

BHARAT FORGE

May 25, 2017

To,

BSE Limited,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort,
Mumbai - 400 001
BSE SCRIP CODE – 500493

National Stock Exchange of India Ltd.,
'Exchange Plaza',
Bandra-Kurla Complex, Bandra (East)
Mumbai- 400 051
Symbol: **BHARATFORG**
Series: **EQ**

Dear Sir,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015

This is to inform you that the Company has subscribed to the equity shares and got allotment pursuant to the Rights Issue of 1,73,16,308 equity shares of Rs. 10/- each fully paid-up made by Khed Economic Infrastructure Private Limited ("KEIPL").

The Company, prior to the said right issue, was holding 5% of the paid up equity share capital of KEIPL. Considering future business initiatives of the Company, the Company had subscribed to the additional 1,59,11,782 equity shares of Rs. 10/- each fully paid up in the said rights issue over and above its rights entitlement. Consequent to this subscription to the rights issue, Company's shareholding in KEIPL has increased from 5% to 8.54%.

With reference to the above and in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company makes the following disclosure as prescribed in Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

Disclosure under Regulation 30 of SEBI (Listing Obligation & Disclosure Requirements), Regulation, 2015

a)	Name of the target entity, details in brief such as size, turnover etc.	Khed Economic Infrastructure Private Limited ('KEIPL'). Net worth of KEIPL is Rs. 428.74 Crores as on March 31, 2017. Turnover for FY- 2016-17 is Rs.18.90 crores.
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b)	<p>Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired?</p> <p>If yes, nature of interest and details thereof and whether the same is done at "arm's length";</p>	<p>KEIPL is related party of Bharat Forge Limited</p> <p>The promoter/ promoter group/ group companies hold directly or indirectly 74% of the paid up equity share capital of KEIPL. Thus they are interested in this transaction to the extent of their shareholding.</p> <p>The said shares are acquired at a face value of Rs. 10/- which is at par.</p>
c)	Industry to which the entity being acquired belongs;	Infrastructure Development - Development of industrial parks / SEZs.
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	<p>In order to finance, among other, working capital/ liquidity requirement KEIPL had proposed to issue the equity shares via rights issue. The Company has been holding 5% of the equity capital of KEIPL.</p> <p>Considering its future business initiatives it has chosen to subscribe to additional equity shares over and above its rights issue entitlement.</p>
e)	Brief details of any governmental or regulatory approvals required for the acquisition;	N.A.
f)	Indicative time period for completion of the acquisition;	The equity shares were allotted by KEIPL to the Company on March 22, 2017
g)	Nature of consideration - whether cash consideration or share swap and details of the same;	The Company has acquired shares for a total cash consideration of Rs.17,31,63,080/-
h)	Cost of acquisition or the price at which the shares are acquired;	The shares were acquired at a face value of Rs. 10/-, fully paid- up. The total cost of acquiring the shares is Rs.17,31,63,080/-
i)	Percentage of shareholding / control acquired and / or number of shares acquired;	The Company has acquired 1,73,16,308 equity shares of KEIPL in the rights issue.



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		With this acquisition, total shareholding of the Company in KEIPL has increased from 5% to 8.54%.
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	<p>KEIPL is a Joint Venture between Kalyani Group and Maharashtra Industrial Development Corporation (MIDC) for promoting and development of multi product Special Economic Zone (SEZ) / Industrial Parks at Khed, Pune District of Maharashtra State. The Company was incorporated on 4th January, 2008. KEIPL has its presence in India.</p> <p>The turnover of KEIPL for past 3 years is as follows:</p> <ol style="list-style-type: none">For (FY 16-17): Rs. 18.90 Cr.For (FY 15-16): Rs. 56.38 CrFor (FY 14-15): Rs. 55.61 Cr

Kindly take the same on your record.

Thanking you,

For Bharat Forge Limited,


Tejaswini Chaudhari
Deputy Company Secretary



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