

# Report On Corporate Governance

## I. Corporate Governance Philosophy

Bharat Forge believes that effective Corporate Governance Practices constitute a strong foundation on which successful commercial enterprises are built to last. Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Our practices are considered as a good model for Corporate Governance as it establishes procedures and systems to be fully compliant with the statutory requirements. Periodic review of the procedures and systems are done in order to ensure continued relevance, effectiveness and responsiveness to the needs of the Shareholders.

The Company discloses information regarding its financial position, performance and other vital matters with transparency, fairness and accountability on a timely basis. The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as applicable and the same is disclosed in this Report.

## II. Board of Directors

### Composition of Board

The Company's policy is to maintain an optimum combination of Executive and Non-Executive Directors. As on March 31, 2020, Bharat Forge Board comprised of 14 (Fourteen) Directors. The Board consists of 6 (Six) Executive Directors (including Chairman and Managing Director, who is a Promoter Director) and 8 (Eight) Non-Executive Directors, 7 (Seven) of whom are Independent Directors. The composition of Board is in conformity with Regulation 17 of Listing Regulations. Details of the composition of the Board of Directors is given in **Table 1**.

### Confirmation from Directors

All the Directors on the Board of the Company have confirmed that they are not debarred or disqualified from being appointed or continuing to act as Directors of the Company in terms of any order of the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority/ies.

All Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations read with Section 149(6) of the Companies Act, 2013 ("The Act") along with rules framed thereunder. In terms of Regulation 25(8) of Listing Regulations, they have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties as Independent Directors. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management and the Company.

### Number of Board Meetings

In financial year 2019-2020, the Board of the Company met 5 (Five) times on May 20, 2019, June 21, 2019, August 13, 2019, November 8, 2019 and February 10, 2020. The maximum gap between two Board Meetings was 94 (Ninety-four) days and minimum time gap was of 32 (Thirty-two) days.

### Information Supplied to the Board

The Company provides information as set-out in Regulation 17 read with Part A of Schedule II of Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective Meetings or by way of presentations and discussions during the Meetings. In special and exceptional circumstances, additional or supplementary items on the agenda are

permitted with the consent of all the Independent Directors. The Board periodically reviews compliance reports of laws applicable to the Company, prepared and placed before the Board by the Management.

### Directors' Attendance Record and Directorships

The name and categories of the Directors on the Board, their attendance at the Board Meetings held during the year 2019-2020, the last Annual General Meeting held on Tuesday, August 13, 2019 and the number of Directorships and Committee Chairmanships/Memberships held by each one of them in other Indian Public Limited Companies as on March 31, 2020, are given herein below:

**Table 1: Composition of the Board of Directors etc. for the year 2019-2020**

Name of the Director	Category	Attendance Particulars			No. of Directorships and Committee Memberships/Chairmanships in Indian Companies as on March 31, 2020*			Directorship in other listed entity (Category of Directorship)
		Number of Board Meetings		Last AGM	Number of Directorship(s) held in Indian Companies including the Company	Committee Memberships held in Indian Public Ltd. Companies including the Company	Committee Chairmanships held in Indian Public Ltd. Companies including the Company	
		Held	Attended					
Mr. B. N. Kalyani (Chairman and Managing Director)	Executive	5	4	Yes	9	3	-	1. Hikal Limited (Non-Independent, Non-Executive) 2. Kalyani Steels Limited (Non-Independent, Non-Executive) 3. BF Utilities Limited (Non-Independent, Non-Executive) 4. Automotive Axles Limited (Non-Independent, Non-Executive)
Mr. S. M. Thakore	Independent	5	5	Yes	8	8	1	1. Prism Johnson Limited (Independent, Non-Executive) 2. Sharda Cropchem Limited (Independent, Non-Executive) 3. Alkyl Amines Chemicals Limited (Independent, Non-Executive)
Mr. P. G. Pawar	Independent	5	4	Yes	14	4	3	1. Finolex Cables Limited (Independent, Non-Executive) 2. Force Motors Limited (Independent, Non-Executive)
Mr. P. C. Bhalerao	Non-Executive	5	4	No	1	2	1	--

Name of the Director	Category	Attendance Particulars			No. of Directorships and Committee Memberships/Chairmanships in Indian Companies as on March 31, 2020*			Directorship in other listed entity (Category of Directorship)
		Number of Board Meetings		Last AGM	Number of Directorship(s) held in Indian Companies including the Company	Committee Memberships held in Indian Public Ltd. Companies including the Company	Committee Chairmanships held in Indian Public Ltd. Companies including the Company	
		Held	Attended					
Mrs. Lalita D. Gupte	Independent	5	5	Yes	6	7	2	<ol style="list-style-type: none"> <li>1. Vedanta Limited (Independent, Non-Executive)</li> <li>2. TVS Motor Company Limited (Independent, Non-Executive)</li> <li>3. ICICI Lombard General Insurance Company Limited (Independent, Non-Executive)</li> <li>4. Godrej Properties Limited (Independent, Non-Executive)</li> <li>5. India Infradebt Limited (Independent, Non-Executive)</li> </ol>
Mr. P. H. Ravikumar	Independent	5	5	Yes	13	7	2	<ol style="list-style-type: none"> <li>1. Aditya Birla Capital Limited (Independent, Non-Executive)</li> <li>2. Escorts Limited (Independent, Non-Executive)</li> </ol>
Mr. Dipak Mane**	Independent	5	3	Yes	2	-	-	--
Mr. Murali Sivaraman**	Independent	5	3	Yes	3	3	1	<ol style="list-style-type: none"> <li>1. Huhtamaki PPL Limited (Independent, Non-Executive)</li> <li>2. ICICI Lombard General Insurance Company Limited (Additional Director) Independent, Non-Executive,</li> </ol>
Mr. Vimal Bhandari	Independent	5	4	Yes	6	2	1	<ol style="list-style-type: none"> <li>1. Kalpataru Power Transmission Limited (Independent, Non-Executive)</li> <li>2. JK Tyres &amp; Industries Limited (Independent, Non-Executive)</li> <li>3. DCM Shriram Limited (Independent, Non-Executive)</li> </ol>

Name of the Director	Category	Attendance Particulars			No. of Directorships and Committee Memberships/Chairmanships in Indian Companies as on March 31, 2020*			Directorship in other listed entity (Category of Directorship)
		Number of Board Meetings		Last AGM	Number of Directorship(s) held in Indian Companies including the Company	Committee Memberships held in Indian Public Ltd. Companies including the Company	Committee Chairmanships held in Indian Public Ltd. Companies including the Company	
		Held	Attended					
Mr. G. K. Agarwal	Executive	5	4	Yes	1	-	-	--
Mr. Amit B. Kalyani	Executive	5	4	Yes	9	1	-	1. Hikal Limited (Non-Independent, Non-Executive) 2. Kalyani Steels Limited (Non-Independent, Non-Executive) 3. BF Utilities Limited (Non-Independent, Non-Executive) 4. BF Investment Limited (Non-Independent, Non-Executive) 5. Kalyani Investment Company Limited (Non-Independent, Non-Executive) 6. Schaeffler India Limited (Additional Director and Independent Director)
Mr. B. P. Kalyani	Executive	5	4	Yes	1	-	-	--
Mr. S. E. Tandale	Executive	5	4	Yes	1	-	-	--
Mr. K. M. Saletore	Executive	5	5	Yes	10	-	1	--

\* Other Directorships do not include Foreign Companies. In accordance with Regulation 26(1)(b) of Listing Regulations, Memberships/Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee in all Indian Public Limited Companies have been considered. The number of directorship(s), committee membership(s) of all Directors is within the respective limits prescribed under the Act, and Listing Regulations.

\*\* Appointed on June 21, 2019.

### Independent Directors

In the opinion of the Board of Directors, each Independent Director fulfills conditions specified in the Section 149(6) of the Act and Listing Regulations and each one is independent of the Management. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company viz; <https://www.bharatforge.com>.

During the year 2019-2020, one meeting of Independent Directors was held on May 20, 2019. The Independent Directors, inter-alia, reviewed the performance of Non-independent Directors and the Board as a whole.

The details of familiarization programme for the Independent Directors are available on the website of the Company and can be accessed at the link: <https://www.bharatforge.com/assets/PDF/investor/Familiarisation-Programme for-Independent-Directors.pdf>.

### III. Committees of The Board

As on March 31, 2020 the Company has Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder's Relationship Committee and Finance and Risk Management Committee. The Board Committees are set-up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by the members of the respective Board Committees. The Company's guidelines relating to Board Meetings are also applicable to Committee Meetings. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its work. Minutes of the proceedings of the Committee Meetings are placed before the Board Meeting for perusal and noting. The Company Secretary acts as a Secretary of all the Board Committees.

### IV. Requirement of Core Skills/Expertise/Competencies for the Board of Directors as Identified for Companies Business

Considering the business, the Company has identified the following skills or competencies for the members of the Board and thus achieved board diversity:

Areas of expertise required	Description
Strategy & Planning	Ability to think strategically; identify and critically assess strategic opportunities and threats. Develop effective strategies in the context of the strategic objectives of the Company, relevant policies and priorities.
Board Diversity	Representation of Gender, ethnic, geographic, cultural or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments and other stakeholders worldwide.
Business operations	Experience in driving business success in the markets around the world with an understanding of diverse business environments, economic conditions, cultures and regulatory frameworks and have a broad perspective on market opportunities.
Technology	A significant background in technology resulting in knowledge of how to anticipate technological trends, generate disruptive innovation and extend or create new business models.
Sales & Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity and enhance Company reputation.
Finance Acumen	Ability to comprehend, interpret and guide on financial management, reporting, controls and analysis.
Governance and Risk Management	Experience in the application of Corporate Governance principles. Ability to identify key risks to the Company in a wide range of areas including legal and regulatory compliance.

Following table provides specific areas of skills and expertise of each Board Member :

Name of the Director	Areas of Expertise						
	Strategy & Planning	Board Diversity	Business operations	Technology	Sales & Marketing	Finance Acumen	Governance and Risk Management
Mr. B. N. Kalyani Chairman & Managing Director	✓	✓	✓	✓	✓	✓	✓
Mr. G. K. Agarwal Deputy Managing Director	✓	✓	✓	✓	✓	✓	✓

Name of the Director	Areas of Expertise						
	Strategy & Planning	Board Diversity	Business operations	Technology	Sales & Marketing	Finance Acumen	Governance and Risk Management
Mr. S. M. Thakore Independent Director	✓	✓	-	-	-	-	✓
Mr. P. G. Pawar Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. P. C. Bhalerao Non-Executive Non-Independent Director	✓	✓	✓	-	-	✓	✓
Mr. Vimal Bhandari Independent Director	✓	✓	✓	✓	✓	✓	✓
Mr. P. H. Ravikumar Independent Director	✓	✓	✓	✓	-	✓	✓
Mrs. Lalita D. Gupte Independent Director	✓	✓	✓	-	✓	✓	✓
Mr. Dipak Mane Independent Director	✓	✓	✓	✓	✓	✓	-
Mr. Murali Sivaraman Independent Director	✓	✓	✓	-	✓	✓	✓
Mr. Amit B. Kalyani Deputy Managing Director	✓	✓	✓	✓	✓	✓	✓
Mr. B. P. Kalyani Executive Director	✓	✓	✓	✓	-	-	✓
Mr. S. E. Tandale Executive Director	✓	✓	✓	✓	✓	✓	✓
Mr. K. M. Saletore Executive Director & Chief Financial Officer	✓	✓	✓	-	-	✓	✓

## 1. Audit Committee

The composition of the Audit Committee is as under:

1. Mr. P. G. Pawar, Independent Director, Chairman
2. Mr. S. M. Thakore, Independent Director
3. Mr. P. H. Ravikumar, Independent Director
4. Mr. P. C. Bhalerao, Non-Executive Director

All the members of the Audit Committee possess accounting, economic, legal and financial management expertise. The composition of the Audit Committee meets with the requirements of Section 177 of the Act and Regulation 18 of Listing Regulations. Annual General Meeting (AGM) held on Tuesday, August 13, 2019 was attended by the Chairman of the Committee, Mr. P. G. Pawar, to answer shareholders' queries.

The Audit Committee assists the Board in discharging of its responsibility to oversee the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting statements, the appointment, independence, performance and remuneration of the Statutory Auditors, including the Cost Auditors and the performance of Internal Auditors of the Company.

The Audit Committee met 6 (Six) times during the year 2019-2020 on April 10, 2019, May 20, 2019, August 13, 2019, October 19, 2019, November 8, 2019 and February 10, 2020.

**Table 2: Attendance record of Audit Committee members for 2019-2020**

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. P. G. Pawar	Independent	Chairman	6	6
Mr. S. M. Thakore	Independent	Member	6	6
Mr. P. H. Ravikumar	Independent	Member	6	5
Mr. P. C. Bhalerao	Non-Executive	Member	6	5

The meetings of the Audit Committee are also attended by the Chairman and Managing Director, Executive Directors, Chief Financial Officer, Statutory Auditors, Internal Auditors and other Management representatives as special invitees as and when required. The Company Secretary acts as the Secretary to the Audit Committee.

**Powers of the Audit Committee:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of the Audit Committee inter alia includes the following:**

- a) 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;
- b) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- c) Approval of payment of remuneration to Statutory Auditors for any other services rendered by the Statutory Auditors;
- d) Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - (i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Act.
  - (ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - (iii) Major accounting entries involving estimates based on the exercise of judgment by management.

- (iv) Significant adjustments made in the Financial Statement arising out of audit findings.
- (v) Compliance with Listing Regulations and other legal requirements relating to Financial Statements.
- (vi) Disclosure of any related party transactions.
- (vii) Qualifications in the draft Audit Report.
- e) Reviewing with the management, the quarterly Financial Statements before submission to the Board for approval;
- f) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for the purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue, rights issue and preferential issue etc. before submitting the same to Stock Exchanges;
- g) Review and monitor the Auditor's independence and performance and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the Company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the Company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- m) 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;
- n) Discussion with Internal Auditors of any significant findings and follow up thereon;
- o) 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;
- p) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain the areas of concern, if any;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower Mechanism;
- s) Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate; and
- t) Carrying out any other function as is mentioned in the terms of reference of Audit Committee.

**Review of information by the Audit Committee:**

- a) Management discussion and analysis of financial condition and results of operations;



- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- c) Management letters/letters of internal control weaknesses issued by the Statutory Auditors;
- d) Internal audit reports relating to internal control weaknesses, if any;
- e) Review of tenure and appointment, removal and terms of remuneration of the Internal Auditors;
- f) The Financial Statements, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under Listing Regulations;
- g) Details of material individual transactions with related parties, which are not in the normal course of business;
- h) Details of material individual transactions with related parties or others, which are not at arm's length basis, alongwith management's justification for the same;
- i) Review and monitor the Auditor's independence and performance and effectiveness of audit process;
- j) Approval or any subsequent modification of transactions of the Company with related parties;
- k) Scrutiny of inter-corporate loans and investments;
- l) Valuation of undertakings or assets of the Company, wherever it is necessary;
- m) Evaluation of internal financial controls and risk management systems.
- n) Compliances with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and verify that the systems for internal control for prevention of insider trading are adequate and are operating effectively; and
- o) Utilisation of loans and/or advances from/investments made by the Company in the Subsidiary Company.

## **2. Nomination and Remuneration Committee**

The composition of the Nomination and Remuneration Committee is as under:

1. Mr. P. G. Pawar, Independent Director, Chairman
2. Mr. S. M. Thakore, Independent Director
3. Mr. Vimal Bhandari, Independent Director
4. Mr. P. C. Bhalerao, Non-Executive Director

### **Terms of Reference:**

- a) To identify qualified persons to become Directors and Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and to carry out evaluation of every Director's performance;
- b) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- c) To extend or continue the term of appointment of the Independent Director based on the performance report of Independent Director;

- d) To act in terms of any consequent statutory modification(s)/ amendment(s)/revision(s) to any of the applicable provisions to the said Committee;
- e) To formulate a criteria for evaluation of performance of the Independent Directors and Board of Directors; and
- f) To devise a policy on diversity of Board of Directors.

The Nomination and Remuneration Committee met 4 (Four) times during the year 2019-2020 on May 20, 2019, June 21, 2019, November 8, 2019 and on February 10, 2020.

**Table 3: Attendance record of Nomination and Remuneration Committee for 2019-2020**

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. P. G. Pawar	Independent	Chairman	4	3
Mr. S. M. Thakore	Independent	Member	4	4
Mr. Vimal Bhandari	Independent	Member	4	3
Mr. P. C. Bhalerao	Non-Executive	Member	4	4

#### Performance Evaluation Criteria for Directors

The Nomination and Remuneration Committee has devised criteria for evaluation of the performance of the Directors including Independent Directors. The said criteria provides certain parameters like attendance, acquaintance with business, communicate inter-se with board members, effective participation, compliance with Code of Conduct etc. which is compliance with applicable laws, regulations and guidelines.

#### Policy on Director's appointment and remuneration

The Nomination and Remuneration Policy of the Company has been formulated in accordance with the Act and Listing Regulations. The Policy is designed to guide the Board in relation to appointment, removal of Directors, Key Managerial Personnel and Senior Management and recommend to the Board on remuneration payable to them. Policy enables the Company to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. The current policy is available on Company's website: <https://www.bharatforge.com>.

### 3. Corporate Social Responsibility (CSR) Committee

The composition of the Corporate Social Responsibility (CSR) Committee is as under:

1. Mr. P. G. Pawar, Independent Director, Chairman
2. Mr. B. N. Kalyani, Chairman and Managing Director
3. Mr. Amit B. Kalyani, Deputy Managing Director

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of CSR Policy. The CSR policy of the Company is disclosed on the Company's website at the link: <https://www.bharatforge.com/investors/corporate-governance/policies>.

**Terms of Reference:**

- a) To formulate and recommend to the Board, a CSR Policy in terms of Schedule VII of the Act;
- b) To recommend the amount of expenditure to be incurred on the CSR activities;
- c) To monitor the CSR Policy of the Company from time to time; and
- d) To act in terms of any consequent statutory modification(s)/amendment(s)/revision(s) to any of the applicable provisions to the said Committee.

The CSR Committee met twice during the year 2019-2020 on May 20, 2019 and August 13, 2019.

**Table 4: Attendance record of Corporate Social Responsibility (CSR) Committee for 2019-2020**

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. P. G. Pawar	Independent	Chairman	2	2
Mr. B. N. Kalyani	Executive	Member	2	2
Mr. Amit B. Kalyani	Executive	Member	2	2

**4. Stakeholders Relationship Committee**

The composition of the Stakeholders Relationship Committee is as under:

1. Mr. P. C. Bhalerao, Non-Executive Director, Chairman
2. Mr. B. N. Kalyani, Chairman and Managing Director
3. Mrs. Lalita D. Gupte, Independent Director

**Terms of Reference:**

- a) To specifically look into the redressal of grievances of shareholders, debentureholders and other securities holders;
- b) To consider and resolve the grievances of the securities holders of the Company including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc.;
- c) To act in terms of any consequent statutory modification(s)/amendment(s)/revision(s) to any of the applicable provisions to the said Committee;
- d) Review measures taken for effective exercise of voting rights by shareholders;
- e) Review of adherence to the service standards in respect of various services being rendered by the registrar and share transfer agent; and
- f) Review various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the security shareholders of the entity.

The Stakeholders Relationship Committee met once during the year 2019-2020 on May 20, 2019.

**Table 5: Attendance record of Stakeholders Relationship Committee for 2019-2020**

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. P. C. Bhalerao	Non-Executive	Chairman	1	1
Mr. B. N. Kalyani	Executive	Member	1	1
Mrs. Lalita D. Gupte	Independent	Member	1	1

**Table 6: Number and nature of complaints received and redressed during the year 2019-2020**

Nature of complaint	No. of complaints received	No. of complaints redressed	No. of complaints pending as on March 31, 2020
Non-receipt of shares lodged for transmission	Nil	Nil	Nil
Non-receipt of Bonus Shares	Nil	Nil	Nil
Non-receipt of Duplicate Share Certificate	Nil	Nil	Nil
Non-receipt of Dividend	Nil	Nil	Nil
Non-receipt of Sub-divided Shares	Nil	Nil	Nil
Non-receipt of Annual Report	2	2	Nil
Change of address	Nil	Nil	Nil

**Designated Exclusive Email-ID**

The Company has also designated the email-id: [secretarial@bharatforge.com](mailto:secretarial@bharatforge.com) exclusively for providing investor servicing.

**5. Finance and Risk Management Committee**

The composition of the Finance and Risk Management Committee is as under:

1. Mr. B. N. Kalyani, Chairman and Managing Director, Chairman
2. Mr. P. G. Pawar, Independent Director
3. Mr. Amit B. Kalyani, Deputy Managing Director
4. Mr. P. C. Bhalerao, Non-Executive Director

**Terms of Reference:**

- a) To monitor and review risk management plan of the Company from time-to-time;
- b) To formulate procedures and to inform Board members about the risk assessment and minimisation procedures of the Company;
- c) To borrow money from Bank/Financial Institution, etc. upto limits specified by the Board;
- d) To invest funds of the Company into shares, debentures, securities or any other instruments in subsidiary, associate and other group companies upto limits specified by the Board;

- e) To grant loans, advance monies or give guarantee or provide security in respect of any loans to subsidiary, associate and other group companies upto limits specified by the Board;
- f) To approve capital expenditure for purchase of plant & machinery, instruments, etc. upto limits specified by the Board;
- g) To approve capital expenditure to purchase or to acquire on lease, land or any other immovable property upto limits specified by the Board;
- h) To sell land or building or other structures, etc. upto limits specified by the Board; and
- i) To open and close bank accounts of the Company and to authorise employees for operating bank accounts of the Company.

The Finance and Risk Management Committee met once during the year 2019-2020 on May 20, 2019.

**Table 7: Attendance record of Finance and Risk Management Committee for 2019-2020**

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. B. N. Kalyani	Executive	Chairman	1	1
Mr. P. G. Pawar	Independent	Member	1	1
Mr. Amit B. Kalyani	Executive	Member	1	1
Mr. P. C. Bhalerao	Non-Executive	Member	1	1

### Functional Committee

The Board is authorized to constitute one or more functional committees delegating thereto powers and duties with respect to specific purposes. Meetings of such Committees are held, as and when the need arises. Time schedule for holding the meetings of such Functional Committees are finalized in consultation with Committee Members.

### Compliance Officer

Ms. Tejaswini Chaudhari, Company Secretary is the Compliance Officer for complying with requirements of Securities Laws and Listing Regulations.

### Remuneration of Directors

Information on remuneration of Directors for the year ended March 31, 2020 is given below in **Table 8**:

**Table 8: Remuneration paid or payable to Directors for the year ended March 31, 2020 and relationships of the Directors with each other**

Name of the Director	Relationship with other Directors*	Sitting Fees**	Salary and Perquisites	Provident Fund and Superannuation Fund	Commission***	Total
Mr. B. N. Kalyani (Chairman and Managing Director)	Father of Mr. Amit B. Kalyani	NA	109,125,445	7,289,100	60,000,000	176,414,545
Mr. S. M. Thakore	None	650,000	NA	NA	1,300,000	1,950,000
Mr. P. G. Pawar	None	650,000	NA	NA	1,300,000	1,950,000

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Name of the Director	Relationship with other Directors*	Sitting Fees**	Salary and Perquisites	Provident Fund and Superannuation Fund	Commission***	Total
Mr. P. C. Bhalerao	None	600,000	NA	NA	1,200,000	1,800,000
Mrs. Lalita D. Gupte	None	275,000	NA	NA	550,000	825,000
Mr. P. H. Ravikumar	None	500,000	NA	NA	1,000,000	1,500,000
Mr. Dipak Mane@	None	150,000	NA	NA	300,000	450,000
Mr. Murali Sivaraman@	None	150,000	NA	NA	300,000	450,000
Mr. Vimal Bhandari	None	275,000	NA	NA	550,000	825,000
Mr. G. K. Agarwal	None	NA	35,293,448	3,201,300	8,000,000	46,494,748
Mr. Amit B. Kalyani	Son of Mr. B.N. Kalyani	NA	35,069,500	3,201,300	8,000,000	46,270,800
Mr. B. P. Kalyani	None	NA	21,782,766	1,414,080	15,000,000	38,196,846
Mr. S. E. Tandale	None	NA	22,312,508	1,511,280	15,000,000	38,823,788
Mr. K. M. Saletore	None	NA	18,680,223	879,480	10,000,000	29,559,703

**Notes:**

@ Appointed w.e.f. June 21, 2019.

\* Determined on the basis of criteria of Section 2(77) of the Act.

\*\* Sitting fees include payment of fees for attending Board and Committee meetings.

\*\*\* Commission proposed and payable after approval of accounts by the Shareholders in the ensuing Annual General Meeting (AGM).

Further, the Company makes all travelling and other arrangements for Directors for their participation in the Board and other committee meetings or reimburses such expenses, if any.

The Remuneration payments in the Company are made with an aim of rewarding performance, based on review of achievements. Payments and Commission to Non-Executive Directors is decided, based on multiple criteria includes seniority/experience, number of years on the Board, Board/Committee meetings attended, Director's position on the Company's Board/Committees, other relevant factors and performance of the Company. There are no pecuniary relationships or transactions of the Non-Executive Directors / Independent Directors vis-a-vis the Company.

Details of Equity Shares of the Company held by Directors as on March 31, 2020 are given below in **Table 9:**

**Table 9: Details of equity shares of the Company held by Directors as on March 31, 2020**

Name of the Director	Number of equity shares held of ₹ 2/- each
Mr. B. N. Kalyani	78,150
Mr. Amit B. Kalyani	700,400
Mr. S. M. Thakore	28,000
Mr. B. P. Kalyani	6,385
Mr. G. K. Agarwal	4,910
Mr. K. M. Saletore	900
Mr. P. H. Ravikumar	6,625

Other Directors do not hold any equity share of the Company. None of the Non-Executive Director/Independent Director hold any Convertible Instruments of the Company as on March 31, 2020.

The tenure of the office of the Managing Director and Whole-time Directors is for 5 (five) years. The Board has discretion to decide the notice period of the Managing Director and Whole-time Directors. There is no separate provision for Payment of severance fees.

## V. General Body Meetings

### Annual General Meeting

Date, time and venue for the last 3 (Three) Annual General Meetings are given in **Table 10** below:

**Table 10: Details of last three Annual General Meetings**

Financial year	Date	Time	Venue	Special Resolutions Passed
2018-19	Tuesday, August 13, 2019	10:30 a.m. (I.S.T.)	Registered office of the Company	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. S.M. Thakore (DIN:00031788) as an Independent Director of the Company</li> <li>2. Re-appointment of Mr. P.G. Pawar (DIN:00018985) as an Independent Director of the Company</li> <li>3. Re-appointment of Mrs. Lalita D. Gupte (DIN:00043559) as an Independent Director of the Company</li> <li>4. Re-appointment of Mr. P.H. Ravikumar (DIN:00280010) as an Independent Director of the Company</li> <li>5. Re-appointment of Mr. Vimal Bhandari (DIN:00001318) as an Independent Director of the Company</li> </ol>
2017-18	Thursday, August 9, 2018	10:30 a.m. (I.S.T.)	Registered office of the Company	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. B.N. Kalyani as the Managing Director of the Company</li> <li>2. Re-appointment of Mr. G.K. Agarwal as the Deputy Managing Director of the Company</li> </ol>
2016-17	Thursday, August 10, 2017	10:30 a.m. (I.S.T.)	Registered office of the Company	None

No Extraordinary General Meeting of the Members was held during the year 2019-2020.

### Postal Ballot

No resolution was passed through postal ballot during the year 2019-2020.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing of a Special Resolution conducted through Postal Ballot.

## VI. Other Disclosures

### 1. Related Party Transactions

All transactions entered into by and between the Company and related parties during the financial year were in the ordinary course of business. These have been approved by the Audit Committee. The Board has approved a policy for related party transactions which has been uploaded on the Company's website at the link: <https://www.bharatforge.com/investors/corporate-governance/policies>.

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the Members is drawn to the disclosure set out in note No. 39 of Financial Statements.

### 2. Details of non-compliance

During the last three years there were no instances of non-compliance and no penalty or strictures were imposed on the Company by Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets.

### 3. Whistle Blower Policy

The Company promotes ethical behavior across all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has adopted a Whistle Blower Policy and has established necessary Vigil Mechanism for employees and Directors to report concerns about unethical behavior. The Whistle Blower Policy complies with the requirements of Vigil Mechanism as stipulated under Section 177(9) of the Act. The policy comprehensively provides for an opportunity to every employee and Director to report instances of unethical behavior, actual or suspected fraud or any violation of the Code of Conduct and/or laws applicable to the Company and seek redressal. The Policy also provides for a mechanism to report such concerns to the Audit Committee through specified channels. The Policy is being communicated to the employees and also posted on Company's intranet. The Whistle Blower Policy/Vigil Mechanism has been disclosed on the Company's website at the link: <https://www.bharatforge.com/investors/corporate-governance/policies>.

### 4. Policy on Determining "Material" Subsidiaries

This Policy has been framed in accordance with the requirements of Regulation 23 of Listing Regulations (including statutory enactments/amendments thereof) and is intended to identify Material Subsidiaries and to establish a governance framework for such subsidiaries. The details of policy on determining "Material" subsidiaries have been disclosed on the Company's website at the link: <https://www.bharatforge.com/investors/corporate-governance/policies>.

### 5. Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards as prescribed under Section 133 of the Act. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

### 6. Risk Management

Business risk evaluation and Management is an ongoing process within the Company. The assessment is periodically examined by the Board.

### 7. Commodity Price Risk/Foreign Exchange Risk and Hedging activities

The Company has managed the Foreign Exchange risk with appropriate hedging activities in accordance with the policies of the Company. The Company used Forward Exchange Contracts to hedge against its Foreign Currency exposures relating to firm commitments. There were no materially uncovered exchange rate risks in the context of the Company's Foreign Exchange exposures. The Company's exposure to market risks for commodities and currencies are detailed in Note No.51, under the head 'Financial risk management objectives and policies', forming part of Notes to Financial Statements.



**8. CEO/MD and CFO Certification**

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 read with Part B of Schedule II of Listing Regulations. The said Certificate is annexed and forms part of the Annual Report. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results, while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

**9. Certificate from Practicing Company Secretary**

The Company has obtained a Certificate dated June 22, 2020, from the Practicing Company Secretary stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such Authority.

**10. Code of Conduct**

The Company has adopted a Code of Conduct (“the Code”) for Directors and Senior Management of the Company. The Code has been circulated to all the members of the Board and Senior Management and the same is available on the Company’s website at the link: <https://www.bharatforge.com/assets/pdf/investor/Code-of-Conduct.pdf>.

The Board members and Senior Management personnel have affirmed their compliance with the code. A declaration to this effect signed by the Chairman and Managing Director of the Company is contained in this Annual Report.

**11. Subsidiary Companies**

The Audit Committee reviews the quarterly financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board Meetings alongwith a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company has a policy for determining material subsidiaries which is disclosed on its website: <https://www.bharatforge.com/investors/corporate-governance/policies>.

**12. Disclosure by Management to the Board**

Disclosures relating to financial and commercial transactions where senior management may have personal interest that might have been in potential conflict with the interest of the Company are provided to the Board.

**13. Complaints pertaining to sexual harassment**

The details of complaints filed, disposed of and pending during the financial year pertaining to sexual harassment is provided in the Business Responsibility Report of this Annual Report.

**14. Details of total fees paid to Statutory Auditors**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditors and all entries in the network firm/network entity of which the Statutory Auditors is a part as follows:

Sr. No.	Name of the Firm	In ₹ Amount
1.	S.R.B.C. & Co. LLP	18,608,507
2.	E & Y Sweden	7,480,210
<b>Total</b>		<b>26,088,717</b>

## VII. Compliance With Mandatory and Non-Mandatory Requirements

The Company has complied with applicable mandatory requirements of Listing Regulations. The Company has adopted following non-mandatory requirements of Listing Regulations.

### 1. The Board

The Company has Executive Chairman and the office with required facilities is provided and maintained at the Company's expenses for use of the Chairman.

### 2. Shareholders Rights

Half yearly financial results are forwarded to the Stock Exchanges and uploaded on the website of the Company like quarterly results.

### 3. Audit Qualification

The Company is in the regime of unqualified/unmodified financial statement.

### 4. Reporting of Internal Auditors

The Internal Auditors of the Company report to the Audit Committee periodically to ensure independence of the Internal Audit function.

## VIII. Means of Communication

The Company puts-forth vital information about the Company and its performance, including quarterly results, official news releases and communication to investors and analysts on Company's website: [www.bharatforge.com](http://www.bharatforge.com), regularly for the benefit of the public at large.

During the year, the quarterly, half-yearly and annual results of the Company's performance have been published in leading newspapers, such as Business Standard – English (all editions) and Loksatta – Marathi (Pune). News releases, Official news and media releases are sent to the Stock Exchanges.

### 1. Website

The Company's website contains a separate dedicated section titled "Investors". The basic information about the Company, as called for in terms of Regulation 46 of Listing Regulations, is provided on the Company's website: <https://www.bharatforge.com> and the same is updated from time-to-time.

### 2. Presentations to Institutional Investors/Analysts

Detailed presentations are made to Institutional Investors and Financial Analysts on the un-audited quarterly financial results as well as the annual audited financial results of the Company.

### 3. Filing with Stock Exchanges

Information to Stock Exchanges is now being filed online on NEAPS for NSE and BSE Listing Centre for BSE.

### 4. Annual Report

Annual Report containing, inter alia, Audited Financial Statements, Consolidated Financial Statements, Board's Report, Independent Auditor's Report and other important information, is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report and Business Responsibility Report (BRR) forms part of the Annual Report and is displayed on the Company's website: <https://www.bharatforge.com>.

## IX. General Shareholder Information

### 1. Company Registration Details

The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is: **L25209PN1961PLC012046**.

## 2. Annual General Meeting

Day	: Wednesday
Date	: September 23, 2020
Time	: 11:00 a.m. (I.S.T.)
Venue	: The meeting will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM)

## 3. Financial Year

April 1, 2019 to March 31, 2020.

## 4. Financial Reporting Calendar (Tentative) for FY 2020-2021

Quarter ending June 30, 2020	on or before August 14, 2020
Quarter ending September 30, 2020	on or before November 14, 2020
Quarter ending December 31, 2020	on or before February 15, 2021
Audited results for the financial year 2020-2021	on or before May 29, 2021

## 5. Dividend

- i. Pursuant to approval of the Board of Directors of the Company on Friday, November 8, 2019, the Company declared and paid an Interim Dividend at the rate of ₹ 1.50 per equity Share of ₹ 2/- each (75%) for the financial year ending on March 31, 2020 on Thursday, December 5, 2019.
- ii. Pursuant to approval of the Board of Directors of the Company, through Circulation Resolution passed on Monday, February 24, 2020, the Company declared and paid Second Interim Dividend at the rate of ₹ 2/- per equity Share of ₹ 2/- each (100%) for the financial year ending on March 31, 2020 on Friday, March 20, 2020.

## 6. Unclaimed Dividend/ Shares

Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") mandate that companies shall transfer dividend that has remained unclaimed for a period of 7 (Seven) consecutive years from the unpaid dividend account to the Investor Education and Protection Fund (IEPF). Further, the Rules also mandate that the shares on which dividend has not been paid or claimed for 7 (Seven) consecutive years or more be transferred to the IEPF. The details are given in **Table 11** below.

**Table 11: Details of unclaimed dividends and their corresponding shares that would become eligible to be transferred to IEPF on the dates are mentioned below:**

Financial Year	Type of Dividend	Dividend per share (₹)	Date of Declaration	Due date for transfer to IEPF	Amount (₹)*
2012-13	Final	2.40	August 8, 2013	September 8, 2020	1,668,712.80
2013-14	Interim	2.00	February 4, 2014	March 4, 2021	1,533,164.00
2013-14	Final	2.50	September 4, 2014	October 4, 2021	1,992,442.50
2014-15	Interim	3.00	February 2, 2015	March 2, 2022	2,422,119.00
2014-15	Final	4.50	August 3, 2015	September 5, 2022	3,199,856.00
2014-15	Interim	3.00	February 9, 2016	March 9, 2023	2,228,109.00
2015-16	Interim	4.00	March 9, 2016	April 11, 2023	2,875,588.00
2015-16	Final	0.50	August 5, 2016	September 8, 2023	449,094.50
2016-17	Interim	2.50	February 8, 2017	March 8, 2024	2,055,437.50

Financial Year	Type of Dividend	Dividend per share (₹)	Date of Declaration	Due date for transfer to IEPF	Amount (₹)*
2016-17	Final	5.00	August 10, 2017	September 10, 2024	3,591,880.00
2017-18	Interim	2.00	November 8, 2017	December 8, 2024	3,355,422.00
2017-18	Final	2.50	August 17, 2018	September 16, 2025	3,183,775.00
2018-19	Interim	2.50	November 30, 2018	December 29, 2025	3,165,297.50
2018-19	Final	2.50	August 13, 2019	August 12, 2026	3,036,415.00
2019-20	Interim-I	1.50	November 8, 2019	December 7, 2026	2,670,177.00
2019-20	Interim-II	2.00	February 24, 2020	March 23, 2027	9,866,376.00

\* Amount unclaimed as on March 31, 2020.

The Company sends periodic intimation to the shareholders concerned, advising them to lodge their claims with respect to unclaimed dividend. Shareholders may note that both the unclaimed dividend and corresponding shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed back only from IEPF after following the procedure prescribed in the Rules. No claim shall lie in respect thereof with the Company.

During the year, the Company has credited ₹ 1,640,420/- (Rupees Sixteen Lakhs Forty Thousand Four Hundred and Twenty only) on September 30, 2019, lying in the unpaid/unclaimed dividend account, to IEPF.

#### Shares transferred to IEPF

In terms of Section 124(6) of the Act read with the Rules, the Company has sent the notice to respective shareholders who have not claimed dividend for Seven (7) 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 the link: <http://www.bharatforge.com/investors/shareholders-information/unclaimed-dividend>.

During the year, the Company has transferred 9,860 equity shares of ₹ 2/- each on May 31, 2019 and 7,126 Equity Shares of ₹ 2/- each on October 1, 2019 (total 16,986 equity shares) to demat account of IEPF Authority. The shares transferred were on account of unclaimed dividend for Seven (7) consecutive years.

#### Equity Shares in Suspense Account

In compliance with Regulation 39(4) of the Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account:

Particulars	No. of Shareholders	Number of Equity Shares of ₹ 2/- each
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on April 1, 2019	64	66,220
Shareholders who approached the Company for transfer of shares from suspense account during the year	02	1,890
Shareholders to whom shares were transferred from the suspense account during the year	02	1,890
Shares transferred to Demat Account of IEPF Authority during the year	Nil	Nil
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2020	62	64,330

The voting rights on the said shares shall remain frozen till the rightful owners of such shares claim the shares.

**7. Listing on Stock Exchanges**

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

BSE Script Code – 500493

NSE Trading Symbol – BHARATFORG

Equity ISIN: INE465A01025

All Annual listing fees due during the financial year have been paid.

**8. Market Price Data**

**Table 12** below gives the monthly high and low prices and volumes at BSE & NSE during the year 2019-2020.

**Table 12: High and Low Prices and Trading Volumes on the BSE and NSE**

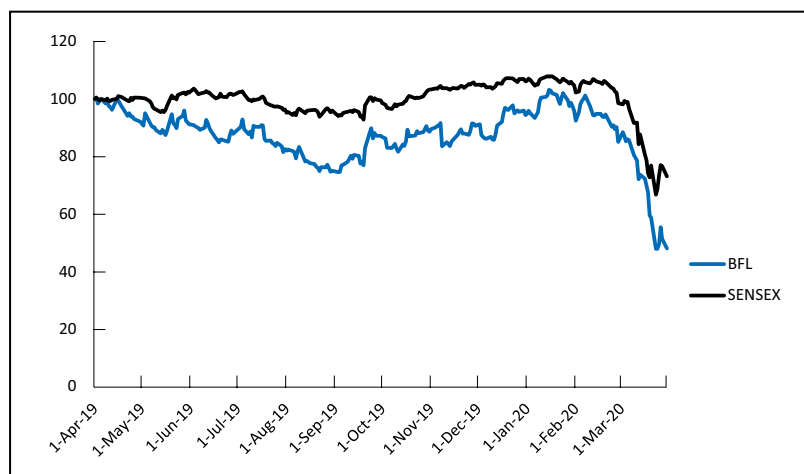
Month	BSE Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
	High (₹)*	Low (₹)*	Volume (Nos.)	High (₹)*	Low (₹)*	Volume (Nos.)
April 2019	523.15	465.40	949,590	523.00	465.45	17,078,879
May 2019	502.85	445.10	2,375,090	503.00	445.25	32,374,514
June 2019	477.00	430.55	1,469,107	477.25	430.15	21,952,028
July 2019	481.55	409.05	1,699,295	481.80	410.25	32,897,316
August 2019	434.50	378.85	1,152,442	435.00	379.60	26,690,782
September 2019	466.90	378.00	2,076,233	466.95	376.00	29,052,718
October 2019	478.85	413.55	1,026,617	478.80	413.20	27,565,707
November 2019	486.40	420.50	1,741,780	486.80	420.05	43,667,471
December 2019	504.90	431.25	1,052,142	505.00	430.70	31,649,859
January 2020	533.10	471.00	897,121	533.90	470.70	29,108,269
February 2020	527.50	423.30	1,096,161	527.95	422.70	31,275,505
March 2020	465.75	230.25	1,666,042	466.40	231.05	47,602,880

\*Price in ₹ per Equity Share

## 9. Stock Performance

Chart 'A' plots the movement of Bharat Forge's equity shares adjusted closing prices compared to the BSE Sensex.

**Chart A: Bharat Forge's Share Performance vs. BSE Sensex**



Base 100 = April 1, 2019

## 10. Share Transfer Agents, Share Transfer and Demat System

The Company has not engaged services of any share transfer agent. The Company has an in-house Share Accounting system and is a SEBI Registered Category-II Registrar to an Issue and Share Transfer Agent. All works relating to transmission, splitting of Share certificates, dematerialization and re-materialization processing, payment of dividend etc. is done in-house at the registered office of the Company. Company's equity shares are traded on the Stock Exchanges in compulsorily in Demat mode segment. The Board's Executive Committee meets as and when required for dealing with matters concerning securities of the Company.

In compliance with the SEBI circular dated December 27, 2002, requiring share registry to maintain both physical and electronic modes at a single point, Company has established direct connectivity with NSDL and CDSL, 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.

## 11. Secretarial Audit for reconciliation of capital

In compliance with the requirements of SEBI, the Company has, at the end of every quarter, submitted a Certificate of Reconciliation of Share Capital reconciling the total shares held by both the depositories, NSDL and CDSL and in physical form, duly certified by a qualified Practicing Company Secretary, to the stock exchanges where the Company's securities are listed. This certificate is also placed periodically before the Board of Directors of the Company at its Board Meetings.

## 12. Code of Conduct for Prevention of Insider Trading Practices

The Company has adopted a Comprehensive Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information in the securities of the Company, by its Directors, Promoters, Key Managerial Personnel and Designated Persons under the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"). This Code lays down guidelines for procedure to be followed and disclosures to be made by insiders while trading in securities of the Company. It also includes practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information.

The Company has in place an online tool for ensuring compliance with the provisions of the SEBI PIT Regulations and the Code of Conduct for Prevention of Insider Trading.

### 13. Shareholding as on March 31, 2020

**Table 13: Pattern of shareholding by ownership as on March 31, 2020**

Category of Shareholder	No. of Shareholders	No. of Shares held (₹ 2/- each)	Shareholding %
Promoters <sup>1</sup>	22	213,061,840	45.76
Financial Institutions	3	22,115,128	4.75
Mutual Funds (including Unit Trust of India)	23	41,672,498	8.95
Insurance Companies	5	7,247,588	1.56
Nationalised Banks	9	1,207,708	0.26
Foreign Institutional Investors	1	140	0.00
Foreign Portfolio Investors	373	96,433,222	20.71
Bodies Corporate	1,278	19,597,699	4.21
Non-Resident Indians	4,446	3,110,858	0.67
Foreign Nationals (including Foreign Banks and Foreign Corporate Bodies)	2	650	0.00
Public <sup>2</sup>	126,596	61,141,301	13.13
<b>Total</b>	<b>132,758</b>	<b>465,588,632</b>	<b>100</b>

1 and 2: For definition of Promoter's shareholding and Public shareholding, refer to Regulation 38 of the Listing Regulations.

**Table 14: Distribution Schedule as on March 31, 2020**

Category (Shares)	No. of Shareholders	No. of Shares held (₹ 2/- each)	Shareholding %
1 to 5000	130,816	28,244,753	6.07
5001 to 10000	942	6,752,238	1.45
10001 to 20000	451	6,305,971	1.35
20001 to 30000	143	3,535,432	0.76
30001 to 40000	68	2,319,086	0.50
40001 to 50000	48	2,168,881	0.47
50001 to 100000	87	6,272,678	1.35
100001 and above	203	409,989,593	88.06
<b>Total</b>	<b>132,758</b>	<b>465,588,632</b>	<b>100.00</b>

### 14. Dematerialisation

The Company's Equity Shares are under compulsory demat trading. As on March 31, 2020, dematerialized shares accounted for 96.98% (96.90% upto March 31, 2019) of total Equity share capital. The details of dematerialization are given in **Table 15** below.

**Table 15: Dematerialization of Shares as on March 31, 2020**

Particulars	Position as on March 31, 2020		Position as on March 31, 2019		Net Change during 2019-2020	
	No. of Shares	% to total Shareholding	No. of Shares	% to total Shareholding	No. of Shares	% to total Shareholding
<b>Physical</b>	14,085,390	3.025	14,446,318	3.102	(360,928)	-0.08
<b>Demat</b>						
NSDL	434,900,838	93.409	428,895,743	92.119	6,005,095	1.29
CDSL	16,602,404	3.566	22,246,571	4.778	(5,644,167)	-1.21
Sub-Total	451,503,242	96.975	451,142,314	96.898	360,928	0.08
<b>Total</b>	<b>465,588,632</b>	<b>100.000</b>	<b>465,588,632</b>	<b>100.00</b>	-	-

**15. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity**

Outstanding GDRs as on March 31, 2020 represent 800 Equity Shares of Company's paid-up equity Share Capital. Therefore, there will be no further impact on the Equity Share Capital of the Company.

**Table 16: 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 (₹)
2019-20	NIL	NIL
2018-19	NIL	NIL
2017-18	NIL	NIL

**16. Plant Locations**

- Mundhwa, Pune Cantonment, Pune – 411 036, Maharashtra, India
- Gat No.635, Kuruli Village, Chakan, Tal- Khed, District Pune – 410 501, Maharashtra, India
- Opposite Jarandeshwar Railway Station, Post - Vadhuth, District Satara – 415 011, Maharashtra, India
- Tandulwadi & Wanjarwadi, Tal. Baramati, Dist. Pune – 413 206, Maharashtra, India
- Industrial Park, Village-Mambattu, Ph-II, Tada Mandal, SPSR, Nellore District, Andhra Pradesh, India



**17. Investor Correspondence Address:**

Secretarial Department,  
Bharat Forge Limited.  
Mundhwa, Pune Cantonment, Pune – 411 036  
Maharashtra, India  
Phones: +91-20– 6704 2476 / 6704 2777  
Fax: +91-20–2682 2163  
Email: secretarial@bharatforge.com

**18. Credit Rating**

The Credit Ratings of the Company for all the credit facilities as on March 31, 2020 is as below:

Particulars	Rating
ECB	[ICRA]AA+ (Negative)
Fund-based Facilities	[ICRA]AA+ (Negative)
Non-fund Based Facilities	[ICRA]A1+

**19. Compliance Certificate by the Practicing Company Secretary on Corporate Governance**

Certificate from the Practicing Company Secretary SVD & Associates, Company Secretaries, Pune confirming compliance with the conditions of Corporate Governance, as stipulated under Listing Regulations is attached.

**DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT**

I, B. N. Kalyani, Chairman and Managing Director of Bharat Forge Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended March 31, 2020, compliance with the Code of Conduct of the Company laid down for them.

Pune: June 29, 2020

**B.N. KALYANI**  
Chairman and Managing Director  
DIN : 00089380

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

(Under Regulation 17 read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), 2015)

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

- a) We have reviewed financial statements and the cash flow statement for the year 2019-2020 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; and
  - 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 2019-2020 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 if any, over financial reporting during the year;
  - ii) significant changes in accounting policies if any, during the year and that the same have been disclosed in the notes to the financial statement; and
  - iii) instances of significant fraud if any, 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.

Pune: June 29, 2020

**K. M. SALETORÉ**  
Chief Financial Officer  
DIN : 01705850

**B.N. KALYANI**  
Chairman and Managing Director  
DIN : 00089380

## **CERTIFICATE FROM PRACTICING COMPANY SECRETARY ON CORPORATE GOVERNANCE**

To,  
The Members of Bharat Forge Limited

We have examined the compliance of conditions of Corporate Governance by Bharat Forge Limited (hereinafter referred "the Company"), for the year ended on 31st March, 2020 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination 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 opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

We further state that, this certificate is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**  
Company Secretaries

**S. V. Deulkar**  
Partner  
F.C.S. 1321  
C.P. No. 965  
UDIN- F001321B000391601

Date: 29th June, 2020  
Place: Pune