no Net Financial Debt.

4. Accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions affecting the application of accounting policies and the amounts presented under assets and liabilities, income and expenses. Actual results may differ from these estimates.

a) Estimated impairment loss on goodwill

The Company tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units basically which were determined on the basis of calculations of value in use did not give rise to impairment risks on the Company's goodwill at 31 December, 2023.

b) Income tax

Income tax expense for the period ended 31 December, 2023 has been estimated based on profit before taxes, as adjusted for any permanent and/or temporary differences envisaged in tax legislation governing the corporate income tax base calculation. The tax is recognized in the income statement, except insofar as it relates to items recognized directly in equity, in which case, it is also recognized in equity.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Tax credits and deductions and the tax effect of applying tax-loss carry forwards that have not been capitalised are treated as a reduction in the corporate income tax expense for the year in which they are applied or offset.

The calculation of income tax expense did not require the use of significant estimates except in tax credits recognized in the year and claim of goodwill, which was at all times consistent with the annual financial statements.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the annual accounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred taxes on temporary differences are recognized when arising on investments in subsidiaries, associates and joint ventures, except in those cases where the Company can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets deriving from the carry forward of unused tax credits and unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the tax assets can be utilised. In the case of investment tax credits the counterpart of the amounts recognized is the deferred income account. The tax credit is accrued as a decrease in expense over the period during which the items of property, plant and equipment that generated the tax credit are depreciated, recognizing the right with a credit to deferred income.

c) Pension benefits

The present value of the Company's pension obligations depends on a series of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Company determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Company considers the interest rates of Government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for employee benefits are based in part on current market conditions.

d) Assessment of carrying value of Equity Investments in Subsidiaries

On an annual basis, the Company evaluates whether an impairment is required to the carrying value of Equity investment in its subsidiaries. The recoverable amounts of cash-generating units basically which were determined on the basis of calculations of value in use did not give rise to impairment risks on the carrying value of Company's Equity investments at 31 December, 2023.

e) Legal Contingencies

The Company has received orders and notices from tax authorities in respect of direct taxes, indirect taxes and other litigations. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

4.1 Change in Accounting policies and disclosures

Standards issued but not yet effective:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The said amendments are applicable to the Company from next financial year.

(i) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments will have an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are expected to not have any material impact on the Company's financial statements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. It is expected that there will also be no impact on the opening retained earnings as at 1 January 2024. Apart from these, consequential amendments and editorials will be made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

5. Property, Plant and Equipment

The details and movements in property, plant and equipment are as follows:

For the year 2023

Description of Assets	Land	Building	Plant and Equipment	Furniture and Fixtures, tools and furnishings	Office Equipment	Vehicles	Computer / EDP Equipment	Total	Capital Work-in-Progress
I. Gross Carrying Amount									
Balance as at 1 January, 2023	**1,032.57**	**3,266.52**	**15,903.09**	**91.21**	**73.49**	**94.79**	**65.33**	**20,527.00**	**415.54**
Additions	-	152.69	1,704.34	11.03	39.36	31.17	18.51	1,957.10	425.66
Disposals/ Capitalisation	-	(3.17)	(231.38)	(3.22)	(4.73)	(18.82)	(13.67)	(274.99)	(469.57)
Balance as at 31 December, 2023	**1,032.57**	**3,416.04**	**17,376.05**	**99.02**	**108.12**	**107.14**	**70.17**	**22,209.11**	**371.63**
II. Accumulated depreciation and impairment									
Balance as at 1 January, 2023	**-**	**(903.65)**	**(8,019.93)**	**(56.79)**	**(47.25)**	**(11.63)**	**(30.72)**	**(9,069.97)**	**-**
Depreciation expense for the year	-	(132.63)	(1,054.82)	(7.06)	(9.59)	(20.39)	(14.05)	(1,238.54)	-
Disposals	-	2.00	208.61	3.01	4.47	8.89	13.17	240.15	-
Balance as at 31 December, 2023	**-**	**(1,034.28)**	**(8,866.14)**	**(60.84)**	**(52.37)**	**(23.13)**	**(31.60)**	**(10,068.36)**	**-**
III. Net carrying amount	**1,032.57**	**2,381.76**	**8,509.91**	**38.18**	**55.75**	**84.01**	**38.57**	**12,140.75**	**371.63**

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

For the year 2022

	Description of Assets	Land	Building	Plant and Equipment	Furniture and Fixtures, tools and furnishings	Office Equipment	Vehicles	Computer / EDP Equipment	Total	Capital work-in-Progress
I.	**Gross Carrying Amount**									
	Balance as at 1 January 2022	1,026.10	3,092.66	14,503.76	81.42	61.87	88.78	96.91	18,951.50	587.26
	Additions	15.82	198.23	1,616.41	10.64	12.13	48.22	22.99	1,924.44	1,752.59
	Disposals / Capitalization	(9.35)	(24.37)	(217.08)	(0.85)	(0.51)	(42.21)	(54.57)	(348.94)	(1,924.00)
	Balance as at 31 December, 2022	1,032.57	3,266.52	15,903.09	91.21	73.49	94.79	65.33	20,527.00	415.54
II.	**Accumulated depreciation and impairment**									
	Balance as at 1 January 2022	-	(765.82)	(7,123.16)	(55.26)	(40.99)	(27.56)	(74.44)	(8,087.23)	-
	Depreciation expense for the year	-	(151.11)	(1,012.43)	(7.59)	(7.06)	(18.18)	(12.27)	(1,208.64)	-
	Disposals	-	13.28	115.66	6.06	0.80	34.11	55.99	225.90	-
	Balance as at 31 December, 2022	**-**	**(903.65)**	**(8,019.93)**	**(56.79)**	**(47.25)**	**(11.63)**	**(30.72)**	**(9,069.97)**	**-**
III.	**Net carrying amount**	1,032.57	2,362.87	7,883.16	34.42	26.24	83.16	34.61	11,457.03	415.54

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

i) Contractual obligation

Refer note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

ii) Capital Work-in-Progress

Capital Work-in-Progress mainly comprises of capital expenditure incurred pertaining to plant and equipment not yet capitalised.

Capital work-in-progress ageing schedule

Dec 31, 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	359.49	12.14	-	-	371.63
Projects overdue from original planned completion date	-	-	-	-	-
Total	**359.49**	**12.14**	**-**	**-**	**371.63**

Dec 31, 2022	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	380.51	35.03	-	-	415.54
Projects overdue from original planned completion date	-	-	-	-	-
Total	**380.51**	**35.03**	**-**	**-**	**415.54**

Title deeds of Immovable Properties not held in name of the Company:

Description of the property	Gross Carrying Value	Period held since (range) (date of acquisition)	Whether promoter, director or their relative or employee	Held in Name of	Reason for not being held in name of company
Building	2300.53	1995 to 2023	No	Mahindra CIE Automotive Limited	Refer Note 2 below
Building	224.86	2015 to 2023	No	Mahindra Ugine Steel Co. ltd	Refer Note 2 below
Building	488.29	1994 to 2023	No	M/s Bill Forge Pvt Ltd	Refer Note 1 below
Building	61.27	2000 to 2018	No	M/s. Vishrant Engineering (P) Ltd	Refer Note 1 below
Building	169.79	2008 to 2023	No	Coimbatore city building syndicate Pvt Ltd.	Refer Note 1 below
Sub-total Building	**3244.74**				
Land	384.70	1994 to 2022	No	Mahindra CIE Automotive Limited	Refer Note 2 below
Land	24.99	2014	No	Mahindra Ugine Steel Co. ltd	Refer Note 1 below
Land	522.49	2005 to 2018	No	M/s Bill Forge Pvt Ltd	Refer Note 1 below
Land	66.09	1995 to 2018	No	M/s. Vishrant Engineering (P) Ltd	Refer Note 1 below
Land	21.00	2000 to 2018	No	Coimbatore city building syndicate Pvt Ltd.	Refer Note 1 below
Sub-total Land	**1019.27**				
Leasehold land	620.79	1999 to 2021	No	Mahindra CIE Automotive Limited	Refer Note 2 below
Sub-total Leasehold land	**620.79**				
Total	**4884.80**				

Note :

1. These properties are in the name of Bill Forge Private Limited, Mahindra Ugine Steel Company Limited, Coimbatore City Building Private Ltd and Vishrant Engineering Private Ltd. These Properties have vested into the Company pursuant to amalgamations of these entities with the Company. The Company is in the process of getting these properties transferred in its name.
2. The Company has change its name from Mahindra CIE Automotive Limited to CIE Automotive India Limited in the current year ended 31st December 2023. The Company is in the process of getting these properties transferred in its name.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

iii) Leases and right of use assets

This note provides the information for leases where the Company is a lessee. The Company leases various offices, buildings, leasehold land, and vehicles. Rental contracts are typically made for fixed periods of 1 year to 90 years.

i) Amounts recognised in the balance sheet

Property, plant and equipment includes the below amounts recognised as Right of use of assets:

	31 December, 2023	31 December, 2022
Right of use of assets		
Leasehold Land	**524.61**	546.41
Buildings	**295.27**	338.77
Vehicles	**21.23**	39.42
Total	**841.11**	924.60

The corresponding lease liability as per Ind AS 116 is below:

	31 December, 2023	31 December, 2022
Lease liabilities		
Current	**134.12**	133.00
Non - Current	**267.76**	340.51
Total	**401.88**	473.51

Additions to the right-of-use assets during the current financial year were ` 28.07 Million (31 December 2022 ` 4.00 Million)

ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the amounts relating to leases:

	31 December, 2023	31 December, 2022
Depreciation/ Amortisation charge of right of use of assets		
Leasehold Land **	**21.48**	21.48
Buildings	**71.57**	72.95
Vehicles	**18.20**	19.91
Total	**111.25**	114.34

	31 December, 2023	31 December, 2022
Interest expense (included in finance costs)	**37.69**	42.79
Expense relating to short term leases (included in other expenses)	**79.32**	34.21
Expense relating to leases of low-value assets that are not shown above as short term leases (included in other expenses)	**34.43**	55.19

The total cash outflow for leases for the year ended 31 December 2023 was ` 109.32 Million (31 December 2022 ` 229.07 Million)

The effective interest rate for lease liabilities is between 7.5% and 8.5% p.a. (31 December 2022 7.5% and 8.5% p.a.)

** This pertains to amortisation of lease premium paid in advance on leasehold land.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

6. Goodwill

Goodwill is tested for impairment on an annual basis. Goodwill is monitored by management at the level of cash generating units, which is India in this case. For the current and previous financial year, the recoverable amount of Cash Generating Unit (CGU) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five year period.

Key assumptions used in the calculation of value in use:

The following table sets out the key assumptions for the CGU:

Particulars	31 December, 2023	31 December, 2022
Discount rate (Pre Tax)	**10.17%**	10.38%
EBIDTA Margins (range)	**17.50% to 23.51%**	13% to 26.7%
Annual sales growth rate	**1.45% to 9.75%**	0.02% to 18.29%
Terminal sales growth rate	**7.5%**	7.5%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approach used to determine values
Discount rate	Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and is derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the investors. The cost of debt is based on the interest-bearing borrowings the Company is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data.
EBITDA Margins	EBITDA margins are based on the actual EBITDA of respective CGU based on the past trend and future expectations.
Annual sales growth rate	Annual growth rate over the five-year forecast period; based on past performance, current industry trends including long-term inflation forecast and management's expectation of market development.
Terminal sales growth rate	The Company has considered growth rate to extrapolate cash flows beyond the forecast period, consistent with the industry forecasts, based on GDP growth estimates and the inflation rate in each market, and evaluating the level of investment required to achieve such growth.

Sensitivity to changes in assumptions of CGU

The management believes that no reasonably possible change (say 10%) in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

Results of the analysis

Based on the above assessment, the Company concluded that in both current year as well as previous year, goodwill has not suffered any impairment. Further, the result of using before-tax cash flows and discount rates does not differ significantly from the outcome of using after-tax cash flows and discount rates.

Movement of Goodwill

	31 December, 2023	31 December, 2022
Opening Goodwill as at 1 January	**10,167.05**	10,167.05
Add: Movement during the year	**-**	-
Closing Goodwill as at 31 December	**10,167.05**	10,167.05

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

7. Other Intangible assets

The details and movements of the main classes of intangible assets are shown below:

For the year 2023

	Description of Assets	Technical Knowhow	Computer Software	Development Cost	Total
I.	**Gross Carrying Amount**				
	Balance as at 1 January, 2023	**3.00**	**76.16**	**55.00**	**134.16**
	Additions	-	3.75	-	3.75
	Disposals	-	(22.53)	-	(22.53)
	Balance as at 31 December, 2023	**3.00**	**57.38**	**55.00**	**115.38**
II.	**Accumulated depreciation and impairment**				
	Balance as at 1 January, 2023	**(3.00)**	**(53.06)**	**(55.00)**	**(111.06)**
	Amortisation expense for the year	-	(7.40)	-	(7.40)
	Disposals	-	21.41	-	21.41
	Balance as at 31 December, 2023	**(3.00)**	**(39.05)**	**(55.00)**	**(97.05)**
III.	**Net carrying amount**	**-**	**18.33**	**-**	**18.33**

For the year 2022

	Description of Assets	Technical Knowhow	Computer Software	Development Cost	Total
I.	**Gross Carrying Amount**				
	Balance as at 1 January, 2022	**3.00**	**140.99**	**55.00**	**198.99**
	Additions	-	10.17	-	10.17
	Disposals	-	(75.00)	-	(75.00)
	Balance as at 31 December, 2022	**3.00**	**76.16**	**55.00**	**134.16**
II.	**Accumulated amortisation and impairment**				
	Balance as at 1 January, 2022	**(3.00)**	**(116.96)**	**(55.00)**	**(174.96)**
	Amortisation expense for the year	-	(10.10)	-	(10.10)
	Disposal	-	74.00	-	74.00
	Balance as at 31 December, 2022	**(3.00)**	**(53.06)**	**(55.00)**	**(111.06)**
III.	**Net carrying amount**	**-**	**23.10**	**-**	**23.10**

8. Investments

		As at 31 December, 2023			As at 31 December, 2022		
		No of Shares/ Units	**Amounts Current**	**Amounts Non Current**	No of Shares/ Units	Amounts Current	Amounts Non Current
A	**Investment in equity instruments (unquoted-fully paid up)**						
	Subsidiary Companies						
	UAB CIE Galfor SA	**5,550**	**-**	**7,033.80**	5,550	-	7,033.80
	BF Precision Private Limited	**10,000**	**-**	**0.10**	10,000	-	0.10
	Bill Forge de Mexico SA de CV	**2,970**	**-**	**-***	2,970	-	-*
	(2,970 shares of Pesos 1 each 2,033,710 shares of Class II Series B Pesos 1 each)	**2,033,710**	**-**	**6.72**	2,033,710	-	6.72
	CIE Hosur Limited	**5,000,000**	**-**	**50.00**	5,000,000	-	50.00
	CIE Aluminium Casting India Limited (CACIL) (formerly known as Aurangabad Electricals Limited)	**2,940,000**	**-**	**8,759.26**	2,940,000	-	8,759.26

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

		As at 31 December, 2023			As at 31 December, 2022		
		No of Shares/ Units	**Amounts Current**	**Amounts Non Current**	No of Shares/ Units	Amounts Current	Amounts Non Current
B	**Investment in Preference instruments at amortised cost (unquoted-fully paid up)**						
	Subsidiary Companies						
	Investment at fair value through amortised cost						
	CIE Hosur Limited (8.5% Cumulative, non convertible)	**11,800,000**	**-**	**1,326.51**	11,800,000	-	1,217.07
	Total investment in Subsidiaries		**-**	**17,176.39**		-	17,066.95
	Associate Companies						
	Gescrap India Private Limited (30% share)	**3,720,000**	**-**	**37.20**	3,720,000	-	37.20
	Clean Max Deneb Power LLP (26% Share) (Refer note 'a')	**-**	**-**	**83.60**	-	-	42.00
	Sunbarn Renewables Private Limited (26.12% Share)	**1,112,813**	**-**	**89.03**	1,112,813	-	89.03
	ReNew Surya Alok Private Limited (31.20% Share)	**8,260,000**	**-**	**83.00**	8,260,000	-	83.00
	Strongsun Solar Private Limited (27.35% Share) (Refer note 'a')	**418,750**		**33.52**	303,250	-	24.28
	Total investment in Associate Companies			**326.35**			275.51
	Others						
	Clean Wind Power (Manvi) Private Limited	**420,000**	**-**	**4.20**	420,000	-	4.20
	Clean Wind Power (Pratapgarh) Private Limited	**27,600**	**-**	**1.63**	27,600	-	1.63
	The Saraswat Cooperative Bank Limited	**2,550**	**-**	**-***	2,550	-	-*
	Total investment in Others		**-**	**5.83**		-	5.83
	Subtotal (A)		**-**	**17,508.57**		-	17,348.29
C	**Investments in Mutual Funds at fair value through profit and loss (unquoted)**						
	Axis Liquid Fund - Direct Growth	**181,328**	**477.67**	**-**	460,328	1,131.95	-
	ICICI Prudential Liquid Plan - Direct Growth	**1,361,123**	**477.53**	**-**	3,840,327	1,131.95	-
	Axis Money Market - Direct Growth	**2,507,534**	**3,223.00**	**-**	1,022,944	1,222.96	-
	ICICI Prudential Money Market - Direct Growth	**9,125,176**	**3,123.00**	**-**	3,454,904	1,222.96	-
	ICICI Prudential Overnight Fund DP Growth	**106,411**	**135.09**	-	260,774	310.29	-
	Axis Overnight Fund - Direct Growth	**28,125**	**35.04**	**-**	265,837	309.98	-
	Axis Corporate Debt Fund- Direct Growth	**17,735,899**	**280.58**	**-**	-	-	-
	Subtotal (B)	**-**	**7,751.91**	**-**	-	5,330.09	-

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

	As at 31 December, 2023			As at 31 December, 2022		
	No of Shares/ Units	**Amounts Current**	**Amounts Non Current**	No of Shares/ Units	Amounts Current	Amounts Non Current
D Investment in Subsidiary at fair value through profit and loss (Disposal Group)						
Stokes Group Limited (Refer note 'b')	-	-	-	138,329,310	2,063.06	-
Subtotal '(C)	-	-	-	-	2,063.06	-
Total (A+B+C)	-	**7,751.91**	**17,508.57**	-	7,393.15	17,348.29
Less: Provision for impairment	-	-	-	-	(2,063.06)	-
Total investments	-	**7,751.91**	**17,508.57**	-	5,330.09	17,348.29

* Amount is below the rounding off norm adopted by the Company.

a) During the year, the Company has made additional investment amounting ` 41.60 Millions in Clean Max Deneb Power LLP and amounting ` 9.24 Millions Strongsun Solar Private Limited which are engaged in solar energy business.

b) In September 2018, the Board of Directors of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited) decided to dispose off the forging business in the United Kingdom, corresponding to the company Stokes Group Limited. The Stokes Group Limited has been liquidated on September 05, 2023.

8A Other Financial Assets

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non-Current**	Current	Non-Current
Financial instruments at amortised cost				
Security Deposits	-	**205.99**	-	170.51
Total	-	**205.99**	-	170.51

8B Loans

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non-Current**	Current	Non-Current
Financial instruments at amortised cost				
Loans to wholly owned subsidiaries				
-unsecured, considered good (Refer Note 31)	**869.52**	-	206.98	-
	869.52	-	206.98	-

The loans are repayable on demand and are to be utilised for working capital, Capex and general business purpose. Loan to CIE Hosure and CIE Aluminium Casting India Ltd. ` 778.02 Mio and 91.5 Mio respectively.

9. Trade Receivables

	As at 31 December, 2023	As at 31 December, 2022
(a) Unsecured, considered good	**4,617.49**	5,736.73
(b) Trade receivables - credit impaired	**29.47**	52.82
Less: Impairment Allowance	**(29.47)**	(52.82)
Total	**4,617.49**	5,736.73
Of the above, trade receivables from:		
- Related Parties (Note 31)	**975.22**	1,433.91
- Others	**3,642.27**	4,302.82
	4,617.49	5,736.73

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Transferred Receivables

The carrying amount of the trade receivable includes receivables which are subject to factoring arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for Cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognize the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as borrowing. The Company considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortized cost.

The relevant carrying amounts are as follows:

	As at 31 December, 2023	As at 31 December, 2022
Transferred trade receivables	**37.59**	97.31
Associated short term borrowings (Included in Note 15)	**37.59**	97.31

Movement of Impairment allowance:

	As at 31 December, 2023	As at 31 December, 2022
At the beginning of the year	52.82	46.13
Addition/(utilisation) during the year (net)	(23.35)	6.69
At the end of the year	29.47	52.82

Trade Receivables outstanding Ageing

As at Dec 31, 2023	**Unbilled**	**Less than 6 months**	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Undisputed trade receivables - considered good	-	4,579.14	35.48	2.87	-	-	4,617.49
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	29.47	29.47
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**-**	**4,579.14**	**35.48**	**2.87**	**-**	**29.47**	**4,646.96**
Impairment allowance	-	-	-	-	-	(29.47)	(29.47)
Weighted -average loss rate	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**100%**	**-**

As at Dec 31, 2022	**Unbilled**	**Less than 6 months**	**6 months - 1 year**	**1 - 2 years**	**2 - 3 years**	**More than 3 years**	**Total**
Undisputed trade receivables - considered good	141.43	5,525.76	66.64	2.90	-	-	5,736.73
Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables - credit impaired	-	-	-	-	-	33.53	33.53
Disputed trade receivables - considered good	-	-	-	-	-	-	-
Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	19.29	19.29
Total	**141.43**	**5,525.76**	**66.64**	**2.90**	**-**	**52.82**	**5,789.55**
Impairment allowance					**-**	**(52.82)**	**(52.82)**
Weighted -average loss rate	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**100%**	**-**

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

10. Other Assets

		As at 31 December, 2023		As at 31 December, 2022	
		Current	**Non- Current**	Current	Non- Current
(a)	Capital advances	**-**	**516.27**	60.02	113.51
(b)	Other Deposits	**-**	**267.85**	-	268.15
(c)	Balances with government authorities	**60.18**	**-**	84.49	-
(d)	Other advances (Majorly includes Advance to Supplier & Prepaid Expenses)	**361.92**	**-**	204.09	15.02
	Total	**422.10**	**784.12**	348.60	396.68

11. Inventories

	(Refer Note No.2.13 for valuation of inventories)	**As at 31 December, 2023**	As at 31 December, 2022
(a)	Raw materials	**1,049.21**	1,162.01
(b)	Work-in-progress	**1,711.09**	1,809.33
(c)	Finished goods	**1,139.85**	1,128.55
(d)	Stores and spares	**422.45**	548.03
(e)	Loose Tools	**338.04**	382.16
	Total	**4,660.64**	5,030.08
	Included above, goods-in-transit:		
(i)	Finished goods	**177.34**	194.96
	Total	**177.34**	194.96

Amounts recognised in the Statement of Profit and Loss:

Write-downs in inventories of finished goods, work-in-progress & raw materials amounted to ` 251.35 Million (31 December 2022: ` 267.02 million) as at the period end. Accordingly, an amount of ` 15.65 million (31 December 2022: ` 34 million) was reversed during the year. The write-downs and reversals are included in cost of material consumed.

12. Cash and Cash Equivalents

		As at 31 December, 2023	As at 31 December, 2022
Cash and cash equivalents			
(a)	Balances with banks		
	i) Current Accounts	**1,354.51**	370.53
	ii) Deposits with original maturity of less than three months	**49.24**	
(b)	Cheques, drafts on hand	**10.96**	0.49
(c)	Cash in hand	**0.11**	0.52
Total Cash and cash equivalents		**1,414.82**	371.54
Other Bank Balances			
(a)	Earmarked balances with banks	**7.08**	-
(b)	Balances with Banks:		
	(i) On margin accounts	**215.82**	13.56
	(ii) Fixed Deposits with maturity greater than 3 months but less than 12 months	**-**	107.00
Total Other Bank balances		**222.90**	120.56
Total cash, cash equivalents and other bank balances		**1,637.72**	492.10

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

13. Equity Share Capital

	As at 31 December, 2023		As at 31 December, 2022	
	No. of shares	**Amount**	No. of shares	Amount
Authorized:				
Equity shares of `10/- each with voting rights	**516,592,621**	**5,165.93**	516,592,621	5,165.93
4% non-cumulative redeemable preference shares of `31/- each	**5**	**-***	5	-*
Compulsory convertible Preference share of `10/- each	**250,000**	**2.40**	250,000	2.40
Issued:				
Equity shares of `10/- each with voting rights	**379,363,322**	**3,793.18**	379,318,325	3,793.18
Subscribed and Paid Up:				
Equity shares of `10/- each with voting rights ^	**379,362,377**	**3,793.62**	379,317,379	3,793.18

Terms and rights attached to Equity Shares

Equity shares have a par value of ` 10/-. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

		Opening Balance	**Issue of Equity Shares on account of Employee Stock Option Scheme**	**Closing Balance**
Equity Shares with voting rights				
Year Ended 31 December, 2023	**No. of Shares**	**379,317,379**	**44,998**	**379,362,377**
	Amount	**3,793.18**	**0.44**	**3,793.62**
Year Ended 31 December, 2022	No. of Shares	379,075,399	241,980	379,317,379
	Amount	3,791.18	2.00	3,793.18

*Shareholders of the Company had approved reclassification of authorised preference share capital vide EGM held on 13th Oct 2016. Amount is below the rounding off norm adopted by the Company.

^Mahindra Composites Limited which was merged with the company in the year 2013 had issued 1,050 equity shares and not allotted the same to the shareholders. Based on the swap ratio the Company has issued 945 equity shares and not allotted the same and the same has been kept in abeyance.

Information regarding issue of shares in the last five years

- The Company has not issued any shares without payment being received in cash.
- The Company has not issued any bonus shares.
- The Company has not undertaken any buy-back of shares

Shares reserved for issue under options

Information relating to CIE Automotive India Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 36.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Details of shares held by the holding Company, the ultimate holding Company, their subsidiaries and associates:

	Equity Shares with Voting rights
As at 31 December, 2023	
Participaciones Internacionales Autometal, Dos S.L. (PIA2), the holding Company	**249,239,013**
As at 31 December, 2022	
Participaciones Internacionales Autometal, Dos S.L. (PIA2), the holding Company	249,239,013

Details of shares held by promoters

As at 31 December, 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Participaciones Internacionales Autometal, Dos S.L. (PIA2)	249,239,013	-	249,239,013	65.70%	-0.01%
Equity shares of INR 10 each fully paid	Mahindra & Mahindra Limited (M&M) Upto 10 October, 2023	35,102,068	(35,102,068)	-	-	-100.00%
Total		**284,341,081**	**(35,102,068)**	**249,239,013**	**65.70%**	**-**

As at 31 December, 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Equity shares of INR 10 each fully paid	Participaciones Internacionales Autometal, Dos S.L. (PIA2)	230,282,773	18,956,240	249,239,013	65.71%	8.23%
Equity shares of INR 10 each fully paid	Mahindra & Mahindra Limited (M&M) Upto 10 October, 2023	43,344,512	(8,242,444)	35,102,068	9.25%	-19.02%
Total		**273,627,285**	**10,713,796**	**284,341,081**	**74.96%**	**-**

Details of shares held by Promotor shareholder and each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	**As at 31 December, 2023**		As at 31 December, 2022	
	Number of shares held	**% holding in that class of shares**	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Participaciones Internacionales Autometal, Dos S.L. (PIA2)	**249,239,013**	**65.70%**	249,239,013	65.71%
Mahindra & Mahindra Limited (M&M) Upto 10 October, 2023	**-**	**-**	35,102,068	9.25%

Mahindra and Mahindra Limited has been reclassified as Public Shareholder in accordance with provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 10th October, 2023.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Distribution made and proposed	As at 31 December, 2023	As at 31 December, 2022
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 December 2022 : INR 2.50 per share (31 December 2021: INR 2.50 per share)	**948.41**	947.69
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31 December 2023: INR 5.00 per share (31 December 2022: INR 2.50 per share)	**1,896.81**	948.29

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December.

14. Other Equity

(i) Securities premium reserve

	As at 31 December, 2023	As at 31 December, 2022
Opening balance	**15,360.76**	15,301.19
Addition on Exercise of options- Proceeds Received	**11.08**	59.57
Closing balance	**15,371.84**	15,360.76

(ii) Equity settled employees' benefits reserve

	As at 31 December, 2023	As at 31 December, 2022
Opening balance	**5.00**	31.00
Employee stock option expenses	**-**	-
Less: -		
Transfer to retained earnings on cancellation/lapse	**-**	-
Options exercised during the year	**(5.00)**	(26.00)
Closing Balance	**-**	5.00

(iii) Retained earnings including other comprehensive income

	As at 31 December, 2023	As at 31 December, 2022
Opening Balance	**12,350.14**	8,176.87
Add: -		
Profit for the year	**5,623.44**	5,120.90
Dividend Paid	**(948.41)**	(947.81)
Any other change	**(8.17)**	(7.46)
Items of Other Comprehensive income recognized directly in retained earnings		
Re-measurement of post-employement benefit obligation (net of tax)	**14.52**	7.64
Closing balance	**17,031.52**	12,350.14

(iv) Capital reserve

	As at 31 December, 2023	As at 31 December, 2022
Balance as at beginning and end of the year	**6,501.93**	6,501.93

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(v) Capital Redemption reserve

	As at 31 December, 2023	As at 31 December, 2022
Balance as at beginning and end of the year	**164.71**	164.71

(vi) General Reserve

	As at 31 December, 2023	As at 31 December, 2022
Balance as at beginning and end of the year	**6,535.76**	6,535.76
Grand Total	**45,605.76**	40,918.30

Nature and purpose of Reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the law.

Equities settled employees' benefits reserve

The Equities settled employees benefits reserve is used to recognize the grant date fair value of options issued to employees under the CIE Stock Options Scheme.

Capital reserve

Capital reserve is reserves generated on account of:

1. Merger under the Integrated Scheme of Amalgamation and the Composite Scheme of Amalgamation (Sections 391-395 of the Companies Act, 1956) for the merger of Mahindra Ugine Steel Company Limited (MUSCO), Mahindra Hinoday Industries Limited (MHIL), Mahindra Gears International Limited (MGIL), Mahindra Investment India Private Limited (MIIPL), Participaciones Internacionales Autometal Tres S.L. (PIA3) and Mahindra Composites Limited (MCL). The merger was approved by the Honourable High Court of Judicature at Bombay on October 31, 2014. The Schemes came into effect on December, 10, 2014, the day on which the order was delivered to the Registrar of Companies. The reserve is capital in nature and is not available for distribution as dividend.
2. Merger under the Scheme of Amalgamation (Sections 230-234 and other applicable provisions of the Companies Act, 2013) of Mahindra Gears and Transmission Private Limited, Mahindra Forging Global Limited, Mahindra Forging International Limited and Crest Geartech Private Ltd. The merger was approved by the Honourable National Company Law Tribunal (NCLT) at Mumbai on December 13, 2017. The reserve is capital in nature and is not available for distribution as dividend.

General reserve

General reserve created by virtue of merger of Mahindra Stokes Holding Company Limited, Mahindra Forgings Overseas Limited and Mahindra Forgings Mauritius Limited into the Company vide High Court Order dated 27th December, 2007, is reserve available for distribution as dividend.

Capital redemption reserve

Capital redemption reserve is transferred by virtue of the merger referred to above, which was in the books of MUSCO and was created to redeem preference shares issued by MUSCO before merger. These shares have since been redeemed and this reserve is available for use as per the relevant provisions of Companies Act, 2013.

15. Borrowings

	As at 31 December, 2023	As at 31 December, 2022
Unsecured Borrowings		
(a) Borrowings from related parties	**-**	400.00
(b) From Banks (Includes factored receivables) as on 31 December 2023 ` 35.65 Million (31 December 2022 ` 94.94 Million)	**719.25**	832.44
Total Current Borrowings	**719.25**	1,232.44

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Movement of Borrowings

	As at 31 December, 2023	As at 31 December, 2022
Balance at beginning of the year (including accrued interest)	**1,232.44**	1,823.40
Changes		
Cash flows	**(513.19)**	(590.96)
Interest expense	**(72.14)**	(91.98)
Interest paid	**72.14**	91.98
Balance at end of the year	**719.25**	1,232.44

Interest rate range from 4.5% to 8% p.a.(31 December 2022 4.5% to 7.5% p.a.)

The Borrowings from related party in previous year was an unsecured short-term loan repayable on demand.

Loan from banks is unsecured and with maturity period up to 12 months.

16. Trade Payables

	As at 31 December, 2023	As at 31 December, 2022
Outstanding dues of Micro enterprises and Small enterprises; and	**203.36**	268.62
Outstanding dues of creditors other than micro enterprises and small enterprises	**4,857.17**	5,312.00
Acceptances	**1,093.06**	883.14
Total	**6,153.60**	6,463.76
Of the above, trade payable from:		
- Related Parties (Note 31)	**558.45**	341.33
- Others	**5,595.15**	6,122.43

The identification of suppliers as micro and small enterprises covered under the "Micro Small and Medium Enterprises Development Act, 2006" was done on the basis of the information to the extent provided by the supplier to the Company. Total outstanding dues to micro and small enterprises, are given below:

	As at 31 December, 2023	As at 31 December, 2022
The amounts remaining unpaid to micro and small suppliers at the end of the year		
Principal	**203.30**	268.62
Interest due thereon	**0.06**	-
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year		
-- Principal paid beyond the appointed date	**55.13**	133.47
-- Interest paid in terms of Section 16 of the MSMED Act	**-**	-
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.29**	1.38
The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.35**	1.60
Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	**10.95**	10.60

*Amount is below rounding off norm adopted by the Company

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Trade payables - Ageing

As at 31 December 2023	< 1 year	1 -2 year	2 -3 year	> 3 year	Total
Micro and small Enterprises	203.30	-	-	-	203.30
Others	5,002.54	62.87	1.89	21.83	5,089.13
Disputed dues - Micro and small enterprises					-
Disputed dues - Others	-	7.27	-	-	7.27
Total	**5,205.84**	**70.14**	**1.89**	**21.83**	**5,299.70**
Accrued Expenses	-	-	-	-	853.90
Total	**5,205.84**	**70.14**	**1.89**	**21.83**	**6,153.59**

As at 31 December 2022	< 1 year	1 -2 year	2 -3 year	> 3 year	Total
Micro and small Enterprises	268.62	-	-	-	268.62
Others	5,378.94	2.00	2.00	3.00	5,385.94
Disputed dues - Micro and small enterprises	-	-	-	-	-
Disputed dues - Others	-	-	-	16.00	16.00
Total	**5,647.56**	**2.00**	**2.00**	**19.00**	**5,670.56**
Accrued Expenses	-	-	-	-	793.20
Total	**5,647.56**	**2.00**	**2.00**	**19.00**	**6,463.76**

17. Other Financial Liabilities

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non-Current**	Current	Non-Current
(a) Creditors for capital supplies/services	**100.47**	**-**	111.28	-
Total	**100.47**	**-**	111.28	-

18. Provisions

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non- Current**	Current	Non-Current
(a) Provision for Gratuity (Note 29)	**148.82**	**59.19**	155.67	82.91
(b) Provision for compensated absences	**51.11**	**291.86**	41.28	263.39
(c) Provision for water charges #	**-**	**262.28**	-	262.28
(d) Provision for Litigative matters ^	**212.81**	**-**	231.80	-
(e) Others*	**82.79**	**35.00**	82.75	47.07
Total	**495.53**	**648.33**	511.50	655.65

Provision of ` 262 million is towards an ongoing dispute with the Irrigation Department (Water Resource Department) in respect of levy of charge for use of water for the period July 1991 to May 2012 for an aggregate amount of ` 587 million including penal charge of ` 102 million and late fee charge of ` 223 million. Presently the matter is being legally pursued. The Company has provided ` 262 million towards arrears of water charges. Refer Note 30 Contingent liabilities and commitments.

^ Majorly includes provision of ` 120 million (31 December, 2022: ` 120 Million) has been recognised for Provident Fund liability basis Supreme Court judgement in 'Regional provident fund commissioner (II) West Bengal vs Vivekananda Vidyamandir and Others' in accordance with Ind AS-37. The remaining amount pertains to provision against levy of cross subsidy charges and additional surcharge by Maharashtra State Electricity Distribution Company Limited during the year on account of power consumption from non-captive generating plant.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

* This represents provisions made for probable liabilities payable to regulatory authorities. Above provisions are affected by various uncertainties and management has taken all efforts to make a best estimate. It is not practicable for the Company to estimate the accurate timing of cash outflows, if any, in respect of the above.

Movements in Provisions: (Current and Non current)

Movement in provisions during the financial year is set out below:

	Others	Litigative matters
As at 1 January, 2023	**129.82**	**231.80**
Charged/ (Credited) to profit or loss		
- Additional provisions recognized	**-**	**-**
- Unused amounts reversed	**(11.03)**	**-**
Amounts used during the year	**-**	**(18.99)**
As at 31 December, 2023	**117.79**	**212.81**

There is no movement during the year ended 31 December, 2023 in the provision for water charges.

19. Deferred Taxes

2023	Opening Balance	Recognized in profit and Loss	Recognized in OCI	Other	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment and Intangible assets	**3,246.69**	**97.00**	**-**	**-**	**3,343.69**
Subtotal (A)	**3,246.69**	**97.00**	**-**	**-**	**3,343.69**
Tax effect of items constituting deferred tax assets					
Expenses allowable on payment basis	**179.42**	**6.00**	**-**	**-**	**185.42**
Timing differences	**253.94**	**51.77**	**(4.88)**	**-**	**300.83**
Subtotal (B)	**433.36**	**57.77**	**(4.88)**	**-**	**486.25**
Net Tax Asset (Liabilities)[B-A]	**(2,813.33)**	**(39.23)**	**(4.88)**	**-**	**(2,857.44)**

2022	Opening Balance	Recognized in profit and Loss	Recognized in OCI	Other	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Property, Plant and Equipment and Intangible assets	3,214.40	32.29	-	-	3,246.69
Subtotal (A)	3,214.40	32.29	-	-	3,246.69
Tax effect of items constituting deferred tax assets					
Expenses allowable on payment basis	69.66	109.76	-	-	179.42
Timing differences	253.05	1.89	-	(1.00)	253.94
Subtotal (B)	322.71	111.65	-	(1.00)	433.36
Net Tax Asset (Liabilities)[B-A]	(2,891.69)	79.36	-	(1.00)	(2,813.33)

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

20. Corporate income tax expense

(i) Income Tax recognised in Profit or loss

Income Tax recognised in Profit or loss	Year ended 31 December, 2023	Year ended 31 December, 2022
Current Tax	**1,502.58**	1,290.85
Deferred Tax*	**39.23**	(77.44)
Total income tax expense	**1,541.81**	1,213.41

*Above includes prior year deferred tax income of ` Nil (31 December 2022: ` 85.02)

(ii) Income tax recognised on Other comprehensive income

Income tax recognised on Other comprehensive income	Year ended 31 December, 2023	Year ended 31 December, 2022
Income taxes related to items that will not be reclassified to profit or loss	**(4.88)**	(3.00)
Total income tax recognised on Other comprehensive income	**(4.88)**	(3.00)

(iii) Reconciliation of tax expense and the accounting profit multiplied by Company's domestic tax rate:

	Year ended 31 December, 2023	Year ended 31 December, 2022
Profit before tax	**7,165.25**	6,334.31
Income tax expenses calculated at 25.168% (December 2022: 25.168%)	**1,803.35**	1,594.22
Impact of tax of earlier years	**-**	(84.00)
Dividend Received	**(276.35)**	(229.31)
Profit on Sale of Land (due to brought forward losses)	**-**	(95.41)
Interest on preference share	**(27.55)**	(9.33)
Other Items	**42.35**	37.24
Total	**1,541.81**	1,213.41

Unused tax loss balances pertaining to AY :

Year ended 31 December 2023	AY 2019-20	AY 2022-23	Total
Balance at the beginning of the year	**9,156.95**	-	9,156.95
Addition/ (utilised) during the year	**(349.51)**	3.45	(346.06)
Balance at the end of the year	**8,807.44**	3.45	8,810.89
Balance can be carried forward till AY	AY 2027-28	AY 2030-31	-

Year ended 31 December 2022	AY 2019-20	AY 2022-23	Total
Balance at the beginning of the year	**9,156.95**	-	9,156.95
Addition/ (utilised) during the year	**-**	-	0.00
Balance at the end of the year	**9,156.95**	-	9,156.95
Balance can be carried forward till AY	AY 2027-28	-	-

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

21. Fair Value Measurements

Financial instruments by category

	As at 31 December, 2023			As at 31 December, 2022		
	FVTPL	**FVOCI**	**Amortised Cost**	FVTPL	FVOCI	Amortised Cost
Financial assets						
Investments	**7,751.91**	**-**	**332.18**	5,330.09	-	281.34
Trade Receivables	**-**	**-**	**4,617.49**	-	-	5,736.73
Other Financial Assets	**-**	**-**	**205.99**	-	-	170.51
Cash and Cash Equivalents	**-**	**-**	**1,414.82**	-	-	371.54
Other Bank balances	**-**	**-**	**222.90**	-	-	120.56
Loans	**-**	**-**	**869.52**	-	-	206.98
Total financial assets	**7,751.91**	**-**	**7,662.90**	5,330.09	-	6,887.66
Financial liabilities						
Borrowings	**-**	**-**	**719.25**	-	-	1,232.44
Trade Payables	**-**	**-**	**6,153.60**	-	-	6,463.76
Other Financial Liabilities	**-**	**-**	**100.47**	-	-	111.28
Total financial liabilities	**-**	**-**	**6,973.32**	-	-	7,807.48

Financial instrument carried at amortized cost

Fair value of financial assets and financial liabilities carried at amortized cost is not materially different from the carrying amount. This disclosure is not applicable for lease liabilities.

Investments do not include investments in subsidiaries which are carried at cost and hence are not required to be disclosed as per Ind AS 107 Financial Instruments Disclosures.

Fair Value Hierarchy

	As at 31 December, 2023			As at 31 December, 2022		
	Level 1	**Level 2**	**Level 3**	Level 1	Level 2	Level 3
Financial assets						
Short term investments in Mutual Funds	**7,751.91**	**-**	**-**	5,330.09	-	-
Total	**7,751.91**	**-**	**-**	5,330.09	-	-

22. Other Liabilities

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non- Current**	Current	Non- Current
(a) Taxes payable (other than income taxes)	**371.01**	**-**	297.28	-
(b) Payable to employees	**734.47**	**-**	767.09	-
(c) Others (Majorly includes customer advance)	**304.87**	**-**	213.60	-
Total	**1,410.35**	**-**	1,277.97	-

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

23. Revenue from Operations

	Year ended 31 December, 2023	Year ended 31 December, 2022
Revenue from contracts with customers		
(a) Sale of Products	**42,463.39**	40,496.45
(b) Sale of Services	**52.64**	64.08
Other Operating Revenue (Including Scrap Sales, Export incentives)	**3,182.40**	3,417.70
Total	**45,698.43**	43,978.23

Reconciliation of revenue with contract price :-	Year ended 31 December, 2023	Year ended 31 December, 2022
Revenue as per Statement of Profit and loss (sale of products and sale of services)	**42,516.03**	40,560.53
Add: Incentive/rebates	**-**	-
Contract Price	**42,516.03**	40,560.53

24. Other Income

	Year ended 31 December, 2023	Year ended 31 December, 2022
(a) Interest Income on financial assets measured at amortised cost and others	**159.08**	95.49
(b) Net Gain on Investment held at Fair value through Profit & loss	**161.92**	30.00
(c) Dividend Income from subsidiaries	**1,097.93**	910.42
(d) Profit on sale/ disposal of Property, Plant & Equipments	**6.68**	13.29
(e) Miscellaneous income (including net exchange gain)	**78.48**	157.14
Total	**1,504.09**	1,206.34

25. Cost of material consumed

	Year ended 31 December, 2022	Year ended 31 December, 2022
Opening stock of raw materials	**1,162.01**	1,235.00
Add: Purchases	**24,058.93**	24,638.04
	25,220.94	25,873.04
Less: Closing stock of raw materials	**1,049.21**	1,162.01
Cost of materials consumed	**24,171.73**	24,711.03

Changes in inventories of finished goods and work in progress:

	Year ended 31 December, 2023	Year ended 31 December, 2022
Inventories at the end of the year		
Finished goods	**1,139.85**	1,128.55
Work in progress	**1,711.09**	1,809.33
	2,850.94	2,937.88
Inventories at the beginning of the year		
Finished goods	**1,128.55**	1,034.76
Work in progress	**1,809.33**	1,644.57
	2,937.88	2,679.33
Net (Increase)/Decrease	**86.94**	(258.55)

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

26. Employee benefit expenses

		Year ended 31 December, 2023	Year ended 31 December, 2022
(a)	Salaries and wages, including bonus	**3,633.08**	3,389.27
(b)	Contribution to provident and other funds (Note 29)	**218.48**	188.20
(c)	Share based payments	**73.31**	81.00
(d)	Staff welfare expenses	**353.34**	307.55
Total		**4,278.21**	3,966.02

27. Finance costs

		Year ended 31 December, 2023	Year ended 31 December, 2022
(a)	Interest expense	**53.14**	80.50
(b)	Finance Charges	**19.00**	11.28
(c)	Interest on Lease Liabilities (Refer Note 5 (iii))	**37.69**	42.79
Total		**109.83**	134.57

28. Other expenses

		Year ended 31 December, 2023	Year ended 31 December, 2022
(a)	Tools & Stores consumed	**1,777.21**	2,589.33
(b)	Power & Fuel	**2,342.91**	2,219.51
(c)	Repairs and maintenance	**963.54**	898.18
(d)	Freight outward	**824.48**	855.99
(e)	Subcontracting, Hire and Service Charges	**2,943.61**	1,892.97
(f)	Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013. (Note 35)	**61.30**	45.95
(g)	Auditors remuneration and out-of-pocket expenses		
	(i) Audit fee	**13.06**	10.90
	(ii) Other services	**0.78**	2.35
	(iii) For reimbursement of expenses	**-***	-*
(h)	Other Expenses	**1,107.68**	828.69
	Total	**10,033.37**	9,343.87

* Amount is below the rounding off norm adopted by the Company.

29. Employee benefits plans

(a) Defined Contribution plan

The Company's contribution to Provident Fund and other funds aggregating ` 150.46 Million (` 128.00 Million) has been recognised in the statement of Profit or Loss under the head Employee Benefit expenses.

(b) Defined benefit plans

(i) Gratuity

The Company operates gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company's scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

contribution to the Company gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

(ii) Compensated absences

Company's liability towards leave encashment are determined using the Projected Unit Credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognised on straight line basis over the statement of Profit or loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(c) Risks

Through its defined benefit plans the Company is exposed to risks, the most significant of which are detailed below:

(i) Asset Volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bond's discount rate, this will create or increase a deficit.

(ii) Changes in Bond Yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings.

1. Provisions for Gratuity, Voluntary Retirement Scheme (VRS): -

	Funded Plan-Gratuity	
	31 December, 2023	31 December, 2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Service Cost		
Current Service Cost	**67.00**	65.28
- Past service cost and (gains)/losses from settlements	**-**	-
Net interest expense	**12.11**	13.13
Components of defined benefit costs recognised in profit or loss	**79.11**	78.41
Re-measurement on the net defined benefit liability		
Actuarial gains and loss arising from changes in financial assumptions	**(8.42)**	(46.96)
Actuarial gains and loss arising from experience adjustments	**(10.98)**	36.39
Actuarial gains and loss arising from Demographic assumptions	**-**	(0.07)
Components of defined benefit costs recognised in other comprehensive income	**(19.40)**	(10.64)
Total	**59.71**	67.77
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31 December		
1. Present value of defined benefit obligation as at 31 December	**(925.31)**	(858.53)
2. Fair value of plan assets as at 31 December	**717.30**	620.49
3. Surplus/(Deficit)	**(208.01)**	(238.54)
4. Current portion of the above	**(148.82)**	(155.67)
5. Non-current portion of the above	**(59.19)**	(82.87)

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

			Funded Plan-Gratuity	
			31 December, 2023	31 December, 2022
II.	**Change in the obligation during the year ended 31 December**			
	1.	Present value of defined benefit obligation at the beginning of the year	**858.53**	826.85
	2.	Expenses Recognised in Profit and Loss Account		
	-	Current Service Cost	**67.00**	65.28
	-	Past Service Cost	**-**	-
	-	Interest Expense (Income)	**61.39**	51.71
	3.	Recognised in Other Comprehensive Income		
		Re-measurement gains / (losses)		
	-	Actuarial Gain (Loss) arising from:		
	i.	Demographic Assumptions	**-**	(0.07)
	ii.	Financial Assumptions	**(5.60)**	(46.36)
	iii.	Experience Adjustments	**(16.26)**	36.39
	4.	Benefit payments	**(39.76)**	(75.27)
	5.	Present value of defined benefit obligation at the end of the year	**925.31**	858.53
III.	**Change in fair value of assets during the year ended 31 December**			
	1.	Fair value of plan assets at the beginning of the year	**620.49**	596.22
	2.	Expenses Recognised in Profit and Loss Account		
	-	Expected return on plan assets	**55.33**	37.58
	3.	Recognised in Other Comprehensive Income		
		Re-measurement gains / (losses)	**-**	-
	-	Actual Return on plan assets in excess of the expected return		
	i.	Demographic Assumptions	**-**	-
	ii.	Financial Assumptions	**2.83**	2.63
	iii.	Experience Adjustments	**(5.28)**	2.42
	4.	Contributions by employer (including benefit payments recoverable)	**83.70**	57.87
	5.	Benefit payments	**(39.76)**	(76.23)
	6.	Fair value of plan assets at the end of the year	**717.30**	620.49

			Funded Plan-Gratuity	
			31 December, 2023	31 December, 2022
IV.	**The Major categories of plan assets**			
	-	List the plan assets by category here		
		Funds managed by Insurer	**717.30**	620.49
		% to total assets	**100%**	100%

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

		Funded Plan-Gratuity	
		31 December, 2023	31 December, 2022
V.	**Actuarial assumptions**		
1.	Discount rate	**7.30% to 7.50%**	6.5% to 7.6%
2.	Expected rate of return on plan assets	**7.30% to 7.60%**	6.5% to 6.9%
3.	Attrition rate	**1% to 10%**	1% to 10%
4.	Salary Escalation	**7% to 8%**	7% to 8%
5.	Mortality	**Indian Assured Lives Mortality (2012-14) Ultimate**	
6.	Life expectancy of person retiring at year end	**10 to 23 years**	

VI. The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change	**31 December, 2023**	31 December, 2022
Decrease in Discount rate	1%	**Increase by 4.94%**	Increase by 9.2%
Increase in Discount rate	1%	**Decrease by 4.04%**	Decrease by 8.1%
Decrease in Salary increment	1%	**Decrease by 3.51%**	Decrease by 7.6%
Increase in Salary increment	1%	**Increase by 3.69%**	Increase by 8.2%

VII. The weighted average duration of the defined benefit obligation is 9.90 years (2022 – 10.6 years). The expected payment analysis of undiscounted gratuity is as follows:

	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
December 31, 2023					
Defined benefit obligation	101.91	84.48	279.73	770.09	1,236.21
December 31, 2022					
Defined benefit obligation	82.45	85.22	246.18	812.64	1,226.49

30. Contingent Liabilities and Commitments

		31 December, 2023	31 December, 2022
Contingent liabilities (to the extent not provided for):**			
(a)	Claims against the Company not acknowledged as debt		
	Income tax claims against which the Company has preferred an appeal	**183.76**	514.64
	Excise cases against the Company	**130.60**	138.16
	Service Tax	**59.65**	61.99
	Sales Tax and VAT	**8.06**	5.79
	MSEDCL Related Litigations *	**527.37**	504.11
	Stamp Duty, Government Cess and others	**244.00**	108.15
	Water Charges (Refer Note 18)	**325.12**	325.12
	The Company had imported capital goods under the Export Promotion Capital Goods (EPCG), of the Government of India, at concessional rate of duty on an understanding to fulfil quantified exports against future obligation.	**4.91**	4.91
(b)	Commitment		
	Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities.	**550.68**	674.62

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

*Maharashtra State Electricity Distribution Company Limited (MSEDCL) has levied the Cross Subsidy Surcharge (CSS) and Additional Surcharge levied (ASC) on the units of power consumed by the Company as a captive consumer from two Captive Generating Plant (CGP) Units of Sai Wardha Power Generation Limited (SWPGL) which was an independent Special Purpose Vehicle set up for Generation and supply of electricity. The Hon'ble Maharashtra Electricity Regulatory Commission (MERC) vide its separate orders dated October 22, 2020 and October 29, 2020 has rejected the captive status of the said two CGP units of SWPGL for the year 2016-17 and the year 2017-18 respectively. MSEDCL has raised supplementary invoices of ` 208.00 million (including interest) for the year 2016-17 and of ` 263.00 million (including interest) for the year 2017-18 towards alleged Cross Subsidy Surcharge and Additional Surcharge applicable for non-captive power consumption. The Company has challenged the impugned orders before Hon'ble Appellate Authority of Electricity (APTEL). Hon'ble APTEL vide its Order dated November 26, 2021 (APTEL Order) set aside the Orders of MERC and remanded the matter to MERC for fresh determination of captive status based on the opinion expressed in the APTEL Order. MERC vide its Order dated 16th March, 2022 (MERC Remand Order) held Unit 3 and Unit 4 of Sai Wardha Power Generating Limited as captive generating plant for FY 2016-17 and FY 2017-18. MERC further held that 24.73 MUs and 53.53 MUs for FY 2016-17 and FY 2017-18 respectively were injected from the non-captive units and thus unscheduled power. Hence, the Distribution Licensees were directed to treat this unscheduled power in accordance with the applicable provisions of the Electricity Act, 2003 and the relevant Rules and Regulations. However, DISCOMs have filed an appeal against the APTEL Order before Hon'ble Supreme Court of India which is sub-judice. The Company has also filed appeal against the MERC Remand Order for limited issue of the units which were held as Unscheduled Power.

The Hon'ble Maharashtra Electricity Regulatory Commission vide its dated February 09, 2018 in Case No.77 of 2015 for FY 2014-15 and order dated March 19, 2018 in Case No.159 of 2016 for FY 2015-16 (Original MERC Order) had upheld the captive status of the units of SWGPL for those years. However, it had treated the units supplied by SWGPL from other two non-CGP units of SWGPL, as non-contracted power for 2015-16. MSEDCL has accordingly raised a supplementary bill of ` 33 million for the year 2015-16 towards the units supplied by SWGPL from non-CGP units. Thereafter MERC had in its review order, allowed review of the said MERC orders and held that the captive status of SWPGL be redetermined for FY 2014-15 and FY 2015-16. APTEL vide the APTEL Order set aside the Review Order and upheld the Original MERC Orders holding SWPGL as captive for these two years as well. However, DISCOMs have filed an appeal against the APTEL Order before Hon'ble Supreme Court of India. The Company is also contesting the issue of non-CGP units of 2015-16.

During the year, the Hon'ble Supreme Court of India have delivered a common judgment on 9th October, 2023, whereby the Court has elucidated the interpretation of the relevant provisions of the Electricity Act, 2003 and Rule 3 of the Electricity Rules, 2005. The Court has also mentioned that these principles shall be applied to the facts and circumstances of each case. As per the record of proceedings issued separately, the matters will be listed for hearing and disposal before the appropriate Bench of the Court.

** Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.

Further, the Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the standalone financial statements. The management believes that the ultimate outcome of above proceeding will not have a material adverse effect on the Company's financial position and results of operations.

31. Related Party Transactions

Names of Related Parties:

(a) Ultimate Holding Company - CIE Automotive S.A.

Principal Shareholder of the Holding Company - CIE Berriz, S.L

Holding Company - Participaciones Internacionales Autometal , DOS S.L

(b) Names of Subsidiary Companies

1. Stokes Group Limited (upto 05 September 2023.)
2. CIE Galfor S. A.U
3. CIE Forging Germany GmbH (CFG) (Formerly known as Mahindra Forgings Europe AG)

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

4. Jeco Jellinghaus GmbH (upto 30 June 2023)
5. Gesenkschmiede Schneider GmbH (upto 30 June 2023)
6. Falkenroth Umformtechnik GmbH (upto 30 June 2023)
7. Schoneweiss & Co. GmbH (upto 30 June 2023)
8. CIE Legazpi S.A.,
9. UAB CIE LT Forge
10. Metalcastello S.p.A .
11. BF Precision Private Limited
12. Bill Forge de Mexico S.A de C.V.
13. CIE Aluminium Casting India Limited (CACIL) (formerly known as Aurangabad Electricals Limited)
14. Aurangabad Deutschland GmbH
15. CIE Hosur Limited

(c) Names of Fellow Subsidiaries where transactions have taken place during the period

1. Gameko Fabricación de Componentes, S.A.
2. CIE Automotive Goiain, S.L.U
3. Somaschini North America, LLC
4. Somaschini SRL
5. Somaschini S.p.A
6. Transformaciones Metalurgicas Norma, S.A

(d) Name of Associate Companies where transactions have taken place during the period

1. Gescrap India Private Limited
2. Clean Max Deneb Power LLP
3. Sunbarn Renewables Private Limited
4. Renew Surya Alok Private Limited
5. Strongsun Solar Private Limited (12 December 2022)

(e) Entities having significant influence over group

Mahindra & Mahindra Limited (M&M) (Holding Company and Ultimate Holding Company are Associates upto May 24, 2023.)

Mahindra & Mahindra Limited (M&M) (Ultimate holding company is an associate company w.e.f. May 25, 2023)

(f) Subsidiaries of entities having joint control/ significant influence over group where transactions have taken place during the period

1. Mahindra Intertrade Limited
2. Mahindra Steel Service Centre Limited
3. Mahindra Auto Steel Private Limited
4. Mahindra Electric Mobility Limited
5. Mahindra Heavy Engines Limited
6. Mahindra Two Wheelers Limited
7. Mahindra Trucks & Buses Private Limited.
8. Gromax Agri Equipments Limited

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

9. Mahindra Integrated Business Solutions Private Limited
10. Mahindra Sanyo Special Steels Private Limited
11. Mahindra Consulting Engineers Limited
12. Mahindra Defence Naval Systems Limited
13. Mahindra Logistics Limited
14. Tech Mahindra Ltd.
15. Mahindra Defence System Ltd.
16. Classic Legends (P) Ltd.
17. Defence Land System Ltd.
18. Mahindra Last mile Mobility limited
19. Mahindra Accelo Limited
20. Mahindra Defence Systems Limited

(g) Other Related Parties (Enterprises owned or significantly influenced by key managerial personnel or their relatives) where transactions have taken place during the period

1. Economic Laws Practice

(h) Key Managerial Personnel (KMP)

Sr. No.	Name	Designation
1	Mr. Shriprakash Shukla	Non-Executive Director
2	Mr. Ander Arenaza Alvarez	Executive Director
3	Mr. Manoj Mullassery Menon	Executive Director & Chief Executive Officer - Stampings, Composites, Foundry, Magnetics and Gears Divisions
4	Mr. Anil Haridass	Non-Executive Director (w.e.f. 23 February 2022)
5	Mr. Jesus Maria Herrera Barandiaran	Non-Executive Director
6	Mr. Jairaj Purandare	Independent Director (w.e.f. 10th June 2023)
7	Mr. Puneet Renjhen	Non-Executive Director (Upto 18th December 2022)
8	Mr. Manojkumar Maheshwari	Independent Director
9	Mr. Dhananjay Narendra Mungale	Independent Director (upto 9th June 2023)
10	Mr. Kadambi Narahari	Independent Director (upto 9th June 2023)
11	Mrs. Roxana Meda Inoriza	Independent Director
12	Mr. Alan Savio D'Silva Picardo	Independent Director
13	Mr. Suhail Amin Nathani	Independent Director
14	Mr. Hari Krishnan	Chief Executive Officer - Forgings and Bill Forge Divisions (w.e.f. 22 February 2022)
15	Mr. Zhooben Dossabhoy Bhiwandiwala	Non-Executive Director (upto 22 February 2022)
16	Mr. K. Jayaprakash	Chief Financial Officer
17	Mr. Pankaj Vijay Goyal	Company Secretary and Compliance Officer

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(i) Transactions with Related parties during the period

	For the year ended	Holding Company	Entities having significant influence over Company	Subsidiaries (Including Fellow subsidiaries)	Subsidiaries of Entities having significant influence over Company	Associate Company	Other Related Parties
Nature of transactions with Related Parties							
Sale of goods	**31 December, 2023**		**16,452.74**	**696.04**	**897.29**	**2,522.13**	**-**
	31 December, 2022		15,555.16	798.60	688.24	2,709.48	-
Purchase of goods	**31 December, 2023**		**0.35**	**549.09**	**1,568.38**	**-**	**-**
	31 December, 2022		2.73	236.00	1,856.77	-	-
Purchase of property and other assets	**31 December, 2023**		**-**	**29.56**	**-**	**-**	**-**
	31 December, 2022		-	-	-	-	-
Receiving of services (Including Reimbursement of expense)	**31 December, 2023**		**-**	**50.36**	**112.87**	**373.41**	**0.18**
	31 December, 2022		-	62.96	146.07	289.94	-
Rent paid	**31 December, 2023**		**17.12**	**-**	**-**	**-**	**-**
	31 December, 2022		34.19	-	-	-	-
Interest received	**31 December, 2023**		**-**	**86.49**	**-**	**-**	**-**
	31 December, 2022		-	49.80	-	-	-
Interest paid	**31 December, 2023**		**2.13**	**4.91**	**-**	**-**	**-**
	31 December, 2022		15.84	20.90	-	-	-
Reimbursements received	**31 December, 2023**		**-**	**67.97**	**-**	**-**	**-**
	31 December, 2022		-	72.78	-	-	-
Investment in Subsidiary and Associate	**31 December, 2023**		**-**	**-**	**-**	**50.84**	**-**
	31 December, 2022		-	1,267.00	-	53.26	-
Sale of Assets	**31 December, 2023**		**-**	**11.61**	**-**	**-**	**-**
	31 December, 2022		-	149.17	391.87	-	-
Loans Given	**31 December, 2023**		**-**	**6,983.87**	**-**	**-**	**-**
	31 December, 2022		-	1,047.00	-	-	-
Loans Taken	**31 December, 2023**		**-**	**205.00**	**-**	**-**	**-**
	31 December, 2022		-	4,286.02	-	-	-
Sale of investment	**31 December, 2023**		**-**	**-**	**-**	**-**	**-**
	31 December, 2022		-	-	-	-	-
Dividend Received	**31 December, 2023**		**-**	**1,097.93**	**-**	**-**	**-**
	31 December, 2022		-	909.95	-	-	-
Dividend Paid	**31 December, 2023**	**623.10**	**-**	**-**	**-**	**-**	**-**
	31 December, 2022	575.07	104.00	-	-	-	-

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(j) Balances with Related parties at the end of the period

Nature of Balances with Related Parties	Balance as on	Holding Company	Entities having significant influence over Company	Subsidiaries (Including Fellow subsidiaries)	Subsidiaries of Entities having significant influence over Company	Associate Company	Other Related Parties
Investments	**31 December, 2023**		**-**	**-**	**-**	**325.93**	**-**
	31 December, 2022		-	-	-	275.08	-
Trade payables	**31 December, 2023**		**1.37**	**23.81**	**508.87**	**24.40**	**-**
	31 December, 2022		1.01	0.45	336.73	3.14	-
Trade receivables	**31 December, 2023**		**527.42**	**23.07**	**424.73**	**-**	**-**
	31 December, 2022		1,201.18	78.13	152.54	2.06	-
Borrowings	**31 December, 2023**		**-**	**-**	**-**	**-**	**-**
	31 December, 2022		-	400.00	-	-	-
Loans Receivable	**31 December, 2023**		**-**	**869.52**	**-**	**-**	**-**
	31 December, 2022		-	206.98	-	-	-
Advances received	**31 December, 2023**		**-**	**-**	**-**	**3.20**	**-**
	31 December, 2022		-	-	-	-	-
Advances Given	**31 December, 2023**		**-**	**-**	**-**	**-**	**-**
	31 December, 2022		-	-	-	-	-
Other balances	**31 December, 2023**		**19.52**	**5.20**	-	-	-
	31 December, 2022		-	2.32	-	-	-
Reimbursements received	**31 December, 2023**		**-**	**-**	-	-	-
	31 December, 2022		-	3.02	-	-	-
Reimbursements paid	**31 December, 2023**		**-**	**-**	-	-	-
	31 December, 2022		-	0.70	-	-	-

*Amount is below rounding off norm adopted by the Company.

Note 1

The transactions with Related parties during the period have been disclosed net off Goods and Services Tax.

(k) Remuneration to Key Managerial Personnel

Details of Remuneration	**31 December, 2023**	31 December, 2022
Short term employment benefits	**51.06**	58.95
Long term employment benefits (as per actuarial valuation)	**1.40**	1.11
Share based payments	**51.32**	81.00
Director sitting fees, Commission	**26.10**	14.46
Total	**129.88**	155.52

(l) Balance payable to Key Managerial Personnel

Details of Remuneration	**31 December, 2023**	31 December, 2022
Short term employment benefits	**1.69**	1.41
Share based payments	**18.93**	80.28
Director sitting fees & Commission	**20.47**	9.86
Total	**41.09**	91.55

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

32. Earnings per share

a) Calculation of basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the parent Company's shareholders by the weighted average number of ordinary shares in the year.

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Stock options for the respective periods.

	31 December, 2023	31 December, 2022
	` Per Share	` Per Share
Basic earnings per share	**14.82**	13.50
Diluted earnings per share	**14.82**	13.50

b) The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

		31 December, 2023	31 December, 2022
a.	Profit for the year	**5,623.44**	5,120.90
b.	Weighted average number of equity shares	**379,358,916**	379,247,594.00
Add:	Effect of Stock options	**-**	17,465.00
c.	Weighted average number of equity shares used in the calculation of Diluted EPS	**379,358,916**	379,265,059.00
d.	Basic earnings per share (a/b)	**14.82**	13.50
e.	Diluted earnings per share (a/c)	**14.82**	13.50

33. Exceptional Item

		Year Ended 31 December, 2023	Year Ended 31 December, 2022
a)	Gain from sale of Kanhe freehold land	**-**	(378.73)
Total		**-**	(378.73)

34. Segment Information

In accordance with paragraph 4 of notified IND AS 108 "Operating Segments", the Company has disclosed segment information only in consolidated financial statements.

35. Corporate Social Responsibility (CSR)

Particulars		**31 December, 2023**	31 December, 2022
(a)	Amount required to be spent by the Company during the year	**61.30**	45.68
(b)	Amount approved by board of directors to be spent during the year	**61.30**	45.68
(c)	Amount of expenditure incurred on:		
(i)	Construction/acquisition of any assets	**50.30**	-
(ii)	On purposes other than (i) above pertaining to current year	**17.00**	35.17
(iii)	On purposes other than (i) above pertaining to previous year shortfall	**10.51**	-
(d)	Shortfall at the end of the year	**-**	10.51

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Particulars	31 December, 2023	31 December, 2022
(e) Excess amount spent at the end of the year*	**6.00**	-
(f) Total of previous year shortfall	**10.51**	37.85
(g) Reason for shortfall	**NA**	Pertains to two ongoing project of Skill development and school construction
(h) Nature of CSR activities	**Promoting Education, Rural Development, Promoting Healthcare etc.**	Pertains to two ongoing project of Skill development and school construction
(i) Movement in provision with respect to a liability incurred by entering into a contractual obligation		
Opening provision	**10.51**	37.85
Add: Provision during the year	**-**	10.51
Less: Utilisation during the year	**10.51**	37.85
Closing provision**	**-**	10.51

*Details of excess amount spent	Opening balance	Amount required to be spent during the year	Amount spent during the year	Closing balance
i) for the year ended 31 December 2023	-	61.30	67.30	6.00
ii) for the year ended 31 December 2022	-	-	-	-

** The shortfall amount of year ended 31 December 2022 has been deposited in separate schedule bank account in previous year as per statutory requirement.

36. Employee Stock Option Scheme (ESOS 2007)

The Company instituted the Employees Stock Options Scheme 2007 (ESOS 2007) plan for employees in pursuance of a special resolution passed by the shareholders approving the scheme on July 25, 2007, amended by special resolution dated July 29, 2008, August 02, 2011 and pursuant to the Integrated scheme of Amalgamation and Composite Scheme of Amalgamation in terms of High Court dated October 13, 2014. Further, the Company instituted the Employees Stock Options Scheme 2015 (ESOS 2015) plan for employees in pursuance of a special resolution passed by the shareholders approving the scheme on September 15, 2015

Pursuant to the schemes, the Company has granted options to eligible employees at various exercise prices per equity share of ` 10 each. Under the terms of scheme, the vesting period will be spread equally over 4 years (ESOS 2007) and 3 years (ESOS 2015). Options will vest at 25% (ESOS 2007) and 33% (ESOS 2015) from the grant date. When exercisable, each option is convertible into one equity share of the Company.

Movement of share options are as under:

Date of the Tranche	Opening Balance		Forfeited during the year	Exercised during the year	Outstanding at the end of the year	Exercisable at the end of the year
	Number of Options	Weighted average exercise price	Number of Options	Number of Options	Number of Options	Number of Options
On 22 February 2016	45,615	150	617	44,998	-	-
Total	**45,615**	**-**	**617**	**44,998**	**-**	**-**

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise price	Number of Options- 31 December, 2023	Number of Options- 31 December, 2022
22-Feb-16	24-Feb-24	150	-	45,615
Total			-	45,615
Weighted average remaining contractual life of options outstanding at end of period (years)			-	1.15

Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized in profit and loss as part of employee benefit expense were as follows:

	31 December, 2023	31 December, 2022
Employee share-based payment expense	**73.31**	81.00
Total employee share-based payment expense	**73.31**	81.00

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

37. Ratios

Sr.	Particulars	Numerator	Denominator	Dec 31, 2023	Dec 31, 2022	% of variance	Explanation for change in the ratio by more than 25%
(a)	Current Ratio	Current Assets	Current Liabilities	2.17	1.73	25.07%	Cash generated during the year, resulting improvement.
(b)	Debt-Equity	Total debt	Shareholders equity	0.01	0.03	47.18%	Debt Reduction
(c)	Debt Service Coverage Ratio	Earnings available for debt services (PAT+Dep+Finance Cost)	Total Interest and Principal repayments	10.20	7.64	33.44%	Debt Reduction
(d)	Return on Equity	Net Profit after taxes	Average shareholders equity	11.95%	12.17%	-1.80%	-
(e)	Inventory turnover ratio	Cost of goods sold	Average Inventory	5.01	5.08	-1.46%	-
(f)	Trade Receivables turnover ratio	Net sales	Average Trade Receivables	8.21	7.94	3.37%	-
(g)	Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	5.44	5.52	-1.47%	-
(h)	Net capital turnover ratio(WC)	Net Sales	Net working capital	3.96	5.60	-29.33%	Cash generated during the year, resulting improvement.
(i)	Net Profit Ratio	Net Profit after taxes	Net Sales	13.23%	12.63%	4.76%	-
(j)	Return on Capital Employed	EBIT	Capital Employed	13.73%	13.27%	3.51%	-
(k)	Return on Investment	Interest (finance income)	Weighted average investments	7.50%	4.80%	56.31%	Return on investment is improved due to cash generation and improvement in interest rate.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

38. Additional disclosures required by schedule III

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(v) The Company does not have any investments through more than two layer of investment companies as per section 2(87)(d) and section 186 of Companies Act, 2013

(vi) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(vii) The Company is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

39. The Company have not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

40. The Company have not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

41. The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at December 31, 2023:

Name of struck off Company	Nature of transactions with struck off Company	Amount of transactions	Balance Outstanding	Relationship with the Struck off company
NA	NA	NA	NA	NA

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at December 31, 2022:

Name of struck off Company	Nature of transactions with struck off Company	Amount of transactions	Balance Outstanding	Relationship with the Struck off company
Jain Hydraulics Pvt. Ltd.*	Material Purchase	-	-*	External Vendor
Nihar Plastic Industries Pvt. Ltd.	Material Purchase	4.11	3.84	External Vendor

* Amount is below the rounding off norm adopted by the Company.

Notes to the Standalone Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

42. Secured Loan with only bank of Baroda non fund base for the period was ` 110 million. The quarterly returns or statements filed by the Company for working capital limits with Bank of Baroda banks are in agreement with the books of account of the Company except for statements filed for quarters ended March, 2023/ September, 2023/ March, 2022/ June, 2022 and September, 2022 where differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements. The differences are due to some of the items where not taken while reporting to banks due to grouping mismatch. The differences were in case of Payables with respect to period ended March, 2023/ September, 2023/ March, 2022/ June, 2022 and September, 2022 are 173.36 million/ 109.60 million/ 652.18 million/ 682.09 million and 941.07 million respectively. For Receivables with respect to period March, 2022 difference was 102.89 million.

43. There are no significant events subsequent to year ended 31 December 2023.

For **B S R & Co. LLP**
Firm Registration No. 101248W/W-100022

Abhishek
Partner
Membership No. 062343

Mumbai, February 19, 2024

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED**
(formerly known as Mahindra CIE Automotive Limited)

Ander Arenaza Alvarez
Executive Director - DIN : 07591785

Alan Savio D'Silva
Director - DIN : 08513835

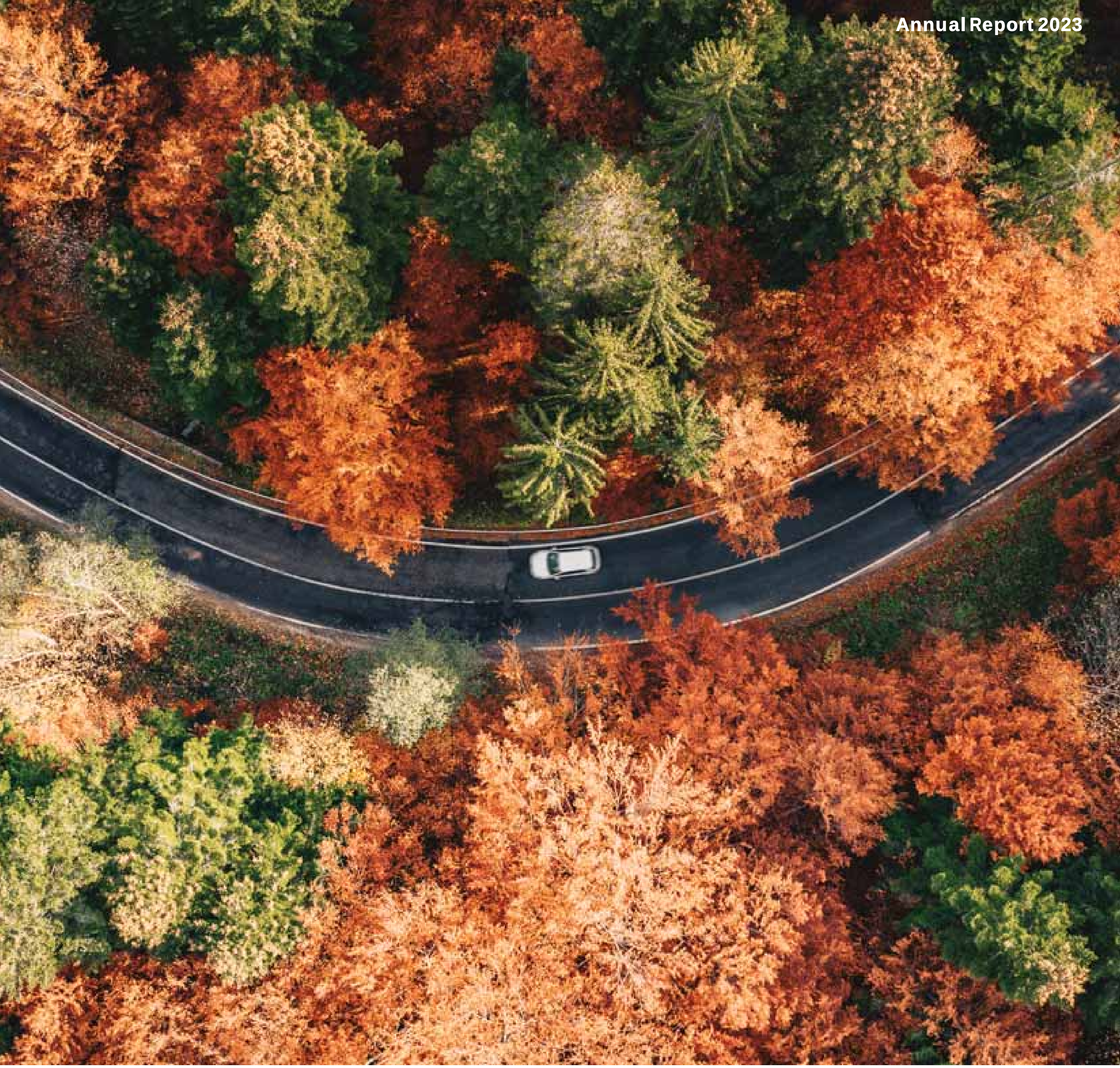
Manoj Menon
Executive Director &
CEO-Business Division - DIN : 07642469

Hari Krishnan
CEO-Business Division

K. Jayaprakash
Chief Financial Officer

Pankaj Goyal
Company Secretary & Compliance officer
ACS : A29614

Mumbai, February 19, 2024



CONSOLIDATED FINANCIAL STATEMENTS.

INDEPENDENT AUDITOR'S REPORT

To the Members of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at 31 December 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate/consolidated financial statements/financial information of such subsidiaries and associate as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 December 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate/consolidated financial statements/ financial information of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Impairment of Goodwill **See Note 2.4 and Note 7 to consolidated financial statements** The aggregate carrying value of the goodwill as at 31 December 2023 amounts to INR 28,540.24 million. The Group tests the carrying value of goodwill at least annually for impairment. The processes and methodologies for assessing and determining the recoverable amount of goodwill is based on complex assumptions (such as growth rates, discount rates and forecasted cash flows relating to the respective cash generating units). Considering the involvement of significant judgment required and the underlying complex assumptions used, this is considered as a key audit matter.	In view of the significance of the matter we and other auditors applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • We and other auditors obtained an understanding of the Group's policy on assessment of impairment of goodwill by comparing with applicable accounting standards. • We and other auditors evaluated the design, implementation and operating effectiveness of key internal controls over impairment of goodwill. • We and other auditors assessed the identification of relevant cash generating unit (CGU) to which goodwill is allocated.

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td></td><td>

We and other auditors assessed the impairment model which is based on discounted cash flows used by the Company to estimate the recoverable value of goodwill and consistency with the applicable accounting standards.
We and other auditors involved our internal specialists to evaluate the methodology, assumptions and estimates used in the impairment assessment.
We and other auditors assessed the accuracy of prior period forecasts of the CGUs with the actual financial performance of the CGUs.
We and other auditors assessed potential changes in key drivers for impairment assessment as compared to previous year and evaluated the assumptions around the key drivers of the cash flow forecasts including discount rates, expected growth rates and terminal growth rates. We and other auditors evaluated the suitability of inputs and assumptions used in the cash flow forecasts.
We and other auditors performed sensitivity analysis of key assumptions used to determine which assumptions could change the outcome of impairment assessment.
We assessed the adequacy of disclosure of impairment assessment of goodwill in the Consolidated financial statements.

</td></tr>
<tr><td>
Revenue from Sale of Products

See Note 2.7 and Note 27A to consolidated financial statements

The Group’s revenue is derived primarily from sale of automobile components (“goods”). Revenue from the sale of goods is recognised upon the transfer of control to the customer. The Group and its external stakeholders focus on revenue as a key performance metric which contains significant related party transactions.

Revenue recognition has been identified as a key audit matter as there could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before the control has been transferred.
</td><td>
In view of the significance of the matter, we and other auditors applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

We and other auditors assessed the appropriateness of Group’s accounting policies for revenue recognition by comparing with applicable accounting standards.
We and other auditors evaluated the design, implementation and operating effectiveness (wherever applicable) of key internal controls over recognition of revenue.
We and other auditors performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year by testing the underlying documents which included sales invoices, shipping documents and proof of deliveries, to assess whether these are recognised in the appropriate period in which control is transferred.
We and other auditors tested, on a sample basis, (using statistical sampling), specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the financial period in which control if transferred.

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</table>

The key audit matter	How the matter was addressed in our audit
	• For revenue from sale of goods to the related parties, we verified the Group's analysis in relation to arm's length assessment and involved respective internal specialists. • We and other auditors tested journal entries on revenue recognised during the year, by considering specified risk based criteria, to identify unusual or irregular items. • We and other auditors assessed the adequacy of disclosure made in the consolidated financial statements with respect to revenue recognised during the year as required by applicable accounting standards.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and the respective Board of Directors of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and the respective Board of Directors of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and the respective Board of Directors and respective Board of Directors of its associates are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements/financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. We did not audit the financial information of 11 subsidiaries, whose financial information reflects total assets (before consolidation adjustments) of Rs. 36,007.35 million as at 31 December 2023, total revenues (before consolidation adjustments) of Rs. 37,725.59 million and net cash inflows (before consolidation adjustments) (net) amounting to Rs. 662.56 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. Nil for the year ended 31 December 2023, in respect of 1 associate, whose financial information has not been audited by us. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and associate, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, and associate is based solely on the reports of the other auditors.

b. Certain of these subsidiaries and associate are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective country and which have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Holding Company's management has converted the financial information of such subsidiaries and associate located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associate located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

c. The financial information of 1 subsidiary, whose financial information reflects total assets (before consolidation adjustments) of Rs. Nil as at 31 December 2023, total revenues (before consolidation adjustments) of Rs. Nil and net cash inflows (before consolidation adjustments) amounting to Rs. Nil for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) (net) of Rs. 4.85 million for the year ended 31 December 2023, as considered in the consolidated financial statements, in respect of 6 associates, whose financial information have not been audited by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and associates, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/ consolidated financial statements/ financial information of such subsidiaries and associate as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 23 January 2024, 29 January 2024, 31 January 2024 and 01 February 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incoporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31 December 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 December 2023 on the consolidated financial position of the Group. Refer Note 33 to the consolidated financial statements.

b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 21 to the consolidated financial statements in respect of such items as it relates to the Group.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 December 2023.

d (i) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 42 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies and associate company incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies and associate company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The respective management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, as disclosed in the Note 43 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies and associate company incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies and associate company incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditor of the subsidiary company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement

e. The final dividend paid by the Holding Company and its subsidiary companies incorporated in India during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 46 to the consolidated Ind AS financial statements, the respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies and associate company incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company incorporated in India which was not audited by us, the remuneration paid/payable during the current year by the holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Abhishek
Partner
Membership No.: 062343
ICAI UDIN:24062343BKEWIX8342

Place: Mumbai, India
Date: 19 February 2024

Annexure A to Independent Auditors' Report

Report on the Consolidated Financial Statements of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited) for the year ended 31 December 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualification or adverse remarks given by the respective auditor in its report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidi ary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	CIE Automotive India Limited	L27100MH1 999PLC121285	Holding Company	Clause i(c), ii(b) and vii(a).
2	CIE Aluminium Casting India Limited	U31909PN1 985PLC037539	Subsidiary	Clause i(c) and ii (a)
3	CIE Hosur Limited	U29308TZ2 021PLC036747	Subsidiary	Clause xvii

The above does not include comments, if any, in respect of the following entities as the CARO report relating to them has not been issued by its auditor till the date of principal auditor's report.

Name of the entities	CIN	Subsidiary/ JV/ Associate
Sunbarn Renewables Pvt. Ltd.	U40108MH2020PTC337111	Associate
RenewSurya Alok Private Limited	U40300DL2020PTC367018	Associate
Gescrap India Private Limited	U74999PN2018FTC175675	Associate
Strongsun Solar Private Limited	U40106MH2020PTC342125	Associate
Sunseed Solar Private Limited	U40106MH2022PTC378822	Associate

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Abhishek
Partner
Membership No.: 062343
ICAI UDIN:24062343BKEWIX8342

Place: : Mumbai, India
Date:19 February 2024

Annexure B to Independent Auditors' Report

Report on the consolidated financial statements of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited) for the year ended 31 December 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 December 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of report of the other auditor on internal financial controls with reference to financial statements of subsidiary company, as was audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 December 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of their report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to 1 subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

The internal financial controls with reference to financial statements insofar as it relates to 5 associate companies, which are companies incorporated in India and included in these consolidated financial statements, have not been audited either by us or by other auditor. In our opinion and according to the information and explanations given to us by the Management, such unaudited associate companies are not material to the Holding Company.

Our opinion is not modified in respect of above matters.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Abhishek
Partner
Membership No.: 062343
ICAI UDIN:24062343BKEWIX8342

Place: Mumbai, India
Date: 19 February 2024

Consolidated Balance Sheet as at 31 December, 2023

		Note No.	As at 31 December, 2023	As at 31 December, 2022
I	**ASSETS**			
1	**NON-CURRENT ASSETS**			
	(a) Property, Plant and Equipment	6	**28,129.41**	26,003.22
	(b) Capital Work-in-Progress	6	**536.67**	1,194.72
	(c) Right-of- use assets	6	**1,165.53**	1,134.00
	(d) Goodwill	7	**28,540.24**	28,039.52
	(e) Other Intangible Assets	8	**269.41**	290.13
	(f) Investments accounted for using the equity method	9	**380.04**	310.43
	(g) Financial Assets			
	i) Investments	9	**11.00**	11.00
	ii) Loans	12	**4,894.91**	1,687.18
	iii) Other Financial Assets	10	**718.73**	218.82
	(h) Deferred Tax Assets (net)	24	**93.32**	85.05
	(i) Income Tax Assets (net)		**428.79**	393.00
	(j) Other Non-Current Assets	13	**979.87**	693.34
	TOTAL NON-CURRENT ASSETS		**66,147.92**	60,060.41
2	**CURRENT ASSETS**			
	(a) Inventories	14	**11,626.05**	12,108.04
	(b) Financial Assets			
	(i) Investments	9	**7,814.50**	5,435.04
	(ii) Trade Receivables	11	**6,331.35**	8,607.54
	(iii) Cash and Cash Equivalents	15	**2,095.45**	712.94
	(iv) Bank Balances other than above	15	**291.76**	146.21
	(v) Loans	12	**87.93**	54.60
	(vi) Other Financial Assets	10	**1,463.54**	916.53
	(c) Income Tax Assets (net)		**262.60**	0.59
	(d) Other Current Assets	13	**1,498.04**	1,452.83
	Disposal group assets classified as held for sale	23	**-**	9,787.82
	TOTAL CURRENT ASSETS		**31,471.22**	39,222.14
	TOTAL ASSETS		**97,619.14**	99,282.55
II	**EQUITY AND LIABILITIES**			
1	**EQUITY**			
	(a) Equity Share Capital	16	**3,793.62**	3,793.18
	(b) Other Equity	17	**56,086.06**	47,191.67
			59,879.68	50,984.85
	LIABILITIES			
2	**NON-CURRENT LIABILITIES**			
	(a) Financial liabilities			
	(i) Borrowings	18	**1,009.23**	1,188.29
	(ii) Lease liabilities	6	**335.00**	425.06
	(b) Provisions	21	**1,005.21**	1,008.00
	(c) Deferred Tax Liabilities (net)	24	**3,331.14**	3,284.50
	(d) Other Non-Current Liabilities	22	**1,031.48**	1,214.95
	TOTAL NON-CURRENT LIABILITIES		**6,712.06**	7,120.80
3	**CURRENT LIABILITIES**			
	(a) Financial Liabilities			
	(i) Borrowings	18	**7,024.25**	8,045.21
	(ii) Lease liabilities	6	**185.67**	186.67
	(iii) Trade Payables	19		
	Total outstanding dues of Micro enterprises and Small enterprises; and		**393.78**	393.12
	Total outstanding dues of creditors other than micro enterprises and small enterprises		**18,947.36**	20,956.76
	(iv) Other Financial Liabilities	20	**566.70**	775.52
	(b) Other Current Liabilities	22	**2,790.06**	2,489.26
	(c) Provisions	21	**523.81**	545.39
	(d) Current Tax Liabilities (net)		**595.77**	604.62
	Disposal group liabilities classified as held for sale	23	**-**	7,180.35
	TOTAL CURRENT LIABILITIES		**31,027.40**	41,176.90
	TOTAL EQUITY AND LIABILITIES		**97,619.14**	99,282.55

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For **B S R & Co. LLP**
Firm Registration No. 101248W/W-100022

Abhishek
Partner
Membership No. 062343

Mumbai, February 19, 2024

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED**
(formerly known as Mahindra CIE Automotive Limited)

Ander Arenaza Alvarez
Executive Director - DIN : 07591785

Alan Savio D'Silva Picardo
Director - DIN : 08513835

Manoj Menon
Executive Director &
CEO-Business Division - DIN : 07642469

Hari Krishnan
CEO-Business Division

K. Jayaprakash
Chief Financial Officer

Pankaj Goyal
Company Secretary & Compliance Officer
ACS : A29614

Mumbai, February 19, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER, 2023

(` in Million)

		Note No.	Year ended 31 December, 2023	Year ended 31 December, 2022
	Continuing operations			
I	**Revenue from operations**	27A	**92,803.49**	87,530.37
II	**Other Income**	27B	**820.10**	582.88
III	**Total Income (I+II)**		**93,623.59**	88,113.25
IV	**Expenses**			
	(a) Cost of materials consumed	28	**48,533.60**	48,606.53
	(b) Changes in inventories of finished goods and work-in-progress		**574.69**	(846.62)
	(c) Employee benefits expense	29	**9,944.15**	9,022.07
	(d) Finance costs	30	**1,073.68**	227.11
	(e) Depreciation and amortisation expenses	6,8	**3,221.96**	2,962.23
	(f) Other expenses	31	**19,512.15**	19,028.32
	Total Expenses (IV)		**82,860.23**	78,999.64
V	**Profit before share of profit of associates, exceptional items and tax (III-IV)**		**10,763.36**	9,113.61
VI	Share of profit / (loss) of associates (net of taxes)		**(4.85)**	22.00
VII	**Profit before exceptional items and tax (V + VI)**		**10,758.51**	9,135.61
VIII	Exceptional Items	40	**-**	378.73
IX	**Profit before tax from continuing operations (VII + VIII)**		**10,758.51**	9,514.34
X	**Tax Expense**			
	1 Current tax	25	**2,741.89**	2,190.15
	2 Deferred tax	25	**40.32**	210.71
	Total tax expense (X)		**2,782.21**	2,400.86
XI	**Profit after tax from continuing operations (IX- X)**		**7,976.30**	7,113.48
XII	**Discontinued operations**			
	Profit/ (Loss) before exceptional items and tax for the year from discontinued operations	23	**5,340.53**	830.83
	Loss on fair valuation of assets and liabilities of Discontinued operations	23	**(1,536.45)**	(9,233.70)
	Profit/ (Loss) before tax for the year from discontinued operations		**3,804.08**	(8,402.87)
	Current tax expense/ (reversal)		**257.29**	92.14
	Deferred tax expense/ (reversal)		**271.60**	(19.87)
	Tax expense on discontinued operations		**528.89**	72.27
	Profit/ (Loss) from discontinued operations (after tax)		**3,275.19**	(8,475.14)
XIII	**Profit for the year (XI+XII)**		**11,251.49**	(1,361.66)
XIV	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss:			
	Remeasurement of post–employment benefit obligation	32	**1.99**	545.90
	Income tax relating to items that will not be reclassified to profit or loss	25	**(1.50)**	(176.20)
	(ii) Items that will be reclassified to profit or loss:			
	Exchange differences in translating the financial statements of foreign operations		**676.17**	956.03
	Total other comprehensive income for the year, net of income tax		**676.66**	1,325.73
XV	**Total comprehensive income for the year attributable to owners of the Group (XIII+XIV):**		**11,928.15**	(35.93)
	From continuing operations		**8,652.96**	8,439.21
	From discontinued operations	23	**3,275.19**	(8,475.14)
XVI	**Earnings per share from continuing and discontinued operations of the owners of the Group (expressed in ` 10 per share):**	35		
	1 For continuing operations		**8,652.96**	8,439.21
	- Basic earnings per share		**21.03**	18.76
	- Diluted earnings per share		**21.03**	18.76
	2 For discontinued operations		**3,275.19**	(8,475.14)
	- Basic earnings per share		**8.63**	(22.35)
	- Diluted earnings per share		**8.63**	(22.35)
	3 For continuing and discontinued operations		**11,928.15**	(35.93)
	- Basic earnings per share		**29.66**	(3.59)
	- Diluted earnings per share		**29.66**	(3.59)

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements.

This is the Consolidated statement of profit and loss referred to in our report of even date.

For **B S R & Co. LLP**
Firm Registration No. 101248W/W-100022

Abhishek
Partner
Membership No. 062343

Mumbai, February 19, 2024

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED (formerly known as Mahindra CIE Automotive Limited)**

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Chief Financial Officer

Pankaj Goyal
Company Secretary & Compliance Officer
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Mumbai, February 19, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2023

` in Million

A. Equity Share Capital

	Number of Shares	Equity share capital
Balance as at 1 January 2023	379,317,379	3,793.18
Changes in equity share capital during the year	44,998	0.44
Balance as at 31 December, 2023	**379,362,377**	**3,793.62**
Balance as at 1 January 2022	379,075,399	3,791.18
Changes in equity share capital during the year	241,980	2.00
Balance as at 31 December, 2022	**379,317,379**	3,793.18

B. Other Equity

	Reserves and surplus							Other reserves	
	Capital Reserve	Securities Premium	Equity-settled employee benefits reserve	General Reserve	Capital Redemption Reserve	Remeasurement of post employment benefit obligation	Retained Earnings	Foreign Currency Translation Reserve (FCTR)	Total
As at 1 January, 2023	**7,693.00**	**15,359.65**	**5.00**	**6,028.00**	**164.71**	**285.05**	**14,485.65**	**3,170.61**	**47,191.67**
Profit for the year	-	-	-	-	-	-	11,251.49	-	11,251.49
Other comprehensive income (net of income tax)	-	11.08	(5.00)	-	-	0.49	-	676.17	682.74
Total Comprehensive Income for the year	**-**	**11.08**	**(5.00)**	**-**	**-**	**0.49**	**11,251.49**	**676.17**	**11,934.23**
Reclassified to statement of profit and loss on account of sale of disposal group (Refer note 23)	-	-	-	-	-	-	-	(2,090.62)	(2,090.62)
Dividend paid during the year	-	-	-	-	-	-	(948.41)	-	(948.41)
Others	-	1.11	-	-	-	-	-	(1.92)	(0.81)
As at 31 December, 2023	**7,693.00**	**15,371.84**	**-**	**6,028.00**	**164.71**	**285.54**	**24,788.73**	**1,754.24**	**56,086.06**
As at 1 January, 2022	7,693.00	15,300.08	31.00	6,028.00	164.71	(84.65)	16,795.33	2,247.58	48,175.05
Profit for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(1,361.66)**	**-**	**(1,361.66)**
Other comprehensive income (net of income tax)	-	-	-	-	-	369.70	-	923.03	1,292.73
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**369.70**	**(1,361.66)**	**923.03**	**(68.93)**
Exercise/ (Forfeiture) of employee stock options	-	59.57	(26.00)	-	-	-	-	-	33.57
Dividend paid during the year	-	-	-	-	-	-	(947.81)	-	(947.81)
Other changes	-	-	-	-	-	-	(0.21)	-	(0.21)
As at 31 December, 2022	**7,693.00**	**15,359.65**	**5.00**	**6,028.00**	**164.71**	**285.05**	**14,485.65**	**3,170.61**	**47,191.67**

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **B S R & Co. LLP**
Firm Registration No. 101248W/W-100022

Abhishek
Partner
Membership No. 062343

Mumbai, February 19, 2024

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED (formerly known as Mahindra CIE Automotive Limited)**

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Hari Krishnan
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K. Jayaprakash
Chief Financial Officer

Pankaj Goyal
Company Secretary & Compliance Officer
ACS : A29614

Mumbai, February 19, 2024

Consolidated Statement of Cash Flows for the year ended 31 December, 2023

` in Million

		Year ended 31 December, 2023	Year ended 31 December, 2022
I	**Cash flows from operating activities**		
	Profit/ (loss) before tax for the year		
	from continuing operations	**10,758.51**	9,514.34
	from discontinuing operations	**3,804.08**	(8,402.87)
	Adjustments for:		
	Finance costs	**1,073.68**	453.94
	Net Gain on sale of investments and change in fair value of investments held at FVTPL	**(166.00)**	(27.70)
	Provision for doubtful debts- (release)/ charge	**(22.46)**	(7.92)
	Provision/ (Reversal) for obsolescence of inventory	**(46.18)**	24.36
	Interest income	**(411.30)**	(129.69)
	Share in (profits)/ losses of associate companies	**4.85**	(22.06)
	Unrealised exchange (gain)/ loss (net)	**181.94**	(218.00)
	Loss on fair valuation of assets and liabilities of discontinued operations	**1,536.45**	9,233.70
	Reclassification of FCTR to statement of profit and loss on account of sale of disposal group	**(2,090.62)**	-
	Grant income	**(204.93)**	(369.31)
	Loss/ (gain) on disposal of property, plant and equipment	**7.41**	(406.25)
	Depreciation and amortisation	**3,221.96**	3,537.34
	Employee Share based payment expenses	**73.31**	81.00
		17,720.70	13,260.88
	Change in operating assets and liabilities:		
	(Increase)/decrease in trade receivables	**2,298.65**	(2,840.99)
	(Increase)/decrease in other financial assets	**(1,126.01)**	10.00
	(Increase)/decrease in other assets	**(0.19)**	(147.38)
	(Increase)/decrease in inventories	**528.17**	(1,801.32)
	(Decrease)/Increase in Trade payables	**(2,008.74)**	4,270.32
	(Decrease)/Increase in provisions	**(24.37)**	(72.11)
	(Decrease)/Increase in other liabilities	**23.69**	484.00
		(308.80)	(97.48)
	Income taxes paid (net of witholding tax)	**(3,579.35)**	(1,981.00)
	Net cash genenrated from/ (used in) operating activities	**13,832.55**	11,182.40
II	**Cash flows from investing activities**		
	Proceeds from sale of investments (net)	**(2,213.46)**	(1,273.34)
	Interest income received	**377.97**	129.69
	Grant received	**262.22**	300.00
	Deposits placed during the year (net)	**(145.55)**	(146.00)
	Disposal of discontinued operation, net of cash and cash equivalents disposed off	**1,026.95**	-
	Investment in Associate companies	**(74.46)**	(53.26)
	Loans given (net)	**(3,207.73)**	(921.81)
	Payments for Property, Plant and Equipment & Intangible assets	**(5,303.17)**	(5,014.11)
	Proceeds from disposal of Property, Plant and Equipment & Intangible assets	**181.55**	580.49
	Net cash (used in)/generated from investing activities	**(9,095.68)**	(6,398.34)
III	**Cash flows from financing activities**		
	Proceeds from issue of equity instruments of the Group	**6.53**	35.54
	Repayment of lease liabilities	**(213.11)**	(531.35)
	Dividend paid	**(948.41)**	(947.90)
	Proceeds/ (Repayment) of long term borrowings (net)	**396.23**	(3,935.84)
	Proceeds/ (Repayment) from short term borrowings (net)	**(2,477.96)**	880.84
	Interest paid	**(1,035.26)**	(378.30)
	Net cash (used in)/ generated from financing activities	**(4,271.98)**	(4,877.01)

		Year ended 31 December, 2023	` in Million Year ended 31 December, 2022
IV	**Net increase/(decrease) in cash and cash equivalents**	**464.89**	(92.95)
	- From Continuing operations	**(2,356.99)**	3,256.05
	- From discontinued operations	**2,821.88**	(3,349.00)
	Cash and cash equivalents at the beginning of the year	**1,583.79**	1,646.84
	Effects of exchange rate changes (on cash held in foreign currencies)	**46.77**	29.90
V	**Cash and cash equivalents at the end of the year (Note 15)**	**2,095.45**	1,583.79
	Reconciliation of cash and cash equivalents		
	Total cash and cash equivalents as per Balance Sheet	**2,095.45**	712.94
	Cash and cash equivalents in discontinued operations	**-**	870.85
	Total cash and cash equivalents as per Statement of cash flow	**2,095.45**	1,583.79
	Note for cash flow from/ (used in) discontinued operation		
	Net cash flow for operating activities	**1794.93**	702.00
	Net cash flow for investing activities	**1026.95**	(286.00)
	Net cash flow for financing activities	**-**	(3,765.00)
	Net cash flow from/ (used in) discontinued operation	**2821.88**	(3,349.00)

Consolidated Statement of Cash Flows includes cash flows of disposal group. For details of cash flows of disposal group, refer note 23.

The accompanying notes 1 to 46 are an integral part of these consolidated financial statements.

This is the Consolidated Statement of Cash Flow referred to in our report of even date.

For **B S R & Co. LLP**
Firm Registration No. 101248W/W-100022

Abhishek
Partner
Membership No. 062343

Mumbai, February 19, 2024

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED**
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Mumbai, February 19, 2024

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

1 General information CIE Automotive India Group and Background

CIE Automotive India Limited and activities

CIE Automotive India Limited (CIE-India) formerly known as Mahindra CIE Automotive Limited (MCIE) is a company incorporated in India having its registered office at Suite F9D, Grand Hyatt Plaza, Off Western Express Highway, Santacruz (E) Mumbai. The Company has been incorporated under the provisions of the Indian Companies Act and its equity shares are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.The company and its subsidiaries (collectively referred to as "the Group") are engaged in the business of production and sale of automotive components to original equipment manufacturers and other customers (including leading suppliers of components) in India and overseas.

CIE-India is a subsidiary of CIE Automotive S.A based in Spain. The Group has manufacturing facilities in India, Spain, Lithuania, Italy and Mexico. The group has an established presence in each of these locations and supply automotive components to its customers based there and export products to customers based in other countries as well. The group's manufacturing locations are generally located close to major automotive manufacturing hubs in order to facilitate supplies to the customers.

The subsidiaries and associates included in these consolidated financial statements along with the proportion of ownership and beneficial interest of the Group in such subsidiaries is included in the details on Interest in other entities mentioned below.

These consolidated financial statements for the year ended December 31, 2023 were approved for issue by the Board of Directors in accordance with their resolution dated February 19, 2024.

The Holding Company has changed its name from Mahindra CIE Automotive Limited to CIE Automotive India Limited in the current year ended 31st December 2023.

Interest in other entities

Sr. No.	Name of the entity	Relationship	% of Holding		Country of Incorporation
			31 December, 2023	31 December, 2022	
1	Stokes Group Limited (liquidated on September 05, 2023)	Subsidiary of CIE-India	-	100%	UK
2	BF Precision Private Limited	Subsidiary of CIE-India	100%	100%	India
3	Bill Forge de Mexico S de RL de CV	Subsidiary of CIE-India	99.99%	99.99%	Mexico
4	"CIE Aluminium Casting India Limited (CACIL) (formerly known as Aurangabad Electricals Limited)"	Subsidiary of CIE-India	100%	100%	India
5	CIE Hosur Limited	Subsidiary of CIE-India	100%	100%	India
6	CIE Galfor, S.A.U. (Galfor)	Subsidiary of CIE-India	100%	100%	Spain
7	CIE Legazpi SA	Subsidiary of Galfor	100%	100%	Spain
8	UAB CIE LT Forge	Subsidiary of Galfor	100%	100%	Lithuania
9	Metalcastello S.p.A	Subsidiary of Galfor	99.96%	99.96%	Italy
10	"CIE Forgings Germany GmbH (CFG) (formerly know as Mahindra Forgings Europe AG (MFE))"	Subsidiary of Galfor	100%	100%	Germany
11	Jeco Jellinghaus GmbH (upto June 30, 2023)	Subsidiary of CFG	-	100%	Germany
12	Gesenkschmiede Schneider GmbH (upto June 30, 2023)	Subsidiary of CFG	-	100%	Germany
13	Falkenroth Unformtechnik GmbH (upto June 30, 2023)	Subsidiary of CFG	-	100%	Germany
14	Schoneweiss & Co GmbH (upto June 30, 2023)	Subsidiary of CFG	-	100%	Germany
15	Clean Max Deneb Power LLP	Associate of CIE-India	26%	26%	India
16	Sunbarn Renewables Pvt. Ltd.	Associate of CIE-India	26.12%	26.12%	India
17	Renew Surya Alok Private Limited	Associate of CIE-India	31.20%	31.20%	India
18	Gescrap India Private Limited	Associate of CIE-India	30%	30%	India
19	Galfor Eólica, S.L	Associate of Galfor	25%	25%	Spain
20	Strongsuns Solar Private Limited (w.e.f. December 21, 2022)	Associate of CIE-India	27.35%	27.35%	India
21	Sunseed Solar Private Limited (w.e.f. July 04, 2023)	Associate of CACIL	26.49%	-	India

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

2. Summary of significant accounting policies

2.1 Basis of presentation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the act. The financial statement have been prepared on a historical cost basis, except for share based payment, assets held for sale, derivative financial instrument and certain financial assets and liabilities measured at fair value.

The consolidated financial statements are presented in Million ` and all values are rounded to the nearest Million except when otherwise indicated.

2.2 Consolidation principles and equity accounting

Subsidiaries

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31st December 2023. Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on 31st December 2023.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Consolidation procedure:

(a) Combine like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and Property, Plant and equipment, are eliminated in full). Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 Segment information

Information regarding the results of each reportable segment is shown in Note 5 below. Performance is measured based on segment results (profit before tax) as included in internal reporting which is reviewed by one of the Executive directors who is also the Group's Chief Operating Decision Maker (CoDM). Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

2.4 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree' s identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired, and the liability assumed are recognised at their acquisition date fair value. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal Groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognized in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

2.5 Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.6 Foreign currencies

The Group's consolidated financial statements are presented in `, which is also the parent Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss with the exception of the following:

- Exchange differences arising on monetary items that forms part of a reporting entity's net investment in a foreign operation are recognized in profit or loss in the separate financial statements of the reporting entity or the individual financial statements of the foreign operation, as appropriate. In the financial statements that include the foreign operation and the reporting entity (e.g., consolidated financial statements when the foreign operation is a subsidiary), such exchange differences are recognized initially in OCI. These exchange differences are reclassified from equity to profit or loss on disposal of the net investment.
- Exchange differences arising on monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognized in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss.
- Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into ` at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognized in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognized in profit or loss.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

2.7 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. The policy of recognising the revenue is determined by the five-stage model proposed by Ind AS 115 "Revenue from contract with customers".

Sale of goods

Revenue from the sale of goods is recognised when the performance obligation is satisfied and usually coincides with the point in time when control of the asset is transferred to the customer, generally on the date of the bill of lading for export sales and generally on delivery for domestic sales. The normal credit term is 30 to 90 days upon delivery. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer, if any. Any amount of revenue accrued but not billed to customers is recorded as contract assets. Such contract assets are transferred to trade receivables on actual billing to customers.

Tooling Income

Revenue from tooling income is recognised when the performance obligation is satisfied and usually coincides with at the point in time when the control of the die is transferred, which is generally on receipt of the customer's approval as per the terms of the contract.

Sale of Services

Revenue from the sale of services is in nature of job work on customer product which normally takes 1–4 days for completion and accordingly, revenue is recognised when products are sent to the customer on which job work is completed. The normal credit period is 60 days.

Other Revenue

Export incentives

Revenue from export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable assurance and condition precedent to claim are fulfilled.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Income is recognized when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

2.8 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and recognised in profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

2.9 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognized in profit or loss.

Goods and Services Tax paid on acquisition of assets or on incurring expenses

Expenses and assets are recognized net of the amount of sales/ Value added (Goods & Service) taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.10 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit and loss during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- Building 10 / 61.4 years
- Furniture & Fixtures 3 to 25 years
- Office equipment's 2 to 10 years
- Vehicles 3 to 10 years
- Other fixed assets 2 to 10 years

The depreciation policy historically applied by the Group to productive assets (plant, machinery and tools) is to systematically apply depreciation based on the useful lives of the assets concerned. These useful lives were estimated in accordance with the actual production capacity of the assets and their residual value, as well as a maximum useful life for each asset.

For certain plants and machineries, the Management applies unit of production method for depreciation. By using the units of production method, annual depreciation charges adapt to changes in production levels, on the understanding that this best reflects the expected pattern of consumption of the future economic benefits embodied by the assets. Units of production method of depreciation is calculated for these categories of plant, machinery, based on the actual production levels attained by the assets and their residual value.

For other plant and machinery, where usage and efflux of time is primary determinant, the Group continues to depreciate assets using straight-line basis over the estimated useful lives of the assets as follows:

- Plant and machinery (other than those stated above) 5 to 25 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives or based on production, which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.11 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Amortisation is calculated on a straight-line basis over the estimated useful lives of 3 to 10 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Research and development expenses

Research expenditure is recognised as an expense as incurred. The costs incurred in development projects (associated with the design and testing of new products or product upgrades) are recognised as an intangible asset when the success of the development is deemed probable taking into account its technical and commercial feasibility, management intends to complete the project and has the technical and financial resources to do so, has the ability to use or sell the asset and generate potential economic benefits and the costs involved may be reliably estimated. Other development expenditures are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs with a finite useful life that have been capitalised are amortised from the start of commercial production of the product on a straight-line basis over the period in which it is expected to generate economic benefits, which does not exceed five years.

Licences

Trademarks and licences have a finite useful life and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method to allocate the cost of trademarks and licences over their estimated useful lives.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.13 Leases

As a lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Lease payments are allocated between the principal (liability) and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

(` in Million)

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the lessee under residual value guarantees
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office equipments.

As a Lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

2.14 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average cost.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognized in OCI, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(` in Million)

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicator.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior year. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. In assessing the recoverable amount of the CGU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at each reporting period at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.16 Provisions

General

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Restructuring provisions

Restructuring provisions are recognized only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

2.17 Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Pension provisions are for operations in Germany and are entirely internally funded. These benefits are in the nature of long term service awards and lifetime pension and retirement plans. Liabilities are determined using projected unit credit method together with mortality tables. Obligation is measured at the present value of estimated future cash flow using the discount rate that is determined by reference to average market yields of ten years.

Past service costs are recognized in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognizes related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

2.18 Share based payments

Share based compensation benefits are provided to employees via the Employee Stock Options Scheme and Stock Appreciation Rights.

The fair value of options granted under the above scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- Including any market performance conditions;
- Excluding the impact of any service vesting conditions (for example, remaining an employee of the entity over a specified time period)

Non-market performance and service conditions are included in the assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period during which all the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revised the estimates of the number of options that are expected. It recognises the impact of the revision of original estimates, if any, in the income statement, with corresponding adjustment to equity.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

The total cost of the services rendered by the beneficiaries is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied (continued service at the Group).

Liabilities for the Company's share appreciation rights are recognised as employee benefit expense over the relevant service period. The liabilities are remeasured to fair value at each reporting date.

2.19 Earnings Per Share

(i) Basic Earnings per share

Basic earnings per share is calculated by dividing

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares, if any.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of the additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.20 Financial Assets and Financial liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Other Financial Liabilities: These are measured at amortised cost using the effective interest method. The Group's financial liabilities include trade and other payable, loan, lease liabilities and borrowings including bank overdrafts.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Offsetting:

Financial assets and liabilities are offset and the net amount presented in balance sheet when and only when the Group currently has a lega enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and financial liabilities:

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. Any gain or loss arising on derecognition is recognised in profit or loss. When a financial instrument is derecognised, the cumulative gain or loss in equity is transferred to the statement of profit and loss unless it was an equity instrument electively held at fair value through other comprehensive income. In this case, any cumulative gain or loss in equity is transferred to retained earnings. Financial assets are written off when there is no reasonable expectation of recovery. The Company reviews the facts and circumstances around each asset before making a determination. Financial assets that are written off could still be subject to enforcement activities. Financial liabilities are decrecognised when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

2.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.22 Dividend

The Group recognizes a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

2.23 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If the receivable is expected to be collected within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets.

Trade receivables are measured at their transaction price unless it contains a significant financing component or pricing adjustments embedded in the contract.

Loss allowance for expected life time credit loss is recognised on initial recognition of the trade receivables.

2.24 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable is classified as current liabilities if payment is due within one year or less.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.25 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer their settlement for at least 12 months after the end of the reporting period.

Fees paid on for availing the loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fees are deferred until the draw-down occurs To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2.26 Disposal groups and discontinued operations (Refer note 7 and 23)

An operation is classified as discontinued operations when component of the entity that has been disposed of or is classified as held for sale and that represent a separate major line of business or geographical area of operations and is a part of a single coordinated plan to dispose off. The result of discontinued operation is presented separately, in statement of profit and loss. Assets of disposal group classified as held for sale are presented separately from other assets in balance sheet. The liabilities of disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

2.27 Recent Accounting Pronouncements:

Standards issued but not yet effective:

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The said amendments are applicable to the Group from next financial year.

(i) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments will have an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

(ii) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are expected to not have any material impact on the Group's financial statements.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

It is expected that there will also be no impact on the opening retained earnings as at 1 January 2024.

Apart from these, consequential amendments and editorials will be made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34."

3. Financial risk management

3.1. Financial risk factors

The Group's activities expose it to a variety of financial risks viz. market risk (including currency risk, interest rate risk and price risk), liquidity risk and credit risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a. Market risk

(i) Foreign Currency Risk:-

The overriding objective is to reduce the adverse impact on its activities in general and on the income statement in particular of the variation in exchange rates so that it is possible to hedge against adverse movements and, if appropriate, leverage favourable trends.

In order to arrange such a policy, the Group uses the management scope concept. This concept encompasses all collection/ payment flows in a currency other than the Indian Rupees expected to materialise over a specific time period. The management scope includes assets and liabilities denominated in foreign currency and firm or highly probable commitments for purchases or sales in a currency other than the Indian Rupees. Assets and liabilities denominated in foreign currency are subject to management, irrespective of timing, while firm commitments for purchases or sales that form part of the Management Scope are also subject to management if they are expected to be recognised on the balance sheet within a period of no more than 18 months. Once defined the Management Scope, the Group may use financial instruments for risk management.

The Group has investments in foreign operations whose net assets are denominated in EURO, exposing it to only foreign exchange translation risk. The exchange risk on the net assets of the Group's foreign operations is managed through natural hedges by denominating liabilities including borrowings (loans) in the corresponding foreign currency.

If at 31st December, 2023, the Rupee had depreciated/ appreciated by 10% with respect to all other functional currencies other than the Rupee, all other variables remaining constant, equity would have increased/decreased by ` 1,129.62 Million (2022 increased/ decreased by ` 459.84 Million), due to the impact of the net assets contributed by the subsidiaries operating in a functional currency different from Rupee.

If the average rate of exchange of the Euro had depreciated/ appreciated by 10% in 2023 with respect to all other functional currencies other than Euro, all other variables remaining constant, profit after tax for the year would have been higher/ lower by ` 389.91 Million, (2022 ` 310.03 Million), mainly as a result of the exchange gain/ losses on the translation of accounts of subsidiaries denominated in currencies other than Rupee.

(ii) Interest rate risk

The Group's borrowings are benchmarked to variable rates. The expectation of any change in the benchmark rate is monitored regularly and hedging is initiated as and when required. During the year the impact of such expected change was not material.

Out of total Borrowings,` 8,000.55 Million (2022 ` 8,266.83 Million) are at variable interest rate.

If the average rate of interest had increased/ decreased by 10bps p.a. in 2023, all other variables remaining constant, interest costs for the year would have been higher/ lower by ` 8.00 Million, (2022 ` 8.27 Million).

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

b. Liquidity risk

The prudent management of liquidity risk entails maintaining enough cash and available financing through sufficient credit facilities. In this respect, the CIE-India Automotive Group strategy, articulated by its Treasury Department, is to maintain the necessary financing flexibility through the availability of committed credit lines. Additionally, and on the basis of its liquidity needs, the Group uses liquidity facilities (non-recourse factoring and the sale of financial assets representing receivable debts, transferring the related risks and rewards). Management monitors the Group's forecast liquidity requirements together with the trend in net debt. The calculation of liquidity and net debt at 31st December 2023 and 31st December 2022 is as follow:

	Note	**31 December, 2023**	31 December, 2022
Cash, cash equivalents and bank balances	Note 15	**2,387.21**	859.15
Current and Non-current financial Assets – Loans	Note 12	**4,982.84**	1,741.78
Current financial assets- Investments	Note 9	**7,814.50**	5,435.04
Current and non- current financial assets- Others	Note 10	**2,182.27**	1,135.35
Total Cash and financial assets		**17,366.82**	9,171.32
Borrowings	Note 18	**8,033.48**	9,233.50
Current and non- current Financial Liabilities- Others	Note 6	**1,087.37**	1,387.25
Cash and cash equivalent and bank balances	Note 15	**(2,387.21)**	(859.15)
Current and non-current financial assets – Loans	Note 12	**(4,982.84)**	(1,741.78)
Current financial assets – investments	Note 9	**(7,814.50)**	(5,435.04)
Current and non- current financial assets- Others	Note 10	**(2,182.27)**	(1,135.35)
Net financial debt		**(8,245.97)**	1,449.43

As on 31st December 2023, the Group has sufficient headroom against committed liabilities. Also, the management expects that the Group will continue to generate cash which will be sufficient to service payment obligations for the next twelve months.

The Group monitors the Group's forecast liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.

The Group has unused loans and credit lines of ` 4,380.96 Million as at 31st December 2023 (31st December 2022 of ` 3,842.71 Million).

One of the Group's strategies is to ensure the optimisation and maximum saturation of the resources assigned to the business. The Group therefore pays special attention to the net operating working capital invested in the business. In this regard, as in previous years, considerable work has been performed to control and reduce collection periods for trade and other receivables, as well as to optimise accounts payable with the support of banking arrangements to mobilise funds and minimise inventories through logistic and industrial management, allowing JIT (just in time) supplies to our customers.

As a result of the above, it may be confirmed that there is no significant liquidity risk for the group.

c. Credit Risk

Credit risk from cash and cash equivalents and bank deposits is considered immaterial in view of the creditworthiness of the banks the Group works with. If management detects liquidity risk in respect of its banks under certain specific circumstances, it recognises impairment provisions as warranted.

In addition, each segment has specific policies for managing customer credit risk; these policies factor in the customers' financial position, past experience and other customer specific factors.

With respect to customer credit limits, it should be noted that Group policy is to spread its volumes across customers or manufacturing platforms.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Given the characteristics, of the Group's customers, management has historically deemed that receivables due within 60 days present no credit risk. The Group continues to consider the credit quality of these outstanding balances to be strong. Based on past trends, expected credit loss is provided. Details of such provision and analysis of the age of assets that are past due but are not impaired is provided in note 11.

Top 20 customers make for 75% of Group's sale, thus reflecting limited credit risk.

i. Trade receivables

The Group uses Expected Credit Loss (ECL) model to assess the impairment gain or loss. As per ECL simplified approach, the Group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account a continuing credit evaluation of Group's customers financial condition; aging of trade accounts receivable; the value and adequacy of collateral received from the customers in certain circumstances (if any); the Group's historical loss experience; and adjustment based on forward looking information. The Group defines default as an event when there is no reasonable expectation of recovery.

Movement of Loss allowance:

	Amount
Loss allowance as on 31 December, 2022	74.07
Additions/ (reversal) during the year (net)	(22.46)
Loss allowance as on 31 December, 2023	51.61

3.2 Fair Value estimation

Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal orthe most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period (Refer note 26)

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

3.3 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for the other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group can adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the leverage ratio. This ratio is calculated as net debt divided by total capital employed. Net debt is calculated as total borrowings plus current financial liabilities less cash, cash equivalents and current financial assets, all of which are shown in the consolidated annual accounts. Total capital employed is calculated as 'equity', as shown in the consolidated annual accounts, plus net debt.

Calculation of Gearing ratio.

	31 December, 2023	31 December, 2022
Net Financial Debt (Refer Note 3.1.(b))	**(8,245.97)**	1,449.43
Equity	**59,879.68**	50,984.85
Total Capital Employed	**51,633.71**	52,434.28
Gearing Ratio	**(0.16)**	0.03

4. Accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions affecting the application of accounting policies and the amounts presented under assets and liabilities, income and expenses. Actual results may differ from these estimates.

a) Estimated impairment loss on goodwill [Refer note 7]

The Group tests whether goodwill has suffered any impairment on an annual basis. Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount. The recoverable amount of a CGU is determined based on value in use calculations. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include any activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash inflows and the growth rate. The key assumptions used to determine the recoverable amount for goodwill including a sensitivity analysis are disclosed and further explained in note 7.

b) Estimated fair value of assets, liabilities and contingent liabilities associated with a business combination.

In business combinations, the Group classifies or designates, at the acquisition date, the identifiable assets acquired, and liabilities assumed as necessary, based on contractual agreements, financial conditions, accounting policies and operating conditions or other pertinent circumstances that exist at the acquisition date.

In accounting of business combination, judgement is required for valuation of assets and identifying whether an intangible asset is to be recognised separately from goodwill.

The measurement of the assets acquired and liabilities assumed at fair value requires the use of estimates that depend on the nature of those assets and liabilities in accordance with their prior classification and which, in general, are based on generally accepted measurement methods that take into consideration discounted cash flows associated with those assets and liabilities, comparable quoted prices on active markets and other procedures, as disclosed in the relevant notes to the annual financial statements, broken down by nature. In the case of the fair value of property, plant and equipment the Group uses appraisals prepared by independent experts.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

c) Income tax and deferred tax [Refer note 24 and 25]

Income tax expense for the period ended 31st December, 2023 has been estimated based on profit before taxes, as adjusted for any permanent and/or temporary differences envisaged in tax legislation governing the corporate income tax base calculation. The tax is recognized in the income statement, except insofar as it relates to items recognized directly in equity, in which case, it is also recognized in equity.

Tax credits and deductions and the tax effect of applying tax-loss carry forwards that have not been capitalised are treated as a reduction in the corporate income tax expense for the year in which they are applied or offset.

The calculation of income tax expense did not require the use of significant estimates except in tax credits recognized in the year, which was at all times consistent with the annual financial statements.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual accounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred taxes on temporary differences are recognized when arising on investments in subsidiaries, associates and joint ventures, except in those cases where the Group can control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets deriving from the carry forward of unused tax credits and unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the tax assets can be utilised. In the case of investment tax credits, the counterpart of the amounts recognized is the deferred income account. The tax credit is accrued as a decrease in expense over the period during which the items of property, plant and equipment that generated the tax credit are depreciated, recognizing the right with a credit to deferred income.

d) Pension benefits [Refer note 32]

The present value of the Group's pension obligations depends on a series of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of Government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation. Other key assumptions for employee benefits are based in part on current market conditions.

The present value of defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period government bonds that have terms approximating to the terms of the related obligation. The estimated future payments which are denominated in currency other than INR, are discounted using market yields determined by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation.

e) Legal Contingencies [Refer note 33]

The Group has received orders and notices from tax authorities in respect of direct taxes, indirect taxes and other litigations. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and provides provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavourable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

5. Segment Information

One of the Executive directors is the Group's Chief Operating Decision Maker (CoDM). An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available.CoDM reviews the Group's internal financial information for the purposes of evaluating performance and assigning resources to segments. The Group has determined the operating segments based on the structure of the reports reviewed by the CoDM.

All companies within the CIE- India Group belong to the same business segment (Automotive) and to two geographical areas, India and Europe.

31 December, 2023*	India #	Europe	Total	Inter-segment transactions	Total Segment	Discontinued operations	Consolidated
Revenue*	59,459.08	44,570.80	104,029.88	(473.98)	103,555.90	10,752.41	92,803.49
Income/ (Expenses)^	(50,247.57)	(43,737.98)	(93,985.55)	473.98	(93,511.57)	(5,045.97)	(88,465.60)
Depreciation, amortization and Impairment	(2,134.20)	(1,376.71)	(3,510.91)	-	(3,510.91)	(288.95)	(3,221.96)
Segment profit (EBIT)^	7,087.84	10,161.74	17,249.68	-	17,249.68	5,417.49	11,832.19
Interest	(335.14)	(815.50)	(1,150.64)	-	(1,150.64)	(76.96)	(1,073.68)
PBT	6,752.80	9,346.24	16,099.04	-	16,099.04	5,340.53	10,758.51
EBIDTA	9,226.89	11,538.45	20,765.44	-	20,765.44	5,706.44	15,059.00
Total assets	63,260.23	34,358.91	97,619.14	-	97,619.14	-	97,619.14
Total Non-current Assets	39,476.68	26,671.21	66,147.89		66,147.89	-	66,147.89
Total liabilities	21,669.00	16,070.73	37,739.73	-	37,739.73	-	37,739.73
Addition to Property, Plant and Equipment, Capital work-in-progress and Intangible assets	3,098.00	1,461.92	4,559.92	-	4,559.92	-	4,559.92

31 December, 2022*	India #	Europe	Total Segments	Inter-segment transactions	Consolidated	Discontinued operations	Consolidated
Revenue*	56,325.95	51,343.11	107,669.06	(448.42)	107,220.64	19,690.27	87,530.37
Income/ (Expenses)^	(47,945.46)	(45,387.15)	(93,332.61)	448.42	(92,884.19)	(18,057.51)	(74,826.68)
Depreciation, amortization and Impairment	(2,031.46)	(1,505.88)	(3,537.34)	-	(3,537.34)	(575.11)	(2,962.23)
Segment profit (EBIT)^	6,349.03	4,450.08	10,799.11	-	10,799.11	1,057.65	9,741.46
Interest	(73.58)	(380.36)	(453.94)	-	(453.94)	(226.82)	(227.12)
PBT	6,275.45	4,069.72	10,345.17	-	10,345.17	830.83	9,514.34
EBIDTA	8,380.49	5,955.96	14,336.45	-	14,336.45	1,632.76	12,703.69
Total assets	59,477.73	39,804.82	99,282.55	-	99,282.55	9,787.82	89,494.73
Total Non-current Assets	38,040.47	22,022.22	60,062.69		60,062.69	-	60,062.69
Total liabilities	21,895.21	26,402.49	48,297.70	-	48,297.70	7,180.35	41,117.35
Addition to Property, Plant and Equipment, Capital work-in-progress and Intangible assets	3,570.47	1,410.72	4,981.19	-	4,981.19	342.00	4,639.19

* One of the customer group exceeds 10% of the Group's turnover for the year ended 31st December, 2023 and 31st December, 2022. Sales to this customer in the year ended 31st December, 2023 are ` 16,452.74 million (2022: ` 15,559.67 million).

^ - For Europe, excludes Loss on fair valuation of assets and liabilities of disposal group for the year ended 31st December, 2023 of ` 1,536.45 million (2022 ` 9,233.70 million).

Inter-segment transactions between segments are carried out under market terms and conditions as usual commercial transactions with third parties.

India includes Mexico.

Segment assets includes goodwill, property, plant and equipment, intangible assets, inventories, accounts receivable and cash, excluding intra Group assets eliminated on consolidation.

Segment liabilities include operating liabilities and long-term financing, excluding intra Group liabilities eliminated on consolidation.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

6. Property, Plant and Equipment

The details and movements in property, plant and equipment are as follows:

For the year 2023

	Description of Assets	Land	Buildings	Plant and Equipment	Furniture and Fixtures, tools and furnishings	Office Equipment	Total	Capital work-in-progress
I.	**Gross Carrying Amount**							
	Balance as at 1 January, 2023	2,719.24	6,924.29	32,299.16	4,319.72	661.52	46,923.93	1,194.72
	Additions	-	251.04	4,142.80	583.97	80.45	5,058.26	1,365.69
	Disposals	-	(11.61)	(424.63)	(146.45)	(32.60)	(615.29)	-
	Capitalization	-	-	-	-	-	-	(1,971.69)
	Transfer	-	210.76	403.90	(614.66)	-	-	(53.23)
	Others	(140.62)	-	-	-	-	(140.62)	-
	Foreign currency translation differences	11.99	124.23	765.62	219.75	9.61	1,131.20	1.18
	Balance as at 31 December, 2023	**2,590.61**	**7,498.71**	**37,186.85**	**4,362.33**	**718.98**	**52,357.48**	**536.67**
II.	**Accumulated depreciation and impairment**							
	Balance as at 1 January, 2023	-	(2,198.04)	(16,656.62)	(1,913.03)	(153.02)	(20,920.71)	-
	Depreciation expense for the year	-	(280.46)	(2,298.84)	(329.61)	(50.48)	(2,959.39)	-
	Disposals	-	10.01	270.36	124.83	22.16	427.36	-
	Transfer	-	-	-	-	-	-	-
	Others	-	5.78	-	-	-	5.78	-
	Foreign currency translation differences	-	(87.37)	(515.04)	(173.98)	(4.72)	(781.11)	-
	Balance as at 31 December, 2023	**-**	**(2,550.08)**	**(19,200.14)**	**(2,291.79)**	**(186.06)**	**(24,228.07)**	**-**
	Impairment	-	-	-	-	-	-	-
III.	**Net carrying amount**	**2,590.61**	**4,948.63**	**17,986.71**	**2,070.54**	**532.92**	**28,129.41**	**536.67**
							-	-
	Total	**2,590.61**	**4,948.63**	**17,986.71**	**2,070.54**	**532.92**	**28,129.41**	**536.67**

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

For the year 2022

	Description of Assets	Land	Buildings	Plant and Equipment	Furniture and Fixtures, tools and furnishings	Office Equipment	Total	Capital work-in-progress
I.	**Gross Carrying Amount**							
	Balance as at 1 January, 2022	2,998.47	6,431.49	32,418.08	4,960.41	586.20	47,394.65	1,247.00
	Additions	18.27	911.94	2,990.63	903.75	104.05	4,928.64	1,250.35
	Disposals	(9.59)	(4.55)	(342.66)	(122.37)	(38.53)	(517.70)	(106.25)
	Capitalization	-	-	-	-	-	-	(1,197.77)
	Reclassified as part of disposal group (Note No. 23)	(300.56)	(496.22)	(2,913.68)	(1,552.82)	-	(5,263.28)	(13.40)
	Foreign currency translation differences	12.65	81.63	146.79	130.75	9.80	381.62	14.79
	Balance as at 31 December, 2022	**2,719.24**	**6,924.29**	**32,299.16**	**4,319.72**	**661.52**	**46,923.93**	**1,194.72**
II.	**Accumulated depreciation and impairment**							
	Balance as at 1 January, 2022	-	(1,981.03)	(15,723.16)	(2,706.19)	(134.72)	(20,545.10)	-
	Depreciation expense for the year	-	(319.41)	(2,123.26)	(677.88)	(40.58)	(3,161.13)	-
	Disposals	-	3.42	311.54	107.84	26.92	449.72	-
	Transfer	-	-	(318.44)	318.24	-	(0.20)	-
	Reclassified as part of disposal group (Note No. 23)	-	82.80	1,068.57	1,085.14	-	2,236.51	-
	Foreign currency translation differences	-	16.18	128.13	(40.18)	(4.64)	99.49	-
	Balance as at 31 December, 2022	**-**	**(2,198.04)**	**(16,656.62)**	**(1,913.03)**	**(153.02)**	**(20,920.71)**	**-**
	Impairment	-	-	-	-	-	-	-
III.	**Net carrying amount**	**2,719.24**	**4,726.25**	**15,642.54**	**2,406.69**	**508.50**	**26,003.22**	**1,194.72**

For contractual commitments with respect ot the acuisition of Propoerty, plan and equipments, refer note 33

Capital work in progress mainly comprises of new facilities being constructed in India and upgradation of existing facilities

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Capital work-in-progress ageing schedule

Dec 31, 2023	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	519.28	12.16	-	-	531.44
Projects temporarily suspended	5.23	-	-	-	5.23
Total	**524.51**	**12.16**	**-**	**-**	**536.67**

Capital work-in-progress completion schedule

Dec 31, 2022	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	1,136.00	58.72	-	-	1,194.72
Projects temporarily suspended	-	-	-	-	-
Total	**1,136.00**	**58.72**	**-**	**-**	**1,194.72**

ii) Leases

This note provides the information for leases where the Group is a lessee. The Group leases various offices, buildings, leasehold land, and vehicles. Rental contracts are typically made for fixed periods of 6 months to 99 years.

i) Amounts recognised in the balance sheet

Property, plant and equipment includes the below amounts recognised as Right of use of assets:

	31 December, 2023	31 December, 2022
Right of use of assets		
Leasehold Land	**699.15**	611.00
Property and plant	**394.54**	390.00
Other assets	**71.84**	133.00
Total	**1,165.53**	1,134.00

The corresponding lease liability as per Ind AS 116 is below:

	31 December, 2023	31 December, 2022
Lease liabilities		
Current	**185.67**	186.67
Non - Current	**335.00**	425.06
Total	**520.67**	611.73

Additions to the right-of-use assets during the current financial year were ` 28.87 Million (31 December 2022, ` 4.2 Million).

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the amounts relating to leases:

	31 December, 2023	31 December, 2022
Depreciation/ Amortisation charge of right of use of assets		
Leasehold Land **	**23.10**	20.00
Property and plant	**99.52**	90.00
Other assets	**60.05**	71.00
Total	**182.67**	181.00

	31 December, 2023	31 December, 2022
Interest expense (included in finance costs)	**38.42**	43.60
Expense relating to short term leases (included in other expenses)	**219.16**	34.21
Expense relating to leases of low- value assets that are not shown above as short term leases (included in other expenses)	**34.43**	55.19

The total cash outflow for leases for the year ended 31 December 2023 was ` 213.11 Million. (31 December 2022 ` 354.45 Million)

Maturity analysis - contractual undiscounted cash flows of leases under the purview of Ind AS 116

Particulars	**31 December, 2023**	31 December, 2022
Less than one year	**155.22**	198.00
More than one year	**429.01**	518.00
Total undiscounted lease liabilities	**584.23**	716.00

Particulars	**Lease liabilities**
Balance as at 1 January, 2022	**2,053.09**
Repayment of lease obligation net off new leases.	(267.69)
Interest on lease liabilities	(43.60)
Regrouped to liabilities held for sale on account of Discontinued operations (refer note 23)	(1,130.07)
As on Decemeber 31, 2022	**611.73**
Repayment of lease obligation net off new leases.	(52.64)
Interest on lease liabilities	(38.42)
As on Decemeber 31, 2023	**520.67**

** This pertains to amortisation of lease premium paid in advance on leasehold land.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

7. Goodwill

	As at 31 December, 2023	As at 31 December, 2022
Cost		
Balance at beginning of the year	**39,351.63**	38,319.11
Goodwill written off against provision [Refer note 23]	**(9,162.02)**	-
Foreign exchange fluctuation	**591.77**	1,032.52
Balance at end of the year	**30,781.38**	39,351.63
Accumulated impairment losses at the beginning of the year	**(11,312.11)**	(2,053.81)
Addition during the year	**-**	(9,162.02)
Goodwill written off against provision [Refer note 23]	**9,162.02**	-
Foreing exchange fluctuation	**(91.05)**	(96.28)
Balance at the end of the year	**(2,241.14)**	(11,312.11)
Net carrying amount	**28,540.24**	28,039.52

Impairment testing of goodwill

Goodwill is tested for impairment on an annual basis. Goodwill is monitored by management at the level of cash generating units, which is India and Europe in this case. For the current and previous financial year, the recoverable amount of Cash Generating Unit (CGU) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five year period.

The net carrying amount breakup of goodwill at the resulting CGU level is as below:

Cash Generating units	**31 December, 2023**	31 December, 2022
India	**16,243.95**	16,243.95
Europe	**12,296.29**	11,795.57
Total	**28,540.24**	28,039.52

Key assumptions used in the calculation of value in use:

The following table sets out the key assumptions for the CGU:

Particulars	**31 December, 2023**	31 December, 2022
Discount rate (before tax)	**6.69% to 10.17%**	6.11% to 11.65%
EBIDTA Margins (range)	**6.43% to 23.51%**	6.30% to 26.70%
Annual sales growth rate	**-6.00% to 12.91%**	-6.27% to 41.50%
Terminal sales growth rate	**2.25% to 7.50%**	2.25% to 7.50%

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Management has determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approach used to determine values
Discount rate	Discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the CGU and is derived from the CGU's weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. CGU specific risk is incorporated by applying individual beta factor. The beta factor is evaluated annually based on publicly available market data.
EBITDA Margins	EBITDA margins are based on the actual EBITDA of respective CGU based on the past trend and future expectations.
Annual sales growth rate	Annual growth rate over the five-year forecast period; based on past performance, current industry trends including long-term inflation forecast and management's expectation of market development.
Terminal sales growth rate	The Group has considered growth rate to extrapolate cash flows beyond the forecast period, consistent with the industry forecasts, based on GDP growth estimates and the inflation rate in each market, and evaluating the level of investment required to achieve such growth.

Sensitivity to changes in assumptions of CGU

The management believes that no reasonably possible change (say 10%) in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

Results of the analysis

Based on the above assessment, the Company concluded that in both current year as well as previous year, goodwill has not suffered any impairment. Further, the result of using before-tax cash flows and discount rates does not differ significantly from the outcome of using after-tax cash flows and discount rates.

8. Other Intangible assets

The details and movements of the main classes of intangible assets are shown below:

For the year 2023

	Description of Assets	Development expenditure	Customer relationships	Computer software	Total
I.	**Gross Carrying Amount**				
	Balance as at 1 January, 2023	55.00	202.00	124.19	381.19
	Additions	-	-	54.43	54.43
	Disposals	-	-	(29.23)	(29.23)
	Foreign currency translation differences	-	-	24.89	24.89
	Balance as at 31 December, 2023	**55.00**	**202.00**	**174.28**	**431.28**
II.	**Accumulated amortization and impairment**				
	Balance as at 1 January, 2023	(55.00)	(75.36)	38.31	(92.05)
	Amortization expense for the year	-	(20.18)	(59.72)	(79.90)
	Eliminated on disposal of assets	-	-	28.20	28.20
	Foreign currency translation differences	-	-	(18.12)	(18.12)
	Balance as at 31 December, 2023	**(55.00)**	**(95.54)**	**(11.33)**	**(161.87)**
III.	**Net carrying amount**	**-**	**106.46**	**162.95**	**269.41**

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

For the year 2022

Description of Assets		Development expenditure	Customer relationships	Computer software	Total
I.	**Gross Carrying Amount**				
	Balance as at 1 January, 2022	55.00	202.00	287.23	544.23
	Additions	-	-	95.87	95.87
	Disposals	-	-	(73.94)	(73.94)
	Reclassified as part of disposal group (Note No. 23)	-	-	(205.68)	(205.68)
	Foreign currency translation differences	-	-	20.70	20.70
	Balance as at 31 December, 2022	**55.00**	**202.00**	**124.19**	**381.19**
II.	**Accumulated amortization and impairment**				
	Balance as at 1 January, 2022	(55.00)	(55.18)	(171.28)	(281.46)
	Amortisation expense for the year	-	(20.18)	(47.04)	(67.22)
	Eliminated on disposal of assets	-	-	73.71	73.71
	Reclassified as part of disposal group (Note No. 23)	-	-	199.46	199.46
	Foreign currency translation differences	-	-	(16.55)	(16.55)
	Balance as at 31 December, 2022	**(55.00)**	**(75.36)**	**38.31**	**(91.05)**
III.	**Net carrying amount**	**-**	**126.64**	**162.49**	**290.13**

9. Investments

		As at 31 December, 2023			As at 31 December, 2022		
		No. of Shares/ Units	**Amounts Current**	**Amounts Non Current**	No. of Shares/ Units	Amounts Current	Amounts Non Current
A	**Investment in equity instruments (unquoted-fully paid up)**						
I	**Associate Companies (Investment accounted for using the equity method) ^**						
	Associate Companies						
	Gescrap India Private Limited (30% share)	**3,720,000**	**-**	**56.57**	3,720,000	-	75.45
	Galfor Eolica, S.L. (25% share)	**68,000**	**-**	**5.00**	68,000	-	5.00
	Clean Max Deneb Power LLP (26% share)	**-**	**-**	**88.23**	-	-	38.36
	Sunbarn Renewables Private Limited (26.16% share)	**1,112,813**	**-**	**87.23**	1,112,813	-	88.77
	Strongsuns Solar Private Limited (27.35% share)	**303,250**	**-**	**35.75**	303,250	-	24.26
	Renew Surya Alok Private Limited (31.20% share)	**8,260,000**	**-**	**83.64**	8,260,000	-	78.59
	Sunseed Solar Private Limited (26.49% share)	**295,238**	**-**	**23.62**	-	-	-

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

		As at 31 December, 2023			As at 31 December, 2022		
		No. of Shares/ Units	**Amounts Current**	**Amounts Non Current**	No. of Shares/ Units	Amounts Current	Amounts Non Current
II	**Others at Amortised costs**						
	The Saraswat Cooperative Bank Limited	**2,550**	**-**	**-***	2,550	-	-*
	Clean Wind Power (Manvi) Private Limited	**420,000**	**-**	**4.22**	420,000	-	4.22
	Clean Wind Power (Pratapgarh) Private Limited	**27,600**	**-**	**1.78**	27,600	-	1.78
B	**Investments in Mutual Funds (unquoted) at FVTPL**						
	Axis Liquid Fund - Direct Growth	**181,328**	**477.67**	**-**	460,328	1,222.96	-
	ICICI Prudential Liquid Plan - Direct Growth	**1,361,123**	**477.53**	**-**	3,840,327	1,222.96	-
	Axis Money Market - Direct Growth	**2,507,534**	**3,223.00**	**-**	1,022,944	1,131.95	-
	ICICI Money Market - Direct Growth	**9,125,176**	**3,123.00**	**-**	3,454,904	1,131.95	-
	ICICI Overnight Fund DP Growth	**106,411**	**135.09**	**-**	260,774	310.29	-
	Axis Overnight Fund - Direct Growth	**28,125**	**35.04**	**-**	265,837	309.98	-
	HDFC ultra short term fund Regular- Direct Growth	**3,717,251**	**49.00**	**-**	3,360,423	42.70	-
	Nippon India Quarterly Interval Fund- Series III- Growth	**-**	**-**	**-**	4,791	15.05	-
	Aditya Birla Sun life Liquid Fund Regular - Growth	**27,128**	**10.00**	**-**	-	-	-
	Axis Corporate Debt Fund- Direct Growth	**17,735,899**	**280.58**	**-**	-	-	-
C	**Investment in Commercial Papers & Bonds (unquoted) at FVTPL**						
	8.15% SBI Perpetual Bond	**-**	**-**	**-**	-	35.89	-
D	**Others at amortised costs**	**-**	**3.59**	**5.00**	-	11.31	5.00
	Total quoted investments	**-**	**-**	**-**	-	-	-
	Total unquoted investments	**-**	**7,814.50**	**391.04**	-	5,435.04	321.43
	Total investments	**-**	**7,814.50**	**391.04**	-	5,435.04	321.43

* Amount is below the rounding off norm adopted by the Company.

^ includes share in loss of ` 4.85 million (December 2022: Profits of ` 22 million)

10. Other Financial Assets

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non-Current**	Current	Non-Current
Security deposits	**-**	**261.64**	-	218.82
Receivable on account of sale of disposal group (Refer note 23)	**892.67**	**190.52**	-	-
Incentive receivable (Refer Note 27B)	**570.87**	**266.57**	916.53	-
Total	**1,463.54**	**718.73**	916.53	218.82

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

11. Trade Receivables

	As at 31 December, 2023	As at 31 December, 2022
(a) Unsecured, considered good	**6,331.35**	8,607.54
(b) Doubful trade receivables - credit impaired	**51.61**	74.07
Less: Impairment Allowance	**(51.61)**	(74.07)
Total	**6,331.35**	8,607.54
Current portion	**6,331.35**	8,607.54
Non-Current portion	**-**	-
Of the above, trade receivables from:		
Related Parties (Refer Note 34)	**1,112.77**	1,536.76
- Others	**5,218.58**	7,070.78
	6,331.35	8,607.54

Transferred Receivables

The carrying amount of the trade receivable includes receivables which are subject to factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for Cash and is prevented from selling or pledging the receivables. However, the Group has retained late payment and credit risk. The Group therefore continues to recognize the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as borrowing. The Group considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortized cost.

The relevant carrying amounts are as follows:

	As at 31 December, 2023	As at 31 December, 2022
Transferred trade receivables	**56.57**	914.16
Associated short term borrowings (Refer Note 18)	**56.57**	914.16

Trade Receivables outstanding Ageing

As at Dec 31, 2023	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	28.71	6,228.14	73.30	12.18	-	-	6,342.33
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	29.47	29.47
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	11.16	-	11.16
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	**28.71**	**6,228.14**	**73.30**	**12.18**	**11.16**	**29.47**	**6,382.96**
Less:Loss allowance	-	-	-	(10.98)	(11.16)	(29.47)	(51.61)
Net trade receivables	**28.71**	**6,228.14**	**73.30**	**1.20**	**-**	**-**	**6,331.35**
Weighted -average loss rate	**0%**	**0%**	**0%**	**90%**	**100%**	**100%**	

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

As at Dec 31, 2022	Unbilled	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables - considered good	269.54	8,270.81	74.10	3.04	-	-	8,617.49
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables - credit impaired	-	-	-	-	-	34.15	34.15
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	10.67	-	10.67
Disputed Trade receivables - credit impaired	-	-	-	-	-	19.29	19.29
Total	**269.54**	**8,270.81**	**74.10**	**3.04**	**10.67**	**53.44**	**8,681.60**
Less:Loss allowance	-	-	(13.05)	-	(7.58)	(53.44)	(74.07)
Net trade receivables	269.54	8,270.81	61.05	3.04	3.10	-	**8,607.54**
Weighted -average loss rate	**0%**	**0%**	**18%**	**0%**	**77%**	**99%**	

12. Loans

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non-Current**	Current	Non-Current
Loans to related parties				
-unsecured, considered good	**87.93**	**4,894.91**	54.60	1,687.18
	87.93	**4,894.91**	54.60	1,687.18

The loans are repayable on demand

13. Other Assets

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non- Current**	Current	Non- Current
(a) Capital advances	**-**	**655.80**	-	360.22
(b) Other assets				
Other Deposits	**-**	**262.28**	-	263.87
Prepaid expenses	**313.01**	**25.82**	201.00	16.20
Balances with government authorities	**907.43**	**-**	918.80	-
Advance to suppliers	**182.04**	**-**	123.07	-
Incentive receivable (grants)	**39.43**	**-**	135.02	-
Other advances (in regular course of business)	**56.13**	**35.97**	74.94	53.05
Total	**1,498.04**	**979.87**	1,452.83	693.34

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

14. Inventories

		As at 31 December, 2023	As at 31 December, 2022
(a)	Raw materials	**2,803.00**	3,435.96
(b)	Work-in-progress	**3,956.58**	4,459.96
(c)	Finished and semi-finished goods	**2,848.57**	2,795.14
(d)	Stores and spares	**1,015.23**	566.19
(e)	Loose Tools	**1,002.67**	850.79
Total		**11,626.05**	12,108.04
Refer note 2.14 for mode of valuation of inventories			
Included above, goods-in-transit:			
(i) Raw materials		**-**	-
(ii) Finished and semi-finished goods		**205.87**	197.64
Total		**205.87**	197.64

Provision for Non-moving and slow moving inventories.

Write-downs in inventories of finished goods, work-in-progress & raw materials amounted to ` 485.42 million (31st December 2022:` 531.60 million) as at the period end. Accordingly, an amount of ` 46.18 million was reversed during the year. The write down and reversals are included in the cost of material consumed.

15. Cash and Cash Equivalents

			As at 31 December, 2023	As at 31 December, 2022
Cash and cash equivalents				
(a)	Balances with banks			
	i)	Current Accounts	**2,060.56**	689.33
	ii)	EEFC Accounts	**23.82**	22.60
(b)	Cheques, drafts on hand		**10.96**	0.49
(c)	Cash in hand		**0.11**	0.52
Total Cash and cash equivalents			**2,095.45**	712.94
Bank Balances other than above				
(a)	Earmarked balances with banks		**-**	3.88
(b)	Balances with Banks:			
	(i)	On margin accounts	**265.06**	13.79
	(ii)	Fixed Deposits with maturity greater than 3 months but less than 12 months	**26.70**	128.54
Total Other Bank balances			**291.76**	146.21
Total cash, cash equivalents and other bank balances			**2,387.21**	859.15

Earmarked balance indicates EEFC account

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

16. Equity Share capital

	As at 31 December, 2023		As at 31 December, 2022	
	No. of shares	**Amount**	No. of shares	Amount
Authorised:				
Equity shares of `10/- each with voting rights	**516,592,621**	**5,165.93**	516,592,621	5,165.93
4% non-cumulative redeemable preference shares of `31/- each	**5**	**-***	5	-*
Compulsory convertible Preference share of `10/- each	**250,000**	**2.40**	250,000	2.40
Issued:				
Equity shares of `10/- each with voting rights	**379,363,322**	**3,793.18**	379,318,325	3,793.18
Subscribed and Paid Up:				
Equity shares of `10/- each with voting rights ^	**379,362,377**	**3,793.62**	379,317,379	3,793.18

<u>Terms and rights attached to Equity Shares</u>

Equity shares have a par value of ` 10/-. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

Reconciliation of the number of shares outstanding at the beginning and at the end of the year.

		Opening Balance	**Issue of Equity Shares on account of Employee Stock Option Scheme**	**Closing Balance**
Equity Shares with voting rights				
Year Ended 31 December, 2023				
	No. of Shares	**379,317,379**	**44,998**	**379,362,377**
	Amount	**3,793.18**	**0.44**	**3,793.62**
Year Ended 31 December, 2022				
	No. of Shares	379,075,399	241,980	379,317,379
	Amount	3,791.18	2.00	3,793.18

*Shareholders of the Company had approved reclassification of authorised preference share capital vide Extra Ordinanry General Meeting held on 13th Oct 2016. Amount is below the rounding off norm adopted by the Company.

^Mahindra Composites Limited which was merged with the company in the year 2013 had issued 1,050 equity shares and not allotted the same to the shareholders. Based on the swap ratio the Company has issued 945 equity shares and not allotted the same and the same has been kept in abeyance.

Information regarding issue of shares in the last five years

- The Company has not issued any shares without payment being received in cash.
- The Company has not issued any bonus shares.
- The Company has not undertaken any buy-back of shares

Shares reserved for issue under options

Information relating to CIE Automotive India Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 37.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Details of shares held by the holding Company, the ultimate holding Company, their subsidiaries and associates:

	Equity Shares with Voting rights
As at 31 December, 2023	
Participaciones Internacionales Autometal, Dos S.L. (PIA2), the holding Company	249,239,013
As at 31 December, 2022	
Participaciones Internacionales Autometal, Dos S.L. (PIA2), the holding Company	249,239,013

Details of shares held by Promoters

As at 31 December, 2023

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Equity shares of ` 10 each fully paid	Participaciones Internacionales Autometal, Dos S.L. (PIA2)	**249,239,013**	**-**	**249,239,013**	**65.70%**	**-0.01%**
Equity shares of ` 10 each fully paid	Mahindra & Mahindra Limited (M&M) upto 10 October, 2023	**35,102,068**	**(35,102,068)**	**-**	**0.00%**	**-100.00%**
Total		**284,341,081**	**(35,102,068)**	**249,239,013**	**65.70%**	

As at 31 December, 2022

S. No.	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Equity shares of ` 10 each fully paid	Participaciones Internacionales Autometal, Dos S.L. (PIA2)	230,282,773	18,956,240	249,239,013	65.71%	8.23%
Equity shares of ` 10 each fully paid	"Mahindra & Mahindra Limited (M&M) upto 10 October, 2023"	43,344,512	(8,242,444)	35,102,068	9.25%	-19.02%
Total		273,627,285	10,713,796	284,341,081	74.96%	

Details of shares held by promoter shareholder and each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	31 December, 2023		31 December, 2022	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Participaciones Internacionales Autometal, Dos S.L. (PIA2)	**249,239,013**	**65.70%**	249,239,013	65.71%
Mahindra & Mahindra Limited (M&M) (Upto 10 October, 2023)	**-**	**-**	35,102,068	9.25%

Mahindra and Mahindra Limited has been reclassified as Public Shareholder in accordance with provisions of Regulation 31A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 10th October, 2023.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Distribution made and proposed	As at 31 December, 2023	As at 31 December, 2022
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 December 2022: ` 2.50 per share (31 December 2021: ` 2.50 per share)	**948.41**	947.69
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31 December 2023: ` 5.00 per share (31 December 2022: ` 2.50 per share)	**1,896.81**	948.29

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 December.

17. Other Equity

		As at 31 December, 2023	As at 31 December, 2022
(i)	**Securities premium**		
	Opening balance	**15,359.65**	15,300.08
	Addition on Exercise of options- Proceeds Received	**11.08**	59.57
	Others	**1.11**	-
	Closing balance	**15,371.84**	15,359.65

		As at 31 December, 2023	As at 31 December, 2022
(ii)	**Equity settled employees' benefits reserve**		
	Opening balance	**5.00**	31.00
	Options exercised during the year	**(5.00)**	(26.00)
	Closing Balance	**-**	5.00

		As at 31 December, 2023	As at 31 December, 2022
(iii)	**Retained earnings**		
	Opening Balance	**14,485.65**	16,795.33
	Add: -		
	Profit for the year	**11,251.49**	(1,361.66)
	Dividend distributed	**(948.41)**	(947.81)
	Others	**-**	(0.21)
	Closing balance	**24,788.73**	14,485.65

		As at 31 December, 2023	As at 31 December, 2022
(iv)	**Remeasurement of post employment benefit obligation**		
	Opening Balance	**285.05**	(84.65)
	Add: -		
	Items of Other Comprehensive income (net of income tax)	**0.49**	369.70
	Closing balance	**285.54**	285.05

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(v) Capital reserves	As at 31 December, 2023	As at 31 December, 2022
Balance as at beginning and end of the year	**7,693.00**	7,693.00

(vi) Capital Redemption reserve	As at 31 December, 2023	As at 31 December, 2022
Balance as at beginning and end of the year	**164.71**	164.71

(vii) General Reserve

	As at 31 December, 2023	As at 31 December, 2022
Balance as at beginning and end of the year	**6,028.00**	6,028.00

	As at 31 December, 2023	As at 31 December, 2022
(viii) Foreign currency translation reserve		
Opening balance	**3,170.61**	2,247.58
Other Comprehensive income	**676.17**	923.03
Reclassified to statement of profit and loss on account of sale of disposal group (Refer note 23)	**(2,090.62)**	-
Others	**(1.92)**	-
Closing balance	**1,754.24**	3,170.61
Grand Total	**56,086.06**	47,191.67

Nature and purpose of Reserves

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Equities settled employees' benefits reserve

The Equities settled employees benefits reserve is used to recognize the grant date fair value of options issued to employees under the MCIE Stock Options Scheme.

Retained Earnings

Retained earnings are the profits that the Company has earned till date.

Capital reserve

Capital reserve is reserves generated on account of:

a. Merger under The Integrated Scheme of Amalgamation and the Composite Scheme of Amalgamation (Sections 391-395 of the Companies Act, 1956) for the merger of Mahindra Ugine Steel Group Limited (MUSCO), Mahindra Hinoday Industries Limited (MHIL), Mahindra Gears International Limited (MGIL), Mahindra Investment India Private Limited (MIIPL), Participaciones Internacionales Autometal Tres S.L. (PIA3) and Mahindra Composites Limited (MCL). The merger was approved by the Honorable High Court of Judicature at Bombay on 31st October, 2014. The Schemes came into effect on 10th December, 2014, the day on which the order was delivered to the Registrar of Companies. The reserve is capital in nature and is not available for distribution as dividend.

b. Merger under the Scheme of Amalgamation (Sections 230-234 and other applicable provisions of the Companies Act, 2013) of Mahindra Gears and Transmission Pvt Ltd, Mahindra Forging Global Limited, Mahindra Forging International Limited and Crest Geartech Pvt Ltd. The merger was approved by the Honourable National Company Law Tribunal (NCLT) at Mumbai on December 13, 2017. The reserve is capital in nature and is not available for distribution as dividend..

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

General reserve

General reserve created by virtue of merger of Mahindra Stokes Holding Company Limited, Mahindra Forgings Overseas Limited and Mahindra Forgings Mauritius Limited into the Group vide High Court Order dated December 27, 2007. The reserve is available for distribution as dividend.

Capital redemption reserve

Capital redemption reserve is transferred by virtue of the merger referred to above which was in the books of MUSCO and was created to redeem preference shares issued by MUSCO before merger. These shares have since been redeemed and is available for use as per the relevant provisions of Companies Act, 2013.

Other reserves – Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income and accumulated in a separate reserve with equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

18. Borrowings

	Rate of interest % p.a.	Maturity	As at 31 December, 2023	As at 31 December, 2022
Non-current borrowings				
Measured at amortised cost				
A. Secured borrowings:*				
Term loans				
From banks	6.57%	2025	**32.93**	961.07
Total secured borrowings			**32.93**	961.07
B. Unsecured borrowings				
From banks	3.84%	2025	**344.64**	-
Loans from related parties (Refer Note 34)	4.5% to 5.5%	2024 to 2026	**631.66**	227.22
Total unsecured borrowings			**976.30**	227.22
Total non-current borrowings			**1,009.23**	1,188.29
Current borrowings				
A. Secured Borrowings:*				
Loans repayable on demand				
From Banks	0.3% to 6.57%		**346.56**	2,930.87
Total Secured Borrowings			**346.56**	2,930.87
B. Unsecured Borrowings:				
Loans from related parties (Refer Note 34)	4.5% to 6.9%		**4,365.28**	4,200.21
Loans repayable on demand				
From Banks	4.00% to 8.45%		**2,312.41**	914.13
Total Unsecured Borrowings			**6,677.69**	5,114.34
Total Current Borrowings			**7,024.25**	8,045.21
Total borrowings			**8,033.48**	9,233.50

The Group's policy is to diversify its financing sources. There is no concentration risk in respect of its bank borrowings as it works with multiple entities.

Current borrowings includes current maturities of long term borrowings.

*Secured borrowings includes borrowings secured by mortgage of land and building and hypothecation of other fixed assets and current assets.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Non-current borrowings have the following maturities:

	As at 31 December, 2023	As at 31 December, 2022
Between 1 and 2 years	**377.57**	580.43
Between 3 and 5 years	**631.66**	607.86
More than 5 years	**-**	-
	1,009.23	1,188.29

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Current borrowings	Non-current borrowings	Total borrowings
Borrowings as on 31 December, 2022	8,045.21	1,188.29	9,233.50
Cash flows	(2,588.36)	383.63	(2,204.73)
Foreign Exchange adjustments	99.82	1.31	101.13
Interest expense	445.85	240.79	686.64
Interest paid	(435.27)	(240.79)	(676.06)
Others	-	893.00	893.00
Transfers	1,457.00	(1,457.00)	-
Borrowings as on 31 December, 2023	**7,024.25**	**1,009.23**	**8,033.48**

Refer Note 44 for additional disclosures as per schedule III related to borrowings

19. Trade Payables

	As at 31 December, 2023	As at 31 December, 2022
Trade payable - Micro and small enterprises (Refer Note 36)	**393.78**	393.12
Trade payable - Other than micro and small enterprises	**17,854.30**	20,072.96
Acceptances	**1,093.06**	883.80
Total	**19,341.14**	21,349.88
Of the above, trade payable from:		
- Related Parties (Refer Note 34)	**613.69**	460.50
- Others	**18,727.45**	20,889.38
	19,341.14	21,349.88

Trade Payables aging schedule

Outstanding for following periods from transaction date

As at Dec 31, 2023	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	182.00	211.78	-	-	-	393.78
Others	12,262.58	5,582.79	68.39	-	29.70	17,943.46
Disputed dues - Micro and small enterprises	-	-	-	-	-	-

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

As at Dec 31, 2023	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Disputed dues - Others	-	-	-	-	-	-
Total	**12,444.58**	**5,794.57**	**68.39**	**-**	**29.70**	**18,337.24**
Accrued Expenses	-	-	-	-	-	**1,003.90**
Total	**12,444.58**	**5,794.57**	**68.39**	**-**	**29.70**	**19,341.14**

As at Dec 31, 2022	Not due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Micro and small enterprises	-	393.12	-	-	-	393.12
Others	911.46	18,815.14	2.00	2.00	3.00	19,733.60
Disputed dues - Micro and small enterprises	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	16.00	16.00
Total	911.46	19,208.26	2.00	2.00	19.00	20,142.72
Accrued Expenses	-	-	-	-	-	1,207.16
Total	911.46	19,208.26	2.00	2.00	19.00	21,349.88

20. Other Financial Liabilities

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non- Current**	Current	Non- Current
Creditors for capital supplies/services	**566.70**	**-**	775.52	-
Total	**566.70**	**-**	775.52	-

21. Provisions

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non- Current**	Current	Non- Current
Provision for employee benefits				
Long term Employee Benefits (Note 32)^	**228.21**	**519.35**	224.04	510.21
Other provisions				
Provisions for Litigative Matters (Other than water charges)	**224.35**	**-**	232.12	-
Water Charges*	**-**	**262.28**	-	262.28
Other regulatory provisions #	**71.25**	**223.58**	89.23	235.51
Total provisions	**523.81**	**1,005.21**	545.39	1,008.00

* Provisions of ` 262 million (December 2022: ` 262 million) is towards an ongoing dispute with the Irrigation Department (Water Resource Department) in respect of levy of charge for use of water for the period July 1991 to May 2012 for an aggregate amount of ` 587 million including penal charge of ` 102 million and late fee charge of ` 223 million (December 2021: ` 587 million including penal charge of ` 102 million and late fee charge of ` 223 million). Presently the matter is being legally pursued. The group has provided ` 262 million towards arrears of water charges. Refer note 33 Contingent liabilities and commitments.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

^ It includes provision of ` 120 million has been recognised for Provident Fund liability basis Supreme Court judgement in 'Regional provident fund commissioner (II) West Bengal vs Vivekananda Vidyamandir and Others' in accordance with Ind AS-37. The remaining amount pertains to provision against levy of cross subsidy charges and additional surcharge by Maharashtra State Electricity Distribution Company Limited during the year on account of power consumption from non-captive generating plant.

#This represents provisions made for probable liabilities payable to regulatory authorities. Above provisions are affected by various uncertainities and management has taken all efforts to make a best estimate. It is not practicable for the Group to estimate the timing of cash outflows accurately, if any, in respect of the above.

Details of Provision for employee benefits Note 32

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non- Current**	Current	Non- Current
Provision for Gratuity	**172.30**	**75.93**	178.98	97.91
Provision for employee termination benefits	**-**	**126.62**	-	131.10
Provision for compensated absences	**55.86**	**316.80**	45.06	281.20
Total	**228.16**	**519.35**	224.04	510.21

Details of movement in other provisions – non- current	**Other provisions**
Balance as at 1 January, 2022	348.12
Additional provisions recognised/(used)	-
Movement from non-current to current	(112.61)
Balance at 31 December, 2022	**235.51**
Unused amount reversed	(11.93)
Movement from non-current to current	-
Balance at 31 December, 2023	**223.58**

Details of movement in other provisions current	**Other regulatory provision**	**Litigative Matters**
Balance as at 1 January, 2022	320.23	245.12
Movement from non-current to current		
Additional provisions recognized/(used)	(231.00)	(13.00)
Balance at 31 December, 2022	**89.23**	232.12
Movement from non-current to current	-	-
Additional provisions recognized/(used)	(17.98)	(7.77)
Balance at 31 December, 2023	**71.25**	224.35

22. Other Liabilities

	As at 31 December, 2023		As at 31 December, 2022	
	Current	**Non- Current**	Current	Non- Current
Advances received from customers	**487.18**	**-**	405.03	-
Taxes payable (other than income taxes)	**648.67**	**-**	588.01	-
Payable to employees	**1,419.03**	**-**	1,425.87	-
Deferred Income ^	**157.43**	**744.35**	-	881.45
Other Payables	**77.75**	**287.13**	70.35	333.50
Total	**2,790.06**	**1,031.48**	2,489.26	1,214.95

^ Refer note 27B for details

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

23. Discontinued operations

(See accounting policy in note 2.27)

I. United Kingdom operations

In September 2018, the Board of Directors of CIE Automotive India Limited (formerly known as Mahindra CIE Automotive Limited) decided to dispose off the forging business in the United Kingdom,pertaining to the company Stokes Group Limited. Due to that decision, the Group has discontinued the operations of Stokes Group Limited, classifying them as a disposal group, and reclassifying the profit and loss account of the Company to results from discontinued operations in its consolidated result. Stokes Group Limited has been liquidated on September 05, 2023.

		As at 31 December, 2023	As at 31 December, 2022
1.	**Carrying amount of assets and liabilities held for sale**		
	Cash and Cash Equivalents		50.34
	Disposal group assets classified as held for sale	**-**	50.34
	Current Provisions		50.00
	Disposal group liabilities classified as held for sale	**-**	50.00
2.	**Financial performance and cash flow information**		
	Total Income	**34.66**	-
	Total Expenses	**-**	-
	Profit before tax	**34.66**	-
	Tax expenses	**-**	-
	Net Profit / (Loss) for the year from discontinuing operations	**34.66**	-

Cash flow from / (Used in) discontinued operation

	31 December, 2023	31 December, 2022
Cash flow from / (used in) operating activities	**47.91**	46.00
Net Cash (outflow) / inflow from Investing activities	**-**	(46.00)
Net Cash flow from financing activities	**(47.91)**	-
Net cash flows for the year	**-**	-

II. Germany operations

The Board, in its meeting held on 14th December, 2022, took note of the proposal approved by CIE Galfor, S.A.U. (Galfor) to launch an active program to locate a buyer for the German Forging Operations comprising of CIE Forgings Germany GmbH (CFG) and its subsidiaries. In accordance with the applicable accounting standards, considering Galfor's decision to launch the program, all the German Forging Operation's "assets and liabilities" were categorised as assets and liabilities held for sale and classified as discontinued operation.

Further, the Board of Directors of the Holding Company at its meeting held on August 10, 2023, approved the transaction of sale of 100% stake held by CFG in its subsidiaries in Germany namely Jeco Jellinghaus GmbH (JECO), Gesenkschmiede Schneider GmbH (GSA), Falkenroth Umformtechnik GmbH (FUG) and Schoneweiss & Co. GmbH (SCG) to Mutares SE & Co KgaA (the Buyer) (the Transaction).

Thereafter, CFG as seller of JECO, GSA, FUG and SCG and the Buyer entered into binding agreements to give effect to the Transaction on August 10, 2023. As per this agreement, under the relevant accounting standards effective 1st July, 2023, JECO, GSA, FUG and SCG results are not included in the consolidated results.

The Foreign currency translation reserve (FCTR) (under other equity) pertaining to the disposed group amounting to ` 2,090.62 million (including ` 3,132 million in relation to translation of goodwill) is credited to Statement of Profit and Loss, during the year ended December 31, 2023.

FCTR is created by translation of disposal group results and financial position from foreign currency to ` as per applicable Indian Accounting Standards and is accumulated in FCTR until actual disposal.

The Group has recognised further loss on fair valuation of disposal group of ` 1,536.45 million respectively during the year ended on December 31, 2023. ( ` 9,233.70 million in year ended December 31, 2022 including ` 9,162.02 million relating to goodwill).

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

		31 December, 2023	31 December, 2022
1.	**Carrying amount of assets and liabilities held for sale**		
	Property, Plant and Equipment	-	3,080.17
	Right-of-use-assets	-	1,082.00
	Intangible assets	-	6.13
	Investments	-	3.90
	Deferred tax assets	-	455.84
	Inventories	-	3,155.00
	Trade receivables	-	928.00
	Cash and Cash Equivalents	-	821.00
	Income tax assets	-	1.00
	Loans given	-	15.36
	Other assets	-	189.77
		-	9,738.17
	Borrowings	-	910.06
	Lease liabilities	-	1,130.09
	Trade payables	-	2,305.57
	Provisions	-	1,804.99
	Income tax liabilites	-	102.37
	Other Liabilities	-	876.73
	Disposal group liabilities classified as held for sale	-	7,129.81
2.	**Financial performance and cash flow information**		
	Total income	**13,909.34**	20,139.18
	Total expenses	**8,603.47**	19,308.35
	Profits before exceptional items and tax for the year	**5,305.87**	830.83
	Loss on fair valuation of assets and liabilities	**(1,536.45)**	(9,233.70)
	Profit / (loss) before tax	**3,769.42**	(8,402.87)
	Tax expense	**528.89**	72.26
	Profit / (loss) after tax	**3,240.53**	(8,475.13)
Cash flow from / (Used in) discontinued operation			
Net cash flow for operating activities		**1,794.93**	
Net cash flow for investing activities		**1,026.95**	
Net cash flow for financing activities		-	
Net cash used in discontinued operations		**2,821.88**	

24. Deferred taxes

Deferred tax assets - Tax credits	Tax losses	Tax credits R&D, training	Total
Balance as at 1 January, 2022	**47.08**	**196.02**	**243.09**
(Charged) against / credited to profit and loss	(19.13)	(186.22)	(205.35)
Foreign currency translation differences	(1.80)	(7.46)	(9.26)
Balance at 31 December, 2022	**26.15**	**2.34**	**28.48**
(Charged) against / credited to profit and loss	16.59	(1.07)	15.52
Transfers	-	-	-
Foreign currency translation differences	0.32	(0.15)	0.17
Balance at 31 December, 2023	**43.06**	**1.12**	**44.17**

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Deferred tax assets – Others	Provisions	Others	Total
Balance as at 1 January, 2022	**747.75**	**357.68**	**1,105.43**
(Charged) against / credited to profit and loss	(35.65)	19.25	(16.40)
Charged against / (credited) to equity	(176.20)	-	(176.20)
Discontinued Operations	(420.63)	(6.86)	(427.49)
Foreign currency translation differences	91.00	0.44	91.44
Balance at 31 December, 2022	**206.27**	**370.51**	**576.78**
(Charged) against / credited to profit and loss	(2.15)	(24.80)	(26.95)
Charged against / (credited) to equity	4.32	(5.82)	(1.50)
Transfers	(5.41)	111.02	105.61
Discontinued Operations	-	-	-
Foreign currency translation differences	1.45	0.99	2.44
Balance at 31 December, 2023	**204.48**	**451.90**	**656.38**

Deferred tax liabilities	Depreciation and amortization	Grants	Others	Total
Balance as at 1 January, 2022	**1,254.28**	**93.12**	**2,460.67**	**3,808.07**
Charged against / (credited) to profit and loss	(37.60)	6.00	-	(31.60)
Transfers	(98.00)	-	98.00	-
Foreign currency translation differences	14.70	14.30	-	29.00
Balance at 31 December, 2022	**1,133.38**	**113.42**	**2,558.67**	**3,805.47**
Charged against / (credited) to profit and loss	38.21	(9.32)	-	28.89
Transfers	(9.58)	(1.63)	112.57	101.36
Foreign currency translation differences	0.73	1.20	0.73	2.66
Balance at 31 December, 2023	**1,162.74**	**103.67**	**2,671.97**	**3,938.38**

Summary of net deferred tax assets / (liabilities):-

	As at 31 December, 2023	As at 31 December, 2022
I. Deferred tax assets- Tax credits	**44.17**	28.48
II. Deferred tax assets- Others	**656.38**	576.78
III. Deferred tax liabilities	**(3,938.38)**	(3,805.47)
Net Deferred tax liabilities	**(3,237.82)**	(3,200.20)

Deferred income tax assets are recognised for tax loss carry-forwards and unused tax credits to the extent that the realisation of the related tax benefit through future taxable profits is probable, being its estimated recoverability less than 10 years.

Deferred tax assets that were recognised by the Group at 31st December 2022 and 2021 are as follows: -

	31 December, 2023		31 December, 2022	
	Tax losses	**Others**	Tax losses	Others
Germany	**-**	**-**	-	-
Spain	**1.10**	**53.21**	2.11	32.33
Italy	**-**	**8.25**	-	3.98
Mexico	**-**	**60.13**	-	54.82
India	**43.14**	**535.22**	26.55	486.13
	44.24	**656.81**	28.66	577.26

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Certain subsidiaries of the group have undistributed earnings of ` 9,032.56 Million ( ` 7,717.26 Million in Dec 2022) which, if paid out as dividends, would be subject to tax in the hands of recipients. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timings of distributions by these subsidiaries.

25. Tax expense

(i) Income Tax recognised in Profit or loss

	Year ended 31 December, 2023	Year ended 31 December, 2022
Current Tax:		
Continuing operations	**2,741.89**	2,190.15
Discontinuing operations	**257.29**	92.14
Deferred Tax:		
Continuing operations	**40.32**	210.71
Discontinuing operations	**271.60**	(19.87)
Total income tax expense on continuing discontinuing operations	**3,311.10**	2,473.13

(ii) Income tax recognised on Other comprehensive income

	Year ended 31 December, 2023	Year ended 31 December, 2022
Income taxes related to items that will not be reclassified to profit or loss	**(1.50)**	(176.20)

(iii) Reconciliation of income tax expense and the accounting profit multiplied by Group's domestic tax rate:

	Year ended 31 December, 2023	Year ended 31 December, 2022
Profit before tax		
for continuing operations	**10,758.51**	9,514.34
for discontinued operations	**5,340.53**	830.83
Income tax expense for the year calculated at 25.168% (Dec 22: 25.168%)	**4,051.81**	2,603.67
Effect of tax rates in foreign jurisdictions	**(882.75)**	(30.00)
Deferred tax assets created on 43B diwallowances for earlier fiscal periods	**-**	(84.00)
Reversal of provision for tax of earlier years	**-**	(20.00)
Profit on sale of land	**-**	(95.00)
Effect of lower corporate tax rate applicable to Indian subsidiary	**2.28**	-
Effect of expenses that are non-deductible in determining taxable profit	**25.71**	51.00
Effect of current year losses for which no deferred tax asset is recognized	**114.05**	-
Other Items	**-**	47.46
Income tax expense recognised in profit or loss from continuing operations	**3,311.10**	2,473.13
Tax expenses reported in profit or loss for continuing operations	**2,782.21**	2,400.86
Tax expenses reported in profit or loss for discontinuing operations	**528.89**	72.27

Unused tax losses

1 There is an unsed tax loss pertaining to Long term capital loss of ` 8,807.44 Million (31 December, 2022, ` 9,156.95 Millions). During the fiscal year 22-23, ` 349.51 Million were utilised which pertains to Long term capital gain on sale of freehold land situated in Kanhe,Pune.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

This can be carried forward ad utilised until fiscal year 2027-28.

2 There is another unsed tax loss pertaining to Long term capital loss of ` 3.44 Million (31 December, 2022, ` Nil).

This can be carried forward ad utilised until fiscal year 2030-31.

26. Fair value measurements

Financial instruments by category	**31 December, 2023**			31 December, 2022		
	FVPL	**FVOCI**	**Amortised Cost**	FVPL	FVOCI	Amortised Cost
Financial assets						
1. Non- Current Assets						
Investments	**-**	**-**	**11.00**	-	-	11.00
Loans	**-**	**-**	**4,894.91**	-	-	1,687.18
Incentive Receivable	**-**	**-**	**266.57**	-	-	-
Other Financial Assets	**-**	**-**	**452.16**	-	-	218.82
2. Current Assets						
Investments	**7,810.91**	**-**	**3.59**	5,387.84	-	47.25
Trade Receivables	**-**	**-**	**6,331.35**	-	-	8,607.54
Incentive receivable	**-**	**-**	**570.87**	-	-	916.53
Loans	**-**	**-**	**87.93**	-	-	54.60
Cash and Cash Equivalents	**-**	**-**	**2,095.45**	-	-	712.94
Other Bank balances	**-**	**-**	**291.76**	-	-	146.21
Other Financial Assets	**-**	**-**	**892.67**	-	-	-
Total financial assets	**7,810.91**	**-**	**15,898.26**	5,387.84	-	12,402.08
Financial liabilities						
1. Non-current Liabilities						
Borrowings	**-**	**-**	**1,009.23**	-	-	1,188.29
2. Current Liabilities						
Borrowings	**-**	**-**	**7,024.25**	-	-	8,045.21
Trade Payables	**-**	**-**	**19,341.14**	-	-	21,349.88
Other financial liabilities	**-**	**-**	**1,087.37**	-	-	1,387.25
Total financial liabilities	**-**	**-**	**28,461.99**	-	-	31,970.63

Financial instrument carried at amortized cost

Fair value of current financial assets and current financial liabilities carried at amortized cost is not materially different from the carrying amount.

This disclosure is not applicable for lease liabilities

Fair Value Hierarchy

Financial assets	**31 December, 2023**			31 December, 2022		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Mutual Funds – Growth	**7,810.91**	**-**	**-**	5,387.84	-	-
Total	**7,810.91**	**-**	**-**	5,387.84	-	-

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

27A. Revenue from operation

	Year ended 31 December, 2023	Year ended 31 December, 2022
Revenue from contracts with customers		
Sale of Products and services	**88,120.43**	82,282.83
Other Operating Revenue (Including Scrap Sales, Export incentives)	**4,683.06**	5,247.54
Total	**92,803.49**	87,530.37
Refer Note-5 for geographical segmentwise revenue details		

Reconciliation of revenue with contract price :-	**Year ended 31 December, 2023**	Year ended 31 December, 2022
Revenue as per Statement of Profit and loss (sale of products and sale of services)	**88,120.43**	82,282.83
Add: Incentive/rebates	**-**	-
Contract Price	**88,120.43**	82,282.83

27B. Other Income

	Year ended 31 December, 2023	Year ended 31 December, 2022
Interest Income under the effective interest method on :		
On Financial Assets at amortised cost	**411.30**	129.69
Financial assets at FVTPL - net change in fair values -		
Mandatorily measured at FVTPL- net change in fair value	**166.00**	27.70
Net gain on sale of property, plant and equipments	**-**	13.72
Grant income*	**242.80**	369.31
Miscellaneous income	**-**	42.46
Total	**820.10**	582.88

* Grant income includes income recognized of ` 204.94 Million for the year ended 31 December, 2023 (` 246.72 Million in 2022) pursuant to receipt of eligibility certificate under Maharashtra Government Package Scheme of Incentives (PSI) 2013 by the Group's subsidiary CIE Aluminium Castings India Limited (CACIL) formerly known as Aurangabad Electricals Limited. This is in accordance with requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance. This incentive is in the form of refund from the Government of Maharashtra on actual VAT/ SGST paid by the Company from the period 1 February, 2016 to 31 March, 2023 (7 years) with a maximum limit of ` 2,674 Million.

28. Cost of material consumed

	Year ended 31 December, 2023	Year ended 31 December, 2022
Opening stock of raw materials	**3,435.96**	3,687.00
Add: Purchases	**47,900.64**	48,355.49
	51,336.60	52,042.49
Less: Closing stock of raw materials	**(2,803.00)**	(3,435.96)
Cost of materials consumed	**48,533.60**	48,606.53

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

29. Employee benefit expenses

	Year ended 31 December, 2023	Year ended 31 December, 2022
Salaries and wages, including bonus	**8,027.08**	7,343.17
Contribution to provident and other funds [refer note 32]	**172.99**	148.60
Share based payments	**73.31**	81.00
Social security expense	**1,134.63**	1,001.91
Staff welfare expenses	**536.14**	447.39
Total	**9,944.15**	9,022.07

30. Finance costs

	Year ended 31 December, 2023	Year ended 31 December, 2022
Interest expense on financial liabilities measured at amortised costs	**1,008.46**	180.20
Interest on Lease Liabilities [Refer note 6 (ii)]	**38.42**	43.60
Other borrowing cost	**26.80**	3.31
Total	**1,073.68**	227.11

31. Other expenses

	Year ended 31 December, 2023	Year ended 31 December, 2022
Tools & Stores consumed	**4,137.62**	3,723.99
Power & Fuel	**4,260.31**	4,769.11
Repairs and maintenance	**1,740.70**	1,532.12
Subcontracting, Hire and Service Charges	**5,861.75**	5,438.89
Freight outward	**1,282.33**	1,323.16
Professional services	**392.13**	322.10
Travelling expenses	**145.39**	145.59
Rental expenses	**253.59**	233.13
Insurance, taxes, fees and commission	**462.82**	385.38
Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013. (Note 38)	**72.59**	59.61
Loss / (gain) on disposal of property, plant and equipment	**7.41**	-
Auditors remuneration and out-of-pocket expenses		
(i) Audit fee	**13.00**	11.00
(ii) Other services	**1.00**	2.00
(iii) For reimbursement of expenses*	**-**	-
Other Expenses	**881.51**	1,082.24
Total	**19,512.15**	19,028.32

* Amount below rounding off norm adopted by the Company

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

32. Defined benefits and contribution

(a) Defined Contribution plan

The Group's contribution to Provident Funds and other fund aggregating ` 172.99 Million (2022: ` 148.60 Million) has been recognised in the statement of Profit or Loss under the head Employee Benefit expenses.

(b) Defined benefit plans

(i) Gratuity

The Group operates gratuity plan covering qualifying employees in India. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Group scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Group makes annual contribution to the Group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

(ii) Compensated absences

Group's liability towards leave encashment are determined using the Projected Unit Credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Past service costs are recognised on straight line basis over the statement of Profit or loss as income or expense. Obligation is measured at the present value of estimated future cash flow using a discount rate that is determined by reference to market yields at the Balance Sheet date on government bonds where the currency and terms of the government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

(iii) Pensions

Pension provisions are for operations in Germany and are entirely unfunded. These benefits are in the nature of long term service awards and lifetime pension and retirement plans. Liabilities are determined using projected unit credit method together with mortality tables. Obligation is measured at the present value of estimated future cash flow using the discount rate that is determined by reference to average market yields of ten years.

(iv) Employee Termination Benefits

Employee termination provisions are for operations in Italy and are entirely unfunded. These benefits are provided to some employees, as a result of the Company's decision to end their employment contract before ordinary retirement age or whenever employees agree to take voluntary redundancy in exchange of these benefits. The company recognises these benefits when there is evidence that it has made decision to end an employee's contract under a formal detailed plan from which it does not have the opprotunity to withdraw, or by providing termination benefits to encourage voluntary redundancy. Benefits that have remianed unpaid for more than twelve months after the end of the reporting period are discounted for the related present value.

(c) Risks

Through its defined benefit plans the Group is exposed to risks, the most significant of which are detailed below:

(i) Asset Volatility

The plan liabilities are calculated using a discount rate set with references to government bond yields; if plan assets under perform compared to the government bonds discount rate, this will create or increase a deficit.

(ii) Changes in Bond Yields

A decrease in government bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

1. Provisions for Gratuity, Voluntary Retirement Scheme and Pension: -

	Funded Plan-Gratuity		Unfunded Pension	
	31 December, 2023	31 December, 2022	**31 December, 2023**	31 December, 2022
Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:				
Service Cost				
Current Service Cost	**81.24**	75.14	**-**	26.05
- Past service cost and (gains)/losses from settlements	**-**	-	**-**	15.54
Net interest expense	**8.48**	20.10	**-**	19.89
Components of defined benefit costs recognised in profit or loss	**89.72**	95.24	**-**	61.48
Re-measurement on the net defined benefit liability				
Actuarial gains and loss arising from changes in financial assumptions	**(5.39)**	(51.36)	**-**	554.83
Actuarial gains and loss arising from experience adjustments	**3.69**	36.38	**-**	-
Actuarial gains and loss arising from Demographic assumptions	**-**	-	**-**	-
Components of defined benefit costs recognised in other comprehensive income	**(1.70)**	(14.98)	**-**	554.83
Total	**88.02**	80.26	**-**	616.31
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31 December				
1. Present value of defined benefit obligation as at 31 December	**(1,060.93)**	(973.69)	**-**	(1,552.42)
2. Fair value of plan assets as at 31 December	**812.65**	699.90	**-**	-
3. Surplus/(Deficit)	**(248.28)**	(273.79)	**-**	(1,552.42)
4. Current portion of the above	**172.35**	156.00	**-**	-
5. Non-current portion of the above	**75.93**	117.79	**-**	(1,552.42)
II. Change in the obligation during the year ended 31 December				
1. Present value of defined benefit obligation at the beginning of the year	**973.69**	940.95	**-**	2,109.83
2. Expenses Recognised in Profit and Loss Account	**-**			
- Current Service Cost	**81.24**	75.58	**-**	26.05
- Past Service Cost	**-**	-	**-**	15.54
- Interest Expense (Income)	**69.60**	57.91	**-**	19.89
3. Recognised in Other Comprehensive Income	**-**	-	**-**	-
Re-measurement (gains) / losses	**-**	-	**-**	-
- Actuarial (Gain)/ Loss arising from:	**-**	-	**-**	-
i. Demographic Assumptions	**-**	-	**-**	-
ii. Financial Assumptions	**(4.07)**	(51.36)	**-**	(554.83)
iii. Experience Adjustments	**(1.59)**	36.38	**-**	-
4. Benefit payments	**(57.94)**	(85.77)	**-**	(122.46)
5. Others- Currency translation impact on opening	**-**	-	**-**	58.40
6. Present value of defined benefit obligation at the end of the year	**1,060.93**	973.69	**-**	1,552.42
III. Change in fair value of assets during the year ended 31 December				
1. Fair value of plan assets at the beginning of the year	**699.90**	681.22	**-**	-
2. Expenses Recognised in Profit and Loss Account				
- Expected return on plan assets	**61.12**	41.58	**-**	-
3. Recognised in Other Comprehensive Income	**-**	-	**-**	-
Re-measurement gains / (losses)	**-**	-	**-**	-
- Financial Assumptions	**1.32**	2.60	**-**	-
- Experience Adjustments	**(5.28)**	2.40	**-**	-
4. Contributions by employer (including benefit payments recoverable)	**113.53**	57.87	**-**	-
5. Benefit payments	**(57.94)**	(85.77)	**-**	-
6. Fair value of plan assets at the end of the year	**812.65**	699.90	**-**	-

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

		Funded Plan-Gratuity		Unfunded Pension	
		31 December, 2023	31 December, 2022	**31 December, 2023**	31 December, 2022
IV.	**The Major categories of plan assets**				
	- List the plan assets by category here				
	Funds managed by Insurer	**812.65**	699.90	**-**	-
	% to total assets	**100%**	100%	**-**	-
V.	**Actuarial assumptions**				
	1. Discount rate	**7.15% to 7.50%**	6.5% to 7.6%	**-**	3.66%
	2. Expected rate of return on plan assets	**7.30% to 7.60%**	6.5% to 6.9%	**-**	-
	3. Attrition rate	**1% to 15.94%**	1.75% to 15.94%	**-**	-
	4. Salary Escalation	**7% to 8%**	7% to 8%	**-**	1% to 1.23%
	5. Mortality	**India assured lives mortality (2012-14) Ultimate**			
	6. Life expectancy of person retiring at year end	**10 to 23 years**			

Other Information:

Percentage of variation of the defined benefit commitment to changes in the assumptions weighted is as follows:-

	Change	31 December, 2023	31 December, 2022
Decrease in Discount rate	1%	**Increase by 4.94%**	Increase by 8.1%
Increase in Discount rate	1%	**Decrease by 4.04%**	Decrease by 9.2%
Decrease in Salary increment	1%	**Decrease by 3.51%**	Decrease by 7.6%
Increase in Salary increment	1%	**Increase by 3.69%**	Increase by 8.2%

VII. The weighted average duration of the defined benefit obligation is 9.90 years (2022 – 10.6 years). The expected payment analysis of undiscounted gratuity is as follows:

	Less than a year	Between 1-2 years	Between 3-5 years	Over 5 years	Total
December 31, 2023					
Defined benefit obligation	101.91	84.48	279.73	770.09	1,236.21
December 31, 2022					
Defined benefit obligation	82.45	108.22	309.68	904.64	1,404.99

2. Provision for Employee Termination benefits:

	As at 31 December, 2023	As at 31 December, 2022
Balance at the beginning of the year	**125.42**	162.20
Add:-		
Interest Expense/(income)	**2.14**	(8.90)
Provided during the year	**2.14**	76.40
Less:-		
Benefits paid	**(5.03)**	(96.39)
Re-measurement (gains) / losses	**(2.23)**	(13.89)
Exchange differences	**4.18**	6.00
Balance at the end of the year	**126.62**	125.42

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

33. Contingent Liabilities and Commitments

		Year ended 31 December, 2023	Year ended 31 December, 2022
Contingent liabilities (to the extent not provided for):			
(a)	Claims against the Company not acknowledged as debt		
	Income tax claims against which the Company has preferred an appeal	**230.03**	562.45
	Excise cases against the Company	**130.60**	152.16
	Service Tax	**80.97**	61.99
	Sales Tax and VAT	**8.06**	5.79
	MSEDCL Related Litigations *	**527.37**	504.11
	Stamp Duty, Government Cess and others	**244.00**	108.15
	Water Charges	**325.12**	325.12
	Outstanding letter of credit issued by bank (including obligation towards buyer credits)	**38.59**	-
	The Group had imported capital goods under the Export Promotion Capital Goods (EPCG), of the Government of India, at concessional rate of duty on an understanding to fulfill quantified exports against future obligation	**4.91**	4.91
(b)	Commitment		
	Capital expenditure net of capital advances contracted for at the end of the reporting period but not recognized as liabilities.	**859.24**	1,231.60

*Maharashtra State Electricity Distribution Company Limited (MSEDCL) has levied the Cross Subsidy Surcharge (CSS) and Additional Surcharge levied (ASC) on the units of power consumed by the Company as a captive consumer from two Captive Generating Plant (CGP) Units of Sai Wardha Power Generation Limited (SWPGL) which was an independent Special Purpose Vehicle set up for Generation and supply of electricity. The Hon'ble Maharashtra Electricity Regulatory Commission (MERC) vide its separate orders dated October 22, 2020 and October 29, 2020 has rejected the captive status of the said two CGP units of SWPGL for the year 2016-17 and the year 2017-18 respectively. MSEDCL has raised supplementary invoices of ` 208.00 million (including interest) for the year 2016-17 and of ` 263.00 million (including interest) for the year 2017-18 towards alleged Cross Subsidy Surcharge and Additional Surcharge applicable for non-captive power consumption. The Company has challenged the impugned orders before Hon'ble Appellate Authority of Electricity (APTEL). Hon'ble APTEL vide its Order dated November 26, 2021 (APTEL Order) set aside the Orders of MERC and remanded the matter to MERC for fresh determination of captive status based on the opinion expressed in the APTEL Order. MERC vide its Order dated 16th March, 2022 (MERC Remand Order) held Unit 3 and Unit 4 of Sai Wardha Power Generating Limited as captive generating plant for FY 2016-17 and FY 2017-18. MERC further held that 24.73 MUs and 53.53 MUs for FY 2016-17 and FY 2017-18 respectively were injected from the non-captive units and thus unscheduled power. Hence, the Distribution Licensees were directed to treat this unscheduled power in accordance with the applicable provisions of the Electricity Act, 2003 and the relevant Rules and Regulations. However, DISCOMs have filed an appeal against the APTEL Order before Hon'ble Supreme Court of India which is sub-judice. The Company has also filed appeal against the MERC Remand Order for limited issue of the units which were held as Unscheduled Power.

The Hon'ble Maharashtra Electricity Regulatory Commission vide its dated February 09, 2018 in Case No.77 of 2015 for FY 2014-15 and order dated March 19, 2018 in Case No.159 of 2016 for FY 2015-16 (Original MERC Order) had upheld the captive status of the units of SWGPL for those year ` However, it had treated the units supplied by SWGPL from other two non-CGP units of SWGPL, as non-contracted power for 2015-16. MSEDCL has accordingly raised a supplementary bill of ` 33 million for the year 2015-16 towards the units supplied by SWGPL from non-CGP units. Thereafter MERC had in its review order, allowed review of the said MERC orders and held that the captive status of SWPGL be redetermined for FY 2014-15 and FY 2015-16. APTEL vide the APTEL Order set aside the Review Order and upheld the Original MERC Orders holding SWPGL as captive for these two years as well. However, DISCOMs have filed an appeal against the APTEL Order before Hon'ble Supreme Court of India. The Company is also contesting the issue of non-CGP units of 2015-16.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

During the year, the Hon'ble Supreme Court of India have delivered a common judgment on 9th October, 2023, whereby the Court has elucidated the interpretation of the relevant provisions of the Electricity Act, 2003 and Rule 3 of the Electricity Rules, 2005. The Court has also mentioned that these principles shall be applied to the facts and circumstances of each case. As per the record of proceedings issued separately, the matters will be listed for hearing and disposal before the appropriate Bench of the Court.

**Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgement/decisions pending with various forums/authorities.Further, the Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the consolidated financial statements. The management believes that the ultimate outcome of above proceeding will not have a material adverse effect on the Group's financial position and results of operations

34. Related Party Transactions

Names of Related Parties:

(a) Holding Company :

Ultimate Holding Company - CIE Automotive S.A.

Principal Shareholder of the Holding Company - CIE Berriz, S.L

Holding Company - Participaciones Internacionales Autometal , DOS S.L

(b) Names of Fellow Subsidiaries where transactions have taken place during the year

1. Gameko Fabricación de Componentes, S.A.
2. Somaschini North America LLC
3. Somaschini S.p.A.
4. CIE Automotive de Mexico, SAPI de C.V.
5. Forjas de Celaya, S.A. de C.V.
6. GAT Mexico
7. CIE GOIAN
8. Maquinados de Precisión México
9. Pintura, Estampado y Montaje, S.A. de C.V.
10. Century Plastics, LLC
11. CIE Compiegne S.A.S.
12. Nanjing Automotive Forging Co., Ltd
13. Componentes de Automoción Recytec, S.L.U
14. Componentes de Dirección Recylan S.L.U.
15. Maquinados Automotrices y Talleres Industriales de Celaya, S.A. de C.V
16. Nova Recyd, S.A.U.
17. Egaña 2, S.L.
18. Leaz Valorización, S.L.
19. CIE Metal CZ, s.r.o.
20. CIE Praga Louny, a.s.
21. CIE Matricon CUI

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(c) Name of Associate Companies where transactions have taken place during the year:

1. Gescrap India Private Limited
2. Galfor Eólica, S.L (Associate of Galfor)
3. Clean Max Deneb Power LLP
4. Sunbarn Renewables Private Limited
5. Renew Surya Alok Private Limited
6. Strongsuns Solar Private Limited (w.e.f. December 21, 2022)
7. Sunseed Solar Private Limited (Associate of CACIL w.e.f. July 04, 2023)

(d) Name of Associates of Ultimate Holding Company where transactions have taken place during the year

1. Gescrap Autometal Mexico Sociedad Anonima De Capital Variable
2. Fundación CIE I+D+I
3. Gescrap, S.L.
4. Gam España Servicios de maquinaria S.L.U.
5. Samper Refeinsa Galicia, S.L.
6. UAB Gescrap LT
7. Gescrap GmbH

(e) Entities having significant influence over group

Mahindra & Mahindra Limited (M&M) (Holding Company and Ultimate Holding Company are Associates upto May 24, 2023.)

Mahindra & Mahindra Limited (M&M) (Ultimate holding company is an associate company w.e.f. May 25, 2023)

(f) Subsidiaries of entities having joint control / significant influence over group.

1. Classic Legends Private Limited
2. Gromax Agri Equipments Limited
3. Mahindra Auto Steel Private Limited
4. Mahindra Defence Systems Limited
5. Mahindra Electric Mobility Limited
6. Mahindra Heavy Engines Limited
7. Mahindra Integrated Business Solutions Private limited
8. Mahindra Accelo Limited (formerly known as Mahindra Intertrade Limited)
9. Mahindra Last mile Mobility limited
10. Mahindra Logistics Limited
11. Mahindra Sanyo Special Steel Private Limited
12. Mahindra Two Wheelers Limited

(g) Other Related Parties (Enterprises owned or significantly influenced by key management personnel or their relatives) where transactions have taken place during the period

1. Economic Laws Practice

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(h) Key Managerial Personnel (KMP)

Sr. No.	Name	Designation
1	Mr. Shriprakash Shukla	Non-Executive Director
2	Mr. Ander Arenaza Alvarez	Executive Director
3	Mr. Manoj Mullassery Menon	Executive Director and Chief Executive Officer - Stampings, Composites, Foundry, Magnetics and Gears Divisions
4	Mr. Anil Haridass	Non-Executive Director (w.e.f. 23rd February, 2022)
5	Mr. Zhooben Dossabhoy Bhiwandiwala	Non-Executive Director (upto 22nd February, 2022)
6	Mr. Puneet Renjhen	Non-Executive Director (Upto18th December, 2022)
7	Mr. Jesus Maria Herrera Barandiaran	Non-Executive Director
8	Mr. Manojkumar Maheshwari	Independent Director
9	Mr. Dhananjay Narendra Mungale	Independent Director (Upto 9th June, 2023)
10	Mr. Kadambi Narahari	Independent Director (Upto 9th June, 2023)
11	Mrs. Roxana Meda Inoriza	Independent Director
12	Mr. Alan Savio D'Silva Picardo	Independent Director
13	Mr. Suhail Amin Nathani	Independent Director
14	Mr. Jairaj Purandare	Independent Director (w.e.f. 10th June, 2023)
15	Mr. Hari Krishnan	Chief Executive Officer - Forgings and Bill Forge Divisions (w.e.f. 22nd February, 2022)
16	Mr. K. Jayaprakash	Chief Financial Officer
17	Mr. Pankaj Vijay Goyal	Company Secretary and Compliance Officer

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(i) Transactions with Related parties during the year

Nature of transactions with Related Parties	For the year ended	Ultimate holding company	Holding company	Entities having joint control/ significant influence over Group (Note 1)	Fellow Subsidiaries of Ultimate Holding Company	Subsidiaries of Entities having joint control/ significant influence over Group	Associate companies	Other Related Parties	Associates of ultimate holding company
Sale of goods	**31 December, 2023**	**-**	**-**	**16,452.74**	**723.38**	**897.29**	**2,561.36**	**-**	**598.63**
	31 December, 2022	-	-	15,559.67	662.11	687.43	2,709.48	-	1,310.85
Purchase of goods	**31 December, 2023**	**-**	**-**	**0.35**	**140.92**	**1,568.38**	**-**	**-**	**-**
	31 December, 2022	-	-	0.14	140.45	1,856.72	-	-	-
Purchase of property and other assets	**31 December, 2023**	**-**	**-**	**-**	**20.00**	**-**	**-**	**-**	**-**
	31 December, 2022	-	-	-	-	-	-	-	-
Sale of property and other assets	**31 December, 2023**	**-**	**-**	**-**	**53.92**	**-**	**-**	**-**	**-**
	31 December, 2022	-	-	-	27.25	391.87	-	-	-
Rendering of services	**31 December, 2023**	**-**	**-**	**-**	**15.34**	**-**	**-**	**-**	**-**
	31 December, 2022	-	-	-	11.23	-	-	-	-
Receiving of services	**31 December, 2023**	**312.73**	**-**	**-**	**194.10**	**112.87**	**373.41**	**0.18**	**58.98**
	31 December, 2022	271.07	-	23.71	134.63	146.12	289.94	-	56.95
Rent received	**31 December, 2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31 December, 2022	-	-	-	-	0.81	-	-	-
Rent paid	**31 December, 2023**	**-**	**-**	**17.12**	**-**	**-**	**-**	**-**	**19.83**
	31 December, 2022	-	-	34.19	-	-	-	-	-
Interest received	**31 December, 2023**	**278.25**	**57.36**	**-**	**-**	**-**	**-**	**-**	**-**
	31 December, 2022	58.62	-	-	-	-	-	-	-
Interest paid	**31 December, 2023**	**214.68**	**5.45**	**2.13**	**283.96**	**-**	**-**	**-**	**-**
	31 December, 2022	32.56	172.48	-	114.61	-	-	-	-
Dividend paid	**31 December, 2023**	**-**	**623.10**	**-**	**-**	**-**	**-**	**-**	**-**
	31 December, 2022	-	575.71	104.36	-	-	-	-	-
Investment in Associate	**31 December, 2023**	**-**	**-**	**-**	**-**	**-**	**74.46**	**-**	**-**
	31 December, 2022	-	-	-	-	-	53.26	-	-
Loan Taken	**31 December, 2023**	**6,003.11**	**7.06**	**-**	**621.41**	**-**	**-**	**-**	**-**
	31 December, 2022	4,898.00	3,399.21	-	523.04	-	-	-	-
Loan Given	**31 December, 2023**	**17,954.55**	**450.40**	**-**	**-**	**-**	**-**	**-**	**-**
	31 December, 2022	11,042.02	392.38	-	-	-	-	-	-

Note 1:

The transactions with Related parties during the period have been disclosed net off Goods and Services Tax.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

(j) Balances with Related parties at the end of the year

Nature of Balances with Related Parties	Balance as on	Ultimate holding company	Holding company	Entities having joint control/ significant influence over Group (Note 1)	Fellow Subsidiaries of Ultimate Holding Company	Subsidiaries of Entities having joint control/ significant influence over Group	Associate companies	Associates of ultimate holding company
Trade payables	**31 December, 2023**	**-**	**-**	**1.37**	**70.50**	**508.87**	**18.42**	**14.53**
	31 December, 2022	-	-	0.97	102.39	336.77	3.14	17.23
Trade receivables	**31 December, 2023**	**-**	**-**	**527.42**	**146.56**	**424.73**	**-**	**14.06**
	31 December, 2022	-	-	1,201.85	126.05	152.54	2.06	54.26
Loans & advances taken	**31 December, 2023**	**650.87**	**5.61**	**-**	**4,340.47**	**-**	**-**	**-**
	31 December, 2022	251.64	456.73	-	3,719.06	-	-	-
Loans & advances given	**31 December, 2023**	**4,274.62**	**708.22**	**-**	**-**	**-**	**-**	**-**
	31 December, 2022	529.43	1,212.35	-	-	-	-	-
Advances received	**31 December, 2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31 December, 2022	-	-	-	-	-	-	-
Other balances	**31 December, 2023**	**-**	**-**	**19.52**	**-**	**-**	**-**	**-**
	31 December, 2022	-	-	-	-	-	-	-
Investments	**31 December, 2023**	**-**	**-**	**-**	**-**	**-**	**380.04**	**-**
	31 December, 2022	-	-	-	-	-	310.43	-
Interest received	**31 December, 2023**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	31 December, 2022	-	26.00	-	-	-	-	-

(k) Remuneration to Key Managerial Personnel

Details of Remuneration	**31 December, 2023**	31 December, 2022
Short term employment benefits	**51.06**	58.95
Long term employment benefits(Gratuity and leave encashment)	**1.40**	1.11
Share based payments	**51.32**	81.00
Director sitting fees, Commission	**26.10**	14.46
Total	**129.88**	155.52

As gratuity and compensated absences are computed for all the employees in aggregate, the amount relating to the key managerial personnel, cannot be individually identified.

(l) Balance payable to Key Managerial Personnel

Details of Remuneration	**31 December, 2023**	31 December, 2022
Short term employment benefits	**1.69**	1.41
Long term employment benefits(Gratuity and leave encashment)	**11.76**	10.66
Share based payments	**18.93**	80.28
Director sitting fees & Commission	**20.47**	9.86
Total	**52.85**	102.21

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

35. Earnings per share

a) Calculation of basic and diluted earnings per share

Basic earnings per share are calculated by dividing the profit attributable to the parent Group's shareholders by the weighted average number of ordinary shares in the year, excluding treasury shares acquired by the Group.

	31 December, 2023 ` Per Share	31 December, 2022 ` Per Share
Basic earnings per share	**29.66**	(3.59)
From continuing operations	**21.03**	18.76
From discontinuing operations	**8.63**	(22.35)
Diluted earnings per share	**29.66**	(3.59)
From continuing operations	**21.03**	18.76
From discontinuing operations	**8.63**	(22.35)

b) The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

(i) Basic earnings per share

	31 December, 2023 ` Per Share	31 December, 2022 ` Per Share
Profit for the year attributable to owners of the Group	**11,251.49**	(1,361.66)
- from continuing operations	**7,976.30**	7,113.48
- from discontinuing operations	**3,275.19**	(8,475.14)
Weighted average number of equity shares	**379,358,916**	379,247,594
Earnings per share – Basic	**29.66**	(3.59)
- from continuing operations	**21.03**	18.76
-from discontinuing operations	**8.63**	(22.35)

(ii) Diluted earnings per Share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants and Stock options for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.

	31 December, 2023 ` Per Share	31 December, 2022 ` Per Share
Profit for the year	**11,251.49**	(1,361.66)
- from continuing operations	**7,976.30**	7,113.48
- from discontinuing operations	**3,275.19**	(8,475.14)
Weighted average number of equity shares used in the calculation of Basic EPS	**379,358,916**	379,247,594
Add: Effect of Stock Options	**-**	17,465
Weighted average number of equity shares used in the calculation of Diluted EPS	**379,358,916**	379,265,059
Diluted EPS	**29.66**	(3.59)
- from continuing operations	**21.03**	18.76
- from discontinuing operations	**8.63**	(22.35)

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

36. Details of dues under Micro Small and Medium Enterprises Development Act, 2006

The identification of suppliers as micro and small enterprises covered under the "Micro Small and Medium Enterprises Development Act 2006" was done on the basis of the information to the extent provided by the supplier to the Group. Total outstanding to Micro and Small Enterprises, which were outstanding are given below:

Particulars	31 December, 2023	31 December, 2022
The amounts remaining unpaid to micro and small suppliers at the end of the year		
Principal	**393.72**	393.12
Interest due thereon	**0.06**	-
Interest paid in terms of Section 16 of the MSMED Act along with the amount of payment made to the supplier beyond the appointed day during the year	**-**	
– Principal paid beyond the appointed date	**55.13**	133.00
– Interest paid in terms of Section 16 of the MSMED Act	**-**	-*
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	**0.29**	1.00
The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.35**	2.00
Further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	**10.95**	11.00

*Amount is below rounding off norm adopted by the Group

37. Employees Stock Options Scheme

The Holding Company instituted the Employees Stock Options Scheme 2015 (ESOS 2015) plan for employees in pursuance of a special resolution passed by the shareholders approving the scheme on September 15, 2015.

Pursuant to the schemes, the Company has granted options to eligible employees at various exercise prices per equity share of ` 10 each. Under the terms of scheme, the vesting period will be spread equally over 3 years (ESOS 2015). Options will vest at 33% (ESOS 2015) from the grant date. When exercisable, each option is convertible into one equity share of the Company.

Movement of share options are as under:

Date of the Tranche	Opening Balance		Forfeited during the year	Exercised during the year	Outstanding at the end of the year	Exercisable at the end of the year
	Number of Options	Weighted average exercise price	Number of Options	Number of Options	Number of Options	Number of Options
On 22nd February, 2016	45,615	150	617	44,998	-	-
	45,615		**617**	**44,998**	**-**	**-**

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry Date	Exercise price	Number of Options-31 December, 2023	Number of Options-31 December, 2022
22-Feb-16	24-Feb-24	150	-	45,615
Total			**-**	45,615
Weighted average remaining contractual life of options outstanding at end of period (years)				1.15

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognized in profit and loss as part of employee benefit expense were as follows:

	As at 31 December, 2023	As at 31 December, 2022
Employee share-based payment expense	**73.31**	81.00
Total employee share-based payment expense	**73.31**	81.00

38. Corporate Social Responsibility (CSR)

Particulars	**31 December, 2023**	31 December, 2022
(a) Amount required to be spent by the Group during the year	**79.44**	59.61
(b) Amount of expenditure incurred on:		
(i) Construction/acquisition of any assets	**50.30**	-
(ii) On purposes other than (i) above	**30.08**	43.17
(c) Shortfall at the end of the year	**5.06**	16.44
(d) Total of previous year shortfall^	**25.40**	46.44
(e) Excess amount spent at the end of the year*	**6.00**	-
(f) Reason for shortfall	**Constraints associated with implementing projects**	Pertains to two ongoing project of Skill development and school construction
(g) Nature of CSR activities	**Promoting Education, Rural Development, Promoting Healthcare etc.**	Promoting Education, Rural Development, Promoting Healthcare etc.
(h) Movement in provision with respect to a liability incurred by entering into a contractual obligation		
Opening provision	**25.56**	47.50
Add: Provision during the year	**18.42**	24.50
Less: Utilisation during the year	**(28.88)**	(46.44)
Closing provision**	**15.10**	25.56

** The shortfall amount has been deposited in separate schedule bank account as per statutory requirement

***Details of excess amount spent**	**Opening balance**	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing balance**
i) for the year ended 31 December 2023	-	61.30	67.30	6.00
ii) for the year ended 31 December 2022	-	-	-	-

^Details of unspent amount	**Opening balance**	**Amount required to be spent during the year**	**Amount spent during the year**	**Closing balance**
i) for the year ended 31 December 2023	14.93	4.88	(5.29)	14.52
ii) for the year ended 31 December 2022	-	-	-	-

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

39. Additional information of subsidiaries as required by schedule III of Companies Act, 2013

Sr. No.	Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		Amount	As % of consolidated	Amount	As % of consolidated	Amount	As % of consolidated	Amount	As % of consolidated
	Parent								
1	CIE Automotive India Limited	49,423.55	82.54%	5,618.70	49.94%	14.52	2.15%	5,633.22	47.23%
	Subsidiaries								
	Indian								
1	CIE Aluminium Casting India Limited (Subsidiary of CIE-India)	2,927.00	4.89%	818.03	7.27%	(12.84)	-1.90%	805.19	6.75%
2	BF Precision Private Limited (Subsidiary of CIE-India)	63.71	0.11%	0.88	0.01%	-	0.00%	0.88	0.01%
3	CIE Hosur Limited (Subsidiary of CIE-India)	1,096.71	1.83%	(141.28)	-1.26%	-	0.00%	(141.28)	-1.18%
	Foreign								
1	Stokes Group Limited (SGL) (Liquidated on September 05, 2023)	-	0.00%	34.66	0.31%	-	0.00%	34.66	0.29%
2	CIE Forgings Europe GmbH (CFG) (subsidiary of Galfor)	946.24	1.58%	104.48	0.93%	-	0.00%	104.48	0.88%
3	Jeco Jellinghaus GmbH (subsidiary of CFG)*	-	0.00%	25.82	0.23%	-	0.00%	25.82	0.22%
4	Gesenkschmiede Schneider GmbH (subsidiary of CFG)*	-	0.00%	1,038.39	9.23%	-	0.00%	1,038.39	8.71%
5	Falkenroth Unformtechnik GmbH (subsidiary of CFG)*	-	0.00%	827.55	7.35%	-	0.00%	827.55	6.94%
6	Schonoeweiss& Co GmbH (subsidiary of CFG)*	-	0.00%	1,240.46	11.02%	-	0.00%	1,240.46	10.40%
7	Metalcastello S.p.A (MC) (subsidiary of Galfor)	2,876.70	4.80%	671.00	5.96%	1.70	0.25%	672.70	5.64%
8	UAB CIE Galfor SA (Galfor)	9,262.54	15.47%	3,194.80	28.39%	-	0.00%	3,194.80	26.78%
9	CIE Legazpi SA (subsidiary of Galfor)	90.01	0.15%	(138.02)	-1.23%	-	0.00%	(138.02)	-1.16%
10	UAB CIE LT Forge (subsidiary of Galfor)	2,383.36	3.98%	593.04	5.27%	-	0.00%	593.04	4.97%
11	Bill Forge Mexico S.A de C.V (subsidiary of CIE-India)	(1,481.53)	-2.47%	(334.05)	-2.97%	(2.89)	-0.43%	(336.94)	-2.82%
	Adjustment on consolidation	(7,708.61)	-12.87%	(2,302.96)	-20.47%	676.18	99.93%	(1,626.78)	-13.64%
	Associates								
	India								
1	Gescrap India Private Limited	189.43	0.32%	(18.88)	-0.17%	-	0.00%	(18.88)	-0.16%
2	Clean Max Deneb Power LLP	345.46	0.58%	8.27	0.07%	-	0.00%	8.27	0.07%
3	Sunbarn Renewables Private Limited	338.52	0.57%	(1.54)	-0.01%	-	0.00%	(1.54)	-0.01%
4	Renew Surya Alok Private Limited	268.05	0.45%	5.04	0.04%	-	0.00%	5.04	0.04%
5	Strongsuns Solar Private Limited	130.04	0.22%	2.25	0.02%	-	0.00%	2.25	0.02%
6	Sunseed Solar Private Limited (Associate of CACIL) (w.e.f. July 04, 2023)	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	Foreign								
1	Galfor Eólica, S.L (Associate of Galfor)	-	0.00%	-	0.00%	-	0.00%	-	0.00%

* Discontinued w.e.f. 1st July, 2023

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

40. Exceptional Items

	31 December, 2023	31 December, 2022
Gain on sale of Kanhe freehold land	-	378.73
Total	-	378.73

41. Additional disclosures required by schedule III

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(v) The Group does not have any investments through more than two layer of investment companies as per section 2(87)(d) and section 186 of Companies Act, 2013.

(vi) The Group has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.

(vii) The Group is not declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

42. The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

43. The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

44. For CIE Automotive India Limited

Secured Loan with bank of Baroda non fund base for the period was `110 million. The quarterly returns or statements filed by the holding Company for working capital limits with Bank of Baroda banks are in agreement with the books of account of the Company except for statements filed for quarters ended March, 2023/ September, 2023/ March, 2022/ June, 2022 and September, 2022 where differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements. The differences are due to some of the items where not taken while reporting to banks due to grouping mismatch. The differences were in case of Payables with respect to period ended March, 2023/ September, 2023/ March, 2022/ June, 2022 and September, 2022 are 173.36 million/ 109.60 million/ 652.18 million/ 682.09 million and 941.07 million respectively. For Receivables with respect to period March, 2022 difference was 102.89 million.

For CIE Aluminium Castings India Limited

Secured Loans with HDFC Bank non fund base for the period was ` 840 million. The quarterly returns or statements filed by one of the subsidiary companies for working capital limits with aforementioned bank are in agreement with the books of account of the Company except for statements filed for quarters ended March, 2022/ June, 2022 where differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements. The differences are due to some of the items where not taken while reporting to banks due to grouping mismatch. The differences were in case of Payables with respect to period ended March, 2022/ June, 2022 are 17.1 million and 41.2 million respectively.

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Secured Loans with IDBI Bank non fund base for the period was ` 20 million. The quarterly returns or statements filed by one of the subsidiary companies for working capital limits with aforementioned bank are in agreement with the books of account of the Company except for statements filed for quarters ended March, 2022 where differences were noted between the amount as per books of account for the quarter and amount as reported in the quarterly statements. The difference is due to some of the items where not taken while reporting to banks due to grouping mismatch. The differences were in case of Inventories with respect to period ended March, 2022 is ` 9.2 million.

Secured Loans with ICICI Bank non fund base for the period was `450 million. The quarterly returns or statements filed by one of the subsidiary companies for working capital limits with aforementioned bank are in agreement with the books of account of the Company except for statements filed for quarters ended March, 2022/ June, 2022 where differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements. The differences are due to some of the items where not taken while reporting to banks due to grouping mismatch. The differences were in case of Payables with respect to period ended March, 2022/ June, 2022 are 17.1 million and 41.2 million respectively.

Secured Loans with Saraswat Co-operative Bank Limited non fund base for the period was ` 220 million. The quarterly returns or statements filed by one of the subsidiary companies for working capital limits with aforementioned bank are in agreement with the books of account of the Company except for statements filed for quarters ended March, 2022/ June, 2022 where differences were noted between the amount as per books of account for respective quarters and amount as reported in the quarterly statements. The differences are due to some of the items where not taken while reporting to banks due to grouping mismatch. The differences were in case of Payables with respect to period ended March, 2022/ June, 2022 are ` 13 million and 45 million respectively.

45. The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at December 31, 2023:

Name of struck off Company	Nature of transactions with struck off Company	Amount of transactions	Balance Outstanding	Relationship with the Struck off company
NA	NA	NA	NA	NA

The following table summarises the transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 for the year ended / as at December 31, 2022

Name of struck off Company	Nature of transactions with struck off Company	Amount of transactions	Balance Outstanding	Relationship with the Struck off company
Jain Hydraulics Pvt. Ltd.	Material Purchase	-*	-*	External Vendor
Nihar Plastic Industries Pvt. Ltd.	Material Purchase	4	4	External Vendor

*Amount is below rounding off norm adopted by the company

46. The Board of Directors of company at their meeting held on February 19, 2024 recommended final dividend of ` 5/- per Equity Share of ` 10 each fully paid up for finacial year 2023 (` 2.50 per Equity Share of ` 10 each fully paid up for finacial year 2022). During the year ended 31 December 2023, the company has declared and paid dividend of ` 948.41 Million for the financial year ended 31 December 2022.

For **B S R & Co. LLP**
Firm Registration No. 101248W/W-100022

Abhishek
Partner
Membership No. 062343

Mumbai, February 19, 2024

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED**
(formerly known as Mahindra CIE Automotive Limited)

Ander Arenaza Alvarez
Executive Director - DIN : 07591785

Alan Savio D'Silva Picardo
Director - DIN : 08513835

Manoj Menon
Executive Director &
CEO-Business Division - DIN : 07642469

Hari Krishnan
CEO-Business Division

K. Jayaprakash
Chief Financial Officer

Pankaj Goyal
Company Secretary & Compliance Officer
ACS : A29614

Mumbai, February 19, 2024

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Form AOC-1

PART -A- Statement containing salient features of the financial statement of Subsidiaries

Name of Subsidiary	Date of acquisition	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus (including equity)	Total Assets	Total Laibilities	Investment (Other than subsidiaries)	Gross Turnover	Profit before tax	Provision for Tax	Profit after tax	Proposed Dividend	Existing shareholding in%
Stokes Group Limited (SGL)	1st April 2007	GBP	100.24	-	-	-	-	-	-	34.66	-	34.66	-	100%
CIE Forgings Germany GmbH (CFG) (subsidiary of Galfor)	1st April 2007	EURO	91.90	459.50	946.19	2,031.54	1,085.35	-	-	427.56	323.08	104.48	-	100%
Jeco Jellinghaus GmbH (subsidiary of CFG)	1st April 2007	EURO	91.90	432.10	104.53	691.94	155.32	-	-	-	-	-	-	100%
Gesenkschmiede Schneider GmbH (subsidiary of CFG	1st April 2007	EURO	91.90	1,033.58	605.06	3,919.19	2,280.56	4	-	-	-	-	-	100%
Falkenroth Unformtechnik GmbH (subsidiary of CFG)	1st April 2007	EURO	91.90	86.33	111.51	988.82	790.97	-	-	-	-	-	-	100%
Schonoeweiss & Co GmbH (subsidiary of CFG)	1st April 2007	EURO	91.90	3.67	9.51	43.33	30.15	-	-	-	-	-	-	100%
Metalcastello S.p.A (MC) (subsidiary of Galfor)	1st Oct 2013	EURO	91.90	919.00	2,876.56	5,273.49	2,396.93	-	6,164.50	848.84	177.83	671.00	-	99.96%
UAB CIE Galfor SA (Galfor)	1st Oct 2013	EURO	91.90	229.91	9,262.09	17,276.86	8,014.77	6	15,922.66	3,862.85	668.05	3,194.79	-	100%
CIE Legazpi SA (subsidiary of Galfor)	1st Oct 2013	EURO	91.90	229.75	90.01	4,264.44	4,174.43	-	5,741.90	(138.02)	-	(138.02)	-	100%
UAB CIE LT Forge (subsidiary of Galfor)	1st Oct 2013	EURO	91.90	693.02	2,383.24	3,539.44	1,156.20	-	4,976.96	687.97	94.93	593.04	-	100%
CIE Aluminium Casting India Limited (CACIL)	9th April 2019	`	1	29.40	2,927.00	6,474.59	3,547.59	-	10,003.10	1,097.62	279.58	818.03	840	100%
BF Precision Private Limited (subsidiary of BF)	1st Oct 2016	`	1	0*	63.71	83.14	19.43	-	114.43	3.70	2.83	0.88	55	100%
Bill Forge Mexico S. DE R. L. DE C V (subsidiary of BF)	1st Oct 2016	`	83.17	8.30	(1,481.51)	3,358.87	4,840.38	-	2,689.10	(294.01)	40.06	(334.07)	-	99.99%
CIE Hosur Limited	6th Aug 2021	`	1	0*	1,096.71	2,292.81	1,196.10	-	1,083.63	(143.15)	(1.88)	(141.28)	-	100%

*Amount is below the rounding off norm adopted by the Group.

1. Stokes Group Limited is liquidated on September 05, 2023;
2. During the year company has disposed off its operations in Germany. As a result, Jeco Jellinghaus GmbH (JECO); Falkenroth Unformtechnik GmbH (FUS); Gesenkschmiede Schneider GmbH (GSA); Schonoeweiss & Co GmbH (SCHO)

   CIE Forgings Germany GmbH, which is holding company fo the aforementioned german companies, continues to be a subsidiary.

For and on behalf of the Board of Directors of **CIE AUTOMOTIVE INDIA LIMITED**
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Director - DIN : 08513835

Manoj Menon
Executive Director &
CEO-Business Division - DIN : 07642469

Hari Krishnan
CEO-Business Division

K. Jayaprakash
Chief Financial Officer

Pankaj Goyal
Company Secretary & Compliance Officer
ACS : A29614

Mumbai, February 19, 2024

Notes to the Consolidated Financial Statements as at and for the year ended 31 December, 2023

(` in Million)

Form AOC-1

PART -B- Details of Associates/ Joint vnetures [as per Section 2(6) of the Companies Act, 2013

Name of Associates	Audited Balance Sheet Date	No. of Equity shares held	Proportion of ownership interest	Cost of investments	Networth attributable to shareholding as per latest audited Balance Sheet	Profit/ (loss) for the year considered in consolidation	not considered in consolidation
Gescrap India Private Limited	31st Mar 2023	3,720,000	30.00%	56.57	189.43	(18.88)	NA
Galfor Eólica, S.L (Associate of Galfor)	31st Dec 2022	68,000	25.00%	5.00	0*	0*	NA
Clean Max Deneb Power LLP	31st Mar 2023	-	26.00%	88.23	345.46	8.27	NA
Sunbarn Renewables Private Limited	31st Dec 2022	1,112,813	26.16%	87.23	338.52	(1.54)	NA
Renew Surya Alok Private Limited	31st Mar 2023	8,260,000	31.20%	35.75	268.05	5.04	NA
Strongsun Solar Private Limited (w.e.f. 12. 12. 2022)	31st Mar 2023	303,250	27.35%	83.64	130.04	2.25	NA
Sunseed Solar Private Limited	NA	295,238	26.49%	23.62	-	-	NA

*Amount is below the rounding off norm adopted by the Group.

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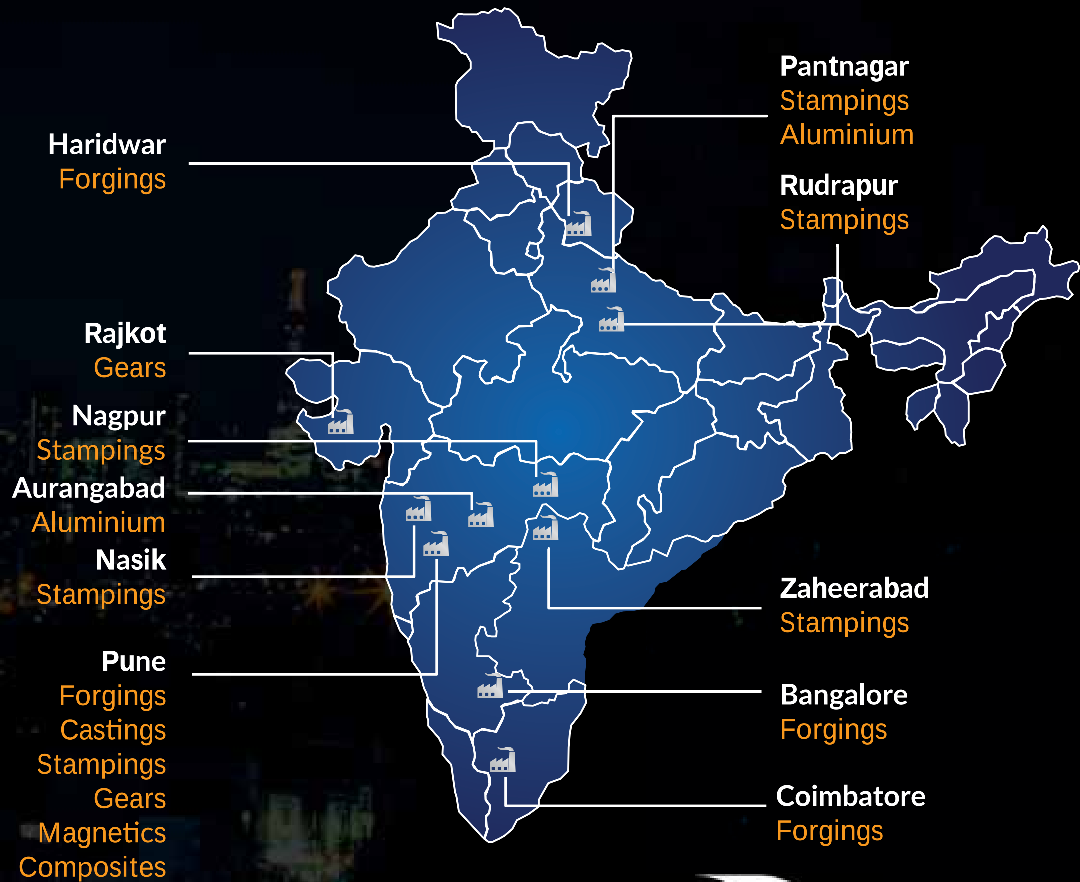
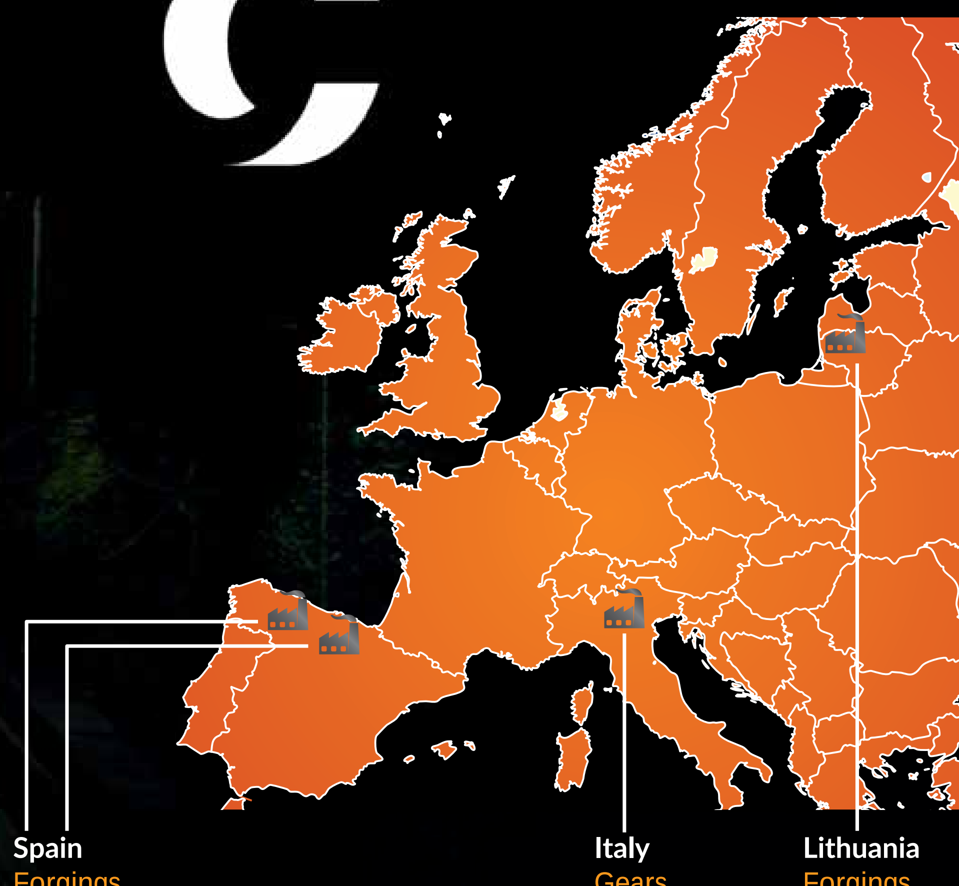
Mumbai, February 19, 2024

Notes

Notes


Haridwar
Forgings
Pantnagar
Stampings
Aluminium
Rudrapur
Stampings
Rajkot
Gears
Nagpur
Stampings
Aurangabad
Aluminium
Nasik
Stampings
Pune
Forgings
Castings
Stampings
Gears
Magnetics
Composites
Zaheerabad
Stampings
Bangalore
Forgings
Coimbatore
Forgings


Spain
Forgings
Italy
Gears
Lithuania
Forgings

Annual Report 2023

Forgings

Castings

Stampings

Gears

Composites

Magnetics

Aluminium

CIE India

Registered Office:

CIE Automotive India Limited

(formerly known as Mahindra CIE Automotive Limited)

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