

12<sup>th</sup> September, 2016

<b>BSE Limited</b> Corporate Relationship Department, P.J.Towers, Dalal Street, Fort, Mumbai - 400 001.  <b>BSE Scrip Code: 532756</b>	<b>National Stock Exchange of India Limited,</b> Corporate Relationship Department, Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.  <b>NSE Scrip Code: MAHINDCIE</b>
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**Sub: Disclosure Pursuant to Regulation 30 read with Para A of Schedule III the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 -**

Dear Sir/Madam,

We wish to inform that, Board of Directors of the Company at its meeting held on today 12<sup>th</sup> September, 2016, approved 100% acquisition of Bill Forge Private Limited and authorized signing of the Acquisition Agreement.

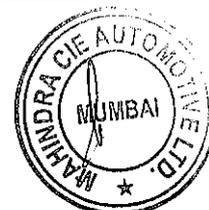
Please find enclosed the Investors Presentation and Press Release giving details of the same.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD4/2015 dated 9<sup>th</sup> September, 2015 is given as under

name of the target entity, details in brief such as size, turnover	Bill Forge Private Limited having Revenues of Rs. 5,823 million, PAT 514 million, Net Assets of Rs. 1658.9 million and Net Debt of Rs. 754 million as per the Audited Balance Sheet as on 31 <sup>st</sup> March, 2016
whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length	No. The Acquisition shall not fall under related party transaction(s).  None of the promoter/ promoter group/ group companies have any interest in the entity being acquired
industry to which the entity being acquired belongs	Forging & Machining of Auto Components
objects and effects of acquisition	<ul style="list-style-type: none"> <li>■ Substantially increases revenue and profitability from Asian markets</li> <li>■ Reinforces MCIE's position as one of the leading global forgings player (entry into</li> </ul>



Mahindra CIE Automotive Limited  
 CIN: L27100MH1999PLC121285



	<p>cold/warm forgings)</p> <ul style="list-style-type: none"> <li>■ Leads to diversification of MCIE India : Complementary product and customer mix, which helps MCIE India to diversify its business portfolio                     <ul style="list-style-type: none"> <li>➤ Adds Eastern OEMs (70% + market passenger vehicles) as customers - Indirectly supplies to Maruti, Hyundai and Honda (through Tier-1s)</li> <li>➤ Increases exposure to car segment - currently 33% of MCIE India production is for UV's</li> <li>➤ Addresses "South region" and gives entry into the "North region" - currently MCIE caters largely to OEMs in "western region" (Pune cluster) Provides entry into two-wheeler segment</li> </ul> </li> <li>■ BFPL is well run                     <ul style="list-style-type: none"> <li>➤ Consistently strong historical performance and margins across cycles</li> <li>➤ Strong management team, led by industry veterans, team is being retained fully</li> <li>➤ Diversified product portfolio and customer base</li> <li>➤ Significant machining content</li> </ul> </li> <li>■ CIE can help to improve operational &amp; financial parameters further</li> <li>■ Transaction is beneficial for all stakeholders of both MCIE &amp; BFPL - customers, suppliers and employees</li> </ul>
brief details of any governmental or regulatory approvals required for the acquisition	The proposed acquisition shall be subject enhancement of Investment limits of the Company under Section 186 of the Companies Act, 2013 subjected to approval of members of the Company.
indicative time period for completion of the acquisition	The acquisition is proposed to be completed by end of October, 2016
nature of consideration	Cash
cost of acquisition or the price at which the shares are acquired	INR 13,312 Million



percentage of shareholding / control acquired and / or number of shares acquired	100%
brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information	<p>Founded in 1982, BFPL is a market-leading precision forging company based in Bangalore, India with 6 manufacturing facilities in India across Bangalore, Coimbatore and Haridwar and an upcoming plant in Celaya, Mexico. Kedaara Capital invested in BFPL in 2015 to support the growth of the company.</p> <p>BFPL is a crucial supplier to a number of domestic and global two-wheeler and passenger car OEMs and Tier 1 auto component companies. It manufactures a variety of cold, warm, hot forged and machined components primarily for steering, transmission and wheel-related assemblies.</p> <p>The turnover of Bill Forge during FY14, FY15 and FY16 was Rs. 3,940 million, Rs. 4,988 million and Rs. 5,823 million respectively.</p>

The meeting commenced at 1.45 p.m. and concluded at 4.30 p.m.

Kindly acknowledge receipt and take the same on the records.

Thanking you,

Yours faithfully,

For Mahindra CIE Automotive Limited



Krishnan Shankar  
Company Secretary and Head - Legal  
Encl.: as above

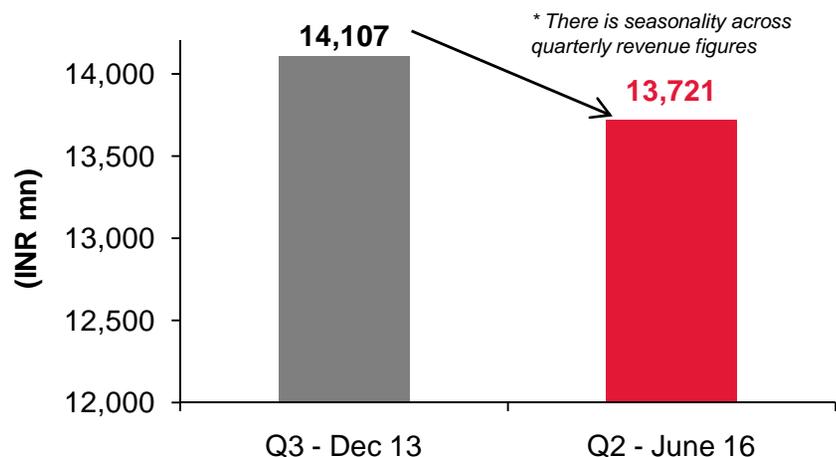


# Interim Update

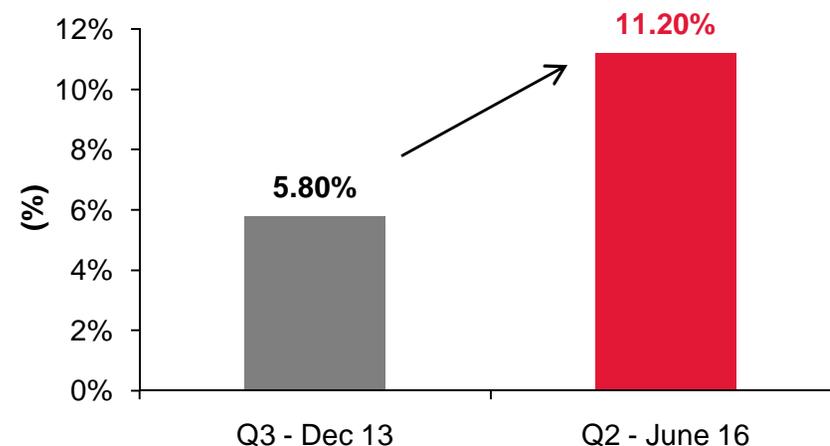


# MCIE Evolution

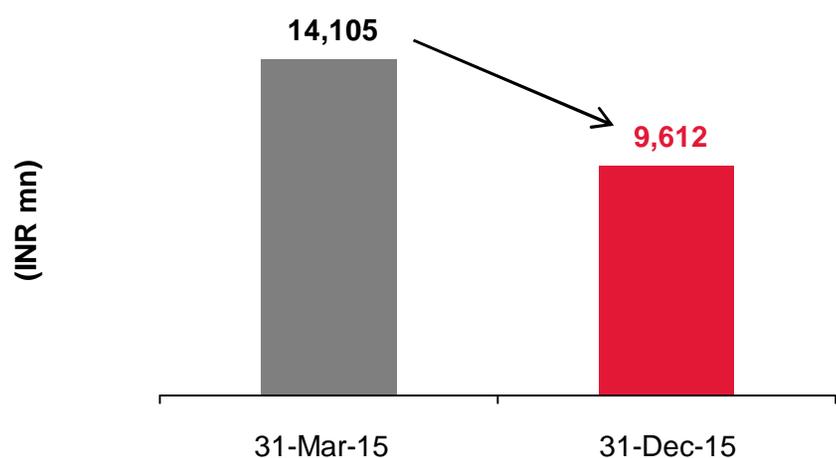
## Consolidated Sales\*



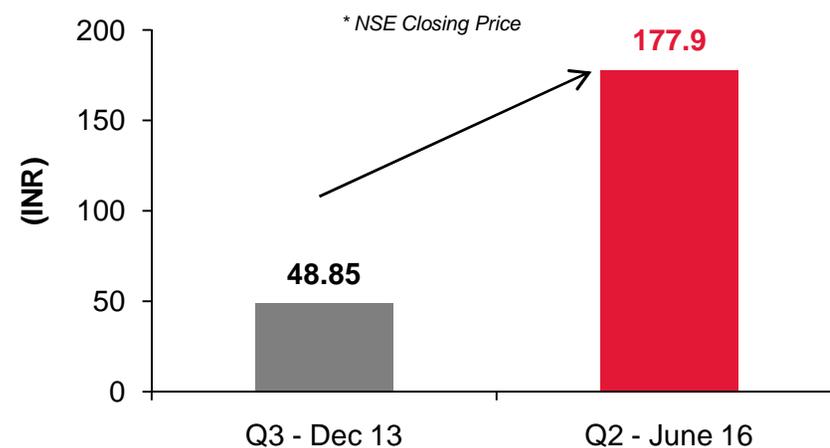
## Consolidated EBITDA Margin



## Consolidated Net Debt



## Share Price\*



Note:

1. Quarter ending Dec'13 (Q3F14) was the first quarter for which MCIE Consolidated results are available. They were presented in the Q3F15 update which was the first consolidated investor update put out by the company. These are unaudited results
2. Quarter ending June'16 (Q2C16) is the latest quarter for which the results are available. These are unaudited results
3. EBITDA nos. are normalised and without one-time exceptional costs

# MCIE Strategy

## MCIE Strategy

### MCIE Positioning

MCIE is CIE's vehicle to expand in:

- Forgings Worldwide
- In Asia for all other verticals



### Phase 1: 2014-2017 "Consolidate"

- Optimise operations in India
- Turnaround Europe
- Control capex & reduce debt
- Initiate new products & customers (*In Process*)



**"Achieve CIE  
Financial Norms"**

### Phase 2: 2017-2020 "Expand"

- Capex for expansion
- Expand in India & ASEAN
- Entry into plastics and aluminium products
- Redefine product portfolio at MFE & MC and optimize plant locations



**"Grow"**

**MCIE has made progress towards achieving its Phase 1 strategy and ready to embark on Phase 2**



**MCIE announces its first acquisition as part of Phase 2 = Bill Forge Pvt Ltd. (BFPL)**

# Bill Forge: Forging & Machining of Auto Components

Bill Forge is a precision forging and machining company focused on two-wheeler and passenger car auto components, primarily for steering, transmission and wheel-related assemblies



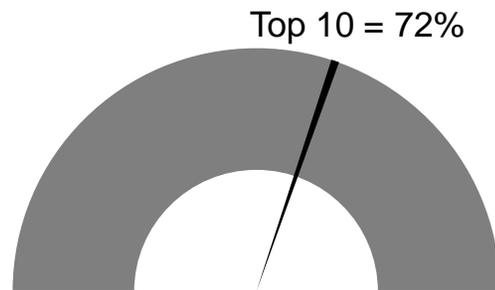
- Currently operates **6 manufacturing facilities across India** : 4 in Bangalore, 1 in Coimbatore and 1 in Haridwar and an upcoming plant in Celaya, **Mexico**



- One of a handful of Indian forging companies with **capabilities in cold and warm forging** in addition to hot forging, as well as experience with horizontal part formers

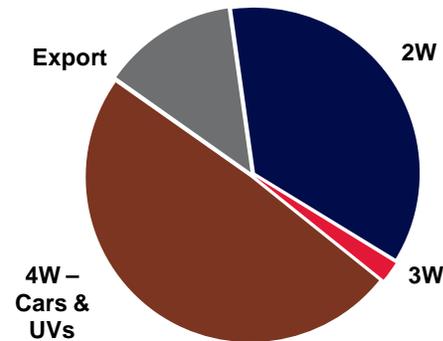
# Bill Forge: Unique, Diversified & Complementary Business Mix

## Customer Mix (F16)



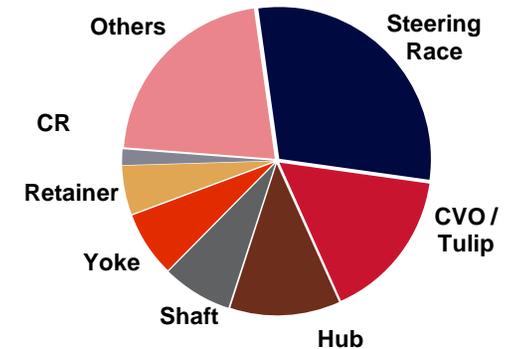
- **Key 2W customers:** Hero, Bajaj, HMSI and TVS
- **Key 4W customers:** Ford, GKN, NTN, Nexteer, Rane NSK
- **Attractive underlying OEM exposure,** with majority of passenger cars business in India's best-selling / fastest-growing OEMs like Maruti, Hyundai and Honda

## Segment Mix (F16)



- 4W presence to grow further
- Exports to Thailand, China, Mexico, Europe, USA
- Export have grown more than ~2.5x over last two years;

## Product Mix (F16)

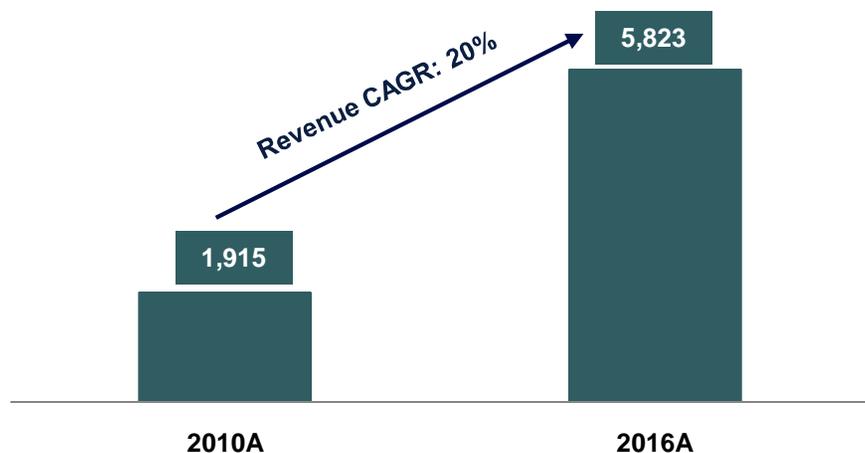


- Key products include **steering races and engine valve retainers** for two-wheelers and **constant velocity joints, tulips, steering shafts, steering yokes and wheel hubs** for passenger cars
- **High value addition** as majority of products are **either fully finished (~60%) or semi-finished (~30%)**

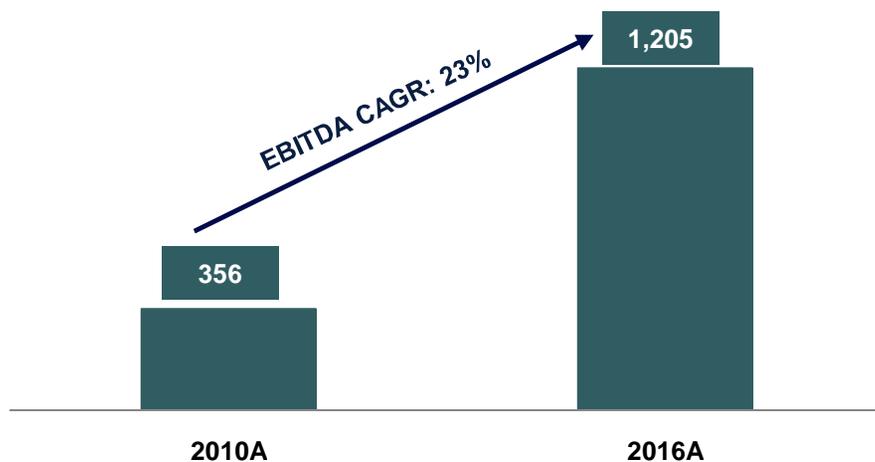
**Diversified Customer Portfolio + Exposure to leading 4W OEMs + Strong presence in 2W + Significant Exports**  
**&**  
**Diversified Product Mix + High Machining Content + Competitive position in top products**

# Bill Forge (BFPL): Excellent Track Record

REVENUE (INR Millions)



EBITDA\* (INR Millions)



INR mn	FY16
Sales	5,823
EBITDA	1,205*
PAT	514
Net Financial Debt	754

\*After one time adjustments. This is based on MCIE analysis of BFPL's audited FY2016 nos. Other nos. are as per BFPL's audited FY2016 nos.

- **Steady historical revenue growth and profitability** driven by market share, product focus, process engineering capabilities and attractive underlying OEM exposure

Note: Fiscal year based on year ending March 31<sup>st</sup>. 'A' stands for Actuals.

## Bill Forge: Rationale for Acquisition

- Substantially increases revenue and profitability from Asian markets
- Reinforces MCIE's position as one of the leading global forgings player (entry into cold/warm forgings)
- Leads to diversification of MCIE India : Complementary product and customer mix, which helps MCIE India to diversify its business portfolio
  - Adds “Eastern OEMs” (70% + market passenger vehicles) as customers - Indirectly supplies to Maruti, Hyundai and Honda (through Tier-1s)
  - Increases exposure to car segment - currently 33% of MCIE India production is for UV's
  - Addresses “South region” and gives entry into the “North region” - currently MCIE caters largely to OEMs in “western region” (Pune cluster)
  - Provides entry into two-wheeler segment
- BFPL is well run
  - Consistently strong historical performance and margins across cycles
  - Strong management team, led by industry veterans, team is being retained fully
  - Diversified product portfolio and customer base
  - Significant machining content
- CIE can help to improve operational & financial parameters further
- Transaction is beneficial for all stakeholders of both MCIE & BFPL – customers, suppliers and employees

## Indicative Financial Summary MCIE & Bill Forge

	MCIE – 9Months
Consolidated Sales	38162
India Sales % of Total	32%
LCC Sales % of Total	32%
EBITDA	3780
EBITDA %	9.8%
India EBITDA % of Total	NA
PAT	1362
EPS	5.6
Net Debt	9,612

	BFPL
Sales	5,823
EBITDA	1,205*
EBITDA %	20.7%*
PAT	514
EPS	NA
Net Debt	754

\*After one time adjustments. This is based on MCIE analysis of BFPL's audited FY2016 nos.

### Note

- MCIE nos 9months CY15 figures. EBITDA is without onetime exceptional cost. Net Debt is as on 31-Dec-2015
- BFPL nos. are as per FY16 audit report

## Transactions

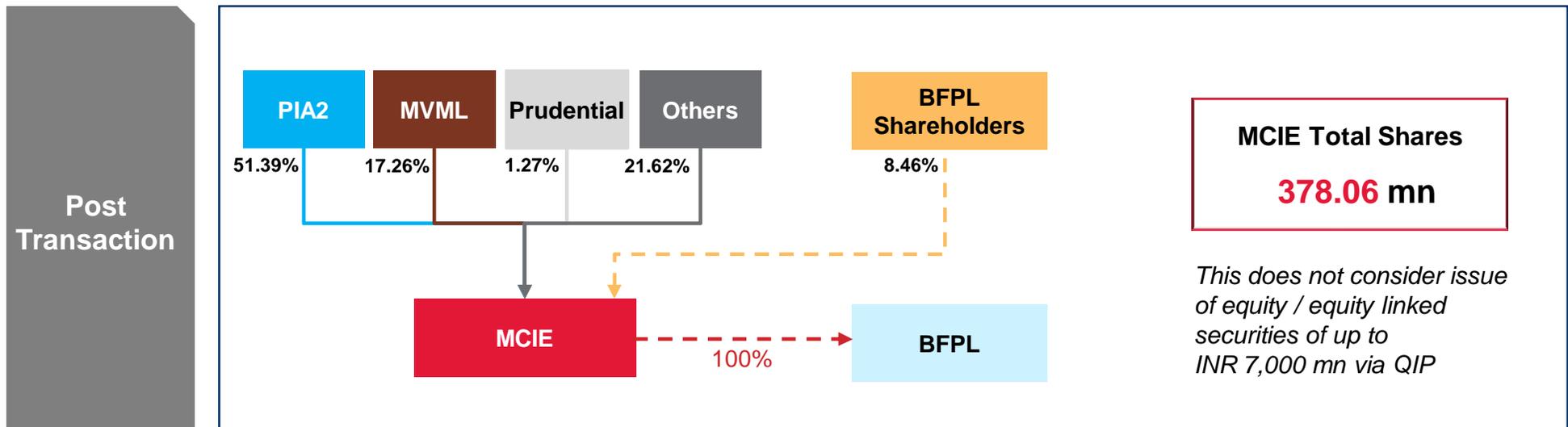
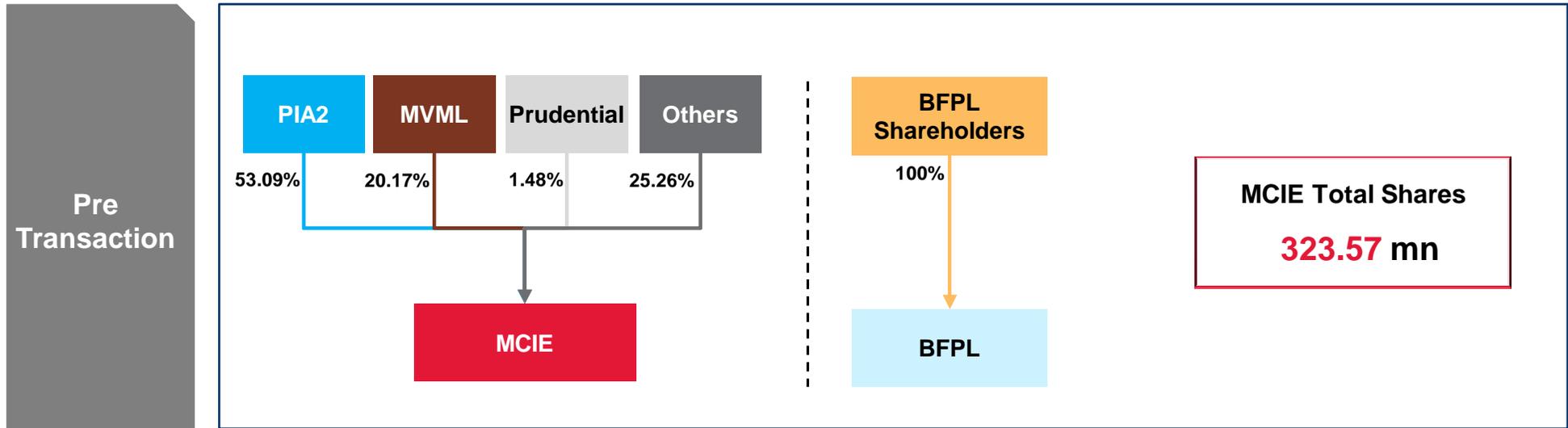
**MCIE to acquire 100% of Target (“BFPL”) for INR 13,312 mn**

**Preferential allotment of 31.99 mn equity shares to shareholders of BFPL at INR 200/share (INR 6,399 mn)**

**Preferential allotment of 22.5 mn equity shares to PIA2 (subsidiary of CIE) at INR 200/share (INR 4,500 mn)**

**MCIE Board also resolves to raise funds upto INR 7,000 mn through issue of equity / convertible / equity linked securities including by way of qualified institutional placement**

# Structure Post Acquisition & Preferential Allotment



Note: PIA2 is subsidiary of CIE; MVML is subsidiary of M&M Ltd.; Prudential is promoter group company; Others & BFPL shareholders are public shareholders

## Indicative Timeline for the Transaction

Event	Estimated Timeline
Board Resolutions & Announcement	Sep 12
Shareholder meeting to approve issuance of equity shares	Oct 13
Completion of Acquisition of BFPL and issue of equity shares under preferential allotment to shareholders of BFPL and CIE	Oct 27
Stock Exchange approval for listing of equity shares issued under preferential allotment	Oct 31

# Thank you

**visit us at [mahindracie.com](http://mahindracie.com)**

**BSE: 532756**

**NSE: MAHINDCIE**

**ISIN: INE536H01010**

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**Mahindra** ***CIE***

## News

### **CIE Automotive's Indian Arm, Mahindra CIE Automotive Limited ("MCIE") to acquire Bill Forge Private Limited ("BFPL")**

September 12, 2016

MCIE Board of Directors today resolved to acquire 100% of equity shares of BFPL for INR 13,312mn.

Further MCIE Board resolved to issue 54.49 mn shares to CIE Automotive SA ("CIE") and BFPL shareholders, including the Haridass Family and Kedaara Capital at INR 200/share.

Founded in 1982, BFPL is a market-leading precision forging company based in Bangalore, India with 6 manufacturing facilities in India across Bangalore, Coimbatore and Haridwar and an upcoming plant in Celaya, Mexico. Kedaara Capital invested in BFPL in 2015 to support the growth of the company.

BFPL is a crucial supplier to a number of domestic and global two-wheeler and passenger car OEMs and Tier 1 auto component companies. It manufactures a variety of cold, warm, hot forged and machined components primarily for steering, transmission and wheel-related assemblies.

This acquisition increases MCIE's operations in the high growth Asian markets and reinforces CIE group's / MCIE's position as a leading global forgings player. BFPL's complementary product and customer mix leads to a significant diversification in the business portfolio of MCIE India.

According to JesúsMaría Herrera, CEO of CIE Automotive, "We welcome BFPL and Anil Haridass and team to the CIE family. We are impressed with the high growth and profitable business built by them. We believe that their integration with MCIE, will provide further opportunities for growth for both MCIE and BFPL."

Hemant Luthra, chairman of MCIE, says "BFPL has a unique business combining complex products and brings many new customers to MCIE's current portfolio. The global alliance between CIE and M&M created excellent value for all stakeholders. This partnership bears the same hallmark of a mutual faith in each other and a common ambition based on excellent team chemistry. It reinforces CIE's commitment to India and the region and is a big step forward in creating both a global leader in forgings and a leader among Asian auto components firms."

Anil Haridass, Managing Director, BFPL says "We see a strong cultural and value fit between the CIE group and our company. We believe that the combination with MCIE will be beneficial for all stakeholders – customers, suppliers and employees"

Manish Kejriwal and Sunish Sharma, of Kedaara Capital Advisors LLP, noted "The combination of BFPL with MCIE reaffirms the attractive opportunity that exists in the Indian auto component sector. We have enthusiastically supported the dramatic growth story at BFPL, and are now very happy to partner and invest with the CIE team."