

Board's Report

For the year ended March 31, 2019

To the Members,

Your Directors have pleasure in presenting the 58th (Fifty-Eighth) Annual Report on the business and operations of the Company together with the audited financial statements for the Financial Year ended March 31, 2019.

1. FINANCIAL HIGHLIGHTS

The financial performance of the Company on standalone and consolidated basis for the Financial Year ended March 31, 2019 as compared to previous year is summarised in the following table:

In ₹ Million

| Particulars | Standalone | | Consolidated | |
|---------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | 31-Mar-19 | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| Total Income | 66,860.07 | 54,916.37 | 1,03,485.26 | 85,566.79 |
| Exports Revenue | 37,258.44 | 29,711.73 | 73,539.84 | 61,230.68 |
| Net Profit | | | | |
| Profit for the year before Taxation and Exceptional item | 16,230.78 | 12,638.75 | 16,103.56 | 12,915.87 |
| Share of (loss)/ Profit of associates and Joint Venture | - | - | (113.75) | (3.78) |
| Add / (Less): Exceptional item | - | (1,332.05) | - | (954.48) |
| Provision for Taxation: | | | | |
| Current Tax | 5,350.68 | 4,161.42 | 5,742.68 | 4,318.49 |
| Deferred Tax | 167.29 | 72.33 | (78.83) | 99.44 |
| Profit for the year | 10,712.81 | 7,072.95 | 10,325.96 | 7,539.68 |
| Less: Non-controlling interest | - | - | 4.23 | (84.76) |
| Profit for the year attributable to equity holders of parent | 10,712.81 | 7,072.95 | 10,321.73 | 7,624.44 |
| Items of other Comprehensive Income for the year (Net of tax) | (121.25) | 202.71 | (118.15) | 251.19 |
| Total | 10,591.56 | 7,275.66 | 10,203.58 | 7,875.63 |
| Balance of Profit from Previous year | 34,083.21 | 29,429.22 | 33,676.24 | 28,493.30 |
| Profit available for Appropriation | 44,674.77 | 36,704.88 | 43,879.82 | 36,368.93 |
| Appropriations : | | | | |
| Interim Dividend on Equity Shares | 1,163.97 | 931.18 | 1,163.97 | 931.18 |
| Tax on above dividend | 239.26 | 189.56 | 239.26 | 189.56 |
| Final Dividend on Equity Shares | 1,163.97 | 1,163.97 | 1,163.97 | 1,163.97 |
| Tax on above dividend | 239.26 | 236.96 | 239.26 | 236.96 |
| Transfer to General Reserve | 100.00 | 100.00 | 100.00 | 100.00 |
| Adjustment during the year | - | - | - | 71.02 |
| Surplus retained in Statement of Profit and Loss | 41,768.31 | 34,083.21 | 40,973.36 | 33,676.24 |

2. DIVIDEND

The Board, in its meeting held on November 2, 2018 declared an interim dividend of ₹ 2.50 per equity share (i.e.125%) of the face value of ₹ 2/- each aggregating to ₹ 1,163.97 Million plus applicable taxes thereon.

Based on the Company's performance, the Directors are pleased to recommend for approval of the members a final dividend of ₹ 2.50 per equity share (i.e. 125%) of the face value of ₹ 2/- each. The final dividend on equity shares, if approved by the members would involve a cash outflow of ₹ 1,163.97 Million plus a dividend tax of ₹ 239.26 Million.

The total dividend for the financial year ended March 31, 2019, including the proposed final dividend would aggregate to ₹ 2,806.46 Million inclusive of the dividend tax.

The dividend payout has been determined in accordance with the Dividend Distribution Policy of the Company.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had adopted the Dividend Distribution Policy which is attached as **Annexure "A"** to this report and is also available on the Company's website, at : www.bharatforge.com/investors/corporate-governance/policies.

3. RESERVES

During the year under review, the Company proposes to transfer ₹ 100.00 Million to the General Reserve.

An amount of ₹ 41,768.31 Million is proposed to be retained as surplus in the Profit and Loss account.

4. PERFORMANCE OF THE COMPANY

The financial year 2018-19 has been a record year for your Company, with strong revenue and profit growth. In the financial year 2018-19, the revenue of the Company increased by 21.75% and Profit after Tax increased by 51.46%, as compared to the last financial year 2017-18 on a standalone basis. Domestic revenue increased by 17.45% to ₹ 29,601.64 Million as compared to last year of ₹ 25,204.64 Million. Whereas export revenue grew by 25.4% to ₹ 37,258 Million as compared to last year of ₹ 29,712 Million. The Balance Sheet of your Company continued to become stronger with the improvement in all the key financial ratios as compared to the last financial year 2017-18. ROCE (Net of Cash) has witnessed sharp growth of 24.7% despite significant new capacity creation and strategic initiatives on e-mobility.

On a consolidated basis, the Company, its subsidiaries and joint venture companies, achieved revenue of ₹ 103,485 Million as against ₹ 85,566.79 Million, a growth of 20.94%. Under International business, the Company recorded highest revenue from heavy vehicle business in FY 2018-19 at ₹ 15,912 Million. The passenger vehicle segment has been on a positive growth from the last five years from ₹ 420 Million in FY 2013-14 to ₹ 4,875 Million in FY 2018-19. Witnessing another good year for Oil & Gas Industry in North America, in the FY 2018-19, the Company recorded highest ever revenues from Industry segment at ₹ 16,471 Million.

During the year, your Company has set-up a facility viz., "The Centre for Light Weighting Technology" at Nellore, Andhra Pradesh. The facility is expected to be operationalized by the third quarter of the financial year 2019-20. The facility will manufacture critical light weight components in Aluminum. The Company has also undertaken an expansion of its forging and machining capacity at Baramati, Pune. This will cater the requirements of Automotive and Industrial market globally.

5. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013, forms part of notes to the financial statement provided in this Annual Report.

6. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts or arrangements entered into by the Company with Related Parties are at arm's length basis and are in the ordinary course of business.

Pursuant to Section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of transactions with related parties are provided in Form AOC-2 which is annexed as **Annexure "B"** to this report. Related Party disclosures as per Ind AS 24 have been provided in Note 39 to the financial statement.

The Related Party Transaction Policy has been amended in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and adopted effective from April 1, 2019. The revised policy as approved by the Board has been displayed on the Company's website at: www.bharatforge.com/investors/corporate-governance/policies.

7. DEPOSITS

During the year under review, the Company has not accepted any deposit under Chapter V of the Companies Act, 2013.

8. INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed.

9. RISK MANAGEMENT

The Company has a robust risk management framework comprising risk governance structure and defined risk management processes. The Board of Directors of the Company has formed a Finance and Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis (MDA), which forms part of this report.

10. MATERIAL CHANGES AND COMMITMENTS, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no adverse material changes or commitments occurred after March 31, 2019 which may affect the financial position of the Company or may require disclosure.

11. SIGNIFICANT AND MATERIAL ORDERS

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

12. STATE OF COMPANY'S AFFAIRS

Discussion on state of affairs of the Company has been covered as part of the Management Discussion and Analysis (MDA). MDA for the year under review, as stipulated under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is presented in a separate section forming part of this Annual Report.

13. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2019 stood at ₹ 931.27 Million.

During the year under review, the Company has not issued shares with the differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

14. TRANSFER OF UNPAID AND UNCLAIMED AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND ('IEPF')

Pursuant to the provisions of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the declared dividends, which remained unpaid or unclaimed for a period of 7 (seven) years and shares thereof shall be transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

Accordingly, during the year, the Company has transferred the unpaid or unclaimed dividend for a period of 7 (seven) years from the date they became due for payment alongwith the shares thereof, to IEPF. The shareholders have an option to claim their shares and / or amount of dividend transferred from IEPF. No claim shall be entertained against the Company for the amounts and shares so transferred.

The list of equity shareholders whose shares are transferred to IEPF can be accessed on the website of the Company at below mentioned link:

www.bharatforge.com/investors/shareholders-information/unclaimed-dividend

The Company has sent notices to respective shareholders who have not claimed dividend for 7 (seven) consecutive years and whose shares are liable to be transferred to IEPF during the financial year 2019-20. The newspaper advertisement stating the same has also been published in the newspapers. The list of equity shareholders whose shares are liable to be transferred to IEPF can be accessed on the website of the Company at below mentioned link:

www.bharatforge.com/investors/shareholders-information/unclaimed-dividend

15. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return of the Company in Form MGT-9 is appended as **Annexure "C"** to this Report.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, Directors confirm that:

- a. in preparation of the annual accounts for the financial year ended March 31, 2019, the applicable Accounting Standards have been followed and there were no material departures;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2019 and of the profit of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

In terms of provisions of the Companies Act, 2013 and the Articles of Association of the Company, **Mr. B. P. Kalyani** (DIN : 00267202) and **Mr. Kishore Saletore** (DIN : 01705850), Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment.

During the year, the Board of Directors of the Company re-appointed Mr. Amit B. Kalyani (DIN : 00089430) as the Executive Director of the Company for a period of 5 (five) years, commencing from May 11, 2019. Further, at the Board Meeting held on May 20, 2019, Mr. Amit B. Kalyani has been re-designated as a Deputy Managing Director of the Company. The appointment is subject to approval of the shareholders. Accordingly, the resolution for re-appointment of Mr. Amit B. Kalyani forms part of Notice convening the 58th Annual General Meeting ("AGM").

As per the Retirement Policy for Non-Executive Directors of the Company, Mr. Naresh Narad (DIN : 02737423) and Dr. T. Mukherjee (DIN : 00004777) retired from the Board of the Company, from the closure of working hours on March 31, 2019. The Board places on record its sincere appreciation of the contribution made by Mr. Naresh Narad and Dr. T. Mukherjee during their tenure with the Company.

Mr. P. G. Pawar, Mr. S. M. Thakore, Mrs. Lalita D. Gupte, Mr. Vimal Bhandari and Mr. P. H. Ravikumar were appointed as Non-Executive Independent Directors, for a period of 5 (five) years from September 4, 2014. Based on the recommendation of the Nomination and Remuneration Committee, their re-appointment for a second term of 5 (five) years is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

Further, the Board of Directors in its meeting held on June 21, 2019, appointed Mr. Dipak Mane (DIN : 01215889) and Mr. Murali Sivaraman (DIN : 01461231), as Additional Independent Directors of the Company. The said appointment is till the ensuing Annual General Meeting. The Directors have proposed to appoint Mr. Dipak Mane and Mr. Murali Sivaraman as Independent Directors of the Company, for the period of 5 (five) consecutive years; which is subject to approval of the shareholders of the Company. Accordingly, the resolutions for appointment of Mr. Dipak Mane and Mr. Murali Sivaraman forms part of Notice convening the 58th Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The disclosures pertaining to Directors being appointed/re-appointed as required pursuant to Regulation 36 of the SEBI Listing Regulations given in the explanatory statement to the Notice convening the 58th Annual General Meeting of the Company for reference of the shareholders.

18. NUMBER OF MEETINGS OF THE BOARD

The Board met 4 (Four) times during the year. Also a separate meeting of Independent Directors was convened as prescribed under Schedule IV of Companies Act, 2013 was held during the year under review. The details of meetings of Board of Directors are provided in the Report on Corporate Governance that forms part of this Annual Report. The maximum interval between any two meetings did not exceed 120 days as prescribed under the Companies Act, 2013.

19. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act, SEBI Listing Regulations and the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on May 24, 2017. The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as, the board composition and structure, effectiveness of board processes, information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as, the composition of committees, effectiveness of committee meetings etc. In a separate meeting of independent directors, performance of non-independent directors, the Chairman of the Company and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as, the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

In the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

20. FAMILIARISATION PROGRAMME

The Company, on a regular basis, makes detailed presentations to the entire Board including Independent Directors on the Company's operations and business plans, strategy, global and domestic business environment and the business model of its respective businesses. Such presentations are made by the senior management/leadership team/function heads so that the Independent Directors can have direct interaction with them. The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

The Independent Directors were also briefed regularly on the R&D and Innovation initiatives in the Company.

The details of programmes for familiarisation for Independent Directors are posted on the website of the Company and can be accessed at:

www.bharatforge.com/assets/pdf/investor/familiarisation-programme-for-independent-directors

21. BUSINESS RESPONSIBILITY REPORT

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulation") mandates inclusion of the Business Responsibility Report (BRR) as a part of Annual Report of Top 500 Listed entities based on market capitalization. In compliance with the Regulation, we have provided the BRR as a part of this Annual Report.

22. INFORMATION PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

| Sr. No. | Information Required | Input |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year | Please refer Annexure "D" |
| 2 | The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year; | Please refer Annexure "D" |
| 3 | The percentage increase in the median remuneration of employees in the financial year | 18.60% |
| 4 | The number of permanent employees on the rolls of Company | 4,711 |
| 5 | Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | Percentage increase in salaries of managerial personnel at 50 th Percentile is: 15.16% Percentage increase in salaries of non- managerial personnel at 50 th Percentile is: 16.91% The increase in remuneration is not solely based on Company performance but also includes various other factors like individual performance, experience, skill sets, academic background, industry trends, economic situation and future growth prospects etc. besides Company performance. There are no exceptional circumstances for increase in the managerial remuneration. |
| 6 | Affirmation that the remuneration is as per the remuneration policy of the Company. | The remuneration paid to the Directors is as per the Remuneration policy of the Company. |
| 7 | Statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee, who- (i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees; (ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month; (iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company. | Please refer Annexure "E" |

23. NOMINATION AND REMUNERATION POLICY

During the year, the Company has revised the Nomination and Remuneration Policy, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018. The salient features of the Policy and changes therein are set out in the Corporate Governance Report which forms part of this Annual Report.

The said Policy of the Company, inter alia, provides that the Nomination and Remuneration Committee shall formulate the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company, including their remuneration and other matters as provided under Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The Policy is also available on the Company's website at: www.bharatforge.com/investors/corporate-governance/policies

24. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the Corporate Governance requirements set out by SEBI. The Company has implemented several best Corporate Governance practices as prevalent globally. The report on Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 forms an integral part of this Annual Report. The requisite certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance.

25. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

During the year under review, the Board approved acquisition of 35.26% stake in Tevva Motors (Jersey) Limited, Jersey. Tevva Motors is the world's leading developer of Electric Ranged Extended Vehicles (EREVs) and also developing sophisticated software for autonomous vehicle pollution management in urban and in environmentally sensitive locations.

As on March 31, 2019, the Company has 22 (Twenty Two) subsidiaries (including step down subsidiaries) and 2 (Two) Associate Companies. In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared the consolidated financial statement, which forms part of this Annual Report. Further, a statement containing salient features of the financial statements of our subsidiaries in the prescribed Form AOC-1 is presented in a separate section forming part of the financial statements.

Pursuant to Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and separate audited accounts in respect of subsidiaries, are available on the website of the Company at: <http://bharatforge.com>.

The Policy on Material Subsidiaries has been amended in line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and adopted w.e.f. April 1, 2019. The key changes include, inter-alia, the definition of material subsidiary. Pursuant to revised Policy and as per consolidated audited Financial Statements for the year ended March 31, 2019, Bharat Forge CDP GmbH, Bharat Forge International Limited and Bharat Forge Global Holding GmbH have become material subsidiaries of the Company.

26. AUDIT COMMITTEE

The Audit Committee comprises of Mr. P. G. Pawar - Chairman of the Committee and Independent Director, Mr. S. M. Thakore - Independent Director, Mr. P. H. Ravikumar - Independent Director and Mr. P. C. Bhalerao - Non-Executive Director.

All the recommendations made by the Audit Committee were deliberated and accepted by the Board during the financial year 2018-19.

27. AUDITORS

A. Statutory Auditors and Audit Report

At the 56th Annual General Meeting of the Company held on August 10, 2017, M/s. S R B C & CO LLP, Chartered Accountants, Pune (Firm Registration No. 324982E/E300003) were appointed as Statutory Auditors to hold office upto the conclusion of the 61st Annual General Meeting of the Company to be held in the year 2022, subject to

ratification of appointment at every Annual General Meeting. However, the Companies (Amendment) Act, 2017, published in the Gazette of India on January 3, 2018, omitted first proviso to Section 139(1) of Companies Act 2013, which provided for ratification of appointment of Statutory Auditors by members at every AGM. The said amendment has been effective from May 7, 2018.

In view of the above, at the 57th Annual General Meeting of the Company held on August 9, 2018, the members of the Company ratified the appointment of M/s. S R B C & CO LLP, Chartered Accountants, Pune (Firm Registration No. 324982E/E300003), as Statutory Auditors of the Company, upto the conclusion of the 61st Annual General Meeting of the Company to be held in the year 2022 and the Statutory Auditors are not liable for ratification at every Annual General Meeting.

The Auditor's Report for FY 2018-19 does not contain any qualification, reservation or adverse remark. The Auditor's Report is enclosed with the Financial Statements in this Annual Report.

B. Secretarial Auditor and the Audit

The Board has appointed M/s. SVD & Associates, Company Secretaries, Pune, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is appended as **Annexure "F"** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Further, as required under Section 204 of the Companies Act, 2013 and Rules thereunder, the Board has appointed M/s. SVD & Associates, Company Secretaries, Pune, to conduct Secretarial Audit for the financial year 2019-20.

C. Cost Auditors

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s. Dhananjay V. Joshi & Associates, Cost Accountants, Pune, (Firm Registration No. : 00030) as Cost Auditors to audit the cost accounts of the Company for the financial year 2019-20. As required under the Companies Act, 2013, a resolution seeking Member's approval for the remuneration payable to the Cost Auditors forms part of Notice convening the 58th Annual General Meeting.

The Cost Audit report for the Financial Year 2017-18 was filed with the Ministry of Corporate Affairs on October 8, 2018.

D. Reporting of fraud by auditors

During the year under review, the Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013 to the Audit Committee.

28. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Company has been carrying out various Corporate Social Responsibility (CSR) activities. These activities are carried out in terms of Section 135 read with Schedule VII of the Companies Act, 2013 as amended from time to time and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure "G"** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is also available on the Company's website at the link: www.bharatforge.com/investor/policy

29. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy.

During the year under review, no complaints were received by the Committee constituted under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which has been resolved.

30. VIGIL MECHANISM

The Company has formulated a Whistle Blower Policy, wherein the Employees / Directors / Stakeholders of the Company are free to report any unethical or improper activity, actual or suspected fraud or violation of the Company's Code of Conduct. The policy provides for a mechanism to report such concerns to the Audit Committee through specified channels. This mechanism provides safeguards against victimisation of Employees, who report under the said mechanism. During the year, the Whistleblower Policy was amended and adopted w.e.f. April 1, 2019 in line with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 enabling employees to report instances of leak of Unpublished Price Sensitive Information (UPSI).

During the year under review, the Company has not received any complaints under the said mechanism. The Whistle Blower Policy of the Company has been displayed on the Company's website at the link:

www.bharatforge.com/investors/corporate-governance/policies

31. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are appended as **Annexure "H"** to this report.

32. GREEN INITIATIVES

The Company supports and pursues the "Green Initiative" of the Ministry of Corporate Affairs, Government of India. The Company has effected electronic delivery of Notice of Annual General Meeting and Annual Report to those Members whose e-mail IDs are registered with the Company / Depository Participants. The Companies Act, 2013 and the underlying rules as well as Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, permit the dissemination of financial statements and annual report in electronic mode to the Members.

For members who have not registered their email addresses, physical copies are sent in the permitted mode.

Your Directors are thankful to the Members for actively participating in the Green Initiative and seek your continued support for implementation of the green initiative.

33. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

34. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation of the positive co-operation received from the Central Government, the Government of Maharashtra, Financial Institutions and the Bankers. The Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers, workers and staff of the Company resulting in the successful performance of the Company during the year.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

The Directors express their special thanks to Mr. B. N. Kalyani, Chairman and Managing Director, for his untiring efforts for the progress of the Company.

For and on behalf of the Board of Directors

B. N. KALYANI

Chairman and Managing Director

Pune: June 21, 2019

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

The Securities and Exchange Board of India ('SEBI') vide notification dated July 8, 2016 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') whereby it has become mandatory for top five hundred listed companies (based on their market capitalization calculated as on 31st day of March every year to formulate Dividend Distribution Policy and make appropriate disclosures in terms of SEBI LODR in their Annual Reports and on the Company's website.

Accordingly, based on the parameters prescribed by SEBI, the Company has adopted this Policy titled "Dividend Distribution Policy of Bharat Forge Limited" ("The Policy").

2. PURPOSE AND APPLICABILITY

This Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its distributable profits after retaining sufficient funds for its future growth initiatives and maintaining the financial soundness of the Company. The purpose of this Policy is also to lay down criteria to be considered by the Board of Directors of the Company ("The Board") in taking decision for recommending dividend to its shareholders for any financial year.

This Policy shall deem to have come into force with effect from the date written herein below.

This Policy shall not apply to:

- a) determination and declaration of dividend on preference shares, if any, issued or to be issued by the Company, since dividend on preference shares will always be as per the terms of issue approved by the Shareholders;
- b) distribution of dividend in kind, i.e. by issuance of fully or partly paid-up bonus shares (whether equity or preference shares) or other securities;
- c) distribution of cash (i) as an alternative to payment of dividend, if any, permissible under the Companies Act, 2013 ("The Act"); (ii) by way of buy-back of equity shares; (iii) reduction in share capital of the Company; and (iv) on account of fraction entitlement due to sub-division, split of securities or any other similar such corporate action by the Company.

3. DIVIDEND

For the purpose of this Policy, the term "Dividend" means distributable profits of the Company, which are available for distribution in accordance with the provisions of Clause 4 below to the equity shareholders in proportion to the amount paid-up on equity shares held by them. The term "Dividend" also includes Interim Dividend.

4. STATUTORY/OTHER REQUIREMENTS

The Board is expected to adhere to the following while making recommendations to the Shareholders for their approval on dividend payout during any financial year:

- a) Companies Act, 2013 and applicable rules thereunder;
- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended from time-to-time;
- c) Any other applicable laws for the time being in force; and
- d) Financial covenants as may be stipulated by lenders of the Company.

5. THE INTERNAL AND EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR DECLARATION OF DIVIDEND

5.1 The Board of the Company shall take a decision to declare dividend after taking into account the following internal and external factors:

A. Internal Factors :

The Board shall, among others, consider the following indicative internal factors (which are illustrative and not exhaustive) while taking a decision for declaration of dividend:

- a) The un-consolidated profits of the Company made during the year;
- b) Obligations towards the creditors;
- c) Business Plans;
- d) Expansion plans;
- e) Corporate Restructuring plans;
- f) Scheme of arrangement, if any; or
- g) Any other factors which can have possible material financial implications on the Company.

B. External Factors :

In addition to the above, the Board shall, among others, consider the following indicative external factors (which are illustrative and not exhaustive) while taking a decision for declaration of dividend:

- a) Macro-economic environment;
- b) Indian/Global Capital Markets;
- c) Industry outlook (domestic as also global) for business in which Company operates;
- d) Change in taxation laws and economic/trade policies/global trade agreements;
- e) Geo-political reasons or
- f) Any other external factors which can have a material financial implications on the Company.

5.2 Circumstances under which the Board of the Company may or may not recommend / declare dividend :

Subject to the criteria and other provisions of this Policy, the Board may in its absolute discretion decide not to recommend / declare any dividend for any financial year, including for the reason such as inadequate un-consolidated profits after tax or the growth initiatives of the Company, do not warrant distribution of profits.

5.3 Financial parameters that shall be considered while declaring dividend :

In cases where the Board considers it appropriate to declare Interim Dividend, then for the purposes of declaring Interim Dividend, the Board shall consider un-consolidated profit after tax (PAT) and overall financial projections for the unexpired portion of the financial year. In cases where the Board considers it appropriate to recommend final dividend for declaration, then for the purposes of declaration of final dividend, the Board shall consider un-consolidated profit after tax, Interim Dividend declared, if any, and earnings that the Board deems appropriate to be carried to reserves to maintain financial health and to fund growth initiatives of the Company. Considering these aspects including the other criteria laid down in this Policy, the Board shall endeavor to maintain an annual dividend payout range of 15% to 35% of the un-consolidated profit after tax of the Company.

6. MANNER OF DIVIDEND PAYOUT

6.1 Final Dividend :

- a) The Board shall recommend final dividend usually in the Board Meeting that considers and approves the annual financial statements of the Company.
- b) The final dividend, if any, that the Board may consider shall factor Interim Dividend, if any, that it might have declared during the applicable financial year.

6.2 Interim Dividend :

- a) The Board may declare Interim Dividend at its complete discretion in line with this Policy, based on distributable profits arrived at on quarterly or half-yearly financial results of the Company.
- b) In case no Final Dividend is declared, Interim Dividend paid during the year, if any, will be regarded as Final Dividend for confirmation of shareholders in the Annual General Meeting.

7. MANNER OF UTILISATION OF RETAINED EARNINGS

The Board may consider retained earnings considering weighted average cost of capital in application for growth initiatives, if any, and increase in stakeholder's value from long term perspective. The decision of utilization of the retained earnings of the Company will, among other, be based on the following factors:

- a) Strategic and long term plans of the Company;
- b) Organic and in-organic growth opportunities available to the Company;
- c) Non-fund based needs of the Company, its subsidiaries and Joint Ventures which may require the Company to have a healthy consolidated balance sheet;
- d) Decision for issue of bonus, buy-back etc.; and
- e) Any other criteria which the Board of the Company may consider appropriate.

8. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Presently, the Company has only one class of shares i.e. equity shares. As and when it proposes to issue any other class of shares, this policy shall be accordingly modified, if necessary, to cover such other class of securities.

9. DISCLOSURES

The Company shall disclose the Policy on its website and a web link thereto shall be provided in the Annual Report.

10. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and SEBI LODR or the Act or any other statutory enactments, rules (collectively "Laws"), the provisions of Laws shall prevail over this Policy.

11. AMENDMENTS AND UPDATES

To the extent any change/amendment is required in terms of any applicable law or change in regulations, the regulations shall prevail over this Policy. In such a case, the provisions in this Policy would be modified in due course to make it consistent with such amended law and the amended policy shall be placed before the Board for noting and necessary ratification.

12. REVIEW OF POLICY

The Board of Directors will review the policy periodically and consider modifying, amending, deleting any of the provisions of this Policy. If the Board, at any time, proposes to declare dividend(s) on the basis of criteria other than those specified in this Policy, or proposes to modify any of the criteria, then it shall disclose such changes along with the rationale for the same to the Shareholders on the Company's website and in the Annual Report.

13. DISCLAIMER

This Policy does not purport to or solicit investment in the Company's securities nor this Policy purports to provide any kind of assurance to Shareholders of any guaranteed returns (in any form), for investments in the Company's equity shares.

Annexure "B"

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013, including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

There are no contracts or arrangements or transactions entered into by the Company during the year ended March 31, 2019, which are not at arm's length basis.

2. Details of material contracts or arrangement or transactions at arm's length basis

| | | | |
|----|--------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------------------------------------------------------------------|
| a. | Name(s) of the related party and nature of relationship | Bharat Forge International Limited (Wholly owned subsidiary) | Kalyani Steels Limited |
| b. | Nature of contracts / arrangements / transactions | Sale of Goods, etc. | Purchase of Raw Material - Steel, Sale of Scrap etc. |
| c. | Duration of the contracts / arrangements / transactions | On ongoing basis | On ongoing basis |
| d. | Salient terms of the contracts or arrangements or transactions including the value, if any | In tune with market parameters. Estimated annual value of ₹ 30,000 Million | In tune with market parameters. Estimated annual value of ₹ 20,000 Million |
| e. | Date(s) of approval by the Board, if any | May 27, 2014 | May 27, 2014 |
| f. | Amount paid as advances, if any | Nil | Nil |

For Bharat Forge Limited

B. N. KALYANI

Chairman and Managing Director
(DIN: 00089380)

Annexure "C"

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1)
of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

| | | |
|------|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| i) | CIN | L25209PN1961PLC012046 |
| ii) | Registration date | June 19, 1961 |
| iii) | Name of the Company | Bharat Forge Limited |
| iv) | Category/Sub category of the Company | Public Company Limited by Shares Indian Non-Government Company |
| v) | Address of the Registered office and contact details | Mundhwa, Pune Cantonment, Pune – 411 036, Maharashtra, India Tel. No. 020 6704 2777/2476 Fax No. 020 2682 2163 |
| vi) | Whether listed Company | Yes |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | The Company is having in-house share transfer facility and therefore, the Company has not appointed Registrar and Transfer Agent. |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are as stated below:-

| Sr. No. | Name and Description of main products/services | NIC Code of the product/service | % to total turnover of the Company* |
|---------|------------------------------------------------|---------------------------------|-------------------------------------|
| 1 | Steel Forgings | 2591 | 36% |
| 2 | Finished Machined Crankshafts | 2930 | 30% |
| 3 | Front Axles assembly and components | 2930 | 13% |

* On the basis of Gross Turnover.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|---------|--------------------------------|------------------|--------------------|
| 1 | Bharat Forge Global Holding GmbH (erstwhile CDP Bharat Forge GmbH) | Mittelstrasse 64, 58256 Ennepetal, Germany | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 2 | Bharat Forge CDP GmbH ⁽¹⁾ | Mittelstrasse 64, 58256 Ennepetal, Germany | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 3 | Bharat Forge Holding GmbH ⁽¹⁾ | Mittelstrasse 64, 58256 Ennepetal, Germany | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 4 | Mecanique Generale Langroise ⁽¹⁾ | Rue du Stade, 52200 Saints-Geosmes, France | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 5 | Bharat Forge Kilsta AB ⁽¹⁾ | Box 428 691 27 Karlskoga, Sweden | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 6 | Bharat Forge Hong Kong Limited ⁽¹⁾ | 14th Floor, Hutchion House, 10, Harcourt Road, Central Hong Kong SAR, Hong Kong | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 7 | Bharat Forge America Inc. | 100 W Big Beaver Road, Suite 200 Tray, MI, USA | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 8 | Bharat Forge Tennessee Inc. ⁽²⁾ | 100 W Big Beaver Road, Suite 200 Tray, MI, USA | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 9 | Bharat Forge PMT Technologie LLC ⁽²⁾ | 100 W Big Beaver Road, Suite 200 Tray, MI, USA | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 10 | Bharat Forge Daun GmbH ⁽³⁾ | Junius – Saxler – StarB 4 D 54550 Daun, Germany | N.A. | Subsidiary | 100% | 2(87)(ii) |

| Sr. No. | Name of the Company | Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---------|----------------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------|--------------------------------|------------------|--------------------|
| 11 | Bharat Forge CDP Trading ⁽¹⁾ | 000 Bharat Forge CDP Trading Building 1 Uliza Twerskaja 16 125009 Moscow Russia | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 12 | Bharat Forge Aluminiumtechnik GmbH ⁽⁴⁾ | Berthelsodorfer StraBe 809618 Brand – Erbisdorf, Germany | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 13 | Bharat Forge International Limited | Boston House Business Centre, 69-75 Boston Manor Road, Brentford TW8 9JJ, United Kingdom | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 14 | Indigenous IL Limited | House No. 2A, Kremenetski St., Tel Aviv, Israel | N.A. | Subsidiary | 100% | 2(87)(ii) |
| 15 | Analogic Controls India Limited | Survey No. 23/2, P.O. Gundlapochampally, NH-7, via Hakimpet, Hyderabad -500 014 | U28932TG1996PLC024629 | Subsidiary | 100% | 2(87)(ii) |
| 16 | BF Infrastructure Limited | Mundhwa, Pune Cantonment, Pune-411 036 | U45203PN2010PLC136755 | Subsidiary | 100% | 2(87)(ii) |
| 17 | BF Elbit Advanced Systems Private Limited | Mundhwa, Pune Cantonment, Pune-411 036 | U29270PN2012PTC144268 | Subsidiary | 51% | 2(87)(ii) |
| 18 | BF-NTPC Energy Systems Limited | 14th Floor, Antariksh Bhavan, 22, Kasturba Gandhi Marg, New Delhi – 110 001 | U40106DL2008PLC179793 | Subsidiary | 51% | 2(87)(ii) |
| 19 | Kalyani Strategic Systems Limited | Mundhwa, Pune Cantonment, Pune-411 036 | U31902PN2010PLC138025 | Subsidiary | 51% | 2(87)(ii) |
| 20 | Kalyani Rafael Advanced Systems Private Limited ⁽⁵⁾ | Mundhwa, Pune Cantonment, Pune-411 036 | U29270PN2015PTC156252 | Subsidiary | 50% | 2(87)(ii) |
| 21 | Tork Motors Private Limited | Plot No. 4/25, Sector No.10, PCNTDA, Pune - 411026. | U34104PN2010PTC135855 | Associate | 45.30% | 2(6) |
| 22 | TEVVA Motors (Jersey) Limited | 2nd Floor, The Le Gallais Building, 54 Bath Street, St, Helier, Jersey JE1 1FW. | NA | Associate | 35.26% | 2(6) |

(1) Wholly-owned subsidiary of Bharat Forge Global Holding GmbH (erstwhile CDP Bharat Forge GmbH).

(2) Subsidiary of Bharat Forge America Inc.

(3) Subsidiary of Bharat Forge CDP GmbH.

(4) Wholly-owned subsidiary of Bharat Forge Holding GmbH.

(5) Subsidiary of Kalyani Strategic Systems Limited having significant control.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding as on March 31, 2019

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---------------------------------------------------------------------------------|-------------------------------------------------|-------------------|--------------------|------------------|-------------------------------------------|-------------------|--------------------|------------------|--------------------------|
| | Demat | Physical | Total | % of total share | Demat | Physical | Total | % of total share | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/ HUF | 1,616,130 | 100 | 1,616,230 | 0.35 | 1,616,230 | - | 1,616,230 | 0.35 | - |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | 200,010,630 | 11,354,980 | 211,365,610 | 45.40 | 200,090,630 | 11,354,980 | 211,445,610 | 45.42 | 0.02 |
| e) Banks/Fl | - | - | - | - | - | - | - | - | - |
| f) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | 201,626,760 | 11,355,080 | 212,981,840 | 45.74 | 201,706,860 | 11,354,980 | 213,061,840 | 45.76 | 0.02 |
| (2) Foreign | | | | | | | | | |
| a) NRIs - Individuals | - | - | - | - | - | - | - | - | - |
| b) Other - Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/Fl | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A) (1)+(A)(2) | 201,626,760 | 11,355,080 | 212,981,840 | 45.74 | 201,706,860 | 11,354,980 | 213,061,840 | 45.76 | 0.02 |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 34,854,999 | 7,500 | 34,862,499 | 7.49 | 32,911,936 | 7,500 | 32,919,436 | 7.07 | (0.42) |
| b) Banks/Fl | 17,673,219 | 15,800 | 17,689,019 | 3.80 | 18,419,277 | 15,800 | 18,435,077 | 3.96 | 0.16 |
| c) Central Govt. | 437,654 | - | 437,654 | 0.09 | 648,850 | - | 648,850 | 0.14 | 0.05 |
| d) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital fund | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | 5,958,414 | - | 5,958,414 | 1.28 | 7,447,588 | - | 7,447,588 | 1.60 | 0.32 |
| g) FIs | 641,910 | 140 | 642,050 | 0.14 | 429,419 | 140 | 429,559 | 0.09 | (0.05) |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| (i-i) Foreign bank | - | - | - | - | - | - | - | - | - |
| (i-ii) Foreign Portfolio Investor | 99,422,984 | - | 99,422,984 | 21.35 | 89,718,690 | - | 89,718,690 | 19.27 | (2.08) |
| Sub-total (B)(1):- | 158,989,180 | 23,440 | 159,012,620 | 34.16 | 149,575,760 | 23,440 | 149,599,200 | 32.13 | (2.03) |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 23,016,176 | 103,420 | 23,119,596 | 4.97 | 36,140,638 | 13,110 | 36,153,748 | 7.77 | 2.80 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders holding nominal share Capital up to ₹ 1 lakh | 40,762,996 | 3,436,316 | 44,199,312 | 9.49 | 40,190,064 | 2,549,223 | 42,378,795 | 9.10 | (0.39) |
| ii) Individual Shareholders holding nominal share Capital in excess of ₹ 1 lakh | 13,686,486 | 483,690 | 14,170,176 | 3.04 | 14,435,747 | 483,690 | 14,919,437 | 3.28 | 0.24 |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|--------------------------------------------------------|-------------------------------------------------|-------------------|--------------------|------------------|-------------------------------------------|-------------------|--------------------|------------------|--------------------------|
| | Demat | Physical | Total | % of total share | Demat | Physical | Total | % of total share | |
| c) Others (specify) | | | | | | | | | |
| (c-i) Clearing Member | 895,857 | - | 895,857 | 0.19 | 726,013 | - | 726,013 | 0.16 | (0.03) |
| (c-ii) Trusts | 3,088,726 | - | 3,088,726 | 0.66 | 34,238 | - | 34,238 | 0.01 | (0.65) |
| (c-iii) Non Resident Indian | 2,532,642 | 22,610 | 2,555,252 | 0.55 | 3,508,688 | 21,875 | 3,530,563 | 0.76 | 0.21 |
| (c-iv) HUF | 5,545,168 | - | 5,545,168 | 1.19 | 4,804,606 | - | 4,804,606 | 1.03 | (0.16) |
| (c-v) Foreign Nationals | 1,685 | - | 1,685 | - | 1,300 | - | 1,300 | - | - |
| Sub-total (B)(2):- | 89,529,736 | 40,46,036 | 93,575,772 | 20.10 | 99,841,294 | 3,067,898 | 102,909,192 | 22.11 | 2.01 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 248,518,916 | 4,069,476 | 252,588,392 | 54.26 | 249,417,054 | 3,091,338 | 252,508,392 | 54.24 | (0.02) |
| C. Shares held by Custodian for GDRs & ADRs | 18,400 | - | 18,400 | - | 18,400 | - | 18,400 | - | - |
| Grand Total (A+B+C) | 450,164,076 | 15,424,556 | 465,588,632 | 100 | 451,142,314 | 14,446,318 | 465,588,632 | 100 | - |

ii) Shareholding of Promoters:

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (As on April 1, 2018) | | | Shareholding at the end of the year (As on March 31, 2019) | | | % change in shareholding during the year |
|---------|----------------------------------------------------------|--------------------------------------------------------------------|----------------------------------|------------------------------------------------|---------------------------------------------------------------|----------------------------------|------------------------------------------------|------------------------------------------|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/encumbered to total shares | |
| 1 | Mr. B.N. Kalyani | 78,050 | 0.02 | - | 78,150 | 0.02 | - | - |
| 2 | Mr. Amit B. Kalyani | 700,400 | 0.15 | - | 700,400 | 0.15 | - | - |
| 3 | Mr. Gaurishankar N. Kalyani | 690,440 | 0.15 | - | 690,440 | 0.15 | - | - |
| 4 | Mrs. Sulochana N. Kalyani jointly with Mr. B. N. Kalyani | 100 | 0.00 | - | - | - | - | - |
| 5 | Ms. Sheetal G. Kalyani | 22,980 | 0.00 | - | 22,980 | 0.00 | - | - |
| 6 | Mrs. Rohini G. Kalyani | 101,460 | 0.02 | - | 101,460 | 0.02 | - | - |
| 7 | Kum. Viraj G. Kalyani | 22,800 | 0.00 | - | 22,800 | 0.00 | - | - |
| 8 | KSL Holding Pvt. Ltd. | 46,285,740 | 9.94 | - | 46,285,740 | 9.94 | - | - |
| 9 | Ajinkya Investment & Trading Company | 19,637,850 | 4.22 | - | 19,637,850 | 4.22 | - | - |
| 10 | Sundaram Trading and Investment Pvt. Ltd. | 55,160,174 | 11.85 | - | 55,240,174 | 11.86 | - | 0.01 |
| 11 | Kalyani Investment Company Limited | 63,312,190 | 13.60 | - | 63,312,190 | 13.60 | - | - |
| 12 | BF Investment Limited | 15,614,676 | 3.35 | - | 15,614,676 | 3.35 | - | - |
| 13 | Rajgad Trading Co. Pvt. Ltd. | 1,325,520 | 0.28 | - | 1,325,520 | 0.28 | - | - |
| 14 | Tanmarg Investment & Trading Pvt. Ltd. | 776,000 | 0.17 | - | 776,000 | 0.17 | - | - |
| 15 | Yusmarg Investment & Trading Pvt. Ltd. | 1,644,000 | 0.35 | - | 1,644,000 | 0.35 | - | - |
| 16 | Kalyani Consultants Pvt. Ltd. | 657,000 | 0.14 | - | 657,000 | 0.14 | - | - |
| 17 | Jannhavi Investment Pvt. Ltd. | 4,435,140 | 0.95 | - | 4,435,140 | 0.95 | - | - |
| 18 | Dronacharya Investment & Trading Pvt. Ltd. | 141,430 | 0.03 | - | 141,430 | 0.03 | - | - |
| 19 | Cornflower Investment & Finance Pvt. Ltd | 494,000 | 0.11 | - | 494,000 | 0.11 | - | - |

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (As on April 1, 2018) | | | Shareholding at the end of the year (As on March 31, 2019) | | | % change in shareholding during the year |
|---------|--------------------------------------------|--------------------------------------------------------------------|----------------------------------|-------------------------------------------------|---------------------------------------------------------------|----------------------------------|-------------------------------------------------|------------------------------------------|
| | | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of Shares Pledged/ encumbered to total shares | |
| 20 | Dandakaranya Investment & Trading Pvt. Ltd | 1,025,000 | 0.22 | - | 1,025,000 | 0.22 | - | - |
| 21 | Campanula Investment & Finance Pvt. Ltd. | 688,890 | 0.15 | - | 688,890 | 0.15 | - | - |
| 22 | Hastinapur Investment & Trading Pvt. Ltd. | 168,000 | 0.04 | - | 168,000 | 0.04 | - | - |
| | Total | 212,981,840 | 45.75 | - | 213,061,840 | 45.76 | - | 0.01 |

iii) Change in Promoters' Shareholding:

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | At the beginning of the year (As on April 1, 2018) | 212,981,840 | 45.75 | 212,981,840 | 45.75 |
| 2 | Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.): | | | | |
| 3 | Purchase of shares by Sundaram Trading and Investment Pvt. Ltd. on July 17, 2018 | 64,000 | 0.01 | 213,045,840 | 0.01 |
| 4 | Purchase of shares by Sundaram Trading and Investment Pvt. Ltd. on July 18, 2018 | 6,000 | 0.00 | 213,051,840 | 45.76 |
| 5 | Purchase of shares by Sundaram Trading and Investment Pvt. Ltd. on July 19, 2018 | 10,000 | 0.00 | 213,061,840 | 45.76 |
| | At the end of the year (As on March 31, 2019) | 213,061,840 | 45.76 | 213,061,840 | 45.76 |

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | At the beginning of the year (As on April 1, 2018) | 100 | 0.00 | 100 | 0.00 |
| 2 | Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.): Sale of shares by Mrs. Sulochana Kalyani | (100) | 0.00 | 0.00 | 0.00 |
| | At the end of the year (As on March 31, 2019) | 0.00 | 0.00 | 0.00 | 0.00 |

| Sr. No. | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | At the beginning of the year (As on April 1, 2018) | 78,050 | 0.02 | 78,050 | 0.02 |
| 2 | Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.): Purchase of shares by Mr. B. N. Kalyani | 100 | 0.00 | 78,150 | 0.02 |
| | At the end of the year (As on March 31, 2019) | 78,150 | 0.02 | 78,150 | 0.02 |

iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

| Sr. No. | For Each of the Top 10 Shareholders Name, Date & Reason of change | | Shareholding at the beginning of the year (01-04-2018) | | Cumulative Shareholding during the year | |
|----------|-------------------------------------------------------------------|-----------------|--------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Life Insurance Corporation of India Limited | | | | | |
| | As on 01.04.2018 | | | | 16,811,029 | 3.61 |
| Less | 06.04.2018 | Market Sale | (899,500) | -0.19 | 15,911,529 | 3.42 |
| Less | 13.04.2018 | Market Sale | (1,250,976) | -0.27 | 14,660,553 | 3.15 |
| Less | 20.04.2018 | Market Sale | (139,823) | -0.03 | 14,520,730 | 3.12 |
| Less | 07.09.2018 | Market Sale | (2,700) | 0.00 | 14,518,030 | 3.12 |
| Add | 23.11.2018 | Market Purchase | 243,500 | 0.05 | 14,761,530 | 3.17 |
| Add | 30.11.2018 | Market Purchase | 393,064 | 0.08 | 15,154,594 | 3.25 |
| Add | 07.12.2018 | Market Purchase | 367,892 | 0.08 | 15,522,486 | 3.33 |
| Add | 14.12.2018 | Market Purchase | 664,580 | 0.14 | 16,187,066 | 3.48 |
| Add | 21.12.2018 | Market Purchase | 147,000 | 0.03 | 16,334,066 | 3.51 |
| | As on 31.03.2019 | | | | 16,334,066 | 3.51 |
| 2 | Reliance Capital Trustee Co Limited | | | | | |
| | As on 01.04.2018 | | | | 12,089,194 | 2.60 |
| Add | 06.04.2018 | Market purchase | 202,433 | 0.04 | 12,291,627 | 2.64 |
| Less | 13.04.2018 | Market Sale | (818,000) | -0.18 | 11,473,627 | 2.46 |
| Add | 27.04.2018 | Market purchase | 100,000 | 0.02 | 11,573,627 | 2.49 |
| Less | 04.05.2018 | Market Sale | (285,901) | -0.06 | 11,287,726 | 2.42 |
| Less | 11.05.2018 | Market Sale | (254,099) | -0.05 | 11,033,627 | 2.37 |
| Less | 18.05.2018 | Market Sale | (227,000) | -0.05 | 10,806,627 | 2.32 |
| Add | 25.05.2018 | Market purchase | 300,000 | 0.06 | 11,106,627 | 2.39 |
| Add | 01.06.2018 | Market purchase | 100,000 | 0.02 | 11,206,627 | 2.41 |
| Add | 08.06.2018 | Market purchase | 262,700 | 0.06 | 11,469,327 | 2.46 |
| Less | 15.06.2018 | Market Sale | (100,000) | -0.02 | 11,369,327 | 2.44 |
| Add | 29.06.2018 | Market purchase | 60,000 | 0.01 | 11,429,327 | 2.45 |
| Add | 06.07.2018 | Market purchase | 150,000 | 0.03 | 11,579,327 | 2.49 |
| Add | 13.07.2018 | Market purchase | 25,000 | 0.01 | 11,604,327 | 2.49 |
| Add | 20.07.2018 | Market purchase | 65,000 | 0.01 | 11,669,327 | 2.51 |
| Add | 27.07.2018 | Market purchase | 25,000 | 0.01 | 11,694,327 | 2.51 |
| Add | 02.08.2018 | Market purchase | 885,500 | 0.19 | 12,579,827 | 2.70 |
| Add | 17.08.2018 | Market purchase | 540,000 | 0.12 | 13,119,827 | 2.82 |
| Add | 21.09.2018 | Market purchase | 179,800 | 0.04 | 13,299,627 | 2.86 |
| Less | 19.10.2018 | Market Sale | (720,000) | -0.15 | 12,579,627 | 2.70 |
| Less | 26.10.2018 | Market Sale | (423,000) | -0.09 | 12,156,627 | 2.61 |
| Less | 02.11.2018 | Market Sale | (468,000) | -0.10 | 11,688,627 | 2.51 |
| Less | 23.11.2018 | Market Sale | (90,000) | -0.02 | 11,598,627 | 2.49 |
| Add | 14.12.2018 | Market purchase | 100,000 | 0.02 | 11,698,627 | 2.51 |
| Add | 25.01.2019 | Market purchase | 100,000 | 0.02 | 11,798,627 | 2.53 |
| Add | 15.02.2019 | Market purchase | 180,000 | 0.04 | 11,978,627 | 2.57 |
| Add | 15.03.2019 | Market purchase | 500,000 | 0.11 | 12,478,627 | 2.68 |
| | As on 31.03.2019 | | | | 12,478,627 | 2.68 |
| 3 | Amansa Holdings Private Limited | | | | | |
| | As on 01.04.2018 | | | | 5,000,000 | 1.07 |
| Add | 25.05.2018 | Market Purchase | 83,949 | 0.018 | 5,083,949 | 1.09 |
| Add | 01.06.2018 | Market Purchase | 95,320 | 0.020 | 5,179,269 | 1.11 |
| Add | 22.06.2018 | Market Purchase | 311,507 | 0.067 | 5,490,776 | 1.18 |
| Add | 29.06.2018 | Market Purchase | 271,790 | 0.058 | 5,762,566 | 1.24 |
| Add | 20.07.2018 | Market Purchase | 267,333 | 0.057 | 6,029,899 | 1.30 |
| Add | 27.07.2018 | Market Purchase | 191,668 | 0.041 | 6,221,567 | 1.34 |
| Add | 12.10.2018 | Market Purchase | 477,388 | 0.103 | 6,698,955 | 1.44 |

| Sr. No. | For Each of the Top 10 Shareholders Name, Date & Reason of change | | Shareholding at the beginning of the year (01-04-2018) | | Cumulative Shareholding during the year | | |
|-------------------------|--------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|--|
| | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company | |
| Add | 19.10.2018 | Market Purchase | 191,000 | 0.041 | 6,889,955 | 1.48 | |
| Add | 26.10.2018 | Market Purchase | 238,750 | 0.051 | 7,128,705 | 1.53 | |
| Add | 07.12.2018 | Market Purchase | 712,500 | 0.153 | 7,841,205 | 1.68 | |
| Add | 14.12.2018 | Market Purchase | 909,940 | 0.195 | 8,751,145 | 1.88 | |
| Add | 11.01.2019 | Market Purchase | 1,157,701 | 0.249 | 9,908,846 | 2.13 | |
| Add | 18.01.2019 | Market Purchase | 16,150 | 0.003 | 9,924,996 | 2.13 | |
| Add | 01.02.2019 | Market Purchase | 222,574 | 0.048 | 10,147,570 | 2.18 | |
| Add | 22.02.2019 | Market Purchase | 75,000 | 0.016 | 10,222,570 | 2.20 | |
| As on 31.03.2019 | | | | | 10,222,570 | 2.20 | |
| 4 | Hermes Investment Funds PLC On Behalf Of Hermes Global Emerging Markets Funds | | | | | | |
| As on 01.04.2018 | | | | | 5,744,550 | 1.23 | |
| Add | 24.08.2018 | Market Purchase | 330,166 | 0.071 | 6,074,716 | 1.30 | |
| Add | 31.08.2018 | Market Purchase | 134,825 | 0.029 | 6,209,541 | 1.33 | |
| Add | 07.09.2018 | Market Purchase | 1,114,379 | 0.239 | 7,323,920 | 1.57 | |
| Less | 12.10.2018 | Market Sale | (976,070) | -0.210 | 6,347,850 | 1.36 | |
| Less | 02.11.2018 | Market Sale | (425,509) | -0.091 | 5,922,341 | 1.27 | |
| Less | 07.12.2018 | Market Sale | (475,787) | -0.102 | 5,446,554 | 1.17 | |
| Add | 01.03.2019 | Market Purchase | 318,810 | 0.068 | 5,765,364 | 1.24 | |
| As on 31.03.2019 | | | | | 5,765,364 | 1.24 | |
| 5 | Franklin Templeton Investment Funds | | | | | | |
| As on 01.04.2018 | | | | | 646,139 | 0.14 | |
| Add | 06.04.2018 | Market Purchase | 1,000,000 | 0.21 | 1,646,139 | 0.35 | |
| Add | 13.04.2018 | Market Purchase | 452,703 | 0.10 | 2,098,842 | 0.45 | |
| Add | 20.04.2018 | Market Purchase | 197,297 | 0.04 | 2,296,139 | 0.49 | |
| Add | 11.05.2018 | Market Purchase | 87,418 | 0.02 | 2,383,557 | 0.51 | |
| Add | 25.05.2018 | Market Purchase | 50,000 | 0.01 | 2,433,557 | 0.52 | |
| Add | 08.06.2018 | Market Purchase | 22,531 | 0.00 | 2,456,088 | 0.53 | |
| Add | 22.06.2018 | Market Purchase | 23,880 | 0.01 | 2,479,968 | 0.53 | |
| Add | 29.06.2018 | Market Purchase | 102,754 | 0.02 | 2,582,722 | 0.55 | |
| Add | 06.07.2018 | Market Purchase | 25,000 | 0.01 | 2,607,722 | 0.56 | |
| Less | 13.07.2018 | Market Sale | (6,062) | 0.00 | 2,601,660 | 0.56 | |
| Add | 20.07.2018 | Market Purchase | 111,656 | 0.02 | 2,713,316 | 0.58 | |
| Add | 27.07.2018 | Market Purchase | 60,766 | 0.01 | 2,774,082 | 0.60 | |
| Add | 02.08.2018 | Market Purchase | 54,762 | 0.01 | 2,828,844 | 0.61 | |
| Add | 17.08.2018 | Market Purchase | 5,156 | 0.00 | 2,834,000 | 0.61 | |
| Add | 24.08.2018 | Market Purchase | 125,000 | 0.03 | 2,959,000 | 0.64 | |
| Add | 31.08.2018 | Market Purchase | 31,301 | 0.01 | 2,990,301 | 0.64 | |
| Add | 07.09.2018 | Market Purchase | 26,000 | 0.01 | 3,016,301 | 0.65 | |
| Add | 14.09.2018 | Market Purchase | 124,000 | 0.03 | 3,140,301 | 0.67 | |
| Add | 21.09.2018 | Market Purchase | 150,000 | 0.03 | 3,290,301 | 0.71 | |
| Add | 29.09.2018 | Market Purchase | 159,172 | 0.03 | 3,449,473 | 0.74 | |
| Add | 05.10.2018 | Market Purchase | 282,049 | 0.06 | 3,731,522 | 0.80 | |
| Add | 12.10.2018 | Market Purchase | 375,437 | 0.08 | 4,106,959 | 0.88 | |
| Add | 19.10.2018 | Market Purchase | 125,079 | 0.03 | 4,232,038 | 0.91 | |
| Add | 26.10.2018 | Market Purchase | 25,346 | 0.01 | 4,257,384 | 0.91 | |
| Add | 02.11.2018 | Market Purchase | 3,708 | 0.00 | 4,261,092 | 0.92 | |
| Add | 16.11.2018 | Market Purchase | 10,367 | 0.00 | 4,271,459 | 0.92 | |
| Add | 23.11.2018 | Market Purchase | 15,820 | 0.00 | 4,287,279 | 0.92 | |
| Add | 30.11.2018 | Market Purchase | 95,594 | 0.02 | 4,382,873 | 0.94 | |
| Add | 07.12.2018 | Market Purchase | 159,172 | 0.03 | 4,542,045 | 0.98 | |
| Add | 14.12.2018 | Market Purchase | 46,834 | 0.01 | 4,588,879 | 0.99 | |

| Sr. No. | For Each of the Top 10 Shareholders Name, Date & Reason of change | | Shareholding at the beginning of the year (01-04-2018) | | Cumulative Shareholding during the year | |
|----------|-------------------------------------------------------------------|-----------------|--------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| Add | 21.12.2018 | Market Purchase | 190 | 0.00 | 4,589,069 | 0.99 |
| Add | 31.12.2018 | Market Purchase | 145,639 | 0.03 | 4,734,708 | 1.02 |
| Add | 04.01.2019 | Market Purchase | 200,171 | 0.04 | 4,934,879 | 1.06 |
| Add | 11.01.2019 | Market Purchase | 50,217 | 0.01 | 4,985,096 | 1.07 |
| Less | 18.01.2019 | Market Sale | (20,670) | 0.00 | 4,964,426 | 1.07 |
| Add | 25.01.2019 | Market Purchase | 28,854 | 0.01 | 4,993,280 | 1.07 |
| Add | 01.02.2019 | Market Purchase | 11,885 | 0.00 | 5,005,165 | 1.08 |
| Add | 08.02.2019 | Market Purchase | 37,851 | 0.01 | 5,043,016 | 1.08 |
| Add | 15.02.2019 | Market Purchase | 4,789 | 0.00 | 5,047,805 | 1.08 |
| Add | 22.02.2019 | Market Purchase | 69,394 | 0.01 | 5,117,199 | 1.10 |
| Less | 01.03.2019 | Market Sale | (3,034) | 0.00 | 5,114,165 | 1.10 |
| Add | 15.03.2019 | Market Purchase | 295 | 0.00 | 5,114,460 | 1.10 |
| Add | 30.03.2019 | Market Purchase | 185 | 0.00 | 5,114,645 | 1.10 |
| | As on 31.03.2019 | | | | 5,114,645 | 1.10 |
| 6 | Gagandeep Credit Capital Pvt. Ltd. | | | | | |
| | As on 01.04.2018 | | | | 4,069,964 | 0.87 |
| Add | 15.03.2019 | Market Purchase | 50,000 | 0.01 | 4,119,964 | 0.88 |
| | As on 31.03.2019 | | | | 4,119,964 | 0.88 |
| 7 | Aditya Birla Sun Life Trustee Private Limited | | | | | |
| | As on 01.04.2018 | | | | 2,432,000 | 0.52 |
| Add | 13.04.2018 | Market Purchase | 581,185 | 0.12 | 3,013,185 | 0.65 |
| Add | 27.04.2018 | Market Purchase | 209,200 | 0.04 | 3,222,385 | 0.69 |
| Add | 25.05.2018 | Market Purchase | 242,400 | 0.05 | 3,464,785 | 0.74 |
| Add | 08.06.2018 | Market Purchase | 100,000 | 0.02 | 3,564,785 | 0.77 |
| Add | 29.06.2018 | Market Purchase | 50,000 | 0.01 | 3,614,785 | 0.78 |
| Add | 29.09.2018 | Market Purchase | 200,000 | 0.04 | 3,814,785 | 0.82 |
| Less | 09.11.2018 | Market Sale | (3,000) | 0.00 | 3,811,785 | 0.82 |
| | As on 31.03.2019 | | | | 3,811,785 | 0.82 |
| 8 | Nemish S Shah | | | | | |
| | As on 01.04.2018 | | | | 3,600,000 | 0.77 |
| | As on 31.03.2019 | | | | 3,600,000 | 0.77 |
| 9 | The New India Assurance Company Limited | | | | | |
| | As on 01.04.2018 | | | | 3,495,625 | 0.75 |
| Less | 20.04.2018 | Market Sale | (88,381) | -0.02 | 3,407,244 | 0.73 |
| Less | 27.04.2018 | Market Sale | (111,619) | -0.02 | 3,295,625 | 0.71 |
| Less | 04.05.2018 | Market Sale | (8,000) | 0.00 | 3,287,625 | 0.71 |
| Less | 01.06.2018 | Market Sale | (12,500) | 0.00 | 3,275,125 | 0.70 |
| Less | 08.06.2018 | Market Sale | (27,677) | -0.01 | 3,247,448 | 0.70 |
| Less | 15.06.2018 | Market Sale | (2,323) | 0.00 | 3,245,125 | 0.70 |
| Less | 13.07.2018 | Market Sale | (40,000) | -0.01 | 3,205,125 | 0.69 |
| Less | 10.08.2018 | Market Sale | (8,000) | 0.00 | 3,197,125 | 0.69 |
| Less | 31.08.2018 | Market Sale | (20,418) | 0.00 | 3,176,707 | 0.68 |
| Less | 07.09.2018 | Market Sale | (1,582) | 0.00 | 3,175,125 | 0.68 |
| Add | 08.03.2019 | Market Purchase | 30,000 | 0.01 | 3,205,125 | 0.69 |
| Add | 15.03.2019 | Market Purchase | 50,000 | 0.01 | 3,255,125 | 0.70 |
| Add | 22.03.2019 | Market Purchase | 50,000 | 0.01 | 3,305,125 | 0.71 |
| Add | 30.03.2019 | Market Purchase | 20,000 | 0.00 | 3,325,125 | 0.71 |
| | As on 31.03.2019 | | | | 3,325,125 | 0.71 |

| Sr. No. | For Each of the Top 10 Shareholders Name, Date & Reason of change | | Shareholding at the beginning of the year (01-04-2018) | | Cumulative Shareholding during the year | |
|---------|---------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 10 | Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds | | | | | |
| | As on 01.04.2018 | | | | 3,455,904 | 0.74 |
| Less | 04.05.2018 | Market Sale | (6,100) | 0.00 | 3,449,804 | 0.74 |
| Less | 11.05.2018 | Market Sale | (5,795) | 0.00 | 3,444,009 | 0.74 |
| Less | 01.06.2018 | Market Sale | (4,575) | 0.00 | 3,439,434 | 0.74 |
| Less | 15.06.2018 | Market Sale | (4,575) | 0.00 | 3,434,859 | 0.74 |
| Less | 22.06.2018 | Market Sale | (123,824) | -0.03 | 3,311,035 | 0.71 |
| Less | 29.06.2018 | Market Sale | (37,818) | -0.01 | 3,273,217 | 0.70 |
| Less | 06.07.2018 | Market Sale | (15,471) | 0.00 | 3,257,746 | 0.70 |
| Less | 13.07.2018 | Market Sale | (24,639) | -0.01 | 3,233,107 | 0.69 |
| Add | 16.11.2018 | Market Purchase | (5,160) | 0.00 | 3,238,267 | 0.70 |
| Add | 23.11.2018 | Market Purchase | (13,416) | 0.00 | 3,251,683 | 0.70 |
| Add | 07.12.2018 | Market Purchase | 6,536 | 0.00 | 3,258,219 | 0.70 |
| Add | 21.12.2018 | Market Purchase | 18,576 | 0.00 | 3,276,795 | 0.70 |
| Less | 31.12.2018 | Market Sale | (144,590) | -0.03 | 3,132,205 | 0.67 |
| Add | 01.02.2019 | Market Purchase | 20,590 | 0.00 | 3,152,795 | 0.68 |
| Add | 08.02.2019 | Market Purchase | 64,555 | 0.01 | 3,217,350 | 0.69 |
| Add | 15.02.2019 | Market Purchase | 1,120 | 0.00 | 3,218,470 | 0.69 |
| Add | 30.03.2019 | Market Purchase | 8,165 | 0.00 | 3,226,635 | 0.69 |
| | As on 31.03.2019 | | | | 3,226,635 | 0.69 |

v) Shareholding of Directors and Key Managerial Personnel:

| Sr. No. | For Each of the Directors and KMP | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|-----------------------------------|-------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Mr. B. N. Kalyani | | | | |
| | As on 01.04.2018 | 78,050 | 0.02 | 78,050 | 0.02 |
| | As on 31.03.2019 | 78,150 | 0.02 | 78,150 | 0.02 |
| 2 | Mr. Amit B. Kalyani | | | | |
| | As on 01.04.2018 | 700,400 | 0.15 | 700,400 | 0.15 |
| | As on 31.03.2019 | 700,400 | 0.15 | 700,400 | 0.15 |
| 3 | Mr. P. H. Ravikumar | | | | |
| | As on 01.04.2018 | 5,500 | - | 6,625 | - |
| | As on 31.03.2019 | 5,500 | - | 6,625 | - |
| 4 | Mr. S. M. Thakore | | | | |
| | As on 01.04.2018 | 28,000 | 0.01 | 28,000 | 0.01 |
| | As on 31.03.2019 | 28,000 | 0.01 | 28,000 | 0.01 |
| 5 | Mr. G. K. Agarwal | | | | |
| | As on 01.04.2018 | 4,910 | - | 4,910 | - |
| | As on 31.03.2019 | 4,910 | - | 4,910 | - |
| 6 | Mr. B. P. Kalyani | | | | |
| | As on 01.04.2018 | 6,260 | - | 6,385 | - |
| | As on 31.03.2019 | 6,260 | - | 6,385 | - |
| 7. | Mr. Kishore Saletore | | | | |
| | As on 01.04.2018 | Nil | - | 900 | - |
| | As on 31.03.2019 | Nil | - | 900 | - |

Ms. Tejaswini Chaudhari, Company Secretary does not hold any shares of the Company at the beginning of the year as well as at the end of the year. She has neither acquired any shares nor sold any shares during the year under review.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(In ₹ Million)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|----------------------------------------------------------|----------------------------------------|--------------------|-------------|-----------------------|
| Indebtedness as at April 1, 2018 | | | | |
| i) Principal Amount | 4,721.76 | 20,375.69 | 0.04 | 25,097.49 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 3.71 | 53.40 | - | 57.11 |
| Total (i+ii+iii) | 4,725.47 | 20,429.09 | 0.04 | 25,154.60 |
| Change in Indebtedness during the financial year* | | | | |
| i) Addition | 2,363.65 | 9,381.98 | - | 11,745.63 |
| i) (Reduction) | (317.70) | (4,650.76) | - | (4,968.46) |
| Net Change | 2,045.95 | 4,731.22 | - | 6,777.17 |
| Indebtedness as at March 31, 2019 | | | | |
| i) Principal Amount | 6,768.15 | 25,122.93 | 0.04 | 31,891.12 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 3.27 | 37.38 | - | 40.65 |
| Total (i+ii+iii) | 6,771.42 | 25,160.31 | 0.04 | 31,931.77 |

*Includes exchange difference, repayment, prepaid expenses movement and interest movement.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and/or Manager

(In ₹ Million)

| Sr. No. | Particulars of Remuneration | Name of the Managing Director/Whole-time Director/Manager | | | | | | Total Amount |
|---------|------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------|----------------------|--------------------|--------------------|--------------------|-----------------|
| | | Mr. B. N. Kalyani* | Mr. G. K. Agarwal | Mr. Amit B. Kalyani* | Mr. B. P. Kalyani | Mr. S. E. Tandale | Mr. K. M. Saletore | |
| | | Chairman and Managing Director | Deputy Managing Director | Executive Director | Executive Director | Executive Director | Executive Director | |
| 1 | Gross Salary | | | | | | | |
| | a. Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 77.26 | 32.98 | 32.83 | 18.25 | 20.13 | 16.16 | 197.61 |
| | b. Value of perquisites under Section 17(2) Income-tax Act, 1961 | 7.51 | 3.11 | 3.11 | 1.34 | 1.44 | 0.81 | 17.32 |
| | c. Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | | | | |
| 2 | Stock Option | - | - | - | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - | - | - | - |
| 4 | Commission: | 110.00 | 23.00 | 24.00 | 28.25 | 28.75 | 21.00 | 235.00 |
| | - As a % of Net Profit | 1.03% | 0.21% | 0.22% | 0.26% | 0.27% | 0.20% | 2.19% |
| | - others, specify | | | | | | | |
| 5 | Others, please specify | | | | | | | |
| | Total A | 194.77 | 59.09 | 59.94 | 47.84 | 50.32 | 37.97 | 449.93 |
| | Ceiling as per the Act | | | | | | | 1,535.19 |

* Mr. B. N. Kalyani and Mr. Amit B. Kalyani received Director Fees of GBP 100,000 from Bharat Forge International Limited, U.K., for financial year 2018-19.

B. Remuneration to other Director

(In ₹ Million)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | | | | | Total Amount |
|------------------------------------------------|-------------------------------------------------------|-------------------|-----------------|----------------------|---------------------|------------------|------------------|--------------------|---------------------|---------------|
| | | Mr. S. M. Thakore | Mr. P. G. Pawar | Mrs. Lalita D. Gupte | Mr. P. H. Ravikumar | Mr. Naresh Narad | Dr. T. Mukherjee | Mr. Vimal Bhandari | Mr. P. C. Bhalerao* | |
| 1 | Independent Directors / other non-executive Directors | | | | | | | | | |
| | - Fee for attending board /committee meetings | 0.53 | 0.62 | 0.22 | 0.50 | 0.15 | 0.23 | 0.27 | 0.63 | 3.15 |
| | - Commission | 1.10 | 1.30 | 0.45 | 1.00 | 0.30 | 0.40 | 0.60 | 1.30 | 6.45 |
| | - Others, please specify | | | | | | | | | |
| Total B | | 1.63 | 1.92 | 0.67 | 1.50 | 0.45 | 0.63 | 0.87 | 1.93 | 9.60 |
| Total Managerial Remuneration (A) + (B) | | | | | | | | | | 459.53 |
| Overall ceiling as per the Act | | | | | | | | | | 153.51 |

* Non-Executive Director

C. Remuneration to Key Managerial Personnel other than the Managing Director/Whole-time Director/Manager

(In ₹ Million)

| Sr. No. | Particulars of Remuneration | Key Managerial Personnel | | Total Amount |
|--------------|---------------------------------------------------------------------------------|--------------------------|-------------------------|--------------|
| | | Mr. K. M. Saletore* | Ms. Tejaswini Chaudhari | |
| 1 | Gross Salary | | | |
| a. | Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | - | 2.80 | 2.80 |
| b. | Value of perquisites under Section 17(2) of the Income-tax Act, 1961 | - | 0.03 | 0.03 |
| c. | Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961 | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission: | - | - | - |
| | - As a % of Net Profit | - | - | - |
| | - others, specify | - | - | - |
| 5 | Others, please specify | - | - | - |
| Total | | - | 2.83 | 2.83 |

* For Salary details of Mr. Kishore Saletore, please refer to point No. VI(A) hereinabove.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ punishment/ compounding fees imposed | Authority (RD/ NCLT/ COURT) | Appeal made, if any (give details) |
|-------------------------------------|------------------------------|-------------------|----------------------------------------------------------|-----------------------------|------------------------------------|
| A. Company | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| B. Directors | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |
| C. Other Officers in default | | | | | |
| Penalty | Nil | Nil | Nil | Nil | Nil |
| Punishment | Nil | Nil | Nil | Nil | Nil |
| Compounding | Nil | Nil | Nil | Nil | Nil |

Annexure "D"

**RATIO OF REMUNERATION OF EACH DIRECTOR TO THE MEDIAN
REMUNERATION OF THE EMPLOYEES OF THE COMPANY**

| Sr. No. | Name of the Director | Designation | Ratio of remuneration of each director to the median remuneration of the employees of the Company | % Increase/(decrease) in the Remuneration |
|---------|-------------------------|--------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------------|
| 1 | Mr. B.N. Kalyani | Chairman and Managing Director | 268.93 | 25.43 |
| 2 | Mr. S.M. Thakore | Independent Director | 2.32 | (2.90) |
| 3 | Mr. P.G. Pawar | Independent Director | 2.45 | (10.13) |
| 4 | Mr. P.C. Bhalerao | Non-Executive Director | 2.59 | (5.06) |
| 5 | Mrs. Lalita D. Gupte | Independent Director | 0.93 | 0.00 |
| 6 | Mr. P.H. Ravikumar | Independent Director | 2.00 | 20.83 |
| 7 | Mr. Naresh Narad* | Independent Director | 0.62 | (30.77) |
| 8 | Dr. T. Mukherjee* | Independent Director | 0.97 | 7.69 |
| 9 | Mr. G.K. Agarwal | Deputy Managing Director | 78.91 | 22.47 |
| 10 | Mr. Amit B. Kalyani | Executive Director | 78.70 | 22.41 |
| 11 | Mr. B.P. Kalyani | Executive Director | 58.17 | 22.44 |
| 12 | Mr. S.E. Tandale | Executive Director | 61.60 | 22.50 |
| 13 | Mr. Vimal Bhandari | Independent Director | 1.07 | (13.89) |
| 14 | Mr. Kishore Saletore | Executive Director and CFO | 47.92 | 32.41 |
| 15 | Ms. Tejaswini Chaudhari | Company Secretary | NA | 15.16 |

* Note: Mr. Naresh Narad and Dr. T. Mukherjee, Independent Directors retired with effect from end of the day of March 31, 2019

Annexure "E"

Statement under Section 197 (12) of the Companies Act, 2013, read with the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019

Employed throughout the year and were in receipt of remuneration at the rate of not less than ₹ 10,20,000/- (Rupees One Crore Two Lakhs only) per annum (if employed for a part of the financial year, was in receipt of remuneration for any part of that year, then ₹ 850,000/- (Rupees Eight Lakhs Fifty Thousand only) per month)

| Sr. No. | Name of the employee | Designation | Remuneration received (₹) | Nature of employment | Qualification | Experience in Years | Date of commencement of employment | Age | Last Employment | Percentage of equity shares held |
|---------|-----------------------------|---------------------------------------------------|---------------------------|----------------------|--------------------------------------------------|---------------------|------------------------------------|-----|----------------------------------------------------|----------------------------------|
| 1. | Mr. B. N. Kalyani | Chairman and Managing Director | 194,566,075 | Permanent Employee | B.E. (Mech.) (Hons), MS (M.I.T.) | 47 | 01.04.1972 | 70 | - | 0.0168 |
| 2. | Mr. Amit B. Kalyani | Executive Director | 56,935,824 | Permanent Employee | B.E.(M) | 20 | 24.10.1999 | 44 | Carpenter Technology | 0.1504 |
| 3. | Mr. G.K. Agarwal | Deputy Managing Director | 57,088,418 | Permanent Employee | B.E.(Mech.), M.B.A., | 46 | 01.11.1976 | 68 | Guest Keen Williams Ltd. Howrah | 0.0011 |
| 4. | Mr. B.P. Kalyani | Executive Director | 42,086,519 | Permanent Employee | B.E.(P), MBA, MS | 37 | 02.08.1982 | 57 | - | 0.0013 |
| 5. | Mr. S.E. Tandale | Executive Director | 44,567,781 | Permanent Employee | B.E.(M) | 28 | 01.08.1991 | 51 | - | 0.0000 |
| 6. | Mr. K. M. Saleatore | Executive Director and CFO | 34,669,532 | Permanent Employee | B.Com., C.A., PGDM | 31 | 18.11.2011 | 53 | Tata Realty & Infrastructure Ltd. | 0.0000 |
| 7. | Mr. D.R. Moorthy | President Corporate Affairs and Infrastructure | 18,280,167 | Permanent Employee | B.Sc., LL.B. | 43 | 29.04.1987 | 68 | Buckau Wolf India Ltd., Pune | 0.0004 |
| 8. | Mr. M. U. Takale | Executive Vice President and Director Engineering | 20,088,973 | Permanent Employee | B.E.(Mech.), MBA, MS | 37 | 02.11.1982 | 58 | - | 0.0011 |
| 9. | Mr. R. S. Bhatia | President and CEO (I/C Defence Products) | 22,911,746 | Permanent Employee | B.E.(Civil), PGDBA (Symbiosis), MMS | 45 | 03.05.2010 | 64 | Larsen & Toubro Ltd., Powai, Mumbai | 0.0000 |
| 10. | Mr. Krishnakumar Srinivasan | President, Strategic Business | 36,333,081 | Permanent Employee | B.E.(Mech.)/ MBA | 32 | 02.03.2017 | 53 | Eaton Industrial Systems Pvt. Ltd., China | 0.0000 |
| 11. | Mr. S.B. Pustake | President, CAM- Baramati | 17,817,297 | Permanent Employee | B.E. (Met) | 39 | 09.04.2009 | 62 | Head Forging Unit, SEFORGE Ltd., Vadodara, Gujarat | 0.0000 |
| 12. | Mr. V. M. Munje | President-Corporate & Group General Counsel | 12,511,942 | Permanent Employee | B.Com., LL.B., F.C.S., Dip in IPR (WIPO, Geneva) | 25 | 25.07.2011 | 49 | Tata Group, Corporate | 0.0000 |
| 13. | Dr. S. V. Bhawe | Director (HR&IR) | 11,086,206 | Permanent Employee | M.P.M., LL.B., L.L.M., Ph.D. | 40 | 06.03.2006 | 65 | Emcure Pharmaceuticals Ltd., Pune | 0.0000 |

Notes:

1. Remuneration shown above includes Salary, Company's contribution towards Provident Fund and Superannuation Scheme, Allowances, Perquisites, Commission but excludes Gratuity unless paid/payable.
2. The nature of employment in case of Chairman and Managing Director, Deputy Managing Director and Executive Directors is contractual and terms of remuneration are governed under the Board and Members' resolution.
3. None of the above Employee/Directors is related to any of the Directors, except Mr. B. N. Kalyani who is a father of Mr. Amit B. Kalyani, Executive Director and Mr. Amit B. Kalyani who is a son of Mr. B. N. Kalyani, Chairman and Managing Director of the Company.
4. Experience includes number of years of service elsewhere, wherever applicable.
5. Mr. B. N. Kalyani and Mr. Amit Kalyani have received Director Fees of GBP 100,000 each from Bharat Forge International Limited, U. K., for the financial year 2018-19.

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

and

[Pursuant to Regulation 24A of SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015]

To,
The Members,
Bharat Forge Limited
Mundhwa, Pune Cantonment,
Pune- 411036

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bharat Forge Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2009 (as applicable till 8th November 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 effective from 09th November, 2018 **(not applicable to the Company during the Audit Period)**;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(not applicable to the Company during the Audit Period)**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(not applicable to the Company during the Audit Period)**;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 – The in-house Investor Services Centre of the Company, registered with SEBI as a Category II Share Transfer Agent, provides share registration and related services;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) (Amendment) Regulations, 2016 **(not applicable to the Company during the Audit Period)**; and
- (h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 as applicable till 10th September, 2018 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 effective from 11th September, 2018 **(not applicable to the Company during the Audit Period)**.
- (vi) We further report that having regards to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, no other law was applicable specifically to the Company.

We have also examined compliance with the applicable clauses and regulations of the following:

- (i) Secretarial Standards issued by 'The Institute of Company Secretaries of India'; and
- (ii) The Listing Agreement entered into by the Company with Stock Exchanges pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period,

1. The Company has entered into an Investment Agreement on 11th June, 2018 with Tevva Motor (Jersey) Limited (TEVVA), Bharat Forge International Limited, UK (a wholly-owned subsidiary of the Company) and existing shareholders of TEVVA. Pursuant to the said Agreement, the Company has acquired 34.53% and Bharat Forge International Limited, UK has acquired 0.73% stake in TEVVA, aggregating to combined stake of 35.26%.
2. BF-NTPC Energy Systems Limited, a 51:49 Joint Venture Company between Bharat Forge Limited and NTPC Limited, has initiated a voluntary liquidation process under Insolvency and Bankruptcy Code, 2016 read with the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process) Regulations, 2017.

Place: Pune

Date: May 20, 2019

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No: 1321
C P No: 965

Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

'ANNEXURE A'

To,
Members,
Bharat Forge Limited
Mundhwa, Pune Cantonment,
Pune- 411036

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: May 20, 2019

For **SVD & Associates**
Company Secretaries

S. V. Deulkar
Partner
FCS No: 1321
C P No: 965

Annexure "G"

ANNUAL REPORT ON CSR ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

The Board of Directors at its meeting held on May 27, 2014 have adopted the Corporate Social Responsibility ("CSR") policy of the Company. Eligible funds for CSR activities in each financial year will be expended in the areas of social development that would include Village Development (works on 5 major indicators - Water harvesting, livelihood, health, education and internal roads), primary, secondary and tertiary education for the underprivileged children, skills development, health & hygiene, cleanliness, Swachh Bharat, women empowerment, sustainability, environment and ecological protection and encouragement to nationally recognized sports through one or more implementing agencies/trusts. These CSR activities will be carried out through various programmes or projects as specified in the CSR Policy of the Company. The CSR policy of the Company has been displayed on the Company's website at the link: <http://bharatforge.com/images/PDFs/policies/BFL%20CSR%20Policy-Signed.pdf>

Details of expenditure on CSR activities are as follows:

(In ₹ Million)

| | |
|-------------------------------------------------------------------------------------------------------------|----------|
| Average net profit of the Company for the last three financial years i.e.2016–2017, 2017–2018 and 2018–2019 | 7,878.84 |
| Prescribed CSR expenditure (2% of the average net profit computed above) | 157.58 |
| Total amount spent on CSR activities for the financial year 2018–19 | 107.63 |
| Amount unspent, if any | 49.99 |

Explanation for unspent amount:

The Company has incrementally added scale, increased scope and coverage of CSR projects. We spend the amount on the CSR projects as per the completion stages and desired results based on the requirement of the projects undertaken by the Company. Last year the Company had invested ₹ 21.33 Million, more than the stipulated amount on CSR projects.

During the year 2018-19, the Company has undertaken new villages under village development program with the existing villages. The needs of the villages have been assessed. The development programmes of these villages are under initial stages and will require more funds during the financial year 2019-20. Under skill development programme, the Company has developed industry specific course in collaboration with Government of Maharashtra in the year 2018-19. The assigned amount for the project i.e. fees of the training provider organization, stipend of the students etc. will be spent during the financial year 2019-20. CSR resources are deployed and project spend will be increased gradually over a period of time. Your Company continues to assess the project that benefits communities for the long term.

Manner in which amount spent in the financial year 2018-19 is detailed below:

(In ₹ Million)

| Sr. No. | CSR Projects/ Activities identified | Sector in which the Project is covered | Projects or programs 1. Local area or others 2. Specify the state and district where projects was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads | Cumulative expenditure up to the reporting period | Amount spent Direct or through implementing agency |
|---------|------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------------|
| 1 | (i) Akutai Kalyani Charitable Trust | Education | Pune, Maharashtra | - | - | 403.45 | Through implementing agency, however we are also personally monitoring the project |
| | (ii) Pratham Education Foundation | | Pune, Maharashtra | 4.73 | 4.73 | 17.32 | |
| | (iii) Pradnya Vikas Program – Jnana Prabodhini | | Pune, Maharashtra | 1.05 | 0.87 | 4.35 | |

(In ₹ Million)

| Sr. No. | CSR Projects/ Activities identified | Sector in which the Project is covered | Projects or programs 1. Local area or others 2. Specify the state and district where projects was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads | Cumulative expenditure up to the reporting period | Amount spent Direct or through implementing agency |
|---------|--------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------------------|
| | (iv) Various Educational Initiatives - Sponsorship to Vidyarthi Sahayak Samiti, Nanhi Kali, Katalyst | | Pune, Maharashtra | 1.46 | 1.46 | 6.81 | |
| | (v) Construction of toilets under Mission Sanitation of School [working with total 28 schools in & around Pune] | | Pune, Maharashtra | 5.11 | 3.78 | 16.35 | Directly |
| 2 | Infrastructural Development Changing Gears Finishing School] ITI, Khed, Bhore & Malegaon | Skill Development | | 0.10 | 0.01 | 0.08 | Directly |
| | | Employment enhancing vocational skills development | Pune, Maharashtra | 10.61 | 6.71 | 27.63 | Directly |
| 3 | Training Program for ITI Instructors from Pune | | | | | | |
| | Community development center | Community Development & Women Empowerment | Pune, Maharashtra | 0.70 | 0.35 | 2.84 | Directly |
| | Anubhav Shala (Khelghar) | Community Development | Pune, Maharashtra | 0.85 | 0.75 | 1.68 | Directly |
| 4 | Health check-up camps, Awareness Camps for women, children & Sr. Citizens | Healthcare | Pune, Maharashtra | 1.02 | 0.58 | 1.14 | Directly |
| 5 | Village Development Working in 5 District - on 5 major Indicators - Water, Livelihood, Health, Education & Internal Road | Village Development | Pune, Satara, Kolhapur, Ahmednagar & Solapur from Maharashtra | 97.52 | 63.03 | 72.03 | Directly |
| 6 | Jalyukta Shivar Abhiyan | | Maharashtra | - | - | 16.20 | |
| 7 | Waste Management Project & Swachha Bharat Abhiyaan (Dept. CSR) | Environmental sustainability | Pune, Maharashtra | 0.60 | 0.26 | 1.02 | Directly |
| | Rain water Harvesting | | | - | - | 0.12 | |
| | Landscaping and Tree Planation at Keshavnagar | | | - | - | 1.43 | |
| | Tree Plantation | | Pune, Maharashtra | 2.74 | 2.54 | 2.54 | Directly |
| | Swachhata Hi Seva Campaign | | | 5.00 | 5.25 | 5.25 | |
| 8 | Lakshya - Sports initiatives | Promotion of Sports | Pune, Maharashtra | 3.19 | 2.14 | 10.87 | Through implementing agency, however, we are monitoring the project |
| 9 | Queen Mary's Technical Institute (QMTI) for Disabled Soldiers | Benefit for armed forces | Pune, Maharashtra | 0.36 | 0.19 | 1.08 | Directly |
| 10 | Sponsorship of CSR Projects | | | | | | |
| | 2016-17 | | | - | - | 2.10 | Indirect |
| | 2017-18 | | | - | - | 23.30 | |
| | following expenses for 2018-19 | | | | | | |
| | First Global India - Robotic Olympic | - | Pune, Maharashtra | 0.50 | 0.50 | 0.50 | Indirect |
| | Ruby Hall Clinic- USG Robotic arietta - Medical equipments | - | Pune, Maharashtra | 4.40 | 4.40 | 4.40 | |
| | Sponsorship for Indian School of Business [ISB] - 1st year | - | Pune, Maharashtra | 1.00 | 1.00 | 1.00 | |
| | Pune International Film Festival 2018 | - | Pune, Maharashtra | 2.00 | 2.00 | 2.00 | |

(In ₹ Million)

| Sr. No. | CSR Projects/ Activities identified | Sector in which the Project is covered | Projects or programs 1. Local area or others 2. Specify the state and district where projects was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: 1) Direct expenditure on projects or programs. 2) Overheads | Cumulative expenditure up to the reporting period | Amount spent Direct or through implementing agency |
|---------------------|------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------|
| | Water coolers with filters - 2 to Anushri English Medium School, Lonikand, Pune | | Pune, Maharashtra | 0.10 | 0.10 | 0.10 | |
| | Provided inverter for Hadapsar Traffic Police station | | Pune, Maharashtra | 0.02 | 0.02 | 0.02 | |
| | The CSR Way to SDG's - CII CSR-CSO Bridge 2018 | | Pune, Maharashtra | 0.10 | 0.10 | 0.10 | |
| | Medical help to Mrs. Hemavati Kachi to conserve her child by IV F method | | Pune, Maharashtra | 0.30 | 0.30 | 0.30 | |
| | Allocation of CSR fund for Ghorpadi gaon area of Ward No. VII of Pune - Bachat gat under women empowerment | | Pune, Maharashtra | 0.19 | 0.19 | 0.19 | |
| | Provided 'Khekada Type Jammer + Pad lock given to traffic Police, Pune | | Pune, Maharashtra | 0.39 | 0.39 | 0.39 | |
| | Sponsorship for 2 students for 2 years (ref. K Subhash) | | Pune, Maharashtra | 0.28 | 0.28 | 0.28 | |
| | Support to 'Vedha Padasala' - Old Age Home (Chennai) | | Hyderabad, Telangana | 0.50 | 0.50 | 0.50 | |
| | Payment to Support 'Roti Foundation, Mumbai' to provide Meals to children | - | Mumbai, Maharashtra | 0.50 | 0.50 | 0.50 | |
| | Providing Support to 'Annamrita Foundation' to provide Mid-Day Meal to school Children | - | Pune, Maharashtra | 0.50 | 0.50 | 0.50 | |
| | Lt. Gen. S K Singh (Retd.) for CSR Initiatives | | Pune, Maharashtra | 3.20 | 3.20 | 3.20 | |
| 11 | Other incidental expenditure (Overhead) | - | - | 0.36 | 0.36 | 1.61 | Directly |
| 12 | Staff cost | - | - | 0.65 | 0.65 | 3.19 | |
| Total Amount | | | | 150.04 | 107.63 | 636.37 | |

The Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

B. N. KALYANI
Chairman and Managing Director

P. G. PAWAR
Chairman, CSR Committee

Information as per Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 forming part of the Directors' Report for the year ended March 31, 2019

A. CONSERVATION OF ENERGY

I. Steps taken for Conservation of Energy:

- Use of new generation Burners and new re-generative furnaces.
- Use of LED Lamps.
- Use of natural gas instead of oil.
- On-line energy management system.
- Use of pyro bloc for furnace insulation.

II. Steps taken for utilising alternate source of energy:

- Use of power from wind

III. The Capital investment on energy conservation equipment:

Total investment committed for energy conservation is ₹ 374 Million which is being implemented progressively and will be completed during the current financial year. This will result in substantial savings.

B. TECHNOLOGY ABSORPTION:

I. Efforts made towards technology absorption:

- Additive manufacturing for metals.
- Development of precision forging (Near net shape forging).
- Development of Aerospace forgings for structural parts.
- Technology development for cold and precision forging.
- Development of forging parts for hybrid vehicle.
- Development of parts for electric vehicles through economical manufacturing process.
- Development of near net shape components for differential gear box.
- Development of Aluminum forgings for MPVs.
- Development of gear box assembly for large vehicles.
- Development of Planet carrier assembly for HCVs.
- Design of Remote Control Weapon System (RCWS).
- Design and development of Unmanned Ground Vehicles (UGV's).
- Design and development of Unmanned Aerial Vehicles (UAV's).
- In house capability development of pulsed plasma Nitriding of hot forging dies.
- Vibratory stress relieving technology development for die manufacturing cost and cycle time reduction.
- Design and development of hot forging process for Titanium Gas Bottle on forging press.
- Development of corrosion lab in KCTI for corrosion testing of various materials upto 10000C.
- E-mobility research and development centre setup in MIRA technology park, UK.

Technical Papers:

Following technical papers were published and presented at various International conferences:

1. Experimental characterization of laser cladding of Stellite 21 on H13 tool steel. (International Conference on Electron Beam Technologies EBT 2018, Varna, Bulgaria).
2. Elasto-Plastic Stress Analysis Methodology Establishment for Forging Dies. (2018- 9th International Conference on Mechanical and Aerospace Engineering).
3. Cylindrical Grinding Performance Evaluation. (2018-9th International Conference on Mechanical and Aerospace Engineering).
4. Effect of Sulphur Content on Fatigue Strength & Fracture Toughness of SAE 4140 Steel. (18th International Conference on New Trends in Fatigue and Fracture).
5. Cohesive zone model (CZM) for crack growth and damage analysis in microalloyed steel (38MnVS6). (New trends in fatigue and fracture - NT2F18, Lisbon – Portugal).
6. An investigation of performance of spray formed H13 tool steel. (Structural Integrity Conference & Exhibition (SICE - 2018)).
7. Effect of Temperature & cooling rates on $\alpha+\beta$ morphology of Ti6Al4V Alloy. (Structural Integrity Conference & Exhibition (SICE - 2018)).
8. Evaluation of Effect of Nitro – Carburizing on Performance of L6 Die Steel considering Thermal Fatigue and Low Cycle Fatigue Testing. (5th International conference on material science & smart materials (MSSM 2018)).
9. Electron beam surface hardening of aisi h13 tool steel. (MSSM2018, International conference on material science & smart materials).
10. Simulation of Die Heating for Forging Dies by Electric Heating Process. (MSSM2018, International conference on material science & smart materials).
11. Influence of residual stress due to shot peening. (MSSM2018, International conference on material science & smart materials).
12. Effect of Ni to Cu ratio on formation of oxide scale at high temperature. (Journal of Nanoscience & Nanotechnology Research (2018) (Vol.2 No.1:3 ISSN: 2471-9838)).
13. Microstructural Behavior of Ti6Al4V during Room Temperature deformation. (Journal of Nanoscience & Nanotechnology Research (2018) (Vol.2 No.1:1 ISSN: 2471-9838)).
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17. Analysis of strengthening mechanisms in plastically deformed Al6082 alloy. (NMD-ATM 2018).
18. Comparative study of mechanical properties of two micro alloyed steel. (NMD-ATM 2018).
19. Effect of billet manufacturing process on the fatigue strength of forged component. (NMD-ATM 2018).
20. Hot deformation behavior of super-alloys. (NMD-ATM 2018).
21. Comparison of Subcritical and Inter-critical annealing for spheroidization treatment. (NMD-ATM-2018).
22. Effect of Subcritical Annealing on Microstructure & Mechanical properties of Cold forged AISI 1552H steel. (NMD-ATM-2018).
23. Overview of Failure Modes of Pseudo Compositionally Graded Thermal Barrier Coatings and Remedies for Augmenting the Service Life of the Coated. (Journal Publication: American Scientific Publishers – ‘Material Focus’ Journal).
24. Analytical Modelling of Temperature in Cylindrical Grinding to Predict Grinding Burns. (International Journal of Precision Engineering and Manufacturing).
25. Understanding flow behavior and microstructure evolution during thermomechanical processing of mill annealed Ti-6Al-4V titanium alloy, 2019. (Materials Performance and Characterization).
26. Hot deformation behavior of Ti-6Al-4V alloy with a transformed microstructure: a multimodal. (Philosophical Magazine) <https://doi.org/10.1080/14786435.2019.1584409>.

27. Flow stress constitutive relationship between lamellar and equiaxed microstructure during hot deformation of Ti-6Al-4V. (J. Mater. Processing Tech., vol. 270 216-227).

IP Generation:

During the year 9 (Nine) patents were filed.

II. The benefits derived like product improvement, cost reduction, product development, and import substitution:

- Lightweight products with better strength to weight ratio.
- New processes developed.
- First time Quality with reduced development cycle time for new part development.
- Improved die life.
- Customer satisfaction.

III. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year):

| Details of Technology Imported (product) | Year of import | Has technology been fully absorbed | If not fully absorbed, areas where absorption has not taken place and the reasons thereof |
|-------------------------------------------|----------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Technology development on precision gears | 2013 | Completed | Technology established. |
| Additive manufacturing with metals | 2014 | Completed | Technology established. |
| Electron Beam Welding | 2015 | Completed | Electron beam welding for two parts have been established. |
| Metal Injection Molding | 2015 | Completed | Technology has been commercialized for several domestic and international components. Technology development for new components is under progress. |
| Unmanned Ground Vehicles (UGV's) | 2016 | In Progress | First prototype has been developed and tested by Indian Army. Based on Army's comments, further development to first prototype is in progress and second prototype developments are also in progress. |
| Unmanned Aerial Vehicles (UAV's) | 2018 | In Progress | Indigenous development of UAV – 1 prototype has been developed and development of Quad copters is under progress. |
| Electromagnetic Railgun | 2018 | In Progress | Design of 1st prototype has been developed and improvements in design are in progress. |

IV. Expenditure on Research and Development:

| | | In ₹ Million |
|---------|-------------------------------------------------------|--------------|
| Sr. No. | Particulars | Amount |
| i) | Capital | 65.51 |
| ii) | Recurring | 482.00 |
| iii) | Total R&D expenditure | 547.51 |
| iv) | Total Income | 66,860.07 |
| v) | Total R&D expenditure as a percentage of total income | 0.82% |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- I. Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans:
 - i. Company has made continuous significant inroads into the Passenger Car segment by ramping existing orders and getting new business awards from global OEMs.
 - ii. In its efforts towards broadening product portfolio, Company has entered into new area – Aerospace.
- II. Total foreign exchange earnings and outgo for the financial year is as follows:
 - i. Total Foreign Exchange earnings: ₹ 37,442.53 Million
 - ii. Total Foreign Exchange outgo: ₹ 7,518.37 Million