



BHARAT FORGE

TURN YOUR FACE INTO THE SUN AND
THE SHADOWS FALL BEHIND YOU

08-09
48TH ANNUAL REPORT

CORPORATE GOVERNANCE

OVERVIEW

Bharat Forge believes that it is imperative and non-negotiable for a world-class company to adopt transparent accounting policies, appropriate disclosure norms, best-in-class board practices and consistently high standards of corporate conduct towards its stakeholders.

Bharat Forge has consistently aimed at developing and internalising such policies and implementing best-in-class actions that make it a good model of corporate governance. To that effect, Bharat Forge has adopted practices mandated in Clause 49 of listing agreement and has established procedures and systems to be fully compliant with it.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders' Information, reports Bharat Forge's compliance with Clause 49.

BOARD OF DIRECTORS

COMPOSITION OF THE BOARD

As on 31 March 2009, Bharat Forge's Board comprised Fourteen Directors. The Board consists of the Seven Executive Directors (including Chairman and Managing Director, who is a promoter Director) and Seven non-executive Directors, Six of whom are independent. Details are given in Table 1.

NUMBER OF BOARD MEETINGS

In 2008-09, the Board of the company met 6 (six) times on 20 May 2008, 31 July 2008, 25 October 2008, 27 December, 2008, 9 January, 2009 and 22 January 2009. The maximum gap between any two Board meetings was less than four months.

DIRECTORS' ATTENDANCE RECORD AND DIRECTORSHIPS

Table 1: Details of Composition of the Board of Directors, Directors' Attendance Record and Directorships

Name of the Director	Category	Attendance Particulars			No. of other Directorships and Committee Memberships / Chairmanships in other Indian public companies		
		Number of Board Meetings		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
		Held	Attended				
Mr. B.N. Kalyani (Chairman and Managing Director)	Promoter, Executive & Managing Director	6	6	Yes	13	2	2
Mr. P.H. Ravikumar * (Nominee of ICICI Bank Ltd.)	Independent	6	3	Yes	4	1	1
Mr. S.S. Marathe(Late) **	Independent	2	2	Yes	9	8	1
Mr. S.M. Thakore	Independent	6	3	No	3	NIL	1
Mr. S.D. Kulkarni	Independent	6	4	Yes	3	2	1
Mr. P.G. Pawar	Independent	6	5	No	6	1	NIL
Dr. Uwe Loos	Independent	6	3	Yes	NIL	NIL	NIL
Mr. P.C. Bhalerao	Non-Executive	6	5	Yes	5	NIL	NIL
Mrs. Lalita D. Gupte	Independent	6	2	Yes	5	4	NIL
Mr. Alan Spencer	Independent	6	4	Yes	NIL	NIL	NIL
Mr. G.K. Agarwal	Executive	6	6	Yes	1	NIL	NIL
Mr. Amit B. Kalyani	Executive	6	6	No	13	4	NIL
Mr. B.P. Kalyani	Executive	6	6	Yes	1	NIL	NIL
Mr. S.E. Tandale	Executive	6	5	Yes	NIL	NIL	NIL
Mr. P.K. Maheshwari	Executive	6	6	Yes	3	NIL	2
Mr. Sunil K. Chaturvedi	Executive	6	5	Yes	1	NIL	NIL

Notes:

* Mr. P. H. Ravikumar, Nominee Director of ICICI Bank Limited, resigned and ceased to be Director w.e.f. 26 March 2009, his nomination having been withdrawn by ICICI Bank Limited. He was subsequently appointed as Independent Director w.e.f. 20 May 2009.

**Expired on 28 September, 2008.

As detailed in the table above, none of the Directors is a member of more than Ten Board-level Committees of public companies in which they are Directors, nor is chairman of more than five such Committees.

As mandated by Clause 49, the independent Directors on Bharat Forge's Board:

Apart from receiving Director's remuneration, do not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director.

Are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.

Have not been an executive of the company in the immediately preceding three financial years.

Are not partners or executives or were not partners or executives during the preceding three years of the:

- a) Statutory audit firm or the internal audit firm that is associated with the company.
- b) Legal firm(s) and consulting firm(s) that have a material association with the company.

Are not material suppliers, service providers or customers or lessors or lessees of the company, which may affect independence of the Director.

Are not substantial shareholders of the company i.e. do not own two percent or more of the block of voting shares.

Is not less than 21 years of age.

INFORMATION SUPPLIED TO THE BOARD

Among others, information supplied to the Board includes:

Annual operating plans & budgets and any update thereof.

Capital budgets and any updates thereof.

Quarterly results for the company and operating divisions and business segments.

Minutes of the meetings of the Audit Committee and other Committees of the Board.

Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary.

Materially important show cause, demand, prosecution notices and penalty notices.

Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

Any material default in financial obligations to and by the company, or substantial non-payment for goods sold by the company.

Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.

Details of any joint venture or collaboration agreement.

Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.

Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.

Sale of material nature of investments, subsidiaries, assets which is not in the normal course of business.

Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

The Board of Bharat Forge is presented with detailed notes along with the agenda papers well in advance of the meeting. The Board periodically reviews compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

DIRECTORS WITH MATERIALLY PECUNIARY OR BUSINESS RELATIONSHIP WITH THE COMPANY

There has been no materially relevant pecuniary transaction or relationship between Bharat Forge and its non-executive and/or independent Directors during the year 2008-09.

REMUNERATION OF DIRECTORS
Table 2: Remuneration paid or payable to Directors for the year ended 31 March 2009 and relationship with each other

Name of the Director	Relationship with other Directors*	Sitting Fees** (in Rs.)	Salary and Perquisites (in Rs.)	Provident Fund and Superannuation Fund (in Rs.)	Commission*** (in Rs.)	Total **** (in Rs.)
Mr. B.N. Kalyani (Chairman and Managing Director)	Father of Mr. Amit B. Kalyani	NA	25,764,729	5,453,652	15,000,000	46,218,381
Mr. P.H. Ravikumar (Nominee of ICICI Bank Ltd.)	None	30,000	NA	NA	400,000	430,000
Mr. S.S. Marathe*****	None	55,000	NA	NA	400,000	455,000
Mr. S.M. Thakore	None	25,000	NA	NA	500,000	525,000
Mr. S.D. Kulkarni	None	50,000	NA	NA	650,000	700,000
Mr. P.G. Pawar	None	50,000	NA	NA	500,000	550,000
Dr. Uwe Loos	None	15,000	NA	NA	300,000	315,000
Mr. P.C. Bhalariao	None	45,000	NA	NA	500,000	545,000
Mrs. Lalita D. Gupte	None	10,000	NA	NA	450,000	460,000
Mr. Alan Spencer	None	20,000	NA	NA	300,000	320,000
Mr. G.K. Agarwal	None	NA	12,297,032	2,268,000	4,750,000	19,315,032
Mr. Amit B. Kalyani	Son of Mr. B.N. Kalyani	NA	8,809,676	1,620,000	4,750,000	15,179,676
Mr. B.P. Kalyani	None	NA	4,311,435	786,919	3,000,000	8,098,354
Mr. S.E. Tandale	None	NA	4,618,817	786,919	4,500,000	9,905,736
Mr. P.K. Maheshwari	None	NA	4,843,688	867,919	3,000,000	8,711,607
Mr. Sunil K. Chaturvedi	None	NA	8,638,010	1,402,258	4,000,000	14,040,268

Notes:

* Determined on the basis of criteria of Section 6 of the Companies Act, 1956.

** Sitting fees include payment for Board-level Committee meetings.

*** Commission proposed and payable after approval of accounts by shareholders in the AGM.

**** Payments to Non-Executive Directors are decided based on multiple criteria of seniority/experience, number of years on the Board, Board/Committee meetings attended, the number of Committees of which he is a member or the Chairman and other relevant factors.

***** Expired on 28 September, 2008.

CODE OF CONDUCT

The Board of Bharat Forge has laid down a code of conduct for all Board members and Senior Management of the company. The code of conduct is available on the website of the company: www.bharatforge.com. All Board members and Senior Management personnel have affirmed compliance with the Code of Conduct. The Managing Director has also confirmed and certified the same to the Board of Directors.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

As on 31 March 2009, the Audit Committee of Bharat Forge consisted of Mr. P. G. Pawar (Chairman), independent Director; Mr S.D. Kulkarni, independent Director; Mr S.M. Thakore, independent Director and Mr. P.C. Bhalerao, Non-executive Director. All members of the Audit Committee have accounting and financial management expertise. Annual General Meeting (AGM) held on 6 August 2008 was attended by then Chairman of the Committee, Mr. S.S. Marathe to answer shareholders' queries.

The Committee met 5 (five) times during the year on 20 May 2008, 31 July 2008, 25 October 2008 , 22 January 2009 and 25 March 2009.

Table 3: Attendance record of Audit Committee members for 2008-09

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. S.S. Marathe *	Independent	Chairman	2	2
Mr. P.H. Ravikumar (Nominee of ICICI Bank Ltd.)	Independent	Member	5	3
Mr. P.G. Pawar **	Independent	Chairman	5	5
Mr. S.D. Kulkarni	Independent	Member	5	3
Mr. S.M. Thakore ***	Independent	Member	2	2
Mr. P. C. Bhalerao	Non-executive	Member	2	1

* Expired on 28 September 2008.

** Appointed as Chairman of the Audit Committee w.e.f. 25 October 2008 in place of Mr. S.S. Marathe.

*** Appointed as Member of Audit Committee w.e.f. 22 January 2009.

The Director responsible for the finance function, the head of internal audit and the representative of the statutory auditors and internal auditors are regularly invited to the Audit Committee meetings. Mr. Beejal Desai Sr. Vice President (Legal) & Company Secretary, is the Secretary to the Committee.

The functions of the Audit Committee of the company include the following:

Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- b) Changes, if any, in accounting policies and practices and reasons for the same.
- c) Major accounting entries involving estimates based on the exercise of judgment by management.
- d) Significant adjustments made in the financial statements arising out of audit findings.
- e) Compliance with listing and other legal requirements relating to financial statements.
- f) Disclosure of any related party transactions.
- g) Qualifications in the draft audit report.

Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

Discussion with internal auditors on any significant findings and follow up thereon.

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors and

Reviewing any changes in the accounting policies or practices as compared to the last completed financial year and commenting on any deviation from the Accounting Standards.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- a) Investigate any activity within its terms of reference and to seek any information it requires from any employee and
- b) Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

Management discussion and analysis of financial condition and results of operations.

Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.

Management letters / letters of internal control weaknesses issued by the statutory auditors.

Internal audit reports relating to internal control weaknesses.

The appointment, removal and terms of remuneration of the chief internal auditor.

Whenever applicable, the uses/applications of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc.) as part of the quarterly declaration of financial results and

If applicable, on an annual basis, statement certified by the statutory auditors, detailing the use of funds raised through public issues, rights issues, preferential issues for purposes other than those stated in the offer document/prospectus/ notice.

In addition, the Audit Committee of the company is also empowered to review the financial statements, in particular, the investments made by the unlisted subsidiary companies, in view of the requirements under Clause 49.

The Audit Committee is also apprised on information with regard to related party transactions by being presented:

A statement in summary form of transactions with related parties in the ordinary course of business.

Details of material individual transactions with related parties which are not in the normal course of business and

Details of material individual transactions with related parties or others, which are not on an arm's length basis along with management's justification for the same.

SHAREHOLDERS'/INVESTORS' GRIEVANCES COMMITTEE

The Committee specifically looks into redressing complaints of shareholders and investors such as transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends and interest on matured debentures. The Committee comprises three members; Mr. S.D. Kulkarni (Chairman), independent Director; Mr. B.N. Kalyani (Managing Director) and Mr. P.C. Bhalerao (non-executive Director). The Committee met twice during the year on 25 October 2008 and 9 January 2009. Table 4 below gives the details of attendance.

Table 4: Attendance record of Shareholders'/Investors' Grievances Committee for 2008-09

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. S.D. Kulkarni	Independent	Chairman	2	2
Mr. B.N. Kalyani (Chairman and Managing Director)	Promoter, Executive	Member	2	2
Mr. P.C. Bhalerao	Non-Executive	Member	2	2

REMUNERATION COMMITTEE

Bharat Forge does not have a Remuneration Committee. The Board determines commission payable to Directors. Commission to Non-Executive Directors and performance related bonus to Chairman and Managing Director and Executive Directors, paid in the form of commission, is disclosed in Table 2. Detailed terms of appointment of the Chairman and Managing Director and the Executive Directors are governed by Board and shareholders' resolutions.

SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS

Table 5: Details of the shares and convertible instruments* held by the Non-Executive Directors as on 31 March 2009

Name of the Director	Category	Number of shares held
Mr. P.H. Ravikumar (Nominee of ICICI Bank Ltd.)	Independent	2,000
Mr. S.S. Marathe	Independent	1,895
Mr. S.M. Thakore	Independent	24,650
Mr. S.D. Kulkarni	Independent	2,740
Mr. P.G. Pawar	Independent	NIL
Dr. Uwe Loos	Independent	NIL
Mr. P.C. Bhalerao	Non-executive	NIL
Mrs. Lalita D. Gupte	Independent	NIL
Mr. Alan Spencer	Independent	NIL

Note:

* None of the Non-Executive Directors hold any Convertible Instruments as of 31 March 2009.

SUBSIDIARY COMPANIES

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. While Bharat Forge has three direct subsidiaries, two of them are registered outside India and one is in India whose turnover does not exceed the prescribed limit. Thus, these subsidiaries are out of the scope of the above definition.

Though the subsidiaries of the Company are not covered under Clause 49, as explained above, appropriate details of these subsidiaries are reported elsewhere in the Management Discussion and Analysis.

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

This annual report has a detailed chapter on Management Discussion and Analysis.

DISCLOSURES BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

Bharat Forge has followed the guidelines of Accounting Standards as prescribed under the Companies Accounting Standard Amendment Rules, 2006.

CODE FOR PREVENTION OF INSIDER-TRADING PRACTICES

In compliance with the SEBI regulation on prevention of insider trading, the company has instituted a comprehensive code of conduct for its management staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violations.

CEO/ CFO CERTIFICATION

The CEO and CFO certification of the financial statements for the year is enclosed at the end of the report.

SHAREHOLDERS

APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS

Seeking re-appointment at the ensuing Annual General Meeting:

Mr. B.P. Kalyani
Mr. S.E. Tandale
Mr. P.K. Maheshwari
MR. S.M. Thakore

Seeking appointment by shareholders at the ensuing Annual General Meeting:

Mr. P.H. Ravikumar

MR. B.P. KALYANI

Mr. B.P. Kalyani (46) is Executive Director of the Company. He holds B.E. (Prod. Engg.), M.S. (Mech. Engg.), M.B.A. degrees. He is responsible for Close Die Forge Division (CDFD).

OTHER DIRECTORSHIPS

Mr. B.P. Kalyani is also Director on the Board of Directors of Kalyani Utilities Development Ltd.

COMMITTEE MEMBERSHIPS - NIL

Mr. B.P. Kalyani holds 3 130 Equity Shares of Rs.2/- each of the Company. Mr. B.P. Kalyani is not related to any Director.

MR. S.E. TANDALE

Mr. S.E. Tandale (40) is the Executive Director of the Company. He holds B.E. (Mech.) Degree. He is responsible for the International Business of the Company.

OTHER DIRECTORSHIPS

Mr. S.E. Tandale is also Director on the Board of Directors of the Subsidiaries of the Company viz; Bharat Forge America Inc., Bharat Forge Kilsta AB, Bharat Forge Scottish Stampings Ltd., FAW Bharat Forge (Changchun) Co. Ltd. and Tecnica UK Ltd.

COMMITTEE MEMBERSHIPS - NIL

Mr. S.E. Tandale does not hold Equity Shares of the Company. Mr. S.E. Tandale is not related to any Director.

MR. P.K. MAHESHWARI

Mr. P.K. Maheshwari (48) is the Executive Director of the Company. He holds B.Com., C.A., PGDM Degrees. His responsibilities include Strategic

financing, Mergers & Acquisitions, Handling of JV relationships etc.

OTHER DIRECTORSHIPS

Mr. P.K. Maheshwari is also Director on the Board of Directors of Nandi Highway Developers Ltd., Nandi Economic Corridor Enterprises Ltd., Nandi Infrastructure Corridor Enterprises Ltd., and Subsidiaries of the Company viz; CDP Bharat Forge GmbH, Bharat Forge Aluminiumtechnik GmbH & Co. KG, Bharat Forge Hong Kong Ltd., Bharat Forge America Inc., Bharat Forge Kilsta AB, Bharat Forge Scottish Stampings Ltd., FAW Bharat Forge (Changchun) Company Ltd. and Bharat Forge Daun GmbH.

COMMITTEE MEMBERSHIPS

Chairman & Member of Finance & Audit Committee of Nandi Economic Corridor Enterprises Ltd. and Chairman & Member of Finance & Audit Committee of Nandi Infrastructure Corridor Enterprises Ltd.

Mr. P.K. Maheshwari does not hold Equity Shares of the Company. Mr. P.K. Maheshwari is not related to any Director.

MR. S.M. THAKORE

Mr. S.M. Thakore (61) a Solicitor, is a partner of the law firm 'Talwar, Thakore & Associates'. Mr. Thakore is an Independent Director of the Company.

OTHER DIRECTORSHIPS

Mr. Thakore is also Director on the Board of Directors of Alkyl Amines Chemicals Ltd., Carraro India Ltd., Morarjee Textiles Ltd., Carraro PNH Components (India) Pvt. Ltd., Uni Deritend Ltd., Uni Klinger Ltd. and Carborundum Universal Limited.

COMMITTEE MEMBERSHIPS

Chairman of Share Transfer & Investor Grievance Committee of Alkyl Amines

Chemicals Ltd. and (member) of Audit Committee.

Mr. S.M. Thakore holds 24,650 Equity Shares of Rs.2/- each of the Company. Mr. S.M. Thakore is not related to any Director.

MR. P.H. RAVIKUMAR

Mr. P.H. Ravikumar (57) is B.Com. and CAIIB, AIB from London. He has also done a Senior Diploma in French. He has total work experience of 36 years in Banking and financial services.

OTHER DIRECTORSHIPS

Federal Bank Ltd., Fedbank Financial Services Ltd., Eveready Industries India Ltd., Akruiti City Ltd. and United Stock Exchange of India Ltd.

COMMITTEE MEMBERSHIPS

Federal Bank Ltd. (Chairman – Audit Committee), Eveready Industries India Ltd. (Chairman – Audit Committee), Akruiti City Ltd. (Member – Audit Committee)

Mr. P.H. Ravikumar holds 2000 Equity Shares of Rs.2/- each of the Company.

Mr. P.H. Ravikumar is not related to any Director.

***Note:**

As per clause 49 of the Listing Agreement, Membership / Chairmanship of only Audit Committee and Shareholders' Grievance Committee has been considered.

COMMUNICATION TO SHAREHOLDERS

Bharat Forge puts forth vital information about the company and its performance, including quarterly results, official news releases and communication to investors and analysts, on its website: www.bharatforge.com regularly for the benefit of the public at large.

During the year, the quarterly results of the company's performance have been published in leading newspapers such as The Economic Times (All Editions) / Business Standard (All Editions), Times of India (All editions), and Loksatta, Pune, in Marathi as appropriate from time to time.

INVESTOR GRIEVANCES

The company has constituted a Shareholders'/ Investors' Grievances Committee for redressing shareholders and investors complaints. The status on complaints is reported to the Board of Directors as an agenda item. Details are given in the section on shareholder information. Mr. Beejal Desai Sr. Vice President (Legal) & Company Secretary is the Compliance Officer.

SHARE TRANSFER

There is an Executive Committee of the Board which meets generally twice a month to look after share transfers. All share transfer work is carried out in-house by the Secretarial Department and there are no Registrars and Share Transfer Agents.

DETAILS OF NON-COMPLIANCE

Bharat Forge has complied with all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last three years.

GENERAL BODY MEETINGS

Table 6: Details of last three Annual General Meetings

Financial year	Date	Time	Venue	Special Resolutions Passed
2005-06	29 July 2006	10.00 A.M.	Regd. office of the Company	None
2006-07	24 July 2007	10.00 A.M.	Regd. office of the Company	None
2007-08	6 August 2008	1.30 P.M.	Regd. office of the Company	1 *

*Under section 81 of the Companies Act, 1956 to create, issue, offer and allot Non-convertible debentures secured or unsecured with detachable warrants convertible into equity share of the Company on Rights basis to the shareholders.

COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company is fully compliant with the applicable mandatory requirements of the Clause 49 except the composition of Board of Directors. It has not adopted any non-mandatory requirements.

ADDITIONAL SHAREHOLDER INFORMATION**ANNUAL GENERAL MEETING**

Date: 24 July 2009

Time: 10.00 a.m.

Venue: Registered office of the Company, Mundhwa, Pune Cantonment, Pune 411 036, Maharashtra, India.

FINANCIAL CALENDAR

1 April to 31 March.

For the year ended 31 March 2009, results were announced on:

31 July 2008 : First quarter

25 October 2008 : Half yearly

22 January 2009 : Third quarter

20 May 2009 : Annual

BOOK CLOSURE

The books will be closed from 18 July 2009 to 24 July 2009 as annual closure for the Annual General Meeting.

DIVIDEND DATE

The Board has recommended a Dividend of Rs. 1 per equity share of Rs. 2/- each (50%) for the year ended 31 March 2009 and would be payable on and from 10 August 2009.

LISTING

Equity Shares of Bharat Forge are listed on the Pune Stock Exchange Limited, Pune, Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

The GDRs and Tranche 1 and Tranche 2 FCCBs of Bharat Forge aggregating to USD 220 million issued in April 2005 are listed on Luxembourg Stock Exchange.

USD 79.90 million 'zero coupon' Tranche A and Tranche B FCCBs, issued in April 2006 are listed on the Singapore Exchange Limited (SGX-ST).

STOCK CODES

Reuters: BSE : BFRG.BO

NSE: BFRG.NS

NSE: BHARATFORG

BSE: 500493

Code for Luxembourg Stock Exchange for:

GDRs 021752568

Tranche 1 Bond 021733946

Tranche 2 Bond 021734004

Code for Singapore Exchange Limited (SGX-ST) for:

Tranche A Bond 025180267

Tranche B Bond 025180321

STOCK DATA

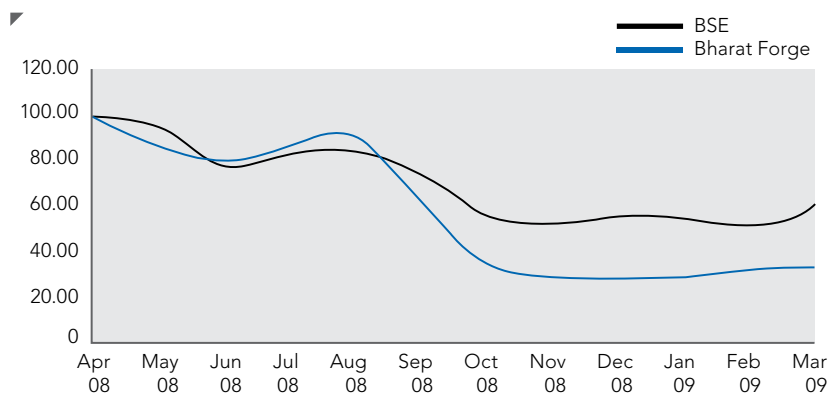
Table 7 below gives the monthly high and low prices and volumes of Bharat Forge Ltd. (Bharat Forge) Equity Shares at Bombay Stock Exchange Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE) for the year 2008-09.

Table 7: High and Low Prices and Trading Volumes at the BSE and NSE

Month	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High (Rs.)	Low (Rs.)	Volume (Nos.)
Apr-08	306.40	260.00	1081007	306.90	265.50	3326167
May-08	317.85	254.30	1420017	317.70	255.00	4172880
Jun-08	270.90	227.00	1015055	283.85	229.00	3809944
Jul-08	262.50	215.05	846235	263.25	215.40	3496648
Aug-08	282.90	243.50	1367907	282.50	250.00	4158039
Sep-08	275.00	180.25	1873939	274.00	180.05	6000427
Oct-08	189.00	82.20	2421622	189.40	83.00	6768389
Nov-08	118.00	85.00	2728809	117.40	85.25	13407785
Dec-08	96.40	78.00	6045243	96.50	78.00	14447414
Jan-09	97.90	69.15	4980603	97.95	69.55	13406926
Feb-09	95.00	76.30	3198191	95.90	76.55	3139135
Mar-09	107.15	73.60	3080316	108.80	73.60	8211286

STOCK PERFORMANCE
Chart A: Adjusted closing share prices of Bharat Forge versus BSE Sensex for the year ended 31 March 2009

Chart A: Bharat Forge's Share Performance versus BSE Sensex



Note: Share prices of Bharat Forge and BSE Sensex have been indexed to 100 as on first working day of financial year 2008-09 i.e. 1 April 2008.

SHARE TRANSFER AGENTS AND SHARE TRANSFER AND DEMAT SYSTEM

Bharat Forge has no share transfer agents. Securities of the Company are transferred in-house by the Secretarial Department of the company. Bharat Forge's equity shares are traded in the stock exchanges compulsorily in Demat mode. The Board's Executive Committee meets twice a month for dealing with matters concerning securities of the company.

In compliance with the SEBI circular dated 27 December 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point. Bharat Forge has established direct connections with CDSL and NSDL, the two depositories. As such, the share registry work relating to both physical and electronic mode is being handled by the Secretarial Department of the company.

Table 8: Number and nature of complaints received and redressed during the year 2008-09

Nature of complaint	No. of complaints received	No. of complaints redressed
Non-receipt of shares against warrant conversion	NIL	NIL
Short receipt of shares against warrant conversion	NIL	NIL
Non-receipt of shares lodged for transfer	NIL	NIL
Non-receipt of Dividend	1	1
Non-receipt of Sub-divided Shares	NIL	NIL

SHAREHOLDING PATTERN

Table 9: Pattern of shareholding by ownership as on 31 March 2009

Category	No. of shares held	Shareholding %
Promoters	97,908,905	43.97%
Financial Institutions	12,410,185	5.57%
Mutual Funds (including Unit Trust of India)	10,012,932	4.50%
Insurance Companies	10,701,336	4.81%
Nationalised Banks	627,956	0.28%
Foreign Institutional Investors	19,430,612	8.73%
Bodies Corporate	23,964,060	10.76%
Non Resident Indians	580,719	0.26%
Foreign Nationals (including Foreign Banks and Foreign Corporate Bodies)	47,757	0.02%
Indian Public	46,967,809	21.10%
Total	222,652,271	100.00%

SHARE TRANSFER AGENTS AND SHARE TRANSFER AND DEMAT SYSTEM (cont.)
Table 10: Pattern of shareholding by share class as on 31 March 2009

Shareholding class	Number of shareholders	Number of shares held	Shareholding %
Up to 2,500	69,345	13,472,755	6.05%
2,501 to 5,000	1,229	4,350,214	1.95%
5,001 to 10,000	550	3,870,472	1.74%
10,001 to 15,000	139	1,691,862	0.76%
15,001 to 20,000	86	1,514,146	0.68%
20,001 to 25,000	45	1,016,780	0.46%
25,001 to 50,000	79	2,746,528	1.23%
50,001 and above	182	193,989,514	87.13%
Total	71,655	222,652,271	100.00%

DEMATERIALISATION

The Company's Equity Shares are under compulsory demat trading. As on 31 March 2009, dematerialised shares accounted for 59.73% of total Equity.

DETAILS OF PUBLIC FUNDING OBTAINED IN THE LAST THREE YEARS AND ITS IMPLICATIONS ON PAID UP EQUITY SHARE CAPITAL. (Please refer to Table 11 on the next page)

On 12 April 2006, 389,610 Equity Shares of Rs.2 each were issued and allotted on conversion of 3,000, 0.5% FCCBs (Tranche 1) out of 60,000 FCCBs of USD 1,000 each which were issued on 19 April 2005. As a result, the paid up Equity Share Capital increased to 222,652,271 equity shares of Rs.2 each, aggregating to Rs.445,304,542.

Out of total of 120,000, 0.5% FCCBs of USD 1,000 each, which were issued on 19 April 2005, 43,500, 0.5% FCCBs (Tranche 1) and 60,000, 0.5% FCCBs (Tranche 2) aggregating to 103,500, 0.5% FCCBs were outstanding as on 31 March 2009.

On 28 April 2006, 400 Zero Coupon FCCB Tranche A and 399 Zero Coupon FCCB Tranche B of USD 100,000 each were issued aggregating to USD 79.90 million which were outstanding as on 31 March 2009.

Table 11: Details of public funding obtained in the last three years and its implication on paid up Equity Share Capital

Financial Year	Amount Raised through Public Funding	*Effect on Paid up Equity Share Capital
2006-07	1. Conversion of 3,000 FCCBs of USD 1,000 each of 0.5 % Tranche 1 series into fully paid Equity Shares. (Amount Raised NIL) 2. USD 79.90 Million Zero Coupon FCCB Tranche A and Tranche B	1. Paid up Equity Share Capital increased to Rs.445.30 Million 2. NIL
2007-08	NIL	NIL
2008-09	NIL	NIL

* Details are given in the previous paragraphs.

PLANT LOCATIONS

Mundhwa, Pune Cantonment, Pune – 411 036

Gat No.635, Kuruli Village, Chakan, Tal- Khed, District Pune – 410 501

Opposite Jarandeshwar Railway Station, Post - Vadhuth, District Satara – 415 011

Kusumbe, Jalgaon-Ajantha Road, Jalgaon – 425 003

Tandulwadi & Wanjarwadi, Tal. Baramati, Dist. Pune – 413 206

INVESTOR CORRESPONDENCE ADDRESS

Secretarial Department, Bharat Forge Ltd., Mundhwa, Pune Cantonment,
Pune - 411 036 Maharashtra, India

Phones : +91.20.2670 2777, 2670 2476

Fax : +91.20.2682 2163

Email : secretarial@bharatforge.com

TO THE MEMBERS OF BHARAT FORGE LIMITED
CERTIFICATE BY THE AUDITORS
ON CORPORATE GOVERNANCE

We have reviewed the records concerning the Company's compliance of the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges of India for the financial year ended on March 31, 2009.

The compliance of conditions of corporate governance is the responsibility of the management. Our review was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the corporate governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

We have conducted our review on the basis of the relevant records and documents maintained by the Company and furnished to us for examination and the information and explanations given to us by the Company.

Based on such a review, and to the best of our information and according to the explanations given to us, in our opinion, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the Stock Exchanges of India except that the composition of independent directors has fallen below 50% on account of demise of one of the directors during the year.

We further state that such compliance is neither an assurance as to the future viability of the Company nor to the efficiency with which the management has conducted the affairs of the Company.

For and on behalf of
Dalal & Shah
Chartered Accountants

Anish Amin
Partner
Membership No. 40451

Pune: 20 May, 2009

TO THE BOARD OF DIRECTORS OF BHARAT FORGE LIMITED
CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND
CHIEF FINANCIAL OFFICER OF THE COMPANY

We, the undersigned, in our respective capacities as Chairman and Managing Director and Chief Financial Officer, of Bharat Forge Limited, ("the Company") to the best of our knowledge and belief, certify that:

a) We have reviewed financial statements and the cash flow statement for the year 2008-09 and that to the best of our knowledge and belief:

- i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2008-09 which are fraudulent, illegal or violative of the company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee;

- i) significant changes in internal control over financial reporting during the year;
- ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii) instances of significant fraud of which we are aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

S.G.JOGLEKAR
Chief Financial officer

B.N. KALYANI
Chairman & Managing Director

Pune: 20 May, 2009