BHARAT FORGE

May 22, 2019

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: Intimation regarding acquisition of equity shares of Aeron Systems Private Limited

We wish to inform you that the Company has entered into a Share Subscription Agreement with Aeron Systems Private Limited and its founders on 21st May, 2019, agreeing to subscribe to 97,500 equity shares of Rs. 10 each for a stake of 26%, which are agreed to be subscribed in three tranches.

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:

a)	Name of the target entity, details in brief such as size, turnover etc.	**Name:** Aeron Systems Private Limited (Aeron) **Authorized Capital :** Rs. 40,00,000 divided into 4,00,000 equity shares of Rs. 10 each **Issued, Subscribed & Paid-up Capital** : Rs. 27,00,000 divided into 2,70,000 equity shares of Rs. 10 each **Turnover** : Rs. 12,14,45,463 (As per audited Financial Statement of 2017-18)
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";	No
c)	Industry to which the entity being acquired belongs;	Manufacturing of technology products for Aerospace and Defense, Automotive,

		Renewable energy and Industry 4.0.
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);	Aeron is engaged in the business of manufacturing of technology products such as Inertial Navigation Systems (INS) and IoT devices for industries such as Aerospace and Defence, Automotive, Renewable energy and Industry 4.0. The Company is encouraged by the concept and is desirous to be part of this venture by investing in Aeron for its establishment, growth and expansion. This venture will help the Company to gain access to technologies in defence and aerospace sector.
e)	Brief details of any governmental or regulatory approvals required for the acquisition;	Not Applicable
f)	Indicative time period for completion of the acquisition;	The acquisition will be made in three tranches over a period of next 8-12 months:- Tranche I- Not later than June 2019 Tranche II- Not later than December 2019 Tranche III- Not later than March 2020
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;	Total purchase consideration for 26% stake in Aeron is agreed at INR 10 Crore, subject to the provisions of the Share Subscription Agreement.
i)	Percentage of shareholding / control acquired and / or number of shares acquired;	Total 26% of stake in Aeron will be acquired by the Company. Acquisition would take place in three tranches, wherein our shareholding in Aeron will stand as below:- Tranche I- 17.8% Tranche II- 22.42% Tranche III- 26%

BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.
PHONE : +91 20 6704 2777 FAX : +91 20 2682 0699 (Export), 2682 2387 (Sales/Mktg) 2682 2163 (Materials)
Website : www.bharatforge.com
CIN No. L25209PN1961PLC012046

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);	**Brief background :**
		
		Aeron Systems Private Limited is an Indian private limited company incorporated on 10th November, 2008, with its registered office in Pune, India. It is engaged in the business of manufacturing of technology products such as Inertial Navigation Systems (INS) and IoT devices for industries such as Aerospace and Defense, Automotive, Renewable energy and Industry 4.0.
		
		The INS is a sensitive and critical piece of equipment that is used for obtaining extremely accurate motion parameters e.g. position, speed, attitude, heading, acceleration of any moving object. INS is essential in Aircrafts, UAVs, Field guns, Armored Vehicles, Driverless Cars, amongst others.
		
		The turnover of Aeron for past 3 years is as follows:
		
		For (FY 2018): Rs. 12,14,45,463
		For (FY 2017): Rs. 8,68,98,268
		For (FY 2016): Rs. 4,21,04,280

Kindly take the same on your record.

Thanking you,

For Bharat Forge Limited,

BHARAT FORGE LTD PUNE 411 036 MUNDHWA

Tejaswini Chaudhari
Company Secretary & Compliance Officer