

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, 5 th Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 050
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Dear Sir,

Sub : Proposed Scheme of Amalgamation and Merger under Section 391 to 394 of the Companies Act, 1956

Pursuant to the provisions of the Listing Agreement, we hereby inform you that the Audit Committee and the Board of Directors of the Company, at their respective meetings held today, i.e. June 15, 2013, have approved the following:

1. An Integrated Scheme of Merger under Section 391 to 394 of the Companies Act, 1956, involving Mahindra Hinoday Industries Limited, Mahindra Ugin Steel Company Limited, Mahindra Gears International Limited, Mahindra Investments (India) Private Limited and Participaciones Internacionales Autometal Tres S.L. ("Transferor Companies") with Mahindra Forgings Limited ("Transferee Company"), with an appointed date of October 1, 2013.
2. A Scheme of Merger under Section 391 to 394 of the Companies Act, 1956, involving merger of Mahindra Composites Limited with Mahindra Forgings Limited, conditional upon the 'Integrated Scheme of Merger' becoming effective. The appointed date of this Scheme is October 1, 2013.

As per the Joint Valuation Report submitted by the valuers, Messrs N. M. Raiji & Co., Chartered Accountants and Messrs S. R. Batliboi & Co. LLP and the fairness report issued by ICICI Securities Limited, the merchant banker, opining on the fairness of the share exchange ratio determined by the Valuers in relation to the above Scheme, the share exchange ratio under the above mentioned scheme(s) is as follows:

For Integrated Scheme of Merger

- (i) 110 equity share of the Company for every 100 equity shares of [Rs. Ten] each held by the shareholder of Mahindra Hinoday Industries Limited;
- (ii) 17 equity share of the Company for every 100 equity shares of [Rs. Ten] each held by the shareholders of Mahindra Investments (India) Private Limited;
- (iii) 20 equity share of the Company for every 100 equity shares of [Euro 1] each held by the shareholders of Mahindra Gears International Limited;
- (iv) 284 equity share of the Company for every 100 equity shares of [Rs. Ten] each held by the shareholders of Mahindra Ugine Steel Company Limited;
- (v) 105 equity share of the Company for every 100 equity shares of [Euro 1] each held by the shareholders of Participaciones Internacionales Autometal Tres, S.L.

For Scheme of Merger

90 equity share of the Company for every 100 equity shares of [Rs. Ten] each held by the shareholders of Mahindra Composites Limited.

The Scheme(s) is/are subject to various conditions precedent and regulatory and other approvals.

Kindly take the above on record.

Yours faithfully,
For MAHINDRA FORGINGS LIMITED


KRISHNAN SHANKAR
COMPANY SECRETARY AND HEAD - LEGAL