Mahindra Forgings

Mahindra Forgings Ltd.
Works : Gat No. 856 to 860.
Chakan Ambethan Road,Tal.: Khed,
Dist. Pune - 410 501, INDIA.
Tel. : +91 (02135) 663300
Fax : +91 (02135) 663301
Web. : www.mahindraforgings.com

15th June, 2013

BSE Limited Corporate Relationship Department P.J.Towers, Dalal Street Mumbai – 400 023	**National Stock Exchange of India Ltd.** Corporate Relationship Department Exchange Plaza, 5th Floor, Bandra Kurla Complex , Bandra (East), Mumbai – 400 050

Dear Sir,

Sub: **Mahindra Group and CIE Automotive to form Global Alliance in Auto Components**

Consolidates all Mahindra Systech Auto Component Companies and CIE European Forgings into one listed entity in India.

Please find enclosed a Press Release pertaining to the captioned subject issued by the Company.

Kindly take the above on record.

Yours faithfully,
For MAHINDRA FORGINGS LIMITED

KRISHNAN SHANKAR
COMPANY SECRETARY AND HEAD - LEGAL

Encl: as above.

Press Release **For Immediate Dissemination**

Mahindra Group & CIE Automotive to form Global Alliance in Auto components

Consolidates all Mahindra Systech Auto Component Companies and CIE European Forgings into one listed entity in India

June 15, 2013, Mumbai: The Mahindra Group (India) and CIE Automotive S. A. (Spain) announced today the signing of a global alliance agreement between Mahindra's automotive component businesses (held under its Systech Sector) and CIE Automotive (involving also its subsidiary Autometal).

The agreement will see the formation of a global automotive component supply network with combined annual sales of approximately INR 15000 Crores / Euro 2.2 Billion / USD 3 Billion with operations in North America, South America, Europe and Asia held through listed businesses in Spain, Brazil and India.

As part of the transaction, CIE Automotive - through one of its subsidiaries - will acquire from Mahindra Group a stake in its listed and unlisted companies belonging to Systech Automotive Component business and CIE Automotive will contribute its forging businesses in Spain and Lithuania and together consolidate all companies under MFL which will be rechristened Mahindra CIE. Mahindra CIE will continue to be listed on BSE (Bombay Stock Exchange) and NSE (National Stock Exchange).

The share sale by Mahindra will trigger open-offer provisions under the Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011.

The proposed business transaction will be carried out in a series of steps over the next year that will culminate in:

1. M&M taking a stake of 13.5% in CIE Automotive, which is listed in Spain making it the second largest shareholder in CIE. M&M will nominate 2 Directors to the CIE Board.

2. CIE Automotive taking a majority stake in a single listed entity in India which will continue to operate the current Systech automotive component businesses globally and include CIE's European forgings operations.

"Eight years ago, we at Mahindra set out to build an Indian automotive supplier with a global footprint and this drove a series of acquisitions in India and Europe for us. We have been listening closely to our customers who have asked to step up our globalisation efforts and follow them around the world.

This Grand Alliance with CIE enables us to “Rise” above competition, quickly extends our reach into new geographies, and grow our collective product portfolio in the coming years,” said **Anand Mahindra, Chairman of the Mahindra Group.**

Anton Pradera, Chairman of CIE Automotive said "CIE's leadership and shareholders have a strategy to develop India as the gateway to the Asian market. We have been impressed by the promise of the Indian automotive market and the growing emergence of India as a key global production hub for small cars. In Mahindra, we found a partner that has a multi-technology portfolio similar to ours and shares the same business values. So while we are happy to see CIE gaining an entry to India, we are equally pleased to have M&M as one of CIE's largest shareholders."

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Jesus Maria Herrera, CEO of CIE Automotive and Chairman of Autometal noted that "CIE's focus on growth with operational excellence is a value shared with the Mahindra Group. And as we join hands to become a bigger and better supplier, we see a bright future ahead of us."

Hemant Luthra, President of Mahindra's Systech Sector commented "Systech businesses are the result of acquisitions and alliances that we have struck around the world as we sought to quickly expand in the components business with our unique "Art to Part" proposition. This Alliance with CIE dwarfs everything we have done in the past and marks the next bold step towards global supplier consolidation."

Kotak Investment Banking acted as financial advisor to the Mahindra Group. Khaitan & Co and DLA Piper were legal advisors to the Mahindra Group. GBP Legal and Amarchand Mangaldas were legal advisors to the CIE Group.

About Mahindra Systech

Mahindra Systech offers a variety of components and services to the automotive and other ground-based mobility industries around the world. Its component portfolio includes Castings, Forgings, Stampings, Gears, Magnetic products and Composites. It has a network of plants and offices in India, Germany, UK and Italy to service customers located in North America, Europe and Asia. Mahindra Systech is one of India's largest automotive component groups and a global leader in automotive forgings.

Mahindra Systech is the components business arm of the Mahindra Group. It partners with its global customers in their business needs and provides them full service, *"Art to Part"* solutions.

Mahindra Systech consists of the following companies:

- Mahindra Forgings Ltd (Listed; BSE: 532756, NSE: MAHINDFORG)
- Mahindra Ugine Steel Co Ltd (Listed; BSE: 504823, NSE: MAHINDUGIN)
- Mahindra Composites Ltd (Listed; BSE: 524138)
- Mahindra Hinoday Industries Ltd (Unlisted)
- Mahindra Gears Ltd (Unlisted)

For more information, please visit www.mahindrasystech.com

About CIE Automotive

CIE Automotive is one of the main suppliers of components and sub-components for the automobile sector operating in Europe, Brazil, NAFTA and China with sales of EUR 1.65 Billion / USD 2.2 Billion. CIE develops its entire line of products through seven basic processes or technologies (forging, machining, aluminum, stamping, plastic, iron casting and painting). With them, CIE manufactures components and sub-assemblies for all parts of vehicles, including: (i) the engine and powertrain; (ii) the chassis and/or steering assembly; and (iii) the exterior and interior of the vehicle. These items are manufactured in more than 60 industrial plants.

CIE's business model concentrates on diversification and flexibility of technologies, clients, vehicle platforms, suppliers and geographical localisation. This has enabled CIE to minimise risk and obtain significant economic results, with low dependence on vehicle platforms, or specific clients or industrial plants.

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Its operations in Brazil, Mexico, USA and China are constituted under its subsidiary, Autometal, listed on the Sao Paolo stock exchange (Ticker: AUTM3).

CIE Automotive (Listed; Madrid, Bilbao: CIE.SM)

For more information, please visit www.cieautomotive.com

For further enquiries:

CIE Automotive

Shareholder´s Office

Phone: +3494605 4835

Email: accionista@cieautomotive.com

About Mahindra

The Mahindra Group focuses on enabling people to rise through solutions that power mobility, drive rural prosperity, enhance urban lifestyles and increase business efficiency.

A USD 16.2 billion multinational group based in Mumbai, India, Mahindra employs more than 155,000 people in over 100 countries. Mahindra operates in the key industries that drive economic growth, enjoying a leadership position in tractors, utility vehicles, after-market, information technology and vacation ownership. In addition, Mahindra enjoys a strong presence in the agribusiness, aerospace, components, consulting services, defence, energy, financial services, industrial equipment, logistics, real estate, retail, steel, commercial vehicles and two wheeler industries.

In 2012, Mahindra featured on the Forbes Global 2000 list, a listing of the biggest and most powerful listed companies in the world. In 2013, the Mahindra Group received the Financial Times 'Boldness in Business' Award in the 'Emerging Markets' category.

Mahindra & Mahindra (Listed; BSE: 500520, NSE: M&M)

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For further enquiries:

Roma Balwani

Chief Group Communications Officer

Mahindra & Mahindra Ltd.

Phone: +91 22 2490 1441

Email: balwani.roma@mahindra.com

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