

BEFORE THE SECURITIES AND EXCHANGE BOARD OF INDIA

SETTLEMENT ORDER
IN SETTLEMENT APPLICATION NO. 6903 OF 2022
FILED BY BHARAT FORGE LIMITED [PAN: AAACB8519L]
IN THE MATTER OF BHARAT FORGE LIMITED

1. Bharat Forge Limited (“**Applicant**”) filed a *suo motu* settlement application (“**Application**”) in terms of the SEBI (Settlement Proceedings) Regulations, 2018 (“**Settlement Regulations**”) proposing to settle by neither admitting nor denying the findings of fact and conclusions of law, through a Settlement Order, the enforcement proceedings that may be initiated against it, for the alleged violation of Clause 35 of the erstwhile Listing Agreement, Regulation 31(4) read with Regulation 31(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations, 2015**”) and SEBI Circular No. CIR/CFD/CMD/13/2015 dated November 30, 2015.
2. The applicant which is a company listed on the platform of the Bombay Stock Exchange Limited and National Stock Exchange of India Limited had failed to disclose the names of the three promoter group entities viz. Kalyani Exports and Investments Private Limited (“Kalyani Exports”), Aboli Investments Private Limited (“Aboli”) and Wathar Investment and Trading Company Private Limited (“Wathar”) in the quarterly shareholding patterns filed from the quarter ended March, 2001 to the quarter ended March, 2022.
3. Kalyani Exports holds 10,03,240 shares representing 0.22% of the share capital of the applicant, Aboli holds 1,27,872 shares representing 0.03% of the share capital of the applicant while Wathar holds 61,320 shares representing 0.01% of the share capital of the applicant.
4. These promoter group entities viz. Kalyani Exports, Aboli and Wathar had become part of the Applicant with effect from 26/10/1977, 13/08/1996 and 31/03/2004 respectively. SEBI had issued Circular SMDRP/POLICY/CIR-7/01 on February 01, 2001 advising Stock Exchanges to amend Clause 35 of the erstwhile Listing Agreement requiring all companies to disclose shareholding pattern on quarterly basis with effect from March, 2001. Accordingly, the quarterly shareholding patterns filed by the Applicant from March, 2001

should have included the names of the promoter group entities referred to above. However, the Applicant has started filing the correct shareholding pattern including the names of afore referred to promoter group entities only from the quarter ended March 22, 2022.

5. The applicant submitted that pursuant to an internal review of the shareholding pattern it had become aware of the fact that these promoter entities qualified being part of the promoter group under Regulation 2(1)(pp) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 read with Regulation 2(1)(zb) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and accordingly filed this application.
6. Pursuant to the receipt of the application, the authorized representatives of the Applicant had a meeting with the Internal Committee of SEBI on August 30, 2022. The Internal Committee deliberated on the aspect of the incorrect disclosures and their implications thereof and suggested the terms of the settlement. Thereafter, the applicant vide e-mail dated September 12, 2022, proposed revised settlement terms to settle any enforcement proceedings that may be initiated against it.
7. The High Powered Advisory Committee (“**HPAC**”) in its meeting held on September 22, 2022, considered the revised settlement terms proposed by the applicant and recommended the case for settlement upon payment of Rs.9,18,000/- (Rupees Nine Lakh Eighteen Thousand only). The applicant informed about the remittance of the aforesaid settlement amount on November 10, 2022 and SEBI has confirmed credit of the same.
8. On the basis of the facts above stated, in exercise of the powers conferred under Section 15JB read with Section 19 of the Securities and Exchange Board of India Act, 1992 and in terms of Regulations 23 read with Regulation 28 of the Settlement Regulations, it is hereby ordered that the proceedings that may have been initiated for the alleged violations as mentioned at paragraph 1 above are settled *qua* the Applicant as per the following terms:
 - i. this Order disposes of the proceedings that may be initiated for the said violation as mentioned above, in respect of the Applicant;
 - ii. SEBI shall not initiate enforcement action against the Applicant for the said violation; and

- iii.* passing of this Order is without prejudice to the right of SEBI under Regulation 28 of the Settlement Regulations to initiate enforcement actions including commencing proceedings against the Applicant, if SEBI finds that:
- (a) any representation made by the Applicant in the present settlement proceedings is subsequently found to be untrue;
 - (b) the Applicant has breached any of the clauses/ conditions of undertakings/ waivers filed during the present settlement proceedings; and
 - (c) there was a discrepancy while arriving at the settlement terms.
9. This Settlement Order is passed on this __24th__ day of November, 2022 and shall come into force with immediate effect.
10. In terms of Regulation 25 of the Settlement Regulations, a copy of this Order shall be sent to the Applicant and shall also be published on the website of SEBI.

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**ANANTH NARAYAN G.
WHOLE TIME MEMBER**

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**ASHWANI BHATIA
WHOLE TIME MEMBER**