

# BHARAT FORGE

June 29, 2021

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/Madam,

**Sub.: Acquisition of Sanghvi Forging and Engineering Limited pursuant to the Resolution Plan under the Insolvency and Bankruptcy Code, 2016**

This is with reference to our earlier communication dated April 27, 2021 in relation to our Resolution Plan approved by Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") for acquisition of Sanghvi Forging & Engineering Limited ("SFEL" or "Corporate Debtor") in terms of the provision of Insolvency and Bankruptcy Code, 2016 ("IBC").

In this regard, we wish to inform you that in accordance with the NCLT order dated April 26, 2021 and in terms of the approved Resolution Plan, the Company has fully implemented the Resolution Plan and pursuant to the Resolution Plan has acquired 100% control of SFEL through its wholly-owned subsidiary - BF Industrial Solutions Limited (formerly known as Nouveau Power & Infrastructure Private Limited) ("BFISL").

Pursuant to approved Resolution Plan, among others, the following key actions have been undertaken:

**1) Delisting of equity shares of SFEL**

The equity shares of SFEL have been delisted from BSE Ltd. ("BSE") and National Stock Exchange Ltd. ("NSE") with effect from June 17, 2021.

**2) Primary Infusion by the SPV into the Corporate Debtor**

SFEL has issued and allotted 50,000 (Fifty Thousand) equity shares at face value of Rs. 10/- (Rupees Ten only) to BFISL and its nominees on a preferential basis through Private Placement.

**3) Capital Reduction of SFEL**

The entire issued, subscribed and paid-up equity share capital of the SFEL i.e. 1,48,92,267 (One Crore Forty Eight Lakhs Ninety Two Thousand Two Hundred Sixty Seven) equity shares of Rs. 10/- (Rupees Ten only) each fully-paid-up aggregating Rs. 14,89,22,670 (Rupees Fourteen Crore Eighty Nine Lakhs Twenty Two Thousand Six Hundred Seventy only), excluding the new equity shares allotted to BFISL and its nominees as per (2) above, was cancelled and extinguished.



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BHARAT FORGE LIMITED, MUNDHWA, PUNE 411 036, MAHARASHTRA, INDIA.

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Subsequent to the aforesaid selective capital reduction of the equity share capital of SFEL, SFEL has become a wholly-owned subsidiary of BFISL and thus a stepdown subsidiary of the Company.

## 4) Infusion of funds by BFISL into SFEL

Further, funds amounting to Rs. 15,00,00,000 (Rupees Fifteen Crores Only) were infused in SFEL by BFISL by way of subscription of 40,00,000 (Forty Lakh) equity shares at face value of Rs. 10/- (Rupees Ten only) per share and issue of 1,10,000 (One Lakh Ten Thousand) Zero Coupon Optionally Convertible debentures at face value of Rs. 1,000/- (Rupees One Thousand only) per debenture.

## 5) Completion of Priority Payments

SFEL has made all the priority payments viz. IRP costs, the Workmen and Employee Amount and Other Operational Creditor Amount in terms of the approved Resolution Plan.

## 6) Repayment of financial creditors

In terms of the approved Resolution Plan, the secured Financial Creditors has been paid an aggregate amount of Rs. 75,00,00,000 (Rupees Seventy Five Crores only) by BFISL for the assignment of existing financial debt of SFEL.

Upon completion of the all the above steps of the approved Resolution Plan, the Company has acquired 100% control over SFEL.

The details required under Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are as under:

a)	Name of the target entity, details in brief such as size, turnover etc.	Sanghvi Forging and Engineering Limited (“ <b>SFEL</b> ”)  <b>Authorized Capital:</b> Rs. 20,00,00,000 divided into 2,00,00,000 equity shares of Rs. 10 each  <b>Issued, Subscribed &amp; Paid-up Capital:</b> Rs. 4,05,00,000 divided into 40,50,000 equity shares of Rs. 10/- each  <b>Turnover:</b> The turnover for financial year 2020-21 is Rs. 5,54,271.38 (in ‘000)
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?	No



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	If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;	
c)	Industry to which the entity being acquired belongs;	Forging, power, oil & gas
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);	The acquisition of SFEL was carried out in accordance with the Resolution Plan as approved by the National Company Law Tribunal (“NCLT”) vide its order dated April 26, 2021 in relation to the corporate insolvency resolution process of SFEL under the Insolvency and Bankruptcy Code, 2016.
e)	Brief details of any governmental or regulatory approvals required for the acquisition;	NCLT order dated April 26, 2021 has been obtained.
f)	Indicative time period for completion of the acquisition;	The acquisition has been completed on June 28, 2021.
g)	Nature of consideration - whether cash consideration or share swap and details of the same;	The consideration is in the form of cash.
h)	Cost of acquisition or the price at which the shares are acquired;	Total cost of acquisition is Rs. 90,00,00,000 (Rupees Ninety Crores only).  As part of the implementation of the resolution plan, Rs. 15,00,00,000 (Rupees Fifteen crores only) have been invested by BFISL by subscribing to 40,50,000 Equity Shares at face value of Rs. 10/- each and 1,10,000 Zero Coupon Optionally Convertible Debentures at face value of RS. 1,000/- each and made payment of Rs. 75,00,00,000 (Rupees Seventy Five crores only) to the Secured Financial Creditors for assignment of existing secured debt.
i)	Percentage of shareholding / control acquired and / or number of shares acquired;	100% shareholding acquired by BF Industrial Solutions Limited, wholly owned subsidiary of the Company



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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>SFEL is an Indian public limited company incorporated on March 16, 1989, with its registered office at Waghodia, Gujarat.</p> <p>SFEL is engaged in the manufacture of open and closed die forging products for the oil &amp; gas, defence, ship building, power &amp; other sectors and is an exporter of products to various foreign countries over the last two decades; SFEL is also engaged in manufacturing components for Defence and Aerospace, Power, Oil &amp; Gas, Construction &amp; Mining, Railways, Marine and General Engineering sectors;</p> <p>The turnover of SFEL for the preceding 3 financial years is as follows-</p> <p><i>(Rs. in '000)</i> FY 2020-21: 5,54,271.38 FY 2019-20: 5,95,637.10 FY 2018-19: 6,11,816.43</p>
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Kindly take the same on record.

Thanking you,

Yours faithfully,  
For **Bharat Forge Limited**

**Tejaswini Chaudhari**  
**Company Secretary & Compliance Officer**



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