

BHARAT FORGE

March 08, 2022

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
Limited**

'Exchange Plaza',
Bandra-Kurla Complex, Bandra (East)
Mumbai- 400 051
Symbol: **BHARATFORG**
Series: **EQ**

Dear Sir,

Sub.: Intimation regarding incorporation of a step-down subsidiary

Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We wish to inform you that Kalyani Strategic Systems Limited ("KSSL"), a wholly owned subsidiary of Bharat Forge Limited ("the Company") has incorporated a Company - "Sagar-Manas Technologies Limited" ("SMTL") (CIN: U29100PN2022PLC209117) on March 07, 2022 as a wholly owned subsidiary.

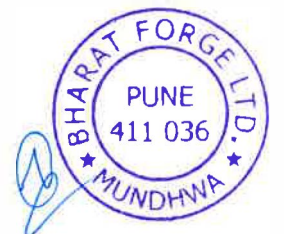
SMTL has been incorporated pursuant to a Joint Venture Agreement ("Agreement") executed between KSSL and Open Joint Stock Company Dastan Transnational Corporation Ltd. ("Dastan") with an aim to participate in joint upgradation and manufacturing/ providing solutions for marine and defence products which will be undertaken through SMTL as a special purpose vehicle. Dastan, a Kyrgyzstan entity, is a leading multipurpose enterprise engaged in the development, manufacturing, sale of defence equipment, electronic devices, medical centrifuges, etc.

Upon completion of conditions precedent as envisaged in the Agreement, Dastan will acquire 49% of stake in SMTL. Consequently, KSSL will hold 51% and Dastan will hold 49% equity in SMTL.

The details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD4/2015 dated 9th September, 2015 is given as under:



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a)	Name of the target entity, details in brief such as size, turnover etc.	<p>Name: Sagar-Manas Technologies Limited ("SMTL")</p> <p>Authorized Capital: Rs. 7,500 (750 equity shares of Rs. 10/- each)</p> <p>Issued, Subscribed & Paid-up Capital: Rs. 7,500 (750 equity shares of Rs. 10/- each)</p> <p>Turnover: Nil, since SMTL is a newly incorporated company.</p>
b)	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? If yes, nature of interest and details thereof and whether the same is done at "arm's length";	<p>KSSL, wholly owned subsidiary has incorporated SMTL as wholly owned subsidiary.</p> <p>The initial subscription by KSSL does not fall within the purview of related party transaction.</p> <p>The promoter/promoter group of the Company have no interest in SMTL.</p>
c)	Industry to which the entity being acquired belongs;	Manufacturing and providing solutions for marine and defence products/ equipment
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>SMTL is incorporated for setting up a special purpose vehicle company for participating in joint upgradation/ development and manufacturing of defence products and equipment by virtue of collaboration with Dastan.</p> <p>SMTL will use advanced technology to undertake its objectives.</p> <p>This will result in growth opportunities and business expansion in line with the strategic goals of KSSL.</p>
e)	Brief details of any governmental or regulatory approvals required for the acquisition;	Not Applicable
f)	Indicative time period for completion of the acquisition;	<p>Not Applicable.</p> <p>However, after completion of condition precedents as envisaged in the Agreement,</p>



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		Dastan will acquire 49% of paid up equity capital of SMTL.
g)	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash
h)	Cost of acquisition or the price at which the shares are acquired;	Rs. 7,500/- (Rupees Seven Thousand Five Hundred Only) (750 equity shares of Rs. 10/- each subscribed by KSSL)
i)	Percentage of shareholding / control acquired and / or number of shares acquired;	100% of shareholding by KSSL (99.94% by KSSL+ 0.06% through nominees). Consequently, SMTL becomes a step down subsidiary of the Company.
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>Brief background:</p> <p>KSSL has promoted and incorporated SMTL to undertake design, development, manufacturing, assembly, testing, integration, trading, marketing, sales, providing services, spares support, after sales support, R&D for various marine and defence products and solutions.</p> <p>Date of incorporation: March 07, 2022</p> <p>Turnover for past 3 years:</p> <p>Nil, since SMTL is a newly incorporated company.</p>

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Bharat Forge Limited




Tejaswini Chaudhari
Company Secretary & Compliance Officer



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