



Mother's Sumi Systems Limited

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October 08, 2021

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G-Block
Bandra-Kurla Complex
Bandra (E)
MUMBAI – 400051, India

BSE Limited
1st Floor, New Trading Ring
Rotunda Building
P.J. Towers, Dalal Street, Fort
MUMBAI – 400001, India

Scrip Code : MOTHERSUMI

Scrip Code : 517334

Ref. : Disclosure under regulation 30 of SEBI (LODR) Regulation, 2015

Dear Sir / Madam,

The Board of Directors of Mother's Sumi Systems Limited (“**the Company**”) in their meeting held on October 8, 2021 has approved acquisition of 55% stake in CIM Tools Private Limited, one of leading suppliers in aerospace supply chain, based in Bengaluru, India.

In this respect, please find enclosed a copy of press release and investor presentation released by the Company as **Annexure – ‘A’** and **Annexure – ‘B’** respectively.

The above is for your information and records.

Yours truly,
For Mother's Sumi Systems Limited

Alok Goel
Company Secretary

Encl: a/a

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Motherson Sumi Systems Limited (MSSL) marks its entry into Aerospace; acquires majority stake in CIM Tools Private Limited

Noida (India) – 8th October 2021 – Motherson Sumi Systems Limited (MSSL), today announced the acquisition of a majority stake in CIM Tools Private Limited, one of the leading suppliers in the aerospace supply chain, based in Bengaluru, India. This milestone acquisition will mark MSSL’s entry into the aerospace industry.

MSSL will acquire 55% stake from the promoters of CIM Tools Private Limited (CIM). CIM in turn will hold 83% in Aero Treatment Private Limited (ATPL) and currently holds 49.99% in Lauak CIM Aerospace (JV with Lauak International, LCA). CIM, ATPL and LCA are hereinafter referred to as “CIM Group”.

The three founders, Mr Srikanth GS, Mr Umesh AS and Mr Vishwanath Deshpande, will retain 45% stake in CIM and will continue to drive further growth, in partnership with MSSL.

CIM has INR 15 Bn+ (USD 200 million+) cumulative booked business potential currently. It reported a proforma consolidated turnover of INR 2,031 Mn in FY20 and INR 1,296 Mn in FY21.

CIM is engaged in machining and sub-assembly of components for the aerospace industry. ATPL is a vertically integrated unit engaged in surface treatment of machined parts and LCA is engaged in hard metal machining.

MSSL’s entry into the aerospace segment is aligned with its growth strategy to venture into the non-automotive sectors as outlined in its five-year plan, Vision 2025.

The transaction will provide MSSL, access to a pedigreed customer base across the aerospace components supply chain along with specialised machining, treatment, and sub-assembly capabilities. The proposed transaction is expected to be closed within 3 months, subject to receipt of necessary approvals.

Commenting on the deal, Mr Vivek Chaand Sehgal, Chairman, Motherson said, “This acquisition is our first significant step towards growth in aerospace business. This is in line with our diversification strategy and will help us in strengthening our non-automotive business. This will be the 27th acquisition by Motherson, and we will continue to work towards adding more customers and products while serving diverse industries globally.”

Mr Srikanth G S, Mr Umesh A S and Mr Vishwanath Deshpande- The Promoters of CIM Tools Pvt. Ltd. said “We are delighted about the strategic partnership between CIM and Motherson. Both companies are aligned in their business objectives, vision, and philosophies. Together with the support of Motherson and established credentials of CIM Tools, we are confident that we will be able to offer a wider set of solutions to our customers, thus enhancing value for all stakeholders”

About CIM Group.

CIM was founded in 1997 by Mr. Srikanth GS, Mr. Umesh AS and Mr. V P Deshpande, who are all first-generation entrepreneurs and is based out of Bengaluru. It is a leading aerospace machining company in India supplying to major OEMs and Primes. Key products include detailed structural machined parts and sub-assemblies for aircraft doors, wings, tail, fuselage and landing gears. ATPL was founded in 2013 and is a vertically integrated unit engaged in surface treatment of machined parts. It possesses coveted certifications from OEMs and accreditations from other agencies. LCA was founded in 2019 in partnership with Lauak International as a majority shareholder. It is engaged in hard metal machining. CIM Group has 4 facilities located in Karnataka and consists of 400+ personnel.

About Motherson Sumi Systems Limited (MSSL)

Motherson Sumi Systems Limited (MSSL) is one of the world's leading specialised automotive component manufacturing companies for OEMs. MSSL was established in 1986 as a joint venture with Sumitomo Wiring Systems and was listed in 1993 on BSE and NSE in India. MSSL is a focused, dynamic, and progressive company providing customers with innovative and value-added products, services, and solutions. With a diverse global customer base of nearly all leading automobile manufacturers globally, the company has a presence in 41 countries across five continents. MSSL is currently the largest auto ancillary in India and among the Fab 50 companies of India by Forbes magazine. MSSL is the flagship company of the Motherson Group, ranked 21st among global automotive suppliers by Automotive News. (CIN - L34300MH1986PLC284510). For more details about Motherson, please visit www.motherson.com

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**Proud to be
part of the
most exciting
industries**

Motherson Sumi Systems Limited (MSSL) to acquire majority stake in CIM Tools Private Limited

8th October 2021

motherson 



Motherson's first acquisition in Aerospace.

An opportunity to expand and grow a pedigreed customer base across the aerospace supply chain.

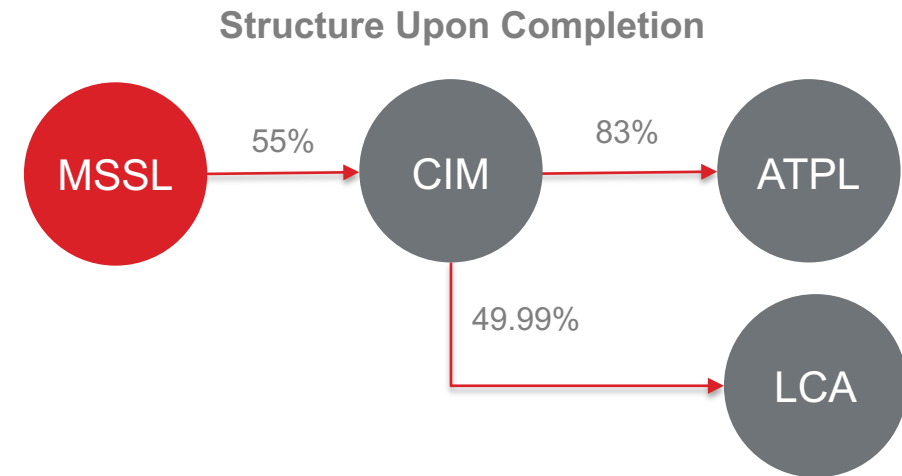


A significant step towards Vision 2025 objectives of growing non-auto verticals

Motherson Sumi Systems Ltd. acquires majority stake in CIM Tools



- **MSSL** has entered into an agreement to acquire **55% stake in CIM Tools Private Limited, Bangalore (“CIM”)**, engaged in machining and sub-assembly of components for the aerospace industry
- **Aero Treatment Private Limited (“ATPL”)**, is a vertically integrated unit engaged in surface treatment of machined parts.
- **Lauak CIM Aerospace (“LCA”)**, is a minority JV of CIM with Lauak International engaged in hard metal machining
- **CIM Tools is a preferred supplier with ~25 years of experience**, producing detailed structural machined parts for aircraft doors, wings, tail and fuselage
- State of the art facilities in and around Bengaluru engaged in **specialized processes** of machining, treatment, sub-assembly and testing to manufacture **diversified products** catering to various parts of the aircraft
- **Booked business potential of INR 15 Bn+** (USD 200 Mn+ cumulative) catering to **both OEMs and Tier 1 aerospace** suppliers
- Reported consolidated proforma revenues of INR 2,031 Mn in FY20 and INR 1,296 Mn in FY21
- **Lockbox arrangement** as of 31st July 2021. All cash flows post lockbox date to accrue to new shareholders



Leading aerospace machining company in India supplying to major OEMs and Primes



CIM Tools is vertically integrated with a diverse product range...



Key Facts

Incorporation (CIM) 1997

Legal Entities:

- CIM Tools Pvt. Ltd. (including its minority stake in JV with Lauak International)
- Aero Treatments Pvt. Ltd.

Building Area* ~130,000 sq ft

Employees* 400+

Strong capabilities and diversified product base within aerostructures

Capabilities

Machining



Treatment

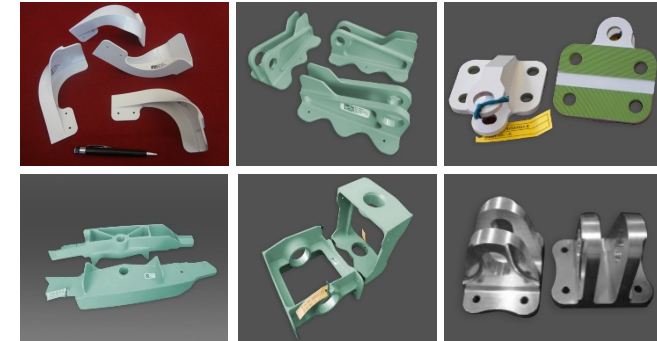


Sub-Assembly



Key Products

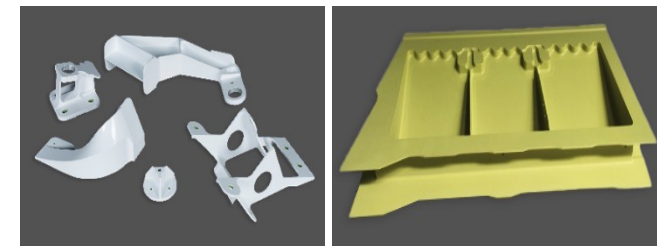
Door parts



Wing parts



Fuselage parts



... with an established base ready to capture a large market opportunity



An emphatic step towards our **Vision 2025** goals

CIM's Capabilities

Materials

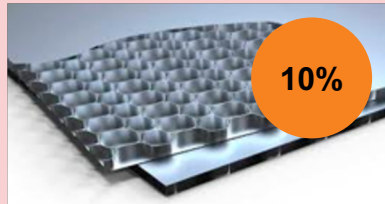
Aerostructures

Systems

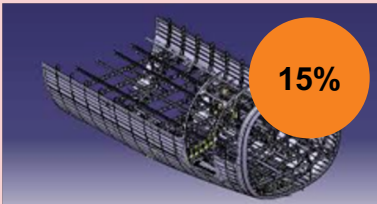
Propulsion

Cabin parts

Indirect Procurement



10%



15%



18%



30%



13%



14%

~\$300 Bn

~\$500 Bn

~\$600 Bn

~\$1000 Bn

~\$400 Bn

~\$500 Bn



\$Bn

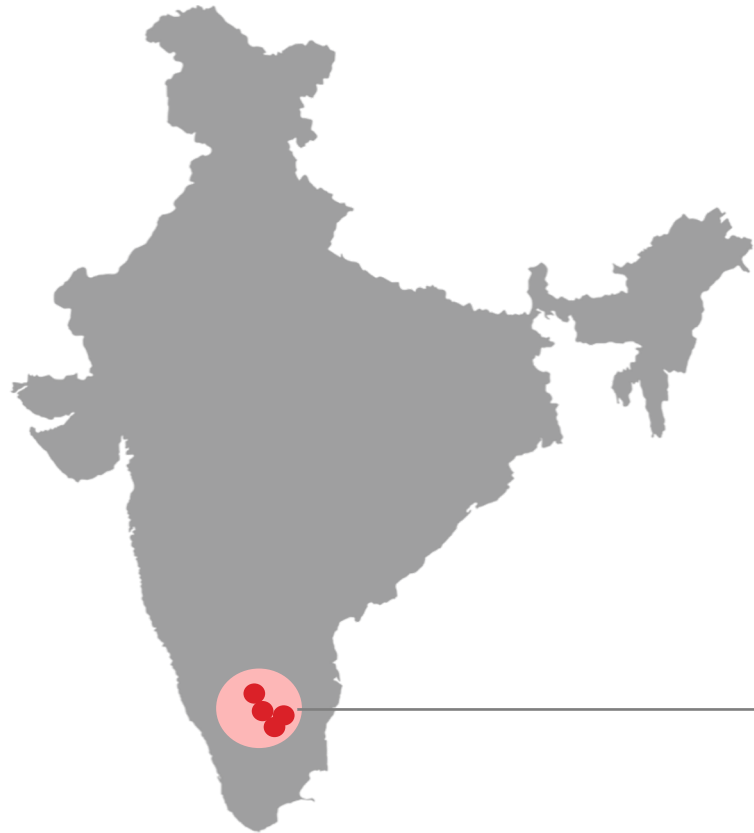
10 year cumulative market size

%

% content of aircraft (\$)



....Having specialised manufacturing facilities in India



01
Peenya (Bengaluru)

Karnataka
Machining Facility



02
SEZ Aerospace Park (Bengaluru)

Karnataka
SEZ- Machining /
Sub-Assembly



03
SEZ Aerospace Park (Bengaluru)

Karnataka
Machining Facility for
hard metal machining (JV)



04
Tumkur,
Karnataka
Treatment Facility



Possessing much coveted Accreditations and Qualifications

60+ coveted Certifications & Qualifications



	Machining	Treatment	Special Processes ¹	Sub-Assembly
	✓	✓	✓	✓
	✓	✓	✓	✓
		✓	✓	
	✓	✓	✓	✓



Aerospace remains a highly attractive industry

Strong cyclical tailwinds and sourcing rationale

US\$9 T market demand* expected in commercial aerospace over next 20 years

Passenger traffic recovering, hence **production rates trending back towards pre-COVID levels**

Potential Upside for Aerospace industry

Strong demand for new airplanes fuelled by growing passenger traffic & aviation infrastructure, **across emerging markets like India**

COVID has created **opportunity to realign supply chain and rationalize cost**

Increased sourcing from Strategic Low-Cost countries like India

CIM Tools has strong credentials

- **Partnership with a Leading Global supplier (Lauak International) to Aerospace OEMs**
- **Strong relationship with Large Tier 1 customer base within Aerospace industry**

CIM Tools along with Motherson's existing capabilities are well positioned to support the aerospace value chain globally



Thank you.

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