

July 20, 2017

<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: Mahindra CIE Board approves to enter into a shareholders agreement to invest in a Company being incorporated by Gescrap Desarrollo, S.L.U (Spain)

We wish to inform you that the Board at its meeting held today i.e. 20th July, 2017 has accorded its approval to invest in a Company to be incorporated by Gescrap Desarrollo, S.L.U (Spain) in the name and style of Gescrap India Private Limited (New Entity) or such other name as may be approved by the Registrar of Companies.

Gescrap Desarrollo, S.L.U (Spain) is a private company specialized in metal recycling and total waste management with headquarters in Sestao (Spain) currently operating in Europe, USA, Russia, Mexico and Brazil.

The New Entity shall be engaged in Metal Recycling and total waste management in India.

The Board has accorded its approval to invest in the new entity and approved to enter into shareholders agreement which defines rights and obligation of the shareholders of the New Entity.

The details as required under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 in the specified format is enclosed herewith:

Yours faithfully,

For Mahindra CIE Automotive Limited



Krishnan Shankar

Company Secretary & Head Legal



Disclosure under Para A of Part A of Schedule III of the Listing Regulations

Sr. No.	Particulars	Description
1.	Name of the entity(ies) with whom agreement is entered	The Board has approved the shareholders agreement to be entered into with Gescrap Desarrollo, S.L.U (Spain), a private company specialized in metal recycling and total waste management with headquarters in Sestao (Spain) currently operating in Europe, USA, Russia, Mexico and Brazil.
2.	Purpose of entering into the agreement	This agreement is to invest funds into a Company being incorporated by Gescrap Desarrollo, S.L.U. in the name and style of Gescrap India Private Limited (New Entity) or such other name as may be approved by the Registrar of Companies. The agreement defines rights and obligation of the shareholders of the New Entity.
3.	shareholding, if any, in the entity with whom the agreement is executed	The Company and Gescrap Desarrollo, S.L.U. Shall be parties to the agreement. None of these entities holds shares in each other.
4.	Whether, the said parties are related to promoter/promoter group/group companies in any manner. If yes, nature of relationship	Yes, Gescrap Desarrollo, S.L.U is having joint venture in Brazil and Mexico with CIE Automotive S.A. the ultimate parent company of the Company. Further, Gestamp S.A. (Spanish listed company controlled by Acek S.L.) owns 50 % of Gescrap Desarrollo, S.L.U, and at the same time Acek S.L. is the largest shareholder of CIE Automotive S.A who in turns is the controlling shareholder of Mahindra CIE Automotive Ltd through its subsidiary.



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5.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	Yes, the transaction will fall within related party transaction and the same is done at arms length.
6.	significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;	Yes, the Company shall have following rights: <ol style="list-style-type: none"> 1. Right to appoint one of its Director on Board of the new entity 2. The Company shall have reserved right to approve certain matters like change in capital structure of the new entity, commencement of any business line different from the Business, any sale, transfer or disposal of the business of new entity or any material part of its undertaking or assets thereof, borrowings beyond the limits available under Section 180 of the Companies Act, 2013 etc.
7.	in case of issuance of shares to the parties, details of issue price, class of shares issued	The parties i.e. the Company and Gescrap Desarrollo, S.L.U shall subscribe to the shares of the New Entity at Face Value of Rs. 10 each. The Company shall contribute 30% and Gescrap Desarrollo S.L.U shall contribute 70% towards the capital of the New Entity proposed to be incorporated. Total investment of the Company in the share capital of the New Entity shall be Rs. 35 million. which is not material for the Company.
8.	purpose of entering into the agreement	The new entity shall be engaged in Metal Recycling and total waste management in India. Scrap is the main raw material of MCIE foundry division while at the same time more than 10 % of the revenue of MCIE Stamping division comes from scrap selling. The new entity will prevent



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		disruptions in supply / demand of scrap for MCIE and will ensure scrap transactions at optimised market terms (price / quality / delivery) and will add transparency and best practices to scrap management in our group.
9.	any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;	Not applicable since the agreement defines rights and liabilities of the new entity to be incorporated

