

BHARAT FORGE

March 12, 2021

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

Dear Sir/Madam,

Sub: Clarification on email dated March 12, 2021 from NSE regarding investment in Aeron Systems Private Limited, Pune, India.

This is with reference to your above referred email received by us dated March 12, 2021 seeking additional information on our investment in Aeron Systems Private Limited, Pune, India.

In this connection, please note that as communicated earlier, vide our intimation dated March 9, 2021, the Company has made further investment of Rs. 4 crores in its associate company - Aeron Systems Private Limited (Aeron) by way of purchasing 39,000 equity shares of face value Rs.10/- each at a premium of Rs. 1,015.64/-.

The additional information sought from the Company vide email dated March 12, 2021, are as under:

a)	Whether the acquisition would fall within related party transactions 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"	The Company purchased the said shares from existing shareholder who is not a related party. Hence, the transaction does not fall under the category of Related Party Transaction. The promoter/promoter group do not have any interest in Aeron. Aeron is an associate company of Bharat Forge Limited.
b)	Industry to which the entity being acquired belongs;	Manufacturing of technology products for Aerospace and Defense, Automotive, Renewable energy and Industry 4.0.
c)	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);	The Company had invested in Aeron with the objective of getting access to technology developed in Inertial Navigation Systems (INS) & Internet of Things (IoT) which are in synergy with our activities in Defence & Aerospace.



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		Given the current performance & future prospects of the technology, the Company made this further investment to enhance its position in Aeron. Subsequent to the said investment, the Company's stake in Aeron has been increased from 26% to 36% (fully diluted).
d)	Brief details of any governmental or regulatory approvals required for the acquisition;	Not Applicable
e)	Indicative time period for completion of the acquisition;	Transfer of shares has been effected on March 9, 2021
f)	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash
g)	Cost of acquisition or the price at which the shares are acquired;	Total purchase consideration for additional 10% stake in Aeron has been agreed at INR 4 Crore.
h)	Percentage of shareholding / control acquired and / or number of shares acquired;	Subsequent to the aforesaid investment, the Company's stake in Aeron has been increased from 26% to 36% (fully diluted).
i)	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 2019-20): Rs. 7,12,40,584/- For (FY 2018-19): Rs. 5,27,01,709/-



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		For (FY 2017-18): Rs. 12,14,45,463/-
		Country in which the acquired entity has presence - India

Kindly take the same on your record.

Thanking you,

For Bharat Forge Limited,



Tejaswini Chaudhari
Company Secretary & Compliance Officer



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