PUBLIC ANNOUNCEMENT UNDER REGULATION 15 (1) OF SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 ("SEBI (SAST) Regulations")

FOR THE ATTENTION OF THE SHAREHOLDERS OF MAHINDRA FORGINGS LIMITED

Open Offer ("Offer") for acquisition of up to 24,502,193 Equity Shares of Mahindra Forgings Limited ("Target Company") from the Shareholders of the Target Company by Participaciones Internacionales Autometal Dos, S.L., ("Acquirer" or "PIA 2") along with Autometal S.A., ("AUTOMETAL"), and CIE Automotive S.A., ("CIE"), hereinafter together referred to as persons acting in concert with Acquirer or ("PAC")

1. Offer Details

i. **Size**: Up to 24,502,193 equity shares of face value of Rs. 10/- (Rupees Ten Only) each of the Target Company (**"Equity Shares"**) constituting 26.0% of the diluted voting equity share capital of the Target Company ("**Offer Size"**)
ii. **Offer Price/ consideration**: Rs. 81/- (Rupees Eighty One Only) per fully paid up Equity Share ("**Offer Price**")
iii. **Mode of payment (cash/securities):** Cash
iv. **Type of offer**: Mandatory offer in compliance with regulations 3(1) and 4 of the SEBI (SAST) Regulations

Diluted voting share capital of 94,239,201 Equity Shares has been calculated as sum of (a) total fully paid-up equity shares outstanding as of the date of this PA (92,173,306 Equity Shares), and (b) total employee stock options which may vest by December 31, 2013, and for which Equity Shares may be issued during the period of the Offer (2,065,895 Equity Shares).

2. Transaction which has triggered the Offer obligations ("Underlying Transaction")

Details of Underlying Transaction						
Type of Transaction (direct/ indirect)	**Mode of Transaction (Agreement/ Allotment/ market purchase)**	**Shares / Voting rights acquired/ proposed to be acquired**		**Total Consideration for shares /Voting Rights (VR) acquired (Rs. in Crores)**	**Mode of payment (Cash/ securities)**	**Regulation(s) which has/have been triggered**
		Number	**% vis a vis total equity / voting capital**			
Direct	Share Purchase Agreement dated June 15, 2013 ("**SPA"**) entered between the Acquirer, CIE, AUTOMETAL and the Seller (*person listed below in point 4*)	48,529,500 Equity Shares	51.50% of diluted voting share capital	Rs. 393.09 crores	Cash	3(1) and 4 of SEBI (SAST) Regulations

3. Acquirer(s) / PAC

Detail	Acquirer 1	PAC 1	PAC 2	Total
Name of Acquirer(s)/ PAC(s)	Participaciones Internacionales Autometal Dos, S.L.	Autometal S.A.	CIE Automotive S.A.	-
Address	Iparraguirre nº 34, 2º derecha, 48011 Bilbao, Spain	Av. Fagundes de Oliveira, 1650-CEP-09950-905, DIADEMA, SP, Brasil	Iparraguirre nº 34, 2º derecha, 48011 Bilbao, Spain	-
Name(s) of persons in control/promoters of acquirers/ PAC where Acquirers/PAC are companies	Autometal S.A., through its wholly owned subsidiary Participaciones Internacionales Autometal, S.L., holds 72% of the equity capital of Acquirer. CIE Automotive S.A., through its wholly owned subsidiary CIE Berriz S.L., holds 28% of the equity capital of Acquirer	CIE Automotive S.A., through its wholly owned subsidiaries, CIE Berriz, S.L. and CIE Autometal S.A. CIE holds 100% of the total equity capital of CIE Berriz, S.L. CIE Berriz, S.L., holds 100% of the total equity capital of CIE Autometal S.A. (which holds 74.76% of Autometal S.A.)	CIE is a widely held publicly listed company with no identified promoter	-
Name of the Group, if any, to which the Acquirer/PAC belongs to	The CIE Automotive Group	The CIE Automotive Group	The CIE Automotive Group	-
Pre Transaction shareholding Number % of total share capital	NIL	NIL	NIL	NIL
Proposed shareholding after the acquisition of shares which triggered the Offer	51.50% of diluted voting share capital	NIL	NIL	51.50% of diluted voting share capital
Any other interest in the Target Company	NIL	NIL	NIL	NIL

4. Details of selling shareholders ("Seller"), if applicable

Sr. No.	Name	Part of promoter group (Yes/ No)	Details of shares/ voting rights held by the Sellers			
			Pre Transaction		Post Transaction	
			Number of shares	%*	Number of shares assuming full subscription in the Offer	% of shareholding* assuming full subscription in the Offer
1	Mahindra & Mahindra Ltd	Yes	48,825,609	51.81%	296,109	0.31%
	Total		**48,825,609**	**51.81**%	**296,109**	**0.31%**

*Note: * based on* diluted voting share capital

5. Target Company

i. **Name**: Mahindra Forgings Limited
ii. **Registered Office**: Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai – 400018, Maharashtra
iii. **Exchanges where listed**: The Bombay Stock Exchange Limited, Mumbai (scrip code: 532756), The National Stock Exchange of India Limited, Mumbai (symbol: MAHINDFORG)

6. Other details

i. The Detailed Public Statement pursuant to this Public Announcement and which will carry all such other information pertaining to the Offer including detailed information of the Offer Price, detailed information on the Acquirer/ PAC, detailed information on the Target Company, detailed reasons for the Offer, statutory approvals for the Offer, details of financial arrangements, other terms of the Offer, conditions to the Offer, conditions precedent to the SPA, etc., and shall be published on or before June 21, 2013 as per the SEBI (SAST) Regulations.
ii. The Acquirer and the PAC undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations.
iii. The Acquirer and the PAC have adequate financial resources to meet their obligations under the Offer and have made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of regulation 25(1) of the SEBI (SAST) Regulations
iv. This Public Announcement is not being issued pursuant to a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations. The Offer is not conditional upon any minimum level of acceptance in terms of regulation 19(1) of the SEBI (SAST) Regulations.
v. Completion of the Offer and the underlying transaction as envisaged under SPA is subject to receipt of statutory approvals (if any) and satisfaction of the other conditions precedent set out in the SPA. The underlying transaction could be completed prior to completion of the Offer

Issued by the Manager to the Offer

Kotak Mahindra Capital Company Limited
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Email: project.mflopenoffer@kotak.com
Contact Person: Ganesh Rane

On behalf of

Participaciones Internacionales Autometal Dos, S.L. *Acquirer* Sd/- Authorized Signatory Place: Mumbai Date: June 15, 2013	Autometal S.A. *PAC* Sd/- Authorized Signatory Place: Mumbai Date: June 15, 2013	CIE Automotive S.A. *PAC* Sd/- Authorized Signatory Place: Mumbai Date: June 15, 2013