

SEC/2023/162

10th August, 2023

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, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 NSE Scrip Code: CIEINDIA
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Subject: Outcome of Board Meeting – Approval for divestment of 100% stake held by CIE Forging Germany GmbH (“CFG”) in its wholly owned subsidiaries namely Jeco Jellinghaus GmbH (JECO), Gesenkschmiede Schneider GmbH (GSA), Falkenroth Umformtechnik GmbH (FUG) and Schoneweiss & Co. GmbH (SCG)

Reference: Regulation 30 read with Schedule III the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

Dear Sir / Madam,

This is further to our letter dated 14th December 2022, wherein the Company had informed about noting by the Board of Directors of the Company of the proposal approved by CIE Galfor S.A. (“Galfor”) 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). In accordance with the applicable accounting standards, considering Galfor’s decision to launch the program, the “assets and liabilities” of all these five entities have been categorised as “assets and liabilities held for sale” in consolidated financial statements of the Company.

We now wish to inform that, the Board of Directors of the Company at its meeting held today, reviewed the proposal of sale of 100% stake held by CFG in its subsidiaries in Germany i.e. JECO, GSA, FUG and SCG (**the Transaction**) and accorded its approval to the Transaction, subject to receipt of necessary approvals as may be required to give effect to the said Transaction as per Applicable Laws of relevant jurisdictions and approval of the shareholders of CIE India as may be required under Regulation 24 of the Listing Regulations.

CIE Automotive India Limited

(Formerly known as Mahindra CIE Automotive Limited)

CIN: L27100MH1999PLC121285

Corporate Office

602 & 603 Amar Business Park, Baner Road, Pune - 411045, India

Tel: +91 20 29804622

Registered Office

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Thereafter, CFG as seller of JECO, GSA, FUG and SCG and the Buyer (as provided in the annexure) have today entered into binding agreements to give effect to the Transaction (the Agreement) and the Board took note of the same at the meeting today.

Once the Transaction is completed in accordance with the terms of the Agreement, JECO, GSA, FUG and SCG shall cease to be subsidiaries of the Company. As per the terms of the Agreement, subject to receipt of necessary approvals, the transfer of shares shall take place not later than 30th September 2023.

Further, the Company's German Forging Operations consisted of the operating companies namely GSA, FUG and SCG. It will be recalled that JECO is operationally closed and has been a dormant entity. CFG is a holding company holding shares in the subsidiaries. Since the revenue generated by the German Forgings Operations exceeds 10% of the revenue of the Company and its subsidiaries in immediately preceding accounting year ended 31st December 2022, the Company will be seeking approval of the shareholders under Regulation 24 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 through Postal Ballot.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July 2023 are provided in the **Annexure -1**.

Further, we are enclosing herewith an investor communication in relation to the Transaction.

The meeting commenced at 2:00 p.m. and concluded at 3:35 p.m.

The same is also being uploaded on the website of the Company i.e., www.cie-india.com.

Kindly acknowledge the receipt and take the same on records.

Thanking you,
Yours faithfully,

For CIE Automotive India Limited

Pankaj Goyal
Company Secretary and Compliance Officer
Membership No: A 29614

Encl: As above

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Annexure - 1

Disclosure for agreement to sale of entire stake of step-down wholly owned subsidiaries of the Company

Sr. No.	Particulars	Description																									
A	the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year;	<p>As on 31st December, 2022 (INR in Mio):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th colspan="2" style="text-align: center;">Operating Revenue and %*</th> <th colspan="2" style="text-align: center;">Net worth and %*</th> </tr> </thead> <tbody> <tr> <td>Jeco Jellinghaus GmbH</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">580</td> <td style="text-align: center;">1.6%</td> </tr> <tr> <td>Gesenkschmiede Schneider GmbH</td> <td style="text-align: center;">9,182</td> <td style="text-align: center;">8.53%</td> <td style="text-align: center;">1,781</td> <td style="text-align: center;">4.9%</td> </tr> <tr> <td>Falkenroth Umformtechnik GmbH</td> <td style="text-align: center;">3,190</td> <td style="text-align: center;">2.96%</td> <td style="text-align: center;">207</td> <td style="text-align: center;">0.6%</td> </tr> <tr> <td>Schoneweiss & Co. GmbH</td> <td style="text-align: center;">8,196</td> <td style="text-align: center;">7.61%</td> <td style="text-align: center;">1,818</td> <td style="text-align: center;">5.00%</td> </tr> </tbody> </table> <p>*% is out of CIE India revenue and net worth from continuing and discontinuing operations at 31-12-2022</p>	Particulars	Operating Revenue and %*		Net worth and %*		Jeco Jellinghaus GmbH	-	-	580	1.6%	Gesenkschmiede Schneider GmbH	9,182	8.53%	1,781	4.9%	Falkenroth Umformtechnik GmbH	3,190	2.96%	207	0.6%	Schoneweiss & Co. GmbH	8,196	7.61%	1,818	5.00%
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B	date on which the agreement for sale has been entered into;	10 th August, 2023																									
C	the expected date of completion of sale/disposal;	The expected closing date of the Transaction is the end of September 2023.																									
D	consideration received from such sale/disposal;	<p>Net consideration to be received by CFG for the Transaction is Euro 25 million which includes an amount of Euro 2.3 million subject to realization of certain financial assets.</p> <p>Please note that, in addition to the consideration to be received for the Transaction, CFG (the holding company which continues to be a Wholly Owned Subsidiary of the Company post the Transaction) as of 30th June, 2023 has a net cash position of Euro 18.2 Million.</p>																									
E	brief details of buyers and whether any of the buyers belong to the promoter/promoter group/group companies. If yes, details thereof;	<p>Name of the Buyer: Mutares SE & Co KgaA (Mutares).</p> <p>Mutares is a German private equity listed in Frankfurt stock exchange. The Buyer do not belong to promoter/ promoter group/group companies.</p>																									
F	whether the transaction would fall within related party	No, the transaction will not result in related party transactions																									

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	transactions? If yes, whether the same is done at "arm's length"	
G	whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.	Not Applicable
H	additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.	Not applicable

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GERMAN FORGINGS OPERATIONS

INVESTOR UPDATE

August 2023

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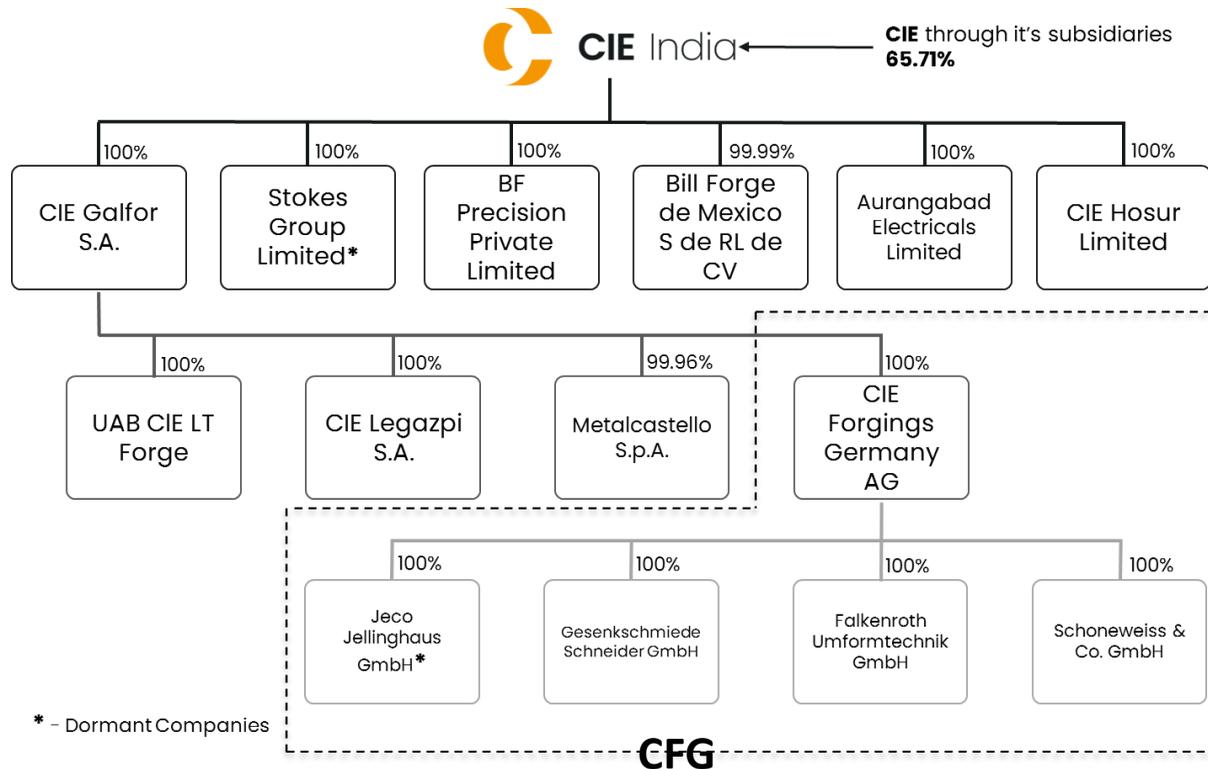
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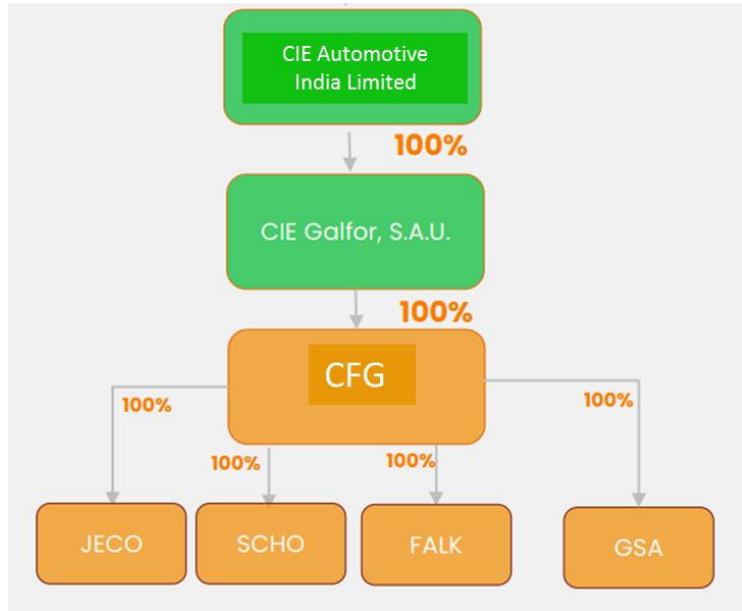
Certain numbers in these presentations and reports have been subject to routine round off and accordingly figures shown as total in tables and diagrams may not be an arithmetic aggregation of the figures that precede them.

CFG Transaction: Background



- In Dec'22, the Company launched a program to locate a buyer for the German Forging Operations comprising of CIE Forging Germany GmbH (CFG) and its subsidiaries as shown
- The Board has now approved the transaction, subject to receipt of necessary approvals as per Applicable Laws of relevant jurisdictions and approval of the shareholders of CIE India

CFG Transaction: Details



- Jeco plant was closed in 2015 and is a dormant company
- CFG is non-operating, holding company for the operating entities SCHO, FALK, GSA

- **Buyer:** Mutares SE & CO, a German private equity listed in Frankfurt stock exchange
- **Process:** CFG to sell shares of JECO, GSA, FALK & SCHO to Mutares
- **Signing date:** 10/08/2023
- **Expected closing date:** end of September, after all legal requirements are done
- **Effective date:** 30/06/2023. From 01/07/2023 till closing date, operations managed by CFG, but profit & cash generated belongs to Mutares
- **Enterprise value :** 55,5 mio€ (5 times recurrent EBITDA)
- **Equity Value :** 25,0 mio € (includes 2.3 mio € subject to realization of certain financial assets).

CFG Transaction: Valuation

Values in Euro mn

Adjusted Recurring EBITDA	:	11.1
EV/ Adjusted EBITDA Multiple (X)	:	5.0
Enterprise Value (EV) :		55.5
Debt, Pension & Other Liabilities	:	(30.5)
Equity Value (JECO, GSA, FALK and SCHO) :		25.0
Net Cash at CFG	:	18.9
Other payables of CFG	:	(0.7)
Total	:	43.2

THANK YOU

