



**TO THE NATIONAL STOCK EXCHANGE COMMISSION**  
**RELEVANT INFORMATION NOTICE**

Pursuant to article 228 of the Royal Legislative-Decree 4/2015, dated 23 October, approving the consolidated version of the Securities Market Act and to other applicable regulations, CIE Automotive, S.A. announces that its Indian subsidiary Mahindra CIE Automotive has entered into an agreement to acquire all the shares of the Indian company BillForge Pvt. Ltd.

The price of the transaction amounts to 13.312 million rupees (178 million euros approximately). 51% of said amount will be paid by Mahindra CIE Automotive Ltd in cash. The remaining amount will be exchanged for shares of Mahindra CIE Automotive Ltd to be underwritten by the current shareholders of BillForge Pvt. Ltd in a share capital increase offered exclusively to such shareholders. The agreed exchange value will be 200 rupees per share.

The in-cash part of the price will be funded by means of the available cash of Mahindra CIE Automotive Ltd and by means of a 4,500 million rupees' (60 million euros approximately) contribution to be made by CIE Automotive through a share capital increase in Mahindra CIE Automotive Ltd. The agreed value for such share capital increase will be 200 rupees per share as well.

BillForge Pvt. Ltd was founded in 1985. It is an industrial family group (although participated by a financial investor with a minority stake) based in Bangalore (India) and with factories in India (Bangalore, Coimbatore and Haridwar) and Mexico.

BillForge Pvt. Ltd manufactures cold and hot-forged and machined components and subsets for the auto industry (four-wheel and two-wheel vehicles) and it has a diversified commercial footprint, which will help to reduce customer concentration in India.

BillForge Pvt. Ltd's turnover in the fiscal year closed on 31 March 2016 was 5,823 million rupees (78 million euros approximately).

The closing of the transaction remains subject to the holding of a General Shareholders' Meeting of Mahindra CIE Automotive Ltd and to other customary conditions in this kind of transactions, which are expected to be conducted during October 2016.

In addition to the above, the Board of Directors of Mahindra CIE Automotive Ltd has resolved to seek shareholders' approval to issue new shares of the Company to be placed among qualified investors.

A presentation describing the transaction and the main features of BillForge Pvt. Ltd and a press release are enclosed herewith. Said press release has been made public in India simultaneously to this relevant information notice.

Bilbao, 12 September 2016.  
Roberto Alonso Ruiz.  
Secretary of the Board of Directors

# Interim Update

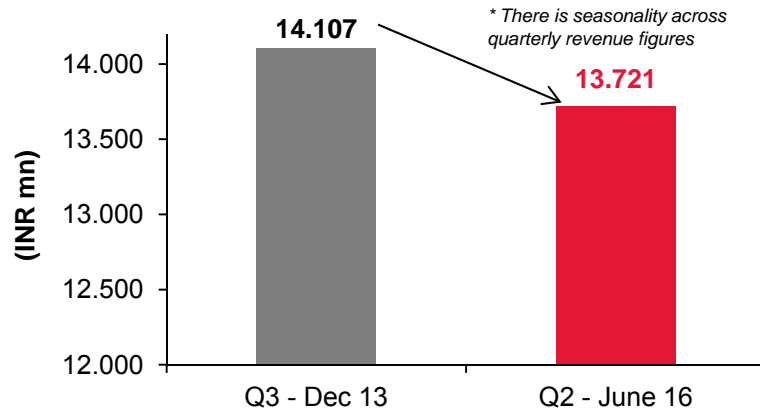
**Mahindra CIE Automotive Limited**

September 12, 2016 | Mumbai

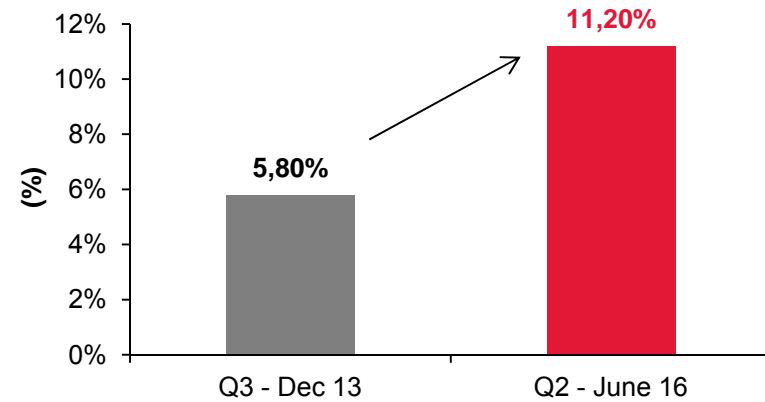


# MCIE Evolution

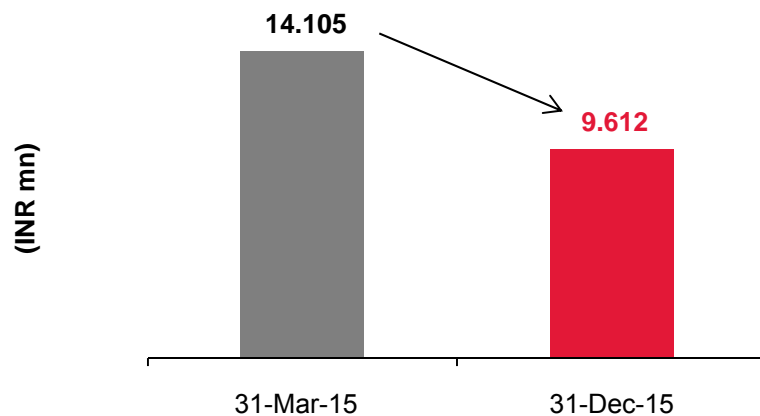
**Consolidated Sales\***



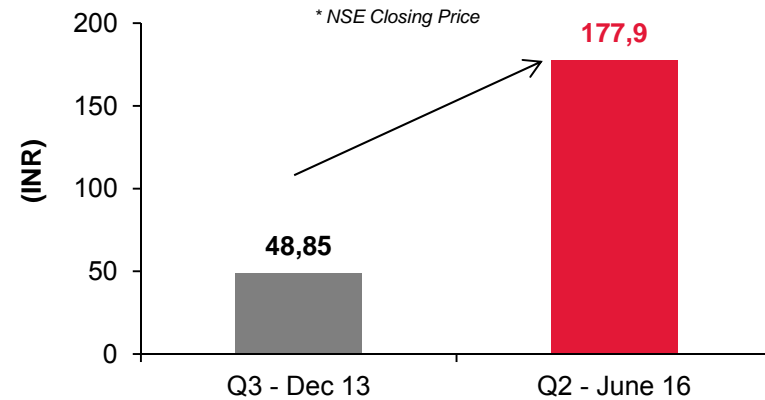
**Consolidated EBITDA Margin**



**Consolidated Net Debt**



**Share Price\***

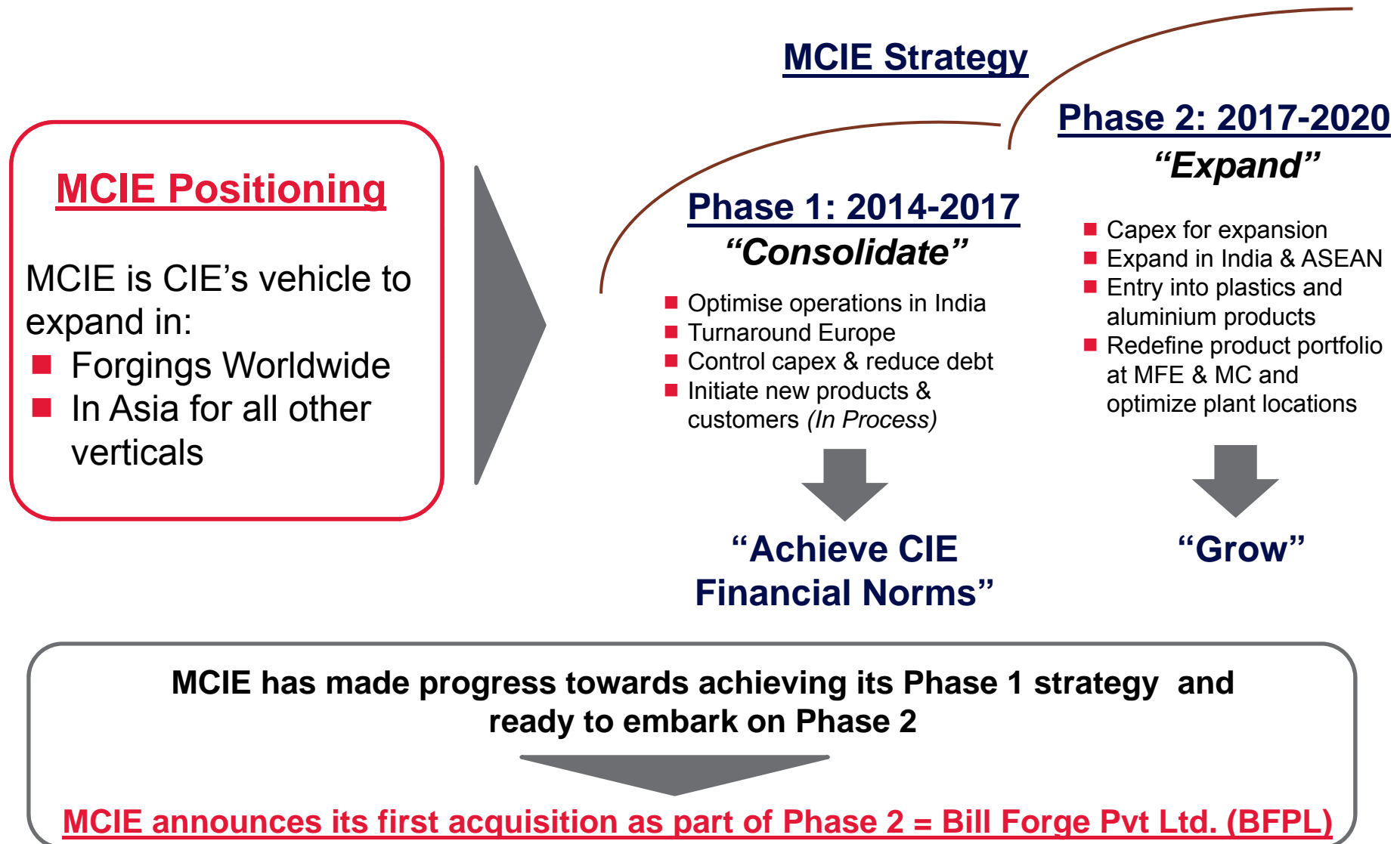


**Note:**

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





## 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



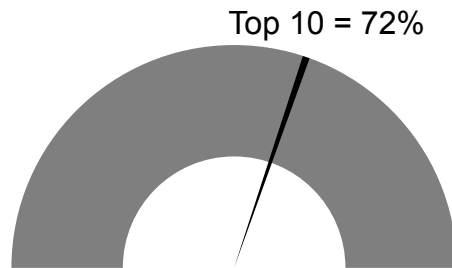
- Currently operates **6 manufacturing facilities across India** : 4 in Bangalore, 1 in Coimbatore and 1 in Haridwar and an upcoming plant in Celaya, **Mexico**



- 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

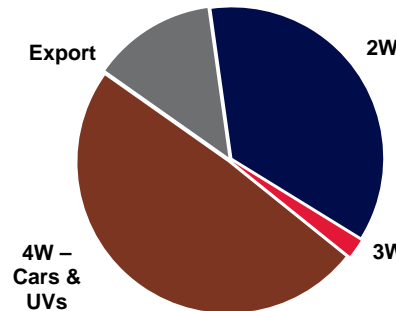
# Bill Forge: Unique, Diversified & Complementary Business Mix

## Customer Mix (F16)



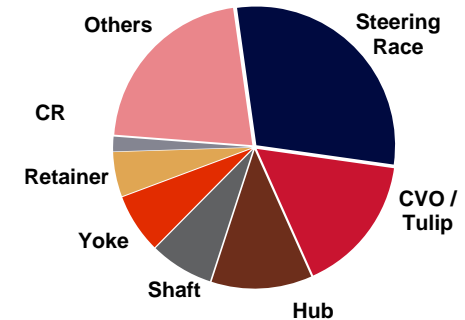
- **Key 2W customers:** Hero, Bajaj, HMSI and TVS
- **Key 4W customers:** Ford, GKN, NTN, Nexteer, Rane NSK
- **Attractive underlying OEM exposure,** with majority of passenger cars business in India's best-selling / fastest-growing OEMs like Maruti, Hyundai and Honda

## 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)



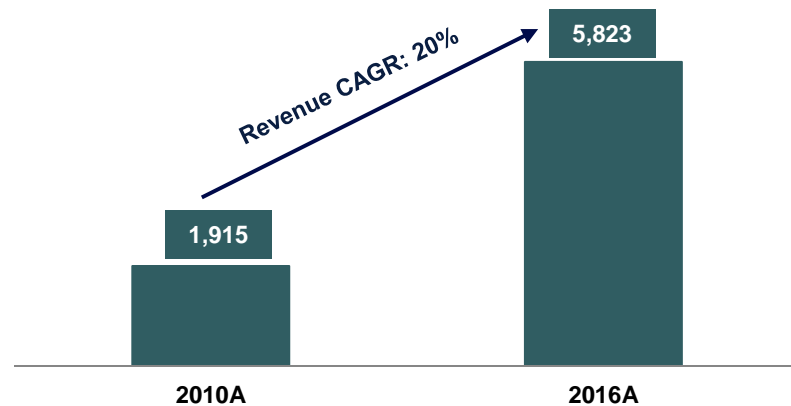
- Key products include **steering races and engine valve retainers** for two-wheelers and **constant velocity joints, tulips, steering shafts, steering yokes and wheel hubs** for passenger cars
- **High value addition** as majority of products are **either fully finished (~60%) or semi-finished (~30%)**

**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**

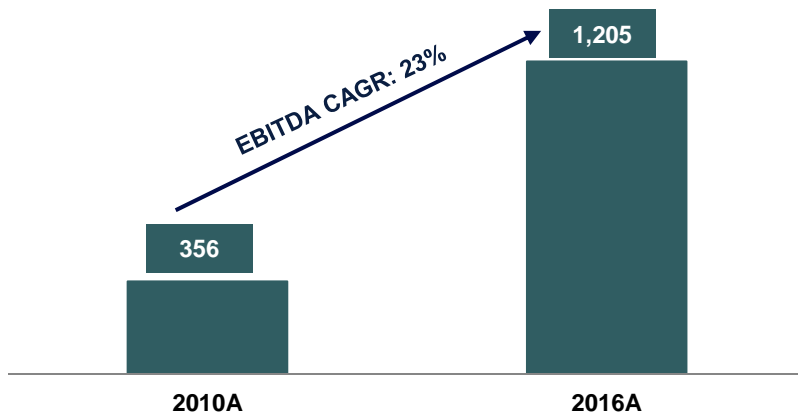


## Bill Forge (BFPL): Excellent Track Record

**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

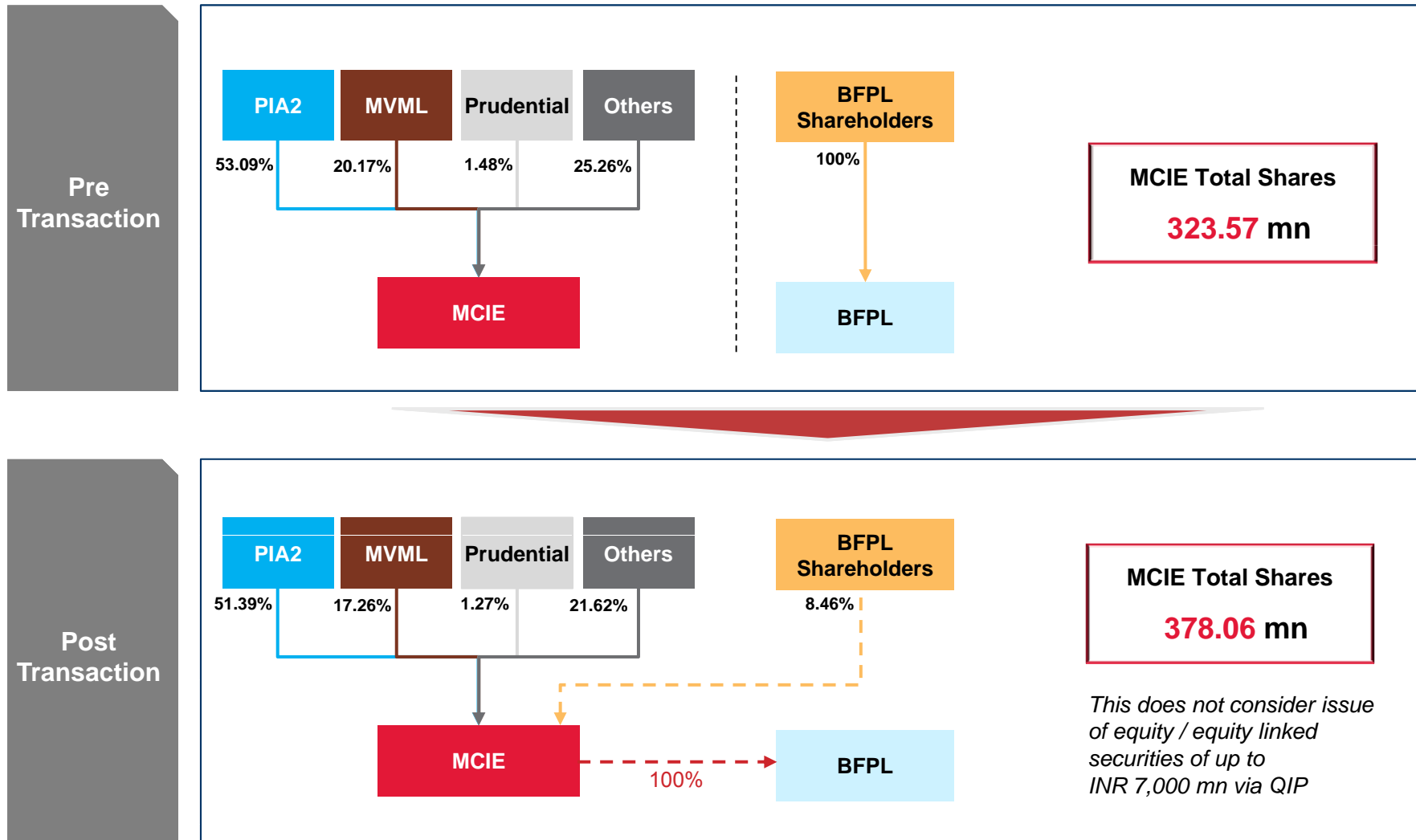
**MCIE to acquire 100% of Target (“BFPL”) for INR 13,312 mn**

**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**

## Disclaimer

Mahindra CIE Automotive Limited, herein referred to as MCAL provides a wide array of presentations and reports, with the contributions of various professionals. These presentations and reports are for informational purposes and private circulation only and do not constitute an offer to buy or sell any securities mentioned therein. They do not purport to be a complete description of the markets conditions or developments referred to in the material. While utmost care has been taken in preparing the above, we claim no responsibility for their accuracy. We shall not be liable for any direct or indirect losses arising from the use thereof and the viewers are requested to use the information contained herein at their own risk. These presentations and reports should not be reproduced, re-circulated, published in any media, website or otherwise, in any form or manner, in part or as a whole, without the express consent in writing of MCAL or its subsidiaries. Any unauthorized use, disclosure or public dissemination of information contained herein is prohibited. Unless specifically noted, MCAL is not responsible for the content of these presentations and/or the opinions of the presenters. Individual situations and local practices and standards may vary, so viewers and others utilizing information contained within a presentation are free to adopt differing standards and approaches as they see fit. You may not repackage or sell the presentation. Products and names mentioned in materials or presentations are the property of their respective owners and the mention of them does not constitute an endorsement by MCAL. Information contained in a presentation hosted or promoted by MCAL is provided "as is" without warranty of any kind, either expressed or implied, including any warranty of merchantability or fitness for a particular purpose. MCAL assumes no liability or responsibility for the contents of a presentation or the opinions expressed by the presenters. All expressions of opinion are subject to change without notice.



**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."