

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

Bharat Forge Limited has consistently aimed at developing a formalised system of Corporate Governance. We believe 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 consistent high standards of corporate conduct towards its stakeholders.

Bharat Forge Limited is considered as a good model for Corporate Governance as it implements best-in-class actions by adopting practices mandated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 under Corporate Governance and by establishing procedures and systems to be fully compliant with it. Periodic review of the procedures and systems are done in order to ensure continued relevance, effectiveness and responsiveness to the needs of the Shareholders.

Bharat Forge Limited discloses information regarding its financial position, performance and other vital matters with transparency, fairness and accountability on timely basis and the Company is in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to the Corporate Governance, applicable for the financial year 2016-17.

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 2017, Bharat Forge Comprises 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the composition of the Board of Directors are given in **Table 1**.

Number of Board Meetings

In 2016-17, the Board of the Company met 5 (Five) times on May 17, 2016, August 5, 2016, September 3, 2016, November 8, 2016 and February 8, 2017. The maximum gap between two Board Meetings was 91 (Ninety-one) days and minimum time gap was of 28 (Twenty-eight) days.

Information Supplied to the Board

Among others, information supplied to the Board includes:

- a) Annual operating plans of businesses and budgets and any updates thereof;
- b) Capital budgets and any updates thereof;
- c) Quarterly results for the Company and business segments;
- d) Minutes of the meetings of the Audit Committee, other Committees of the Board and minutes of meetings of Subsidiary Companies;
- e) The 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;
- f) Show cause, demand, prosecution notices and penalty notices, which are materially important;
- g) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- h) Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company;
- i) Any issue, which involves possible public or product liability claims of substantial nature, including any judgment 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;

- j) Making of loans and investment of surplus funds;
- k) General notices of interests of Directors;
- l) Constitution/Reconstitution of Board Committees;
- m) Appointment, remuneration and resignation of Directors;
- n) Dividend declaration;
- o) Significant changes in accounting policies and internal controls;
- p) Details of any joint venture or collaboration agreements;
- q) Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- r) Significant labour problems and their proposed solutions, any significant development on human resources, industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.;
- s) Sale of material nature of investments, subsidiaries, assets which are not in the normal course of business;
- t) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- u) Non-compliance of any regulatory, statutory nature or listing regulations and shareholders' service, such as non-payment of dividend, delay in share transfer, if any, and others;
- v) Declaration of Independent Directors at the time of appointment / annual declaration;
- w) Takeover of a Company or acquisition of a controlling of a substantial stake in another Company;
- x) Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee;
- y) Annual financial results of the Company, Auditors' Report and the Report of the Board of Directors;
- z) Compliance Certificates for all the laws as applicable to the Company; and
- aa) CSR activities carried out by the Company and expenditure made thereon.

The Board of Directors of Bharat Forge Limited is presented with detailed notes, along with the agenda papers, well in advance of the meeting. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practical to attach any document to the agenda, the same is tabled before the meeting with the specific reference to its effect in the agenda. In special and exceptional circumstances, additional or supplementary items on the agenda are permitted. 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 2016-17, the last Annual General Meeting held on Friday, August 5, 2016 and the number of Directorships in the other Indian Companies and Committee Chairmanships/Memberships held by them in other Indian Public Limited Companies as on March 31, 2017, are given herein below:

Table 1: Composition of the Board of Directors etc. for the year 2016- 17

Name of the Director	Category	Attendance Particulars			No. of Directorships and Committee Memberships/ Chairmanships in Indian Companies as on March 31, 2017*		
		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	5	Yes	11	3	-
Mr. S. M. Thakore	Independent	5	5	Yes	10	9	2
Mr. P. G. Pawar	Independent	5	5	Yes	18	5	3
Mr. P. C. Bhalerao	Non-Executive	5	5	Yes	1	2	1
Mrs. Lalita D. Gupte	Independent	5	4	Yes	6	7	1
Mr. P. H. Ravikumar	Independent	5	4	Yes	15	7	3
Mr. Naresh Narad	Independent	5	5	Yes	2	1	-
Dr. T. Mukherjee	Independent	5	4	Yes	6	3	-
Mr. Vimal Bhandari	Independent	5	5	Yes	10	4	2 [#]
Mr. G. K. Agarwal	Executive	5	5	Yes	1	-	-
Mr. Amit B. Kalyani	Executive	5	5	Yes	12	1	-
Mr. B. P. Kalyani	Executive	5	4	Yes	1	-	-
Mr. S. E. Tandale	Executive	5	5	Yes	1	-	-
Mr. K. M. Saletore	Executive	5	5	Yes	9	-	-

*Other Directorships do not include Foreign Companies. In accordance with Regulation 26(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships/Chairmanships of only the Audit Committee and Stakeholders' Relationship Committee in all Indian Public Limited Companies have been considered.

Chairmanship in committee includes alternate Chairmanship.

INDEPENDENT DIRECTORS

As mandated by Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, the Independent Directors on Bharat Forge Limited's Board:

- a) are person of integrity and possesses relevant expertise and experience;
- b) (i) are not a promoter of the Company or its holding, subsidiary or associate Company;

- (ii) are not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
- c) apart from receiving director's remuneration, has or had no material pecuniary relationship with the Company, its holding, subsidiary or associate Company or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company or their promoters or directors, amounting to 2% (Two per cent) or more of its gross turnover or total income or ₹ 50,00,000/- (Rupees Fifty Lakhs only) or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) who, neither himself/herself, nor any of his/her relatives:
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he/she is proposed to be appointed, of:
 - ▶ a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
 - ▶ any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to 10% (Ten percent) or more of the gross turnover of such firm;
 - (iii) holds together with his/her relatives 2 (Two percent) or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or Director, by whatever name called, of any non-profit organisation that receives 25% (Twenty-five percent) or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds 2% (Two percent) or more of the total voting power of the Company;
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company.
- f) are not less than 21 (Twenty-one) years of age.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Independent Directors are provided with necessary documents/brochures, reports and internal policies periodically to familiarise them with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments were made at the separate meetings of the Independent Directors held during the year. Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors. Site visits to various plant locations are organised for the Directors to enable them to understand the operations of the Company. The details of such familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at:

http://bharatforge.com/images/PDFs/Investor_reports/BFL-Familiarisation%20programme%20for%20Independent%20Directors-24%2005%2017.pdf

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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:

<http://content.dionglobal.in/bharatforge/PDF/code%20of%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.

COMMITTEES OF THE BOARD

As on March 31, 2017 the Company has Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders 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 applicable to Committee Meetings, as far as may be practicable. 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 / Deputy Company Secretary acts as the secretary of all the Committees.

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 Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Annual General Meeting (AGM) held on Friday, August 5, 2016 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.

Meetings:

The Audit Committee met 5 (Five) times during the year 2016-17 on May 17, 2016, August 5, 2016, November 8, 2016, February 8, 2017 and on March 28, 2017.

Table 2: Attendance record of Audit Committee members for 2016-17

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. P. G. Pawar	Independent	Chairman	5	5
Mr. S. M. Thakore	Independent	Member	5	5
Mr. P. H. Ravikumar	Independent	Member	5	4
Mr. P. C. Bhalerao	Non-Executive	Member	5	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/Deputy 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 Companies Act, 2013.
 - (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 Statements arising out of audit findings.
 - (v) Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 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, debenture holders, 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 the 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; appointment and removal and to carry out evaluation of every Director's performance;
- d) Internal audit reports relating to internal control weaknesses, if any; 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;
- e) The appointment, removal and terms of remuneration of the Internal Auditors is subject to review by the Audit Committee; c) To extend or continue the term of appointment of the Independent Director based on the performance report of Independent Director;
- f) The Financial Statement, in particular, the investments made by the unlisted subsidiaries of the Company, in view of the requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; 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;
- g) Details of material individual transactions with related parties, which are not in the normal course of business; e) To formulate a criteria for evaluation of performance of the Independent Directors and Board of Directors; and
- h) Details of material individual transactions with related parties or others, which are not at arm's length basis, along with management's justification for the same; f) To devise a policy on diversity of Board of Directors.
- 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; and
- m) Evaluation of internal financial controls and risk management systems.

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

Meetings:

The Nomination and Remuneration Committee met 3 (Three) times during the year 2016-17 on May 17, 2016, August 5, 2016 and on February 8, 2017.

Table 3: Attendance record of Nomination and Remuneration Committee for 2016-17

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

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, Executive 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: <http://bharatforge.com/images/PDFs/policies/BFL%20CSR%20Policy-Signed.pdf>

Terms of reference:

- a) To formulate and recommend to the Board, a CSR Policy in terms of Schedule VII of the Companies Act, 2013;
- 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.

Meetings:

The CSR Committee met twice during the year 2016-17 on May 17, 2016 and on February 8, 2017.

Table 4: Attendance record of Corporate Social Responsibility (CSR) Committee for 2016-17

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, debenture holders and other security holders;

- b) To consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- 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.

Meetings:

The Stakeholders Relationship Committee met during the year 2016-17 on May 17, 2016.

Table 5: Attendance record of Stakeholders Relationship Committee for 2016-17

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

Compliance Officer

Ms. Tejaswini Chaudhari, Deputy Company Secretary and Chief Compliance Officer, is the Compliance Officer for complying with requirements of Securities Laws and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Table 6: Number and nature of complaints received and redressed during the year 2016-17

Nature of complaint	No. of complaints received	No. of complaints redressed	No. of complaints pending as on March 31, 2017	No. of complaints not solved to the satisfaction of shareholders
Non-receipt of shares lodged for transfer/transmission	Nil	Nil	Nil	Nil
Non-receipt of Dividend	8	8	Nil	Nil
Non-receipt of Sub-divided Shares	Nil	Nil	Nil	Nil
Non-receipt of Annual Report	1	1	Nil	Nil
Change of address	1	1	Nil	Nil

SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralised web-based complaints redressed system. The salient features of this system include centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of action taken on the complaints and its current status.

Designated Exclusive Email-ID

The Company has also designated the email-id: 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, Executive 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 the limits specified by the Board; and
- h) To open and close bank accounts of the Company and to authorise employees for operating bank accounts of the Company.

Meetings:

The Finance and Risk Management Committee met 3 (Three) times during the year 2016-17 on May 17, 2016, November 18, 2016 and March 14, 2017.

Table 7: Attendance record of Finance and Risk Management Committee for 2016-17

Name of the Director	Category	Status	No. of Meetings	
			Held	Attended
Mr. B. N. Kalyani	Executive	Chairman	3	2
Mr. P. G. Pawar	Independent	Member	3	3
Mr. Amit B. Kalyani	Executive	Member	3	3
Mr. P. C. Bhalerao	Non-Executive	Member	3	3

FUNCTIONAL COMMITTEE

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

REMUNERATION OF DIRECTORS

Information on remuneration of Directors for the year ended March 31, 2017 is given below in **Table 8:**

Table 8: Remuneration paid or payable to Directors for the year ended March 31, 2017 and relationships of the Directors with each other

(In ₹)						
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	64,667,468	7,257,600	79,000,000	150,925,068
Mr. S. M. Thakore	None	575,000	NA	NA	1,150,000	1,725,000
Mr. P. G. Pawar	None	675,000	NA	NA	1,400,000	2,075,000
Mr. P. C. Bhalerao	None	675,000	NA	NA	1,350,000	2,025,000
Mrs. Lalita D. Gupte	None	225,000	NA	NA	450,000	675,000
Mr. P. H. Ravikumar	None	400,000	NA	NA	800,000	1,200,000
Mr. Naresh Narad	None	250,000	NA	NA	500,000	750,000
Dr. T. Mukherjee	None	200,000	NA	NA	400,000	600,000
Mr. Vimal Bhandari	None	325,000	NA	NA	650,000	975,000
Mr. G. K. Agarwal	None	NA	28,315,069	2,980,800	13,000,000	44,295,869
Mr. Amit B. Kalyani	Son of Mr. B. N. Kalyani	NA	27,965,600	2,980,800	13,000,000	43,946,400
Mr. B. P. Kalyani	None	NA	13,946,137	1,237,680	17,000,000	32,183,817
Mr. S. E. Tandale	None	NA	15,762,607	1,334,880	17,000,000	34,097,487
Mr. K. M. Saletore	None	NA	12,455,939	703,080	11,000,000	24,159,019

Notes:

* Determined on the basis of criteria of Section 2(77) of the Companies Act, 2013.

** 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, Company would make all travelling and other arrangements for Directors for their participation in the Board and other committee meetings or reimburse such expenses, if any.

The Remuneration payments in the Company are made with an aim of rewarding performance based on review of achievements. The remuneration levels are in consonance with the existing industry practices.

Payments to Non-Executive Directors are decided based on multiple criteria of 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 vis-a-vis the Company.

The appointment of Directors, their terms of employment, salary fixed pay, variable pay, service contract, notice period and severance fees, if any, are governed by the applicable policies of the Company.

Details of equity shares of the Company held by Directors as on March 31, 2017 are given below in **Table 9:**

Table 9: Details of equity shares of the Company held by Directors as on March 31, 2017

Name of the Director	Number of equity shares held of ₹ 2/- each
Mr. B. N. Kalyani	39,025
Mr. Amit B. Kalyani	350,200
Mr. S. M. Thakore	14,000
Mr. B. P. Kalyani	3,130
Mr. G. K. Agarwal	2,455
Mr. P. H. Ravikumar	2,922

Other Directors do not hold any equity share of the Company.

None of the Non-Executive Directors holds any Convertible Instruments as on March 31, 2017.

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
2015-16	August 5, 2016	10:30 a.m.	Registered office of the Company	None
2014-15	August 3, 2015	10:30 a.m.	Registered office of the Company	1. Adoption of new set of Articles of Association of the Company.
2013-14	September 4, 2014	11.15 a.m.	Registered office of the Company	1. Authority to the Board to create Charge. 2. Authority to the Board to Borrow money. 3. Related Party Transactions of the Company with Kalyani Carpenter Special Steels Limited 4. Related Party Transactions of the Company with Kalyani Steels Limited. 5. Related Party Transactions of the Company with Bharat Forge International Limited.

No Extraordinary General Meeting of the Members was held during the year 2016-17.

Postal Ballot

No resolution was passed through Postal Ballot during the year 2016-17.

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

Subsidiary Companies

Bharat Forge Limited has 8 (Eight) direct subsidiaries out of which 3 (Three) are registered outside India and 5 (Five) are in India, whose turnover does not exceed the materiality limit prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Since the Company does not have any material unlisted subsidiary, it is not required to nominate an Independent Director of the Company on the Board of any Subsidiary.

The details of these subsidiaries are reported in this Annual Report.

DISCLOSURES

Related Party Transactions

All transactions entered into with 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: <http://bharatforge.com/images/PDFs/policies/BFL.RPT%20Policy.pdf>

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 notes to Financial Statements.

The related party transactions are entered into based on consideration of various business exigencies, such as synergy in operation, sectorial specification and the Company's long-term strategy for sectorial investments, market share optimisation, profitability, legal requirements, liquidity and capital resources.

Management Discussion and Analysis

This Annual Report has a detailed chapter on Management Discussion and Analysis (MDA) and includes discussion on various matters specified under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Details of non-compliance

Bharat Forge Limited has complied with all the requirements of regulatory authorities. There has been no instance of non-compliance by the Company on any matter related to capital market during the last 3 (Three) financial years and hence, no penalties/strictures were imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital market during the last 3 (Three) financial years.

Whistle Blower Policy

The Company promotes ethical behavior in 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 the 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 Companies Act, 2013. The policy comprehensively provides an opportunity for an employee and Director to report the 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 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 details of establishment of Whistle Blower Policy/Vigil Mechanism have been disclosed on the Company's website at the link:

<http://bharatforge.com/images/PDFs/policies/BFL%20Whistle%20Blower%20Policy-Signed.pdf>

Policy on Determining "Material" Subsidiaries

This Policy is framed in accordance with the requirements of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including and 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:

<http://bharatforge.com/images/PDFs/policies/Policy%20on%20Material%20Subsidiary-BFL.pdf>

Dividend Distribution Policy

The Securities and Exchange Board of India ("SEBI") vide notification dated July 08, 2016 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") whereby it has become mandatory for top five hundred listed companies (based on their market capitalization calculated as on 31st day of March every year) to formulate Dividend Distribution Policy and make appropriate disclosures in terms of SEBI LODR in their Annual Reports and on the Company's website.

Accordingly, based on the parameters prescribed by SEBI, the Company on February 8, 2017 has adopted this Policy titled "Dividend Distribution Policy of Bharat Forge Limited" ("The Policy"). The said policy is provided as an **Annexure 'B'** to the Board's Report which forms part of this Annual Report and is displayed on the Company's website: www.bharatforge.com

COMPLIANCE WITH MANDATORY AND NON-MANDATORY REQUIREMENTS

The Company has complied with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted following non-mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Shareholder Rights

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

Audit Qualification

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

MEANS OF COMMUNICATION

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 Company's website: (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 (all editions) and Loksatta (Pune).

News releases, official news and media releases are sent to the Stock Exchanges.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is provided on the Company's website: www.bharatforge.com and the same is updated from time to time.

Presentations to Institutional Investors/ Analysts

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

NSE Electronic Application Processing System (NEAPS)

The NEAPS is a web-based application designed by NSE for Corporates. All periodical compliance filings, like the Shareholding Pattern, Corporate Governance Report, Media Releases etc. are also filed electronically on NEAPS.

SHAREHOLDERS

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: www.bharatforge.com

Support Green Initiative of MCA

The Ministry of Corporate Affairs, Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies vide General Circular No.17/2011 dated April 21, 2011, in terms of which the Company has been forwarding such documents through electronic mode. Company requests Shareholders to provide their e-mail addresses to enable Company to forward the notices/documents through e-mail, to the maximum possible extent in order to support green initiative. Members are once again requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants and members who hold shares in physical form with the Company, at its e-mail address at : secretarial@bharatforge.com or at its registered office at Secretarial Department, Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India.

GENERAL SHAREHOLDER INFORMATION

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.

ANNUAL GENERAL MEETING

Day	Thursday
Date	August 10, 2017
Time	10:30 a.m.
Venue	Registered Office of the Company, Mundhwa, Pune Cantonment, Pune - 411 036, Maharashtra, India.

FINANCIAL YEAR

April 1, 2016 to March 31, 2017.

For the year ended March 31, 2017, results were announced on:

August 05, 2016	First quarter
November 08, 2016	Half yearly
February 08, 2017	Third quarter
May 24, 2017	Annual

Quarterly results of the Company are published in Business Standard (all editions) and Loksatta (Pune) and are displayed on the Company's website: www.bharatforge.com

Key financial reporting dates for the financial year 2017-18:

Quarter ending June 30, 2017	on or before August 14, 2017
Quarter ending September 30, 2017	on or before November 14, 2017
Quarter ending December 31, 2017	on or before February 14, 2018
Audited results for the financial year 2017-18	on or before May 30, 2018

BOOK CLOSURE

The books will be closed from Tuesday, August 1, 2017 to Thursday, August 10, 2017 (both days inclusive) as annual closure for payment of final dividend.

DIVIDEND

A. Interim Dividend (Equity Shares):

The Board of Directors of the Company at its meeting held on Wednesday, February 8, 2017 had approved payment of an Interim Dividend at the rate of ₹ 2.50 per equity Share of ₹ 2/- each (125%) for the financial year ending on March 31, 2017. The said dividend has been paid on Tuesday, February 28, 2017.

B. Final Dividend (Equity Shares):

The Board has recommended a Final Dividend of ₹ 5/- (Rupees Five only) per equity share of ₹ 2/- each (250%) for the year ended March 31, 2017 and would be payable on or before August 16, 2017.

The final dividend, if declared, will be paid to those members:

- (i) who hold shares in physical form and whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company before the closing hours on Monday, July 31, 2017; and

- (ii) whose names appear as beneficial owners holding shares in electronic form as per the beneficial ownership data as may be made available to the Company by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of end of the day on Monday, July 31, 2017.

Dividend declared by the Company for the last 5 years:

Financial year	Dividend payment dates	Dividend per share*
2016-17	February 28, 2017 (Interim Dividend)	₹ 2.50
2015-16	August 8, 2016 (Final Dividend)	₹ 0.50
2015-16	March 29, 2016 (Second Interim Dividend)	₹ 4.00
2015-16	February 25, 2016 (Interim Dividend)	₹ 3.00
2014-15	August 5, 2015 (Final Dividend)	₹ 4.50
2014-15	February 16, 2015 (Interim Dividend)	₹ 3.00
2013-14	September 25, 2014 (Final Dividend)	₹ 2.50
2013-14	February 28, 2014 (Interim Dividend)	₹ 2.00
2012-13	August 26, 2013 (Final Dividend)	₹ 2.40
2012-13	March 21, 2013 (Interim Dividend)	₹ 1.00

*of face value of ₹ 2/- each.

Reminders to Investors

Every year reminder letters for unpaid dividend are sent to the Shareholders who have not claimed the dividend.

a) Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund (IEPF):

During the year under review, the Company has credited ₹7,81,693/- (Rupees Seven Lakhs Eighty-one Thousand Six Hundred and Ninety-three only) on September 7, 2016 lying in the unpaid/unclaimed dividend account, to the Investor Education and Protection Fund (IEPF) pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

b) Transfer of shares in respect of which dividend has not been claimed for 7 (seven) consecutive years or more to the Investor Education and Protection Fund:

As per the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has sent notice to all the Shareholders whose shares are due to be transferred to the IEPF and published requisite advertisement in newspapers. The Company has also uploaded full details of such Shareholders and Shares due to transfer to the IEPF on its website at: www.bharatforge.com. To verify the details of unencashed /unclaimed dividends and the corresponding shares liable to be transferred to the IEPF, Shareholders are requested to refer to the weblink:<http://bharatforge.com/investors/unclaimed-dividedn.html>.

on January 1, 2017 and the same has been paid on due date. As a result, the said debentures stands fully redeemed as at the end of 7th year from the date of allotment.

As a result, all the debentures of the Company stand redeemed during FY 2016-17.

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

LISTING

Equity

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

Debt Security

a) The 30% installment of Company's 10.75% Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000,000/- each was due for redemption on April 28, 2016. The Company has paid the said installment on April 28, 2016. With this payment of final installment, the 10.75% Secured Redeemable Non-Convertible Debentures of face value of ₹ 1,000,000/- stand fully redeemed as on April 28, 2016.

b) The Third and Final installment @ 33.34% of Company's 11.95% Secured Redeemable Non-convertible Debentures of ₹ 2,500 Million of face value of ₹ 10,00,000/- each was due for redemption

DEBENTURE TRUSTEES

The details of Debenture Trustees in terms of SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013 are given below:

Name of Debenture Trustees	: Catalyst Trusteeship Limited (formerly GDA Trusteeship Limited)
Address	: "GDA House", S. No. 94/95, Plot No. 85, Opp. Kothrud Bus Depot, Bhusari Colony (Right), Paud Road, Kothrud, Pune – 411 038, Maharashtra, India
Phone No.	: 020-2528 0081
Fax No.	: 020-2528 0275
Email address	: dt@ctltrustee.com

STOCK DATA

Table 11 below gives the monthly high and low prices and volumes of Bharat Forge Limited (Bharat Forge) Equity Shares at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE) during the year 2016-17.

Table 11: High and Low Prices and Trading Volumes on the BSE and NSE

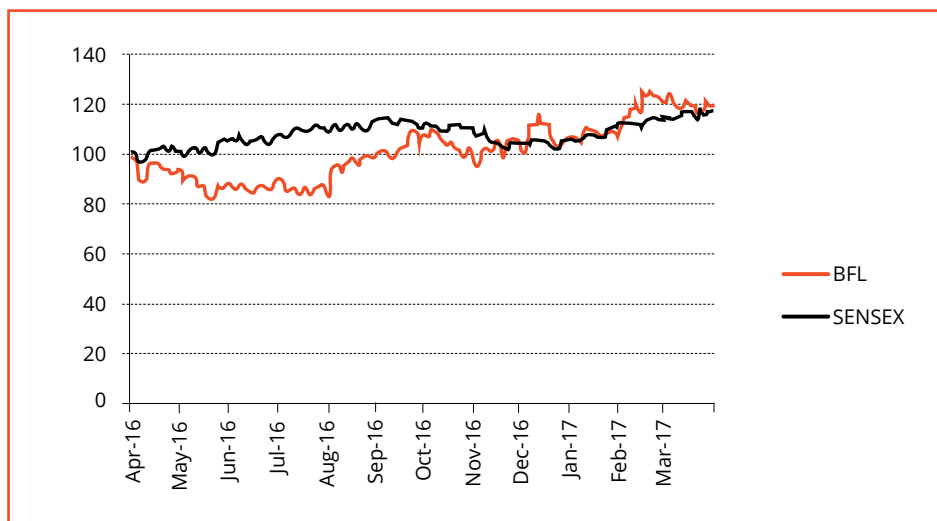
Month	BSE Ltd. (BSE)			National Stock Exchange of India Ltd. (NSE)		
	High (₹)*	Low (₹)*	Volume (Nos.)	High (₹)*	Low (₹)*	Volume (Nos.)
Apr-16	883.50	760.00	1,498,264	883.00	760.10	14,696,452
May-16	823.00	705.00	1,864,540	822.70	704.90	17,142,479
Jun-16	774.45	686.80	1,593,197	774.90	682.00	13,360,027
Jul-16	785.00	720.00	1,857,164	785.00	718.80	11,521,946
Aug-16	872.50	716.70	3,971,053	872.25	716.00	33,008,424
Sep-16	969.50	828.95	2,737,519	969.20	827.10	20,507,351
Oct-16	979.35	853.60	1,437,033	978.00	853.00	12,803,877
Nov-16	931.50	765.95	2,212,630	932.00	764.65	21,411,173
Dec-16	1,008.50	860.55	2,144,021	1,008.45	860.40	19,842,406
Jan-17	964.75	850.00	1,363,808	964.95	904.00	13,112,179
Feb-17	1,094.00	930.00	1,908,736	1,095.00	930.00	19,412,220
Mar-17	1,088.90	994.90	3,160,573	1,089.00	995.00	14,475,669

*Price in ₹ per Equity Share.

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



Note : Share prices of Bharat Forge and BSE Sensex have been indexed to 100 as on first working day of FY 2016-17 i.e. April 1, 2016.

Share Transfer Agents and Share Transfer and Demat System

Bharat Forge Limited has no share transfer agent. The Company itself is SEBI Registered Category-II Registrar to an Issue and Share Transfer Agent. All works relating to physical transfer, transmission, splitting of Share certificates, dematerialisation and rematerialisation processing, payment of dividend etc. is done in-house at the registered office of the Company. Bharat Forge's equity shares are traded on the Stock Exchanges compulsorily in Demat mode. 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 in terms of both physical and electronic modes 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.

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 National Securities Depository Limited and Central Depository Services (India) Limited and in physical form, duly certified by a qualified Practising Company Secretary, to the stock exchanges where the Company's securities are listed within 30 (Thirty) days of the end of each quarter and the certificate is also placed periodically before the Board of Directors of the Company at its Board Meetings.

Code of Conduct for Prevention of Insider Trading Practices

The Company has adopted a comprehensive Code of Conduct for Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information in the securities of the Company to its Directors, Promoters, Key Managerial Personnel and Designated Persons. 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.

SHAREHOLDING PATTERN

Table 12: Pattern of shareholding by ownership as on March 31, 2017

Category of Shareholder	No. of Shareholders	No. of shares held (₹ 2/- each)	Shareholding %
Promoters ¹	22	106,490,920	45.75
Financial Institutions	14	15,167,194	6.52
Mutual Funds (including Unit Trust of India)	107	16,784,016	7.21
Insurance Companies	4	2,719,951	1.17
Nationalised Banks	11	615,367	0.26
Foreign Institutional Investors	41	10,729,929	4.61
Foreign Portfolio Investors	320	35,333,222	15.18
Bodies Corporate	1,689	12,425,860	5.34
Non Resident Indians	2,744	981,415	0.42
Foreign Nationals (including Foreign Banks and Foreign Corporate Bodies)	2	506	0.00
Public ²	98,432	31,545,936	13.55
Total	103,386	232,794,316	100%

1 and 2: For definition of Promoter's shareholding and Public shareholding, refer to Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Table 13: Distribution Schedule as on March 31, 2017

Category (Shares)	Number of shareholders	Number of shares held of ₹ 2/- each	Shareholding %
1 to 5000	102,157	18,636,057	8.01
5001 to 10000	535	3,753,190	1.61
10001 to 20000	258	3,651,270	1.57
20001 to 30000	105	2,593,804	1.11
30001 to 40000	44	1,516,994	0.65
40001 to 50000	31	1,407,223	0.60
50001 to 100000	82	5,793,119	2.49
100001 and above	174	195,442,659	83.96
Total	103,386	232,794,316	100%

Dematerialisation

The Company's Equity Shares are under compulsory demat trading. As on March 31, 2017, dematerialised shares accounted for 96.50% (96.43% upto March 31, 2016) of total Equity share capital. The details of dematerialisation are given in **Table 14** below.

Table 14: Dematerialisation of Shares as on March 31, 2017

Sr. No.	Mode of holding	Percentage holding
1	NSDL	92.51
2	CDSL	3.99
3	Physical	3.50
	Total	100%

Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity GDRs – 9,200

Foreign Exchange risk/hedging activities :

The Company is exposed to foreign exchange risk on account of import and export transactions. The Company is proactively mitigating these risks by entering into necessary hedging transactions.

Table 15: 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 (₹)
2016-17	NIL	NIL
2015-16	NIL	NIL
2014-15	NIL	NIL

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.

Investor Correspondence Address:

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

Compliance Certificate of the Auditors

Certificate from the Auditors of the Company, M/s. S R B C & CO LLP, confirming compliance with the conditions of Corporate Governance, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached.

Disclosure under regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Unclaimed Shares.

In compliance with Regulation 39(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016	483	173,050
Shareholders who approached the Company for transfer of shares from suspense account during the year	9	6,775
Shareholders to whom shares were transferred from the suspense account during the year	9	6,775
Aggregate number of Shareholders and the outstanding shares in the suspense account lying as on March 31, 2017	474	166,275

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

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, 2017, compliance with the Code of Conduct of the Company laid down for them

B.N. KALYANI

Chairman and Managing Director

**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") to the best of our knowledge and belief certify that:

- | | |
|--|--|
| <p>a) We have reviewed financial statements and the cash flow statement for the year 2016-17 and that to the best of our knowledge and belief:</p> <p>i) these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;</p> <p>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.</p> <p>b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2016-17 which are fraudulent, illegal or violative of the Company's Code of Conduct.</p> | <p>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.</p> <p>d) We have indicated to the Auditors and the Audit Committee:</p> <p>i) significant changes in internal control over financial reporting during the year;</p> <p>ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement; and</p> <p>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.</p> |
|--|--|

K. M. SALETORÉ

Chief Financial Officer

B. N. KALYANI

Chairman and Managing Director

Pune: May 24, 2017

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

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of Bharat Forge Limited
Bharat Forge Limited
Mundwa, Pune Cantonment,
Pune- 411 036

1. The Corporate Governance Report prepared by **Bharat Forge Limited** (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2017 ("the reporting period"). This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements, i.e. clause 17 to 27 and clause 46 (2)(b) (i) of the Listing Regulations.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

- i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors w.r.t. executive and non-executive directors has been met throughout the reporting period;
- iii. Obtained and read the Directors Register as on March 31, 2017 and verified that atleast one women director was on the Board throughout the reporting period;
- iv. Obtained and read the minutes of the following committee meetings held during the reporting period:
 - (a) Board of directors meeting;
 - (b) Audit committee;
 - (c) Nomination and remuneration committee;
 - (d) Stakeholders relationship committee;
 - (e) Finance and risk management committee; and
 - (f) Corporate Social Responsibility Committee

- v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable as at March 31, 2017, referred to in paragraph 4 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

10. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to Corporate Governance Report accompanied with by a report thereon from the statutory auditors and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

Per Arvind Sethi

Partner

Membership No.: 89802

Place: Pune

Date: May 24, 2017