

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."