

12th March, 2019

<p>BSE Limited Corporate Relationship Department, P.J.Towers, Dalal Street, Fort, Mumbai - 400 001.</p> <p>BSE Scrip Code: 532756</p>	<p>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.</p> <p>NSE Scrip Code: MAHINDCIE</p>
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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 12th March, 2019, approved the acquisition of 100% of the issued and outstanding share capital of Aurangabad Electricals Limited and authorized the signing of a share purchase 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 9th September, 2015 is given as under:

name of the target entity, details in brief such as size, turnover	Aurangabad Electricals Limited (AEL) having revenues of Rs. 6510million, PAT 344 million and long term borrowings of Rs. 880 million as per the audited balance sheet as on 31 st March, 2018
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	Automotive aluminium die-cast components



Mahindra CIE Automotive Limited
 CIN: L27100MH1999PLC121285



objects and effects of acquisition	<ul style="list-style-type: none"> ■ Ensures MCIE's entry into automotive aluminum die casting ■ Increases MCIE's revenues & profits in India ■ Strengthens MCIE's presence in two wheeler segment ■ Diversifies MCIE's customer base ■ Is value accretive ■ Integrates a well run company with strong historical performance and an Excellent management team, led by industry veterans, which is being retained fully ■ Provides opportunity to improve efficiencies via CIE manufacturing excellence model & more European business
brief details of any governmental or regulatory approvals required for the acquisition	None.
indicative time period for completion of the acquisition	The acquisition is proposed to be completed on or prior to April 10, 2019.
nature of consideration	Cash
cost of acquisition or the price at which the shares are acquired	Effective net equity consideration of INR 8,300 mn (net of dividend distributed and proceeds from sale of subsidiaries not part of acquisition, gross value is INR 8,759mn), which includes a deferred payment estimated up to INR 622mn
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 1985, AEL is a market-leading aluminum die casting based in Aurangabad, India with five manufacturing facilities in India across Aurangabad, Pune and Pantnagar.</p> <p>AEL 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 body, brake & engine parts through high pressure die casting as well as gravity die casting processes. AEL also has capabilities for machining, heat treatment,</p>



	<p>powder coating, assembly and leak testing along with a modern tool room.</p> <p>The turnover of AEL during FY16, FY17 and FY18 was Rs. 5658 million, Rs. 5693 million and Rs. 6510 million respectively.</p>
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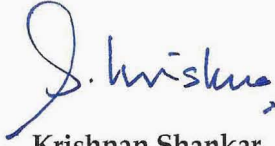
The meeting commenced at 9.30 a.m. and concluded at 11.30 a.m.

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: M&A Announcement

Mahindra CIE Automotive Limited

12th March 2019 | Mumbai



Mahindra CIE

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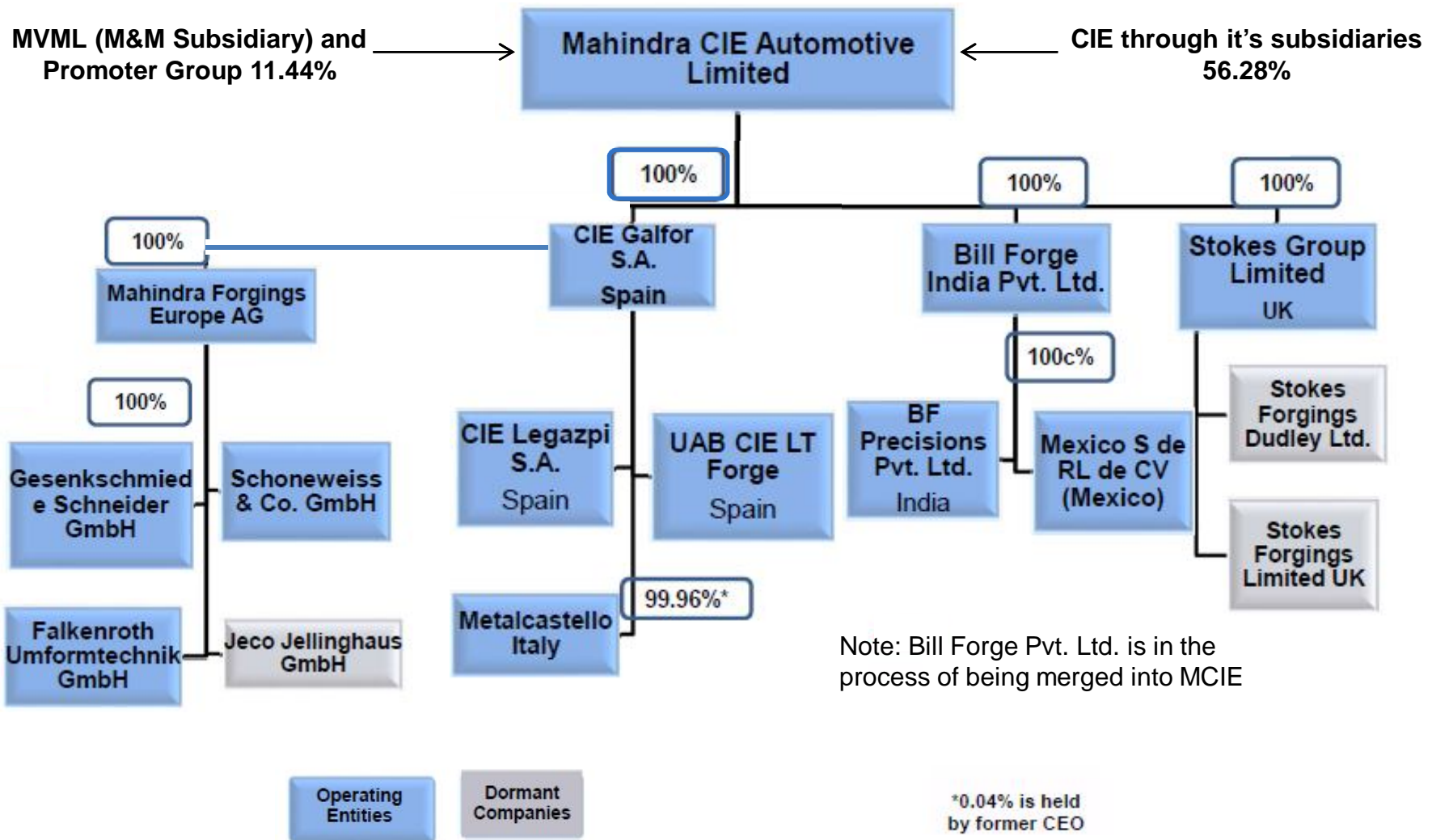
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Certain numbers in these presentations and reports have been subject to routine round off and accordingly figures shown as total in tables and diagrams may not be an arithmetic aggregation of the figures that precede them.

MCIE Overview: CIE Automotive's Indian Arm



CIE Strategy & Culture: Diversification & Value Generation



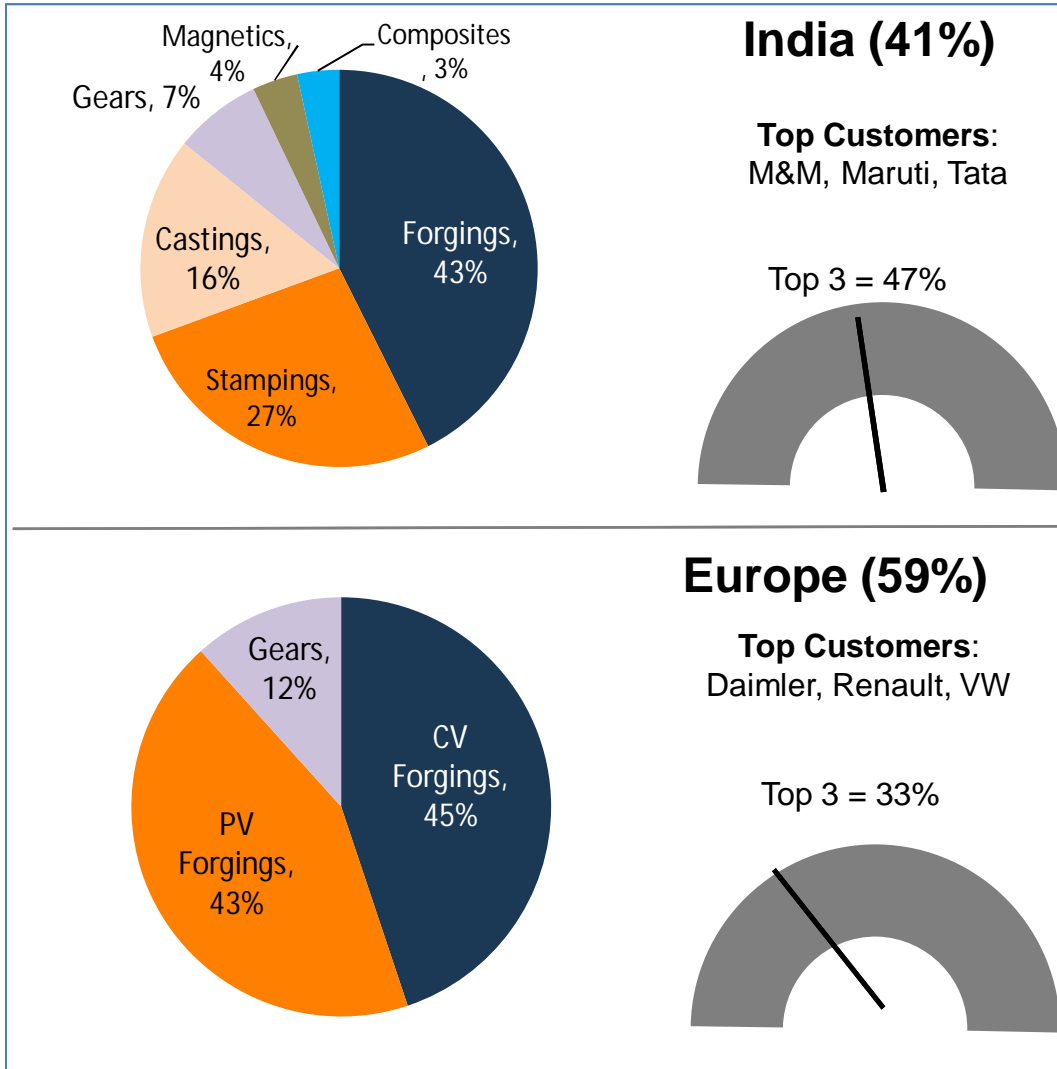
CIE grows through a mix of organic & inorganic initiatives –
it has done more than 70 M&A transactions since 1996, with over 20000 people integrated in Europe, North America, South America & Asia

Source: CIE Company Presentation, March 2019 accessed at

<http://www.cieautomotive.com/documents/125060/137252/Company+Presentation/1b391d2e-bca3-4cf6-ac11-90ef80ff3a53>

MCIE replicating CIE global strategy

Diversification : Geographic, segments, customers



Operational Excellence

INVESTMENT DISCIPLINE AND RETURN EXIGENCE	
STANDARD FLEXIBLE MACHINERY	Valid to produce for different customers and platforms
STRICT INVESTMENT DISCIPLINE	Investment analysis discipline, always requiring high returns.
EBITDA CONVERSION INTO CASH	Optimization of productive capacity and investment control

*Data for CY18

MCIE performance has been consistent and it is in a position to focus on growth initiatives

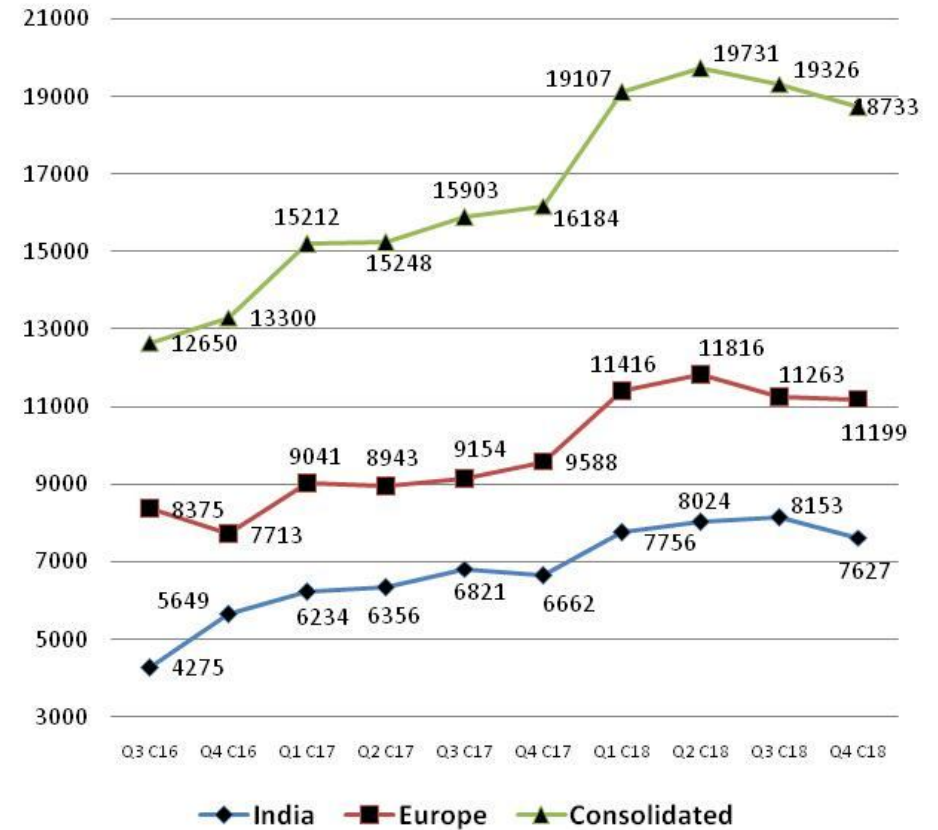
RATIO	CY 2018	CY 2017	CY 2016
EBIT% ⁽¹⁾	10.5%	9.2%	6.3%
RONA ⁽²⁾	15.8%	11.9%	9.0%
Operative Cash Flow /EBITDA	66%	44%	46%
NFD/Equity	0.17x	0.24x	0.3x
NFD/EBITDA ⁽³⁾	0.67x	1.1x	1.6x
ROE	11.6%	9.6%	5.2%
ROE Continuous Operations	12.8%		

(1) The EBIT numbers for CY 2017 and CY2016 are excluding Stokes

(2) RONA = "Return on Net Assets": EBIT / Net Assets (Fixed Assets + Net Working capital + Goodwill).

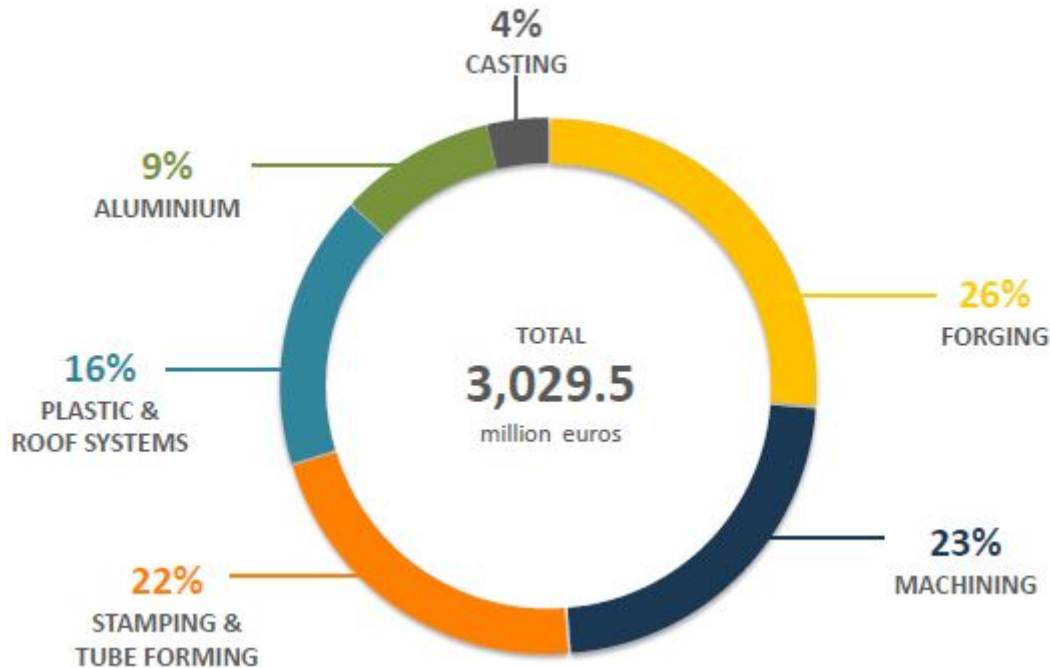
(3) For all ratios of 2016, Bilforce last 12 months EBITDA and EBIT has been considered

Revenue (Rs millions)



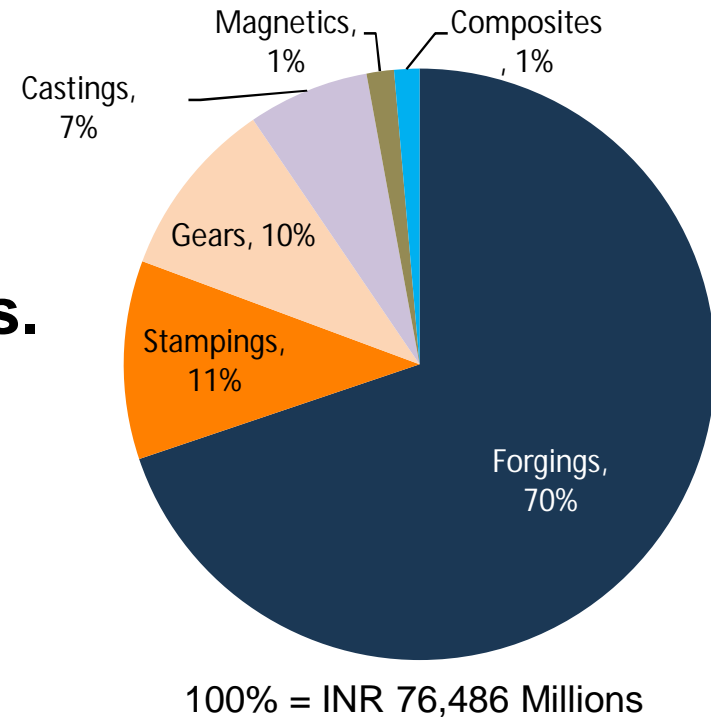
Entry into Aluminium is a key part of replicating CIE portfolio

CIE Consolidated (CY18)



Vs.

MCIE Consolidated (CY18)*




*MCIE is the forgings arm of CIE and CIE's vehicle in Asia – Forgings will continue to have higher weightage in MCIE than in CIE

Aurangabad Electricals: Aluminum Die Casting & Machining

Announcing acquisition of business of Aurangabad Electricals (AEL) – Aluminum die casting company for two wheelers & passenger cars primarily in the areas of body, brake & engine parts

Plant Locations



Plant N1
HPDC (17 presses: 150-900 T) + Machining

Plant 3
HPDC (22 presses: 150-650T) + Machining

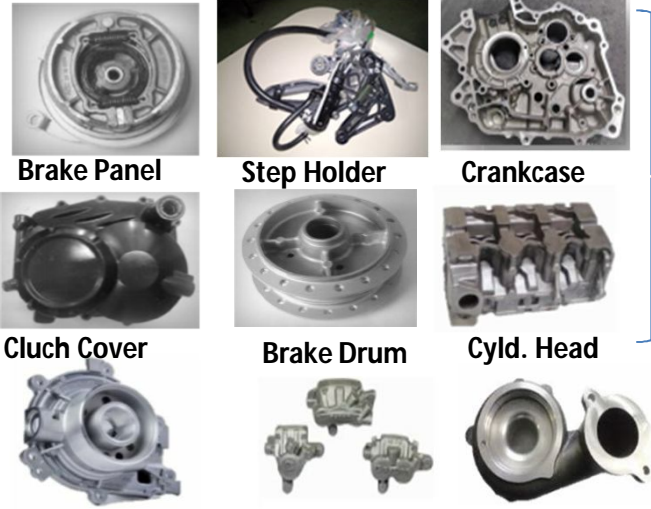
Plant 3A&B
HPDC (7 presses : 840T) + Machining

Plant GDC
GDC(32 machines) + Machining

Tool Room

Plant 6
HPDC (10 presses: 250-840T) + Machining

Products



Brake Panel **Step Holder** **Crankcase** **HPDC**

Clutch Cover **Brake Drum** **Cyld. Head**

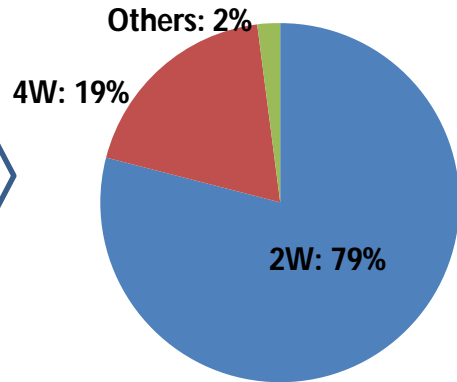
Oil Pump Hsg (HPDC) **Brake Caliper (GDC)** **Turbo Cover (GDC)**

+ Capabilities for Heat Treatment, Powder Coating, Assembly & Leak Testing

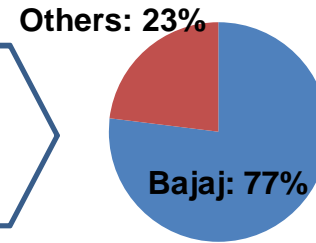
*HPDC= High Pressure Die Casting
 GDC = Gravity Die Casting

Aurangabad Electricals: Overview (H1FY19)

Market Segments

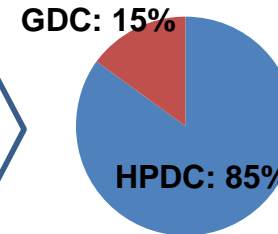


Customers

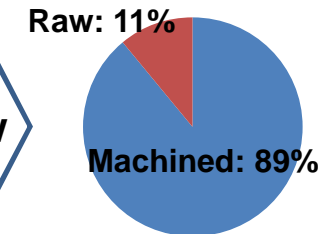


Others include Nidec-GPM, Brembo, Mitsubishi, Bosch, Valeo, Ashok Leyland etc.

HPDC vs. GDC

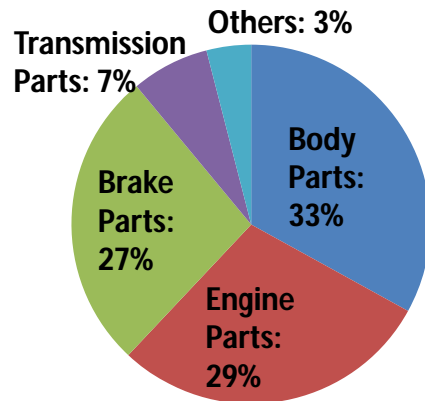


Machined parts vs. Raw Parts



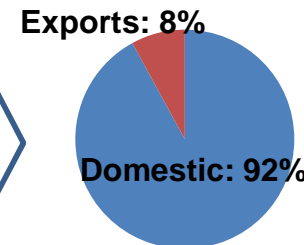
HPDC : >90%
GDC : 60%

Product Categories



100% share of business in many product categories

Domestic vs. Exports



~40% of Bajaj production is exported. Overall dependence on exports is 35-40% of revenues

**Strong Customers + Strong Goodwill + Strong presence in 2W + Increasing Exports
&
Diversified Product Mix + High Machining Content + Competitive position in top products**

Aurangabad Electricals: Financials

P&L*

- Net Operating Revenues F19 (E): INR 8586 Mn
- PAT% F19 (E): 4.7%
- EBITDA% F19 (E): 11.8%
- Revenue Growth
 - F19 (E): 34%
 - F18 (A): 14%



*Numbers are estimated for FY19 and as of March 31, 2019

(E): Estimates

(A): Actuals

Excellent Track Record

Aurangabad Electricals: Going Forward



- Market – AEL dependent on 2W market & especially Bajaj Auto
 - Two Wheelers is traditionally a segment with the least cyclical and will remain largely stable
 - Rise in Rural income and penetration leading the growth
 - Scooters & Premium motorcycles demand growing
 - Exports growth led by Latin America and South Asia
 - Bajaj continues to be one of the strongest auto OEMs domestically and one of the largest exporters

- Exports – AEL expanding export portfolio
 - As Europe and other advanced economies curtail Gravity Die Casting (GDC), export opportunities are arising

- Strategy
 - Continue to add new products in the 2W portfolio
 - Focus on GDC to increase exports
 - Optimise operational efficiency especially in new products & lines

- Capex & Growth
 - Aiming at double digit growth in the near future
 - Most of the capex for growth already done – from next year, 4-5% of sales as per norms

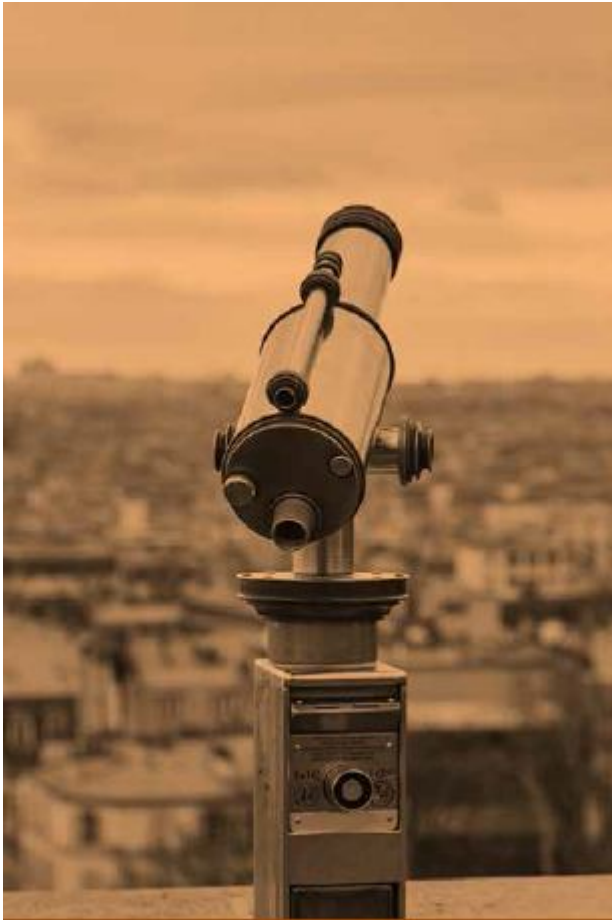
Deal Parameters

- 100 % of acquisition of business of AEL through equity
- All Cash Deal
- MCIE will pay through cash on its balance sheet
- Enterprise Value* of Rs 8756 mn
- EV/EBITDA – F19: 8.7, F20: 6.7
- Management team fully retained

*Enterprise NPV includes future deferred payment estimated upto INR 622mn associated with NPV of future cash flows of subsidies for AEL under the Government of Maharashtra's Package Scheme of Incentives, 2013



MCIE's Rationale for Acquisition & Subsequent Integration



- Ensures entry into AI die casting
 - AI will play a larger role as electrification of auto industry happens; will help MCIE in future
- Increases revenues & profits in India
 - MCIE's dependence on India: 41% to 47%
- Strengthens presence in 2W segment
- Diversifies customer base
- Is Value Accretive
 - Improves ROE% & EPS
 - Marginal impact on EBITDA% & RONA%
- Integrates a well run company
 - Strong historical performance
 - Excellent management team, led by industry veterans, team is being retained fully
 - Good internal controls
- Provides synergies with CIE
 - Expands GDC footprint of CIE
 - Opportunity to improve efficiencies via CIE manufacturing excellence model
 - More European business for AEL



Thank you

Mahindra CIE

News

CIE Automotive's Indian Arm, Mahindra CIE Automotive Limited ("MCIE"), to acquire Aurangabad Electricals Limited ("AEL")

March 12, 2019

MCIE's Board of Directors today resolved to acquire the business of AEL through acquisition of 100% of equity shares for an enterprise value of INR 8756 million which includes a future deferred payment estimated upto INR 622mn.

Founded in 1985, AEL is a market-leading manufacturer of automotive aluminum die casting products based in Aurangabad, India, with five manufacturing facilities in the country across Aurangabad, Pune and Panthnagar. AEL has been promoted by the Bagla Group and has been led by Mr. Rishi Bagla, who has made a significant contribution towards developing the aluminum die casting industry in India. Motilal Oswal has acted as the financial advisor to the Bagla Group during this transaction.

With more than 3,300 employees, sales of ~ INR 8,500mn and an EBITDA margin near 12%, AEL is a crucial supplier to a number of domestic and global two-wheeler and passenger car OEMs and Tier 1 companies. It manufactures a variety of body, brake and engine parts through high pressure die casting as well as gravity die casting processes. AEL also has capabilities for machining, heat treatment, powder coating, assembly and leak testing, along with a modern tool room.

According to Jesús María Herrera, Chief Executive Officer of CIE Automotive, "We welcome AEL and team to the CIE family. We are very impressed by the business they have built and its sustainable and profitable growth. We believe that their integration in MCIE will provide important opportunities for both MCIE and AEL. This transaction also reinforces CIE's commitment to the Indian automotive market and is a new opportunity to further extend the CIE model of manufacturing excellence in India."

Ander Arenaza, Chief Executive Officer of MCIE, says "This acquisition allows MCIE to enter the aluminum diecasting technology. Its complementary product and customer mix leads to further diversification of the business portfolio of MCIE India, strengthening especially our presence in the two wheeler space. It has very good manufacturing processes and internal controls and is run by a capable team."

Rishi Bagla, Chairman & Managing Director of AEL, comments, "AEL has built up a formidable reputation as a high-quality supplier of automotive aluminum die castings in the Indian and international market over the last three decades. While AEL has been a family



Mahindra CIE Automotive Limited
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owned business, it has been operated and managed by a very professional management team. We are convinced that the partnership with MCIE and CIE will give the company a great boost and allow AEL to benefit from global best practices in aluminum die casting. We share a wonderful relationship with CIE based on mutual respect and trust and this has given us great confidence to enter into this strategic transaction. With the proceeds of the transaction, the Bagla group will further develop its industrial activities and businesses.”

About Mahindra CIE (“MCIE”)

MCIE is an automotive components supplier to auto OEMs as well as Tier 1 companies in India, Europe & Mexico.

MCIE is a multi-locational and multi-technology company with engineering capabilities and more than 20 manufacturing facilities across India, as well as in Germany, Spain, Italy & Lithuania in Europe and in Mexico. MCIE’s key products are in the following technologies: Forgings, Stampings, Foundry, Gears, Magnetic Products and Composites. MCIE’s key customers in India are focused on passenger cars, utility vehicles, light commercial vehicles, two wheelers and tractors markets. In Europe, MCIE’s customers operate in passenger cars, commercial vehicles and construction equipment and off-road markets.

MCIE is part of the Spanish group CIE Automotive. It is listed on the two main stock exchanges of India viz. the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

